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September 25, 2015

To: President Frank Tarantino  
Board Member Nick Segura  
Board Member Kevin J. Pike  
Board Member Paula Hall  
Board Member Arturo Solis

Dear President Tarantino:

Greetings. Thank you for the opportunity to submit the monthly Bond Oversight Chair Report. Here are the highlights of Citizen's Bond Oversight Committee (CBOC) activities since the August 24, 2015 Board of Trustees Regular meeting:

**California League of Bond Oversight Committees (Calboc)**

On August 24, 2015 the Chair attended a meeting of the California League of Bond Oversight Committees in Sacramento. There was considerable discussion regarding Performance Audit Standards being developed by the State, the possibility of lease leaseback legislation and consideration of the revised Operating Guidelines for Bond Oversight.

With respect to lease leaseback a Calboc letter was sent to the Legislature on August 25, 2015 which stated in part:

*"The CaLBOC mission is to promote school district accountability by improving the training and resources available to California's Prop 39 school bond oversight committees, educating the state legislature, local school boards, and the public about the oversight and reporting power these Citizens' Bond Oversight Committees (CBOCs) have, and to advocate on a state level, where appropriate, on issues of common concern to all CBOCs.*

*CaLBOC finds the court decision in Davis vs. Fresno Unified School District compelling, and thereby opposes any statutory efforts in this area, until the judicial process has concluded."*

With respect to the Operating Guidelines, these will be reformatted and organized in a more "user friendly" approach and consider for adoption in the Fall. However the basic content of the material will likely remain pretty much as drafted.

One example of the changes as drafted is as follows under “Role of the Bond Oversight Committee”:

*“The purpose of the Committee shall be to inform the public concerning the proper expenditure of the bond proceeds. The Bond Oversight Committee is both prospective and retrospective in nature and holds the District accountable for how the Bond money has been spent to “call out” where money has been spent inappropriately, and comment on proposed or pending District spending decisions i.e. the CBOC has the duty to comment on all expenditures whether proposed or actually spent.”*

The next meeting of Calboc will be in early November.

### **Special Meeting of the Bond Oversight Committee: Role and Issues of Interest**

As Chair, I called a Special Meeting for September 9, 2015. The purpose of the meeting was to focus on what we want to do and where we want to go as a Bond Oversight Committee this Fiscal Year.

There were three topics on the Agenda:

1. Role of the Citizen’s Bond Oversight Committee (CBOC)
2. Issues of Interest during FY 2015/16
3. Relationship of the Facilities Subcommittee to CBOC

Calling such a meeting was not done lightly in light of our already significant time commitment as volunteers for the betterment of this District and Community. The Bond Program is at a critical juncture. The Master Plan process is rebooting to determine how we are going to spend future dollars and current expenditures are winding down. We just had a probing and expansive Performance Audit that made a number of significant recommendations for improvement.

There were three discussion questions at the meeting:

1. Why did you want to join and participate in this Bond Oversight Committee?
2. What should be the role of the CBOC?
3. What do you believe are the three to four most important issues facing this Bond Program as we move forward?

Of particular note is the theme that came through when each member was asked why they joined the CBOC. It can be summarized as follows: Spend the Money as Promised to the Voters. This is the core element of our Oversight function as well.

There are three major observations:

1. This CBOC has gotten even more engaged since the institution of the new Board and wants to have significant input into the Bond Program. In short, we encourage the Board to listen to our concerns.
2. As prescribed by law we will continue to act independently and report our concerns to the Board and Public. In short, we will continue to be there as the eyes and ears for the Public and Taxpayers.
3. The CBOC wants to be “relevant”. There are opportunities to work together while still being independent bodies.

These were reported to you verbally last Board meeting under non agenda public comment.

In short, we must be respected and listened to as a CBOC. There have been a number of very positive developments with this new Board. They are as follows:

1. Finally a hard hitting audit was performed with substantial areas identified for improvement.
2. The Board is now listening to us as evidenced by the Audit consultant and retooling the Master Plan process.
3. We have a Superintendent who is accessible, receptive and respectful.

Our mutual cooperation between the Board/District and CBOC will only result in a better Bond Program. This all points to the importance of a joint meeting between the CBOC and Board of Trustees.

### **Regular CBOC Meeting held at Castle Park Middle School**

A CBOC meeting was held Wednesday September 23, 2015 at Castle Park Middle School. Highlights are as follows:

**Site Tour.** A half hour site Tour was conducted by Principal Gina Galvez-Mallari. The CBOC looked at the PE room, library, cafeteria, and several classrooms. Castle Park Middle School is like many of the older schools who need 21<sup>st</sup> Century Improvements to classrooms and their important support facilities such as the cafeteria.

Our CBOC would like to compliment and thank staff for a job well done on keeping this School in the best condition possible given its current physical limitations and age. This School really stands out what is possible to achieve with pride of ownership. The condition of the School is a testament to the staff and students who should be commended for their hard work and respect for their school.

It is clear from our Tours that quite a bit can be improved to the internal structure of a classroom without the need for new construction and that in fact this might be more cost effective in some instances. Our CBOC has been pushing for a robust cost benefit analysis on projects (eg. new construction versus remodel).

During the site tour we did look at classrooms that had been remodeled under Proposition BB. Through no fault of anyone, the impact of the exploding growth of technology has made some prior improvements obsolete (e.g. a cabinet for a TV and VCR player) or data drops versus the current Wi-Fi. One of the challenges in future spending decisions is building flexibility into the improvements to accommodate yet to be developed technological changes.

**Old Business/Outstanding Data Requests.** Staff has modified and expanded the documentation of requests for information from District Staff. On September 9, 2015 myself and Vice Chair Dan Gutowski met with Mr. Aguirre and Paul Woods to go over how to economize and coordinate data collection. It was agreed there would be more direct dialogue between CBOC members who requested the information and line staff who compile the information. Attached is the current matrix outlining these outstanding data requests.

What has been evident over the past months with the makeup of the current CBOC is we are asking more detailed questions. For instance at this meeting Member Carriedo asked for a breakdown of the amount spent on classrooms by campus. Breakdowns on legal costs, beyond what has been required for litigation, (e.g. contract review) have also been requested again.

Some of these requests may closely dovetail with issues to be considered by the Facilities Subcommittee. The CBOC will be mindful of the staff resources required to comply with the requests and Mr. Aguirre has tried to be responsive. However we expect the information to be supplied to us on a timely basis or that if it does not exist or would be extremely expensive to compile that the CBOC be notified promptly.

The Chair and Vice Chair will work with Mr. Aguirre to coordinate our requests so they can dovetail with other demands on staff time. As a Group this CBOC has become more vocal about our concerns with the spending of bond proceeds which is consistent with the law which states our independent body: is to:

*"The citizens' oversight committee shall actively review and report on the proper expenditure of taxpayers' money for school construction." (Education Code Section 15278)*

**District Architect Position.** There was considerable discussion but no formal action or recommendations from the CBOC on the proposed District Architect position. There are varied views on the need for the position and its role. There was considerable discussion on the need for a licensed "Architect" vs. other professional backgrounds such as an Engineering. Sandra Huevo represented staff and went over the position background and salary range.

As drafted the Position Description indicates under Education and Experience the person should have a *“Bachelors degree in Architecture or other applicable discipline from an accredited college or university and a license to practice architecture in California is required.”* Staff clearly wants the input of the CBOC on this position and this is to be commended.

Based upon prior CBOC dialogue and the discussion at this meeting, the District needs to specifically articulate and document how the functions of this position supports the technical needs of the Bond Program and the overall management of District Assets. In short, the CBOC would like to see how this position fits into the overall process improvements being discussed under the management responsibility of Mr. Aguirre.

**Performance Audit.** There was a spirited discussion regarding the Performance Audit, its scope of work, and how the responses to a Request for Proposals should be evaluated. This discussion included the option of retaining the past Performance Auditor, Moss Adams for another year. Staff is currently proceeding with a new Request for Proposals process (preliminary schedule attached).

The CBOC Ad Hoc Audit and Finance Subcommittee met earlier in September and adopted the following recommendations for the Performance Audit:

1. The Consultant should be approved by the Board no later than November 16, 2015 with the Final Work Product to be submitted to the District/CBOC for review by February 15, 2015. The extremely tight schedule for the audit in FY 13/14 must be avoided.

2. The Evaluation for **Cost/Pricing** should be retitled to **Cost/Pricing/Services Provided** i.e. The cost evaluation criteria should be modified. Last year's RFQ Evaluation Criteria automatically gave the lowest submitted cost the higher score simply because it was the low bid. The cost submission should consider the hours devoted to the project and hourly rates of staff. It should also consider the proposed scope in relation to the cost submittal.

3. The focused analysis should have the following elements:

- A six month post Audit Review of District progress in implementing FY 13/14 and FY 14/15 Audit Recommendations. This could consist of a Memorandum to the Board and CBOC.
- A review of the effectiveness of cost benefit analysis and value engineering used during the project design and construction processes.
- A review of Project expenditures to date and voter approved ballot language

- An evaluation of the District's process and procedures for maintenance of District Assets funded with Proposition O including compliance with warranty conditions.

The CBOC discussion centered around how the role of the consultants proposed cost would fit into the overall evaluation and selection process. The CBOC does not believe the manner in which the last RFP was structured with total cost being 30% of the scoring evaluation was appropriate. This approach does not adequately factor in the quality and level of effort required to complete the work.

It is hoped the items listed above are included in the contract scope. It is the District's decision on how to procure these services and what to include in the scope.

While we did not formally vote on whether to just retain Moss Adams, my sense is that the CBOC would not object to retention of this firm for another year to complete the new Audit. Future RFP's and contracts should include the option for a multi year contract.

**Board Items Report.** The general discussion of the Board items report centered on getting a better handle on controlling the costs of consultants particularly in the area of inspection costs. This consultant cost issue will be discussed further at an upcoming Ad Hoc Construction and Maintenance Subcommittee.

### **Request for Information**

The following information was requested CBOC members:

1. A complete documentation of Title IX Costs (prior request)
2. The number of classrooms improved and/or constructed under Proposition O
3. More detailed information on inspection reports and related errors flagged for correction
4. The possibility of eventual joint use of Performing Arts Center by Bonita Vista High School and Southwestern College
5. Detailed deferred maintenance plans, budgets, and square footage/space by building.

As stated in an email distributed yesterday, the Chair would like to have about ten minutes to present in summary form the information in this letter to the Board and public.

Sincerely,



Nick Marinovich, Chair  
Sweetwater Bond Oversight Committee

cc. Superintendent Karen Janney

**CBOC (CITIZENS' BOND OVERSIGHT COMMITTEE) DATA and INFORMATION REQUESTS**

Date	Request	Who is Responsible	Date Completed	Status / Notes
<b>Active</b>				
7/22/15	Copy of SOM Site Meeting #2 12/17/07 sign-in sheet	Paul		To date, staff has been unable to locate this item.
7/22/15	Data on Expenditures by School of Specific Projects/Functions	Paul		Part of sub-committee discussion on modifying project reports.
7/22/15	Warranty Logs	Paul / Gary		Comprehensive log not kept by Maintenance. Warranty list available per project
8/19/15	Additional detail on T&I Costs	Paul		Paul to clarify with Kevin
8/19/15	Additional detail on Legal Costs	Paul / Jennie		Under review in legal
8/19/15	Furniture Fixtures and Equipment Expenditures	Paul		Paul to clarify with Dan
8/19/15	Assessed Value and Debt Capacity Projections	Finance		Waiting for Finance
8/19/15	PPA 1 pre-installation cost benefit analysis	Paul		Analysis was prepared under direction of SGI and staff is trying to locate a copy.
8/19/15	PPA 2 pre-installation cost benefit analysis	Paul		3rd party analysis for PPA2 (1B and 2) is posted on the Prop O website under Solar projects
8/19/15	PPA Cost to date	Paul		Part of CFFP and CBOC reports every month
8/19/15	PPA RFP Responses, Evaluation Committee and Criteria for selection	Paul		
8/19/15	PPA Relevant internal correspondence on the evaluation and selection process	Paul		Clarify "relevant"
8/19/15	Graph or expenditure table comparing Planning and Ops expenditures to total Prop O expenditures	Paul		To be submitted at the October CBOC meeting
9/9/15	Electrical rates per kwh for solar, commodity purchase and SDG&E	Paul		Paul to clarify with Kevin

**CBOC (CITIZENS' BOND OVERSIGHT COMMITTEE) DATA and INFORMATION REQUESTS**

Date	Request	Who is Responsible	Date Completed	Status / Notes
<b>Complete</b>				
7/22/15	Breakdown of Inspection Costs	Paul	8/19/15	Complete. Submitted at Aug 19, 2015 CBOC Meeting
7/22/15	Charter School Costs with Proposition O (if any)	Paul	8/19/15	Complete. Submitted at Aug 19, 2015 CBOC Meeting
7/22/15	Legal Costs funded with Proposition O	Paul / Jennie / Deanne	8/19/15	Complete. Submitted at Aug 19, 2015 CBOC Meeting
7/22/15	CEQA Review for Projects	Paul	8/19/15	Presented orally at the August 19, 2015 CBOC meeting
7/22/15	Org Chart and Staff for Maintenance	Gary	7/22/15	Complete. Submitted at Jul 22, 2015 CBOC Meeting