

**Tustin Unified School District
Citizens' Oversight Committee**

MINUTES

January 12, 2005

George Jeffries called the regular meeting of the Citizens' Oversight Committee to order at 6:08 p.m. in the Board Room, Tustin Unified School District, 300 South C Street, Tustin, CA.

Members Present:

Patrick Craig
Lisa Frost (Arrived 6:30 p.m.)
George Jeffries
Bruce Junor
Steve Kozak (Absent)
Jason Rush
John Secor
Judy Shade (Arrived 6:32 p.m.)
Rich Wagner (Arrived 6:12 p.m.)

Staff Present

Peter Gorman
Brock Wagner
Tony Soria

Guest Presenters

Fausto Silva of PinnacleOne

George Jeffries led the Pledge of Allegiance to the Flag of the United States of America.

Adoption of the Agenda

It was moved by Bruce Junor, seconded by John Secor, and carried unanimously to adopt the agenda.

Staff Presentation and Information

None.

Public Comments

None.

General Functions Consent Item:

It was moved by Patrick Craig, seconded by Jason Rush, and carried unanimously to approve the Minutes of November 10, 2004.

Information Items/Presentations:

1. Change Orders

Fausto Silva of Pinnacle One and Brock Wagner shared in detail the status of the Measure G Change Orders, i.e., change order amounts to date, procedures, column addition to the "Project Budget, Commitment, and Actual Cost" spreadsheet, etc. It was discussed that staff will bring to each COC meeting two books on Change Orders: Book "A" will contain the most recent Board agenda cover pages, one line summary, and detailed information on all projects; Book "B" will be a separate book with the same information as Book "A," with all Change Orders from the start.

2. Measure G Expenditures and Fund Balance

Fausto Silva of PinnacleOne distributed, discussed, and reviewed the January 12, 2005, Measure G Project Status handout. Mr. Silva explained that columns D-1 and D-2 were added to the spreadsheet. D-1 is the amount of Change Orders for two-months, D-2 is the total Change Orders to date. The COC discussed in detail change order parameters, i.e., credit, debit, deferrals, etc. Brock Wagner explained that Change Orders are a modification to an agreement and that any additions and/or deletions to a contract need to be brought to the Board for approval.

George Jeffries shared that change orders should be in layman terms in the spreadsheet for the public to understand. It was discussed that for the next COC meeting, staff would bring an example of a change order process using Beswick Elementary School, i.e., identifying the modernization/remodel project, beginning cost, deferral, Change Orders definition of overage, amount of costs, amount of deletion, amount of difference, etc. Pinnacle One will also add three columns to the Citizen's Oversight Committee Measure "G" Project Status spreadsheet: a) Increase Scope, b) Decrease Scope, and c) Deferred Scope.

3. Phase II Update

Brock Wagner shared that the District is in the process of identifying Phase II for next summer. The District will not attempt an all encompassing modernization program like last summer, projects which were difficult to manage and expensive. The design standards for materials, conditions, and work will be the same as Phase I. Staff is ready to recommend multiple architects for Phase II and will proceed with Board direction.

4. Phase III Update

Pinnacle One will initiate the Phase III process, i.e., priority of projects, etc.

5. Audit Update

Lisa Frost, Jason Rush, Bruce Junor, and Judy Shade attended the financial audit for Measure G with Vicenti Lloyd and Stutzman. The auditors tested 70% to 80% of the Measure G expenditures. Copies of the Board approved audit will be brought to the next COC meeting. It was requested that an article of the audit be put on the web site and local newspaper.

6. Attorney General's Proposition 39 Ruling

Pete Gorman passed out Proposition 39 legal opinions from the Orange County Department of Education, Parker and Covert, and the Fiscal Report – School Services of CA. The Attorney General originally ruled that Proposition 39 monies could not be used for District employee salaries that worked directly with school bond projects. According to the above opinions, we can use Prop 39 funds to pay employee salaries when they perform Prop 39 work.

7. Measure G Open House

The District sent out 40,000 copies of Measure G Bond Update to the Community. Thus far, the response has been very favorable towards the brochure. An Open House was held at three modernization school sites: Arroyo, Beswick, and Estock Elementary Schools.

8. Future Meeting Topics

The following was requested for future meeting topics: Change Orders, Measure G Expenditures, and Audit Report.

9. Old Business

Pete Gorman reminded the COC to submit their Economic Statement forms to his office.

10. New Business

It was suggested that Pete Gorman work with Lisa Frost to draft an article on the audit report. The COC also requested that any School Board prioritization update be provided.

Adjourn

It was moved by Bruce Junior, seconded by Jason Rush, and carried unanimously to adjourn the meeting at 8:10 p.m.