



## **MEASURE E CITIZENS' OVERSIGHT COMMITTEE MEETING**

**Monday, March 31, 2014**

**6:30-8:30 p.m.**

**CUSD Corporation Yard Plans Room  
2455 Carmichael Drive, Chico CA 95928**

**Members:** Seth Derish, Mark Francis, Sean Greenwald, Les Heringer, Jr.,  
Gary Loustale, Peter Milbury, Tino Nava,

**Not Present:** Sean Greenwald, Seth Derish

**Staff Advisors:** Kevin Bultema, Julie Kistle, Kelly Staley

1. The meeting was opened by Mr. Loustale for public comment. No public comments were brought forward.
2. Mr. Loustale called for the adoption of the meeting minutes from the August 26, 2013 meeting; the minutes were adopted with one necessary correction (adding Kelly Staley to the Staff Advisor List for the meeting).
3. Mr. Bultema reported on a concern presented, at the previous meeting, regarding bond proceeds that were spent on bond premium during the purchase of the Series A Measure E bonds, in contradiction to the bond language stating that proceeds would be spent only on projects. Mr. Bultema distributed hand-outs to assist with the report (attached to these minutes). Mr. Bultema stated that

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utilizing bond proceeds to pay premium is a common practice by agencies like CUSD. Mr. Francis commented that although he did not feel that CUSD had acted illegally in any way, he felt that it was the responsibility of the Committee to report this concern to the Board of Education. He further recommended that this method not be used in future Measure E bond sales. The pros/cons of utilizing bond proceeds for premium was discussed in detail.

4. Mr. Bultema provided the Committee with a revised summary page #2 of the Bond Performance Audit. The Committee discussed the financial and performance audits. The Committee accepted the audits.
5. Mr. Milbury mentioned the positive activities of the Committee, in particular; the Districts invitation of the Committee in all activities related to the Facilities Master Plan which details the planned expenditures of Measure E funds.
6. The Committee reviewed the sample annual reports provided by the District and chose to utilize the Natomas report as a template for their report. The idea was to keep it simple and state the facts.
7. The Committee established a goal of reporting to the Board of Education at the June 18, 2014 regular meeting.
8. The Committee set the date for their next meeting to be June 9, 2014 at 6:00 p.m. The meeting will be held at the District Office Large Conference Room. The Committee will review the draft report, which will be prepared by Julie Kistle and distributed for review prior to the June 9<sup>th</sup> meeting, and prepare for a report to the Board of Education.

Minutes approved on: Gay M. Forstall