



## PASADENA UNIFIED SCHOOL DISTRICT

### MEASURE TT CITIZENS' OVERSIGHT COMMITTEE

**MINUTES** of the Citizens' Oversight Committee held on January 20, 2011 at the Education Center, 351 S. Hudson Avenue, Pasadena, CA 91101, in room 240.

#### **PRESENT:**

**Committee:** Jon Fuhrman, Carolyn Ellner, Ed Barnum, Lee Johnson, Paul Hunt, Gregory Barna, Augustin Zuniga, Rita Turner, James Kossler

**Board Member:** Not present

**Staff:** David Azcárraga (incoming Chief of Facilities), Patrick Kennedy (Facilities Consultant), Anita Weems (Director of Accounting), Wendy Childress.

**Absent:** Joanna Bauer, Kenneth Hargreaves

**Guests:** Tom Snyder, Auditor with Vavrinke, Trine, Day & Co. (VTD), Keith Clinkscales – Construction Accountant Consultant

#### **A. CALL TO ORDER**

Chairman Jon Fuhrman called meeting to order at 5:36 p.m.

#### **B. PUBLIC COMMENT - None**

#### **C. APPROVAL OF MINUTES OF December 16, 2010 MEETING**

Motion by Dr. Carolyn Ellner to approve December 16, 2010 meeting minutes, seconded by Rita Turner, approved by majority vote, with two abstentions.

#### **D. DISCUSSION/PRESENTATION ITEMS**

1. Report on Financial and Performance Draft Audit for Measure TT for 2009-2010 Fiscal Year

Tom Snyder, Auditor with VTD, explained that the responsibility of VTD is to express an opinion on the material presented and verify that the Measure TT Bond funds are being spent accordingly. Mr. Snyder went over the balance sheet. Committee members questioned how fund balances are verified and the auditor informed the group that the information is taken from the District's general ledger system and verified by viewing the actual source documents. Discussion ensued regarding interest income, budget numbers and whether the District was on target according to the budget for the work that has been completed. Staff explained that phased spending accounts for some of

the discrepancies and that front loading certain contractual agreements skews the ratio between the hard/soft costs. Staff further explained that there will be a declining ratio of hard/soft costs as work progresses. Committee members asked if there was a way to isolate the costs. Staff explained that soft costs were affected by the hiring of architects and certain other consultants resulting in the commitment of funds prior to the work/projects actually beginning. Dollars were committed by prior staff for projects that will not happen for a few years.

Committee would like to have a historical chart that shows soft cost are going down. Committee members wanted to know if changes for front loading affect the current contracts or, is it from this point forward and how many projects will be affected. Staff explained that there will be no more front loading.

The auditor continued his presentation by explaining the sections of the audit report. He noted that the second part of the audit contains the accounting procedures agreed upon between VTD and the District, the first part of this section pertains to the Measure TT Bond and verifies that a separate building fund has been established. Mr. Snyder informed the Committee that they select at least 30%, Mr. Kennedy pointed out that in this case it was 55%, of total expenditures to verify that the monies were spent as stated and shared with the public. Mr. Snyder further explained that their role is to verify that District policies and accepted accounting procedures were followed and that they found no discrepancies or areas of concern. There were no exceptions found.

Mr. Fuhrman agreed to be present when this audit is presented to the PUSD Board on January 25, 2011.

The Committee questioned if the information in this report is just for this fiscal year or from the inception of the Bond. The auditor informed them that this is for this year only. There was discussion regarding the time frame that the audit covers. Committee members expressed that they would like to see expected costs and actual costs and staff explained that there hasn't been much work to date. Mr. Kennedy suggested that a member of the Committee come to the Facilities Office to help build a snapshot document that reflected what the Committee would like to report to the community.

Mr. Fuhrman asked that the audit be placed on the website after it is presented to the Board.

A question was raised about the interest rates of the Bond and Mr. Fuhrman and the auditor elaborated on this issue.

Action(s):

Mrs. Weems, Accounting and Payroll Director, will speak with Dr. Pappalardo, Chief Finance Officer about the structure of the Bond and the rates and the information will be reported back to the Committee.

The Committee voted on receiving the final audit as presented. Motion to receive the Bond was placed on the floor. Motioned by Mr. Zuniga, seconded by Ms. Turner, approved unanimously.

2. Planning for Committee's Semi-Annual Report

A drafting subcommittee was organized to work on the semi-annual report. Members of the subcommittee are: Ms. Turner, Dr. Ellner, Mr. Johnson and Mr. Fuhrman. Report will include any open issues from the previous report to date and include the final audit.

Mr. Kennedy shared emails received by the District via the website. Discussion ensued and the Committee decided it would like to view any such concerns and be informed of the responses/results after the District addresses them. Mr. Kennedy informed the Committee that staff did invite the individual who expressed concerns about Measure TT work at Muir via the website to come in and meet with Facilities staff but has not received a response to date. Mr. Azcárraga interjected that it is okay for staff to share and discuss the information received via email but that it actually falls under the purview of the Facilities Subcommittee. He also added that there are no plans to use TT monies for joint use projects. Concerns were raised regarding the accuracy and timeliness of documents posted to the site. Ms. Childress showed the Committee the site, pointed out the information available and explained that the "Agenda/Minutes" page had been reconfigured to be more user friendly. Mr. Kennedy shared that the bulk of the projects have not yet been started begun.

Discussion then ensued regarding the light issue at PHS. Mr. Kennedy explained that the claims and statements made in the emails were inaccurate.

## **E. REPORTS FROM PUSD CHIEF OF FACILITIES**

1. Measure TT Consolidated Expenditure Report 11-30-10  
No discussion
2. Cumulative Bid List 11-30-10  
None discussion
3. Other Developments of Significance to the C.O.C.

Blair - Staff informed the Committee that Blair is 2 ½ months late in delivery due to problems related to architects and contractors. Staff is currently working with council to make sure Measure TT does not bear the cost and there should be a \$150k – \$175k reduction from project due to extended general conditions not caused by District actions. Blair should be complete and ready for occupancy in the first or second week of April. Mr. Kennedy suggested a tour of Blair for the Committee.

Sierra Madre – There was emergency work to do with the storm water run-offs due to the heavy rains. The District team and Alta/Pasa filled and stacked more than 1,000 sandbags. There was vandalism to the sandbags set in place by the District. Mr. Kennedy pointed out that the storm water run-off plan was in place.

Hamilton – New Multi-use Classroom Project came in 30% under bid

Project Managers/Owners Rep – A RFP ad was placed for additional Owners Reps. Once Mr. Azcárraga is on board fulltime the selection process will begin. The District had already budgeted for 3 Project Managers/Owners Rep and 2 Assistants. Question was raised about other budgeted positions. Mr. Kennedy explained that there are other positions budgeted for and were presented to the Facilities Subcommittee a few months ago. There was also a new organizational chart presented and accepted.

Question regarding status of the Central Kitchen was raised. Mr. Kennedy informed the Committee that it had been placed on the Facilities Subcommittees agenda for full discussion.

## **F. REPORTS FROM COMMITTEE CHAIRS**

### **1. Report from Outreach Sub-committee – Dr. Ellner**

Dr. Ellner suggests that the focus of the committee be re-evaluated due to Committee vacancies.

Focus on visiting schools in the spring.

Committee members are to let her know if they have a particular school they are interested in.

### **2. Report from Liaisons to Facilities and Capital Subcommittee – Mr. Barnum/Mr. Hargreaves**

The need to visit Blair is a big issue.

The Facilities subcommittee approved that the new Chief is allowed to select the Owners Representatives.

## **G. REPORT FROM BOARD LIAISON – Mr. Honowitz**

Not present

## **H. REPORTS FROM SITE VISITS - Wait until Spring**

## **I. NEXT MEETING DATE AND ADJOURNMENT**

Audit Subcommittee will work on the draft report and send it to the Committee to review and determine whether the Committee needs to meet February 17<sup>th</sup> or March 17<sup>th</sup>.

Mr. Fuhrman shared that he had informed the Board that there are 5 vacancies and 4 up for reappointment. He asked each member in attendance if they were interested in continuing on the Committee and each responded yes. He will report this to the Board.

Meeting adjourned at 7:44 p.m. by Chair, Jon Fuhrman