

Minutes



MEASURE E CITIZENS' OVERSIGHT COMMITTEE MEETING

Wednesday, January 23, 2019 from 6:00-8:00 p.m.

CUSD, Small Conference Room

1163 East Seventh Street, Chico, CA 95928

Members: Tracy Bettencourt, Kelley Crockett, Angela Spain, Mark Francis, Kelly Torres
Tami Adams arrived at 6:07p.m. after elections and minutes approval

Absent Members: Randy Salado

District Support: Kevin Bultema, Rocio French, Julie Kistle, Kelly Staley

1. Elect New Chairperson

At 6:02 p.m., Vice-Chair Francis opened with introductions and requests for nominations to fill the Chairperson position. Member Crockett nominated Mark Francis. No other nominations were received. Mark Francis was elected as Chair with unanimous vote.

Newly elected Committee Chair Francis opened nomination requests for Vice-Chair. Member Tracy nominated Angela Spain. No other nominations were received. Angela Spain was elected as Vice Chair with unanimous vote.

2. Open meeting for Public Comment

Committee Chair Francis opened the meeting for public comment. No public comments received.

3. Adopt Minutes from July 19, 2019 Meeting

Committee Chair Francis opened discussion of Minutes from July 19, 2019 for review and comment. Committee Member Crockett moved to approve, seconded by Member Bettencourt.

AYES: Bettencourt, Crockett, Francis, Spain, Torres

NOES: None

ABSTAIN: Francis

ABSENT: Adams, Salado

4. Information Item – New member recruitment

CUSD Bultema informed the committee that a member active in a senior citizens' organization was still needed. Advertisements

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were placed with Chico ER and Chico News & Review, but we did not get any applicants. There was discussion regarding what organizations could count as a senior citizens' group. More research will be done to ensure proper representation.

Member Spain also announced that her position with the IRS Committee had term ended, so she no longer was active in a bona-fide taxpayers association. This representation will also need to be filled.

5. Review Construction/Modernization Expenditures

CUSD Kistler distributed copies of the current Measure E Expenditures Report showing total expenditures of \$20 million. Highlighted safety and security projects including signs, fencing, and lighting at various schools, the Shade Structure at Hooker Oak School that was needed after some diseased trees were removed, and the Kindergarten structures that will be added at Emma Wilson Elementary.

Committee Chair Francis suggested CUSD provide a report that shows total budget for each project with all expenditures. Currently, the report only shows the budget and expenses for this 2018-2019 fiscal year.

6. Measure E, Series B Bond Sale

CUSD Bultema shared information about the sale of Measure E, Series B Bonds. The District issued this second series of bonds in the amount of \$30 million. 50.8 million total cost for the tax payer. CUSD Bultema mentioned that the original 30-year bond was lowered to 23 years and shared the Net Debt Service report.

Committee Chair Francis shared his concern which was previously discussed regarding the use of premium sale proceeds to pay interest. Mentioned that bond proceeds cannot be used to pay interest. Is concerned that CUSD is "borrowing" money to pay interest for the first year and a half. CUSD Bultema assured the committee that market wanted premium and wanted the best sale, with lowest overall cost. Mr. Bultema will speak with the bond

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counsel and set up a meeting to discuss this further with Chair Francis.

7. Review & Discuss 2017-18 Bond Audit Report

CUSD French distributed copies of the 2017-18 Bond Audit Report.

CUSD Bultema noted there were no material changes and no deficiencies in internal control for both Measure E & K. Also explained how projects are assigned to different measures and coded with separate accounts in order to track expenditures.

8. Review & Adopt Committee Report Format

CUSD Kistle reviewed the report format used for the 2016-17 year. This report will be updated to reflect this year's budget. Recommendation was made to remove the first two paragraphs from the Conclusion.

Committee Member Spain moved to adopt the report format, seconded by Member Crockett.

AYES: Adams, Bettencourt, Crockett, Francis, Spain, Torres

NOES: None

ABSENT: Salado

9. Project Update

Project updates will be reviewed at the Measure K Meeting, which will immediately follow this meeting.

10. Schedule Next Meeting

This item will be discussed at the Measure K Meeting, which will immediately follow this meeting.

Meeting adjourned at 7:03 p.m.

Minutes Approved on: 10/7/19



CBOC Chairperson, Mark Francis