

**Livingston Union School District**  
**CITIZENS' BOND OVERSIGHT COMMITTEE MEETING**  
**January 30, 2012**

**MINUTES**

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MEMBERS PRESENT: Ramon Avila, Esthela Martinez, Martha Nateras, Heather Friesen, and Kaye Greeley

MEMBERS ABSENT: Shahid Bath and Daniel Varela

DISTRICT STAFF PRESENT: Andrés Zamora, Superintendent; Sara Crawley, Fiscal Services Director; Astuko Michael, Former Fiscal Services Director; Lupe Maldonado, Assistant to Superintendent

VISITORS: Albert Peché, District's GOB Financial Advisor

I. CALL TO ORDER

The meeting was called to order at 3:32 p.m. by Superintendent Zamora. The meeting was held in the District Conference Building of the Livingston Union School District.

II. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Superintendent Zamora.

III. PUBLIC COMMENTS

Mr. Zamora called for public comments from the audience pertaining to agenda items. There were no public comments.

IV. WELCOME AND INTRODUCTIONS

Superintendent Zamora welcomed committee members to annual meeting. Mr. Zamora introduced District staff and District's financial advisor on General Obligation Bonds, Mr. Albert Peché from A.M. Peché & Associates LLC.

V. ROLES AND RESPONSIBILITIES OF COMMITTEE

A memo from District's Bond Counsel, Bill Kadi, explaining the committee's role and responsibilities was included in each member's packet. Mr. Peché read the memo out loud to the committee.

Committee Member Avila asked if district administrators who oversee the funds are paid through the bond funds. District Administrators are not paid through bond funds. Mr. Avila was concerned about remaining complaint with the Brown Act and questioned the amount of information the committee can release to the public. Mr. Zamora stated information is public information and suggested for the committee to refer the public to the school website for resources or by contacting the Superintendent.

VI. SELECTION OF CHAIRPERSON

Mr. Zamora appointed Martha Nateras as the Committee Chair. Martha Nateras accepted the Superintendent's appointment as committee chair and also agreed to serve a two-year term. Nominations were called for Vice Chair; the committee elected Ramon Avila and accepted.

VII. TERMS OF OFFICE

Mr. Zamora explained the terms to serve on the committee as stated in the bylaws. In order to stagger the committee membership, five members will serve a two-year term and two members will serve a one-year term. Each member was given an envelope to establish their term length. Following is the term for each member:

Heather Friesen..... 1 year  
Ramon Avila ..... 2 years  
Esthela Martinez..... 2 years  
Kaye Greeley ..... 2 years  
Martha Nateras..... 2 years (by default as Committee Chair)

The committee selected envelopes for committee members who were absent and the following terms were established:

Shahid Bath ..... 2 years  
Daniel Varela..... 1 year

VIII. REVIEW OF BYLAWS

The committee was given some time to review the bylaws. After review, consent was given by the committee to present the proposed bylaws to the Board of Trustees for approval at the next board meeting.

Committee Member Friesen questioned if being a vendor of the district would be a conflict. Mr. Zamora will research and follow-up with Mrs. Friesen.

IX. NEW SCHOOL STATUS REPORT

Superintendent Zamora reported on the status of the new school. He indicated that location and funds are secured through the bond, however, the district does not have sufficient number of students to begin the building process. Mr. Zamora stated current enrollment is 2,519 with twelve classrooms available overall, six currently open and six that could possibly open. District had a small increase in enrollment in 2011-2012 with thirty students more, but the district can accommodate up to 300 more students prior to considering building a new school. This year grades K-3 average at 21-22 per classroom. For grades 4<sup>th</sup> and up ideally want to stay below 30. Drawings of the new school were included in committee member's packet.

Land can be leased as long as no chemicals are used. The district is currently leasing the property for organic farming. Income from the lease amount goes into the general fund account and is used for student books and literacy incentives.

X. BOND EXPENDITURES REPORT

A report on the bond expenditures was presented to the committee. Mr. Peché read the actual ballot measure states *"to relieve severe overcrowding by building a new elementary school; and to preserve class size reduction, technology programs, library services, afterschool programs; and other*

X. BOND EXPENDITURES REPORT, Continued

*programs contributing to the students' academic achievements; to repair, replace, upgrade school facilities; and to qualify for state matching funds, shall the school district issue \$10,000,000 of general obligation bonds at interest rates within legal limits, with an independent oversight committee and no money for administrators' salaries."*

Mrs. Michael reviewed the Financial Report Fund 35. Biggest expenditure was the land purchase which District acquired before the bond was issued. Local income was reimbursement for portion of land purchase by City of Livingston for traffic light. State Reimbursement was also received since district is not going through the program yet. Miscellaneous costs were from the removal of the existing orchard and water pump. Since the passing of the bond, expenditures include architect, consultant, engineer testing, surveying costs, toxic waste testing, and environmental study costs. Although development is on hold, some services are required such as continued soil testing. The fund had minimal activity in 2010-2011 with only \$558 spent on soil testing and \$36,020 in interest received.

Fiscal Director, Sarah Crawley stated the committee audit only focuses on Fund 21 which is the bond fund and Fund 35 which is used by the school district. Mrs. Crawley gave an overview of the expenditure history report, Fund 21 included in the packets.

XI. ANNUAL FINANCIAL AND PERFORMANCE AUDIT REVIEW

Audit report was presented to the committee for review. District's Fiscal Director, Sara Crawley explained the purpose of the annual report was to verify to the school board and citizens that bond proceeds are expended only for the purposes set forth in the ballot measure. Audit is to be submitted for review to the committee by March 31 of each year. Audit report was given to committee members. Mrs. Crawley continued with audit review and referred to page 5 explaining financial activity for the past year. Mr. Peché explained long-term obligations; in 2006 first series of bond sold, bond outstanding is 4.7 million, portion of it is already paid off. Taxes are collected in December and April. Five million of bonds still remain to be sold when district is ready.

Mr. Peché stated earlier years more interest is paid and less principal and latter years more principal is paid and less interest. Ms. Greeley stated interest rates are good. Mr. Peché affirmed the interest rate is based on credit rating and current District credit rating is an "A."

Mrs. Crawley emphasized that page 21 confirms no audit findings and no other prior audit findings were reported. Ms. Greeley highlighted the final page of the audit states a nice conclusion about the district.

Mr. Zamora concluded that the primary purpose of the annual meeting is to review the required annual audit. He thanked members for their time and reiterated that information will be posted on the school website.

XII. NEXT MEETING

The next meeting was proposed for sometime in February. Members will be notified at a later time with the exact date and time.

XIII. ADJOURNMENT

The meeting adjourned at 4:25p.m.