

**MENLO PARK CITY SCHOOL DISTRICT**

**CITIZENS' BOND OVERSIGHT COMMITTEE - REGULAR MEETING**

**Draft Minutes**

Wednesday February 3, 2016  
4:00-5.00 p.m.  
District Office  
181 Encinal Avenue, Atherton, CA 94027

**I. CALL TO ORDER AND ROLL CALL**

The Citizen's Bond Oversight Committee was called to order at 4:06 p.m. Committee Chair Rutsky, Committee members Brahma & Craig, Chief Business and Operations Officer Sheikholeslami, and Director of Finance Frederiksen were present.

**II. REVIEW AND AMEND THE AGENDA**

There were no amendments made to the agenda.

**III. COMMENTS FROM THE AUDIENCE**

There were no comments from the audience.

**IV. CONSENT AGENDA**

**Approval of Items on the Consent Agenda**

A. Approval of Bond Oversight Committee Meeting Minutes – October 27, 2015

The minutes from the last meeting were approved with no amendments. It was moved/seconded (Craig, Rutsky) and the Committee unanimously approved (3/0) the February 3, 2015 Consent Agenda.

**V. REPORTS/DISCUSSION ITEMS**

A. Construction Update

1. Laurel School Upper Campus- CBOO Sheikholeslami shared a recent video of the project site. The Board was updated at last month's Board meeting. Construction is expected to be completed at the end of September 2016. The tentative opening date is October 17, 2016. Receiving the steel was key to the schedule moving along smoothly. Approvals from DSA delayed the timeline by about 4-5 weeks, but CBOO Sheikholeslami met with the Contractor to resequence the work. The school year will begin at the other Laurel campus for about 6 weeks. The Multi, Art and Science and possibly the Staff Lounge will be used for classroom spaces. The only costs associated with this are set up and prep. We are not likely to use portables due to the lack of space and they require a lot of work. The Contractor has general extended conditions and will move into a classroom at the new site towards the end of completion. The work is accelerating fast and they may only need one more Saturday for the welding and steel. Framing will follow. Weather is not likely to cause delays unless for example it rains and they are planned to install the roof.

B. Review Measure W Audit Reports & speak with Auditor

The meeting made a conference call to the Auditor, Charles Raibley from Crowe Horwath LLP to discuss the recent audit. Charles reported that the expenditures were made in accordance with Prop.39 and Measure W and that internal controls were evaluated.

1. Performance Audit- Page 3 of the Performance Audit was referenced. The Scope indicated that 272 transactions were identified with 2.1M in transactions & 26 expenditures totaling 1.5M from the Measure W were sampled in the Methodology. The Auditor reported that 7 transactions were under

**MENLO PARK CITY SCHOOL DISTRICT**

**CITIZENS' BOND OVERSIGHT COMMITTEE - REGULAR MEETING**

10K and 16 were over 10K-307K. Some salaries and construction management services were in there as well. The skew was said to vary but Charles said they have the experience and expertise with calculations of sample sizes and oversight on their end as well. The Committee expressed concern that only big transactions were sampled and the amounts assessed were only 75% of the spent dollar amount. The meeting asked for copies of the dollar amounts for the 272 transactions.

ACTION: Kim to send transactions to Committee.

In regards to the phrase "in all significant respects" in the Conclusion of the audit report, Charles noted that according to the AICPA the material threshold had no issues. CBOO Sheikholeslami added that the District has a process and internal controls. For example, when Consultant work is performed the notification is made to the Board and approvals are received. Invoicing also goes through an approval process, where details and numbers are checked by Kim, then to the Construction Manager for review, then to the CBOO and then to the Director of Fiscal Services. Pay Applications from Contractors also go through many layers for approval. All payments go to the County for processing and they also audit random invoices and require backup documentation for large construction contract invoices. In addition, there are Performance Bonds which guarantee work to be performed for construction contracts.

2. Financial Audit

C. Review Expenditures Report and Construction Report

CBOO Sheikholdslami reviewed the expenditures report. Work has been committed and there is still contingency which we are holding. The budget will need some balancing again. There are some smaller projects (6275) like fence work that will be bid out. It was determined that the fence work be done separately for better controls. Interim Housing (6276) should come down. Construction testing (6280) will go up to 186K due to inspection of welding and concrete which involves several forms of inspection like visual and infrared. Some funds will start to come out of the Furniture and Equipment (6410) areas as we start to plan and meet with vendors for furniture and the Technology (6415) wireless system for example. The District's Comcast contract is soon to end as well. The meeting reviewed the Construction Report for January. ACTION: Construction Manager to add change order log to construction reports.

D. Recruitment

**VI. ACTION ITEMS**

- A. Approve 2015 Annual Report  
The Committee unanimously approved (3/0) the 2015 Annual Report.
- B. Schedule next meeting

**VII. ADJOURNMENT**

The meeting adjourned at 4:55 p.m.

**MENLO PARK CITY SCHOOL DISTRICT**  
**CITIZENS' BOND OVERSIGHT COMMITTEE - REGULAR MEETING**

Copies of materials for the Committee meeting are available at the District Office prior to the Committee meeting. The District Office is located at 181 Encinal Avenue, Atherton, California.

Bond Oversight Committee meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting; or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact the Superintendent at least seven working days before the meeting by telephone at 321-7140 or by fax at 321-7184. Notification in advance of the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.