

**Virtual and In-Person Meeting of the Bond Oversight Committee (Measure N)
(Wednesday, October 6, 2021)**

Generated by Vanessa Lujan on Thursday, October 7, 2021

Members present

Andria Brinson-BOC,
Ida Lopez-Chan-BOC,
Lucio Rios-BOC,
Robert Gwinn-BOC,
Priscilla Banuelos BOC

Also Present:

Randy Bangs, Superintendent
Dr. Conny Santa Cruz, Chief Business Official
Dale Scott, Financial Advisor
Samuel Santana, Legal Counsel
Joyce Schmidt, DS&C
Nicole Roberts, DS&C

Meeting called to order at 5:35 PM

A. VIRTUAL AND IN-PERSON MEETING OF THE BOND OVERSIGHT COMMITTEE

Procedural: 1. Attendance Changes Due to COVID-19 Restrictions

B. WELCOME/INTRODUCTION

Procedural: 1. Roll Call

C. BOND OVERVIEW

Informational: 1. Background on Measure N

Presented by Dale Scott

This committee will be responsible for two Measures (Measure G & N)

Measure N was passed in November 2020 in the amount of \$13.75 million. It provided two things. Small amount of funding to address the technology departments immediate needs due to the COVID crisis. About 1 Million dollars was issued almost immediately after the measure was passed. The remainder of the funds will be used to build Teacher/ Staff Housing.

Informational: 2. Background on Measure G

Presented by Dale Scott

Measure was a \$25.2 million bond measure passed by the voter in 2018. District has sold all but \$7 million of those bonds. Bonds were provided to voters as a tax rate extension – would not cause an increase in the current amount of taxes the voters are paying to the school district.

D. COMMITTEE OVERVIEW

Informational: 1. Committee Purpose-Role/Responsibility

Oversight Committee

Presented by Samuel Santana, Legal Counsel

- Measure N passed November 2020
 - Resolution, Ballot Summary and Full Ballot Text with Project List comprise the full Measure
 - \$13.75M Authorization approved 62.86% Passage Rate

Measure N – Ballot Summary

“To increase and improve student access to modern technology including computers, wiring and educational software and to enhance Soledad’s ability to attract and retain highly qualified employees by constructing local teacher-staff rental housing, shall Soledad Unified School District’s measure authorizing \$13.75 million of bonds be adopted (raising approximately \$863,487 for annual repayment through 2049) with average levies less than \$26 per \$100,000 assessed valuation, legal interest rates, annual audits, independent oversight and all funds spent locally?”

Purposes of the CBOC.

- Mandated by “Proposition 39” implementing legislation as an accountability component of a voter-approved bond measure
- Purpose:
 - To inform the public concerning the expenditure of bond revenues
 - Actively review and report on proper expenditure of taxpayers’ money for school construction
 - Advise public re: whether District has met CA Constitutional requirements

CA Constitutional Requirements

- Ensuring bond revenues are expended only for construction, reconstruction, rehabilitation, or replacement of school facilities. (Article XIII A, Section 1(b)(3) of the California Constitution.)
- Ensuring no funds are used for any teacher and administrative salaries or other school operating expenses. (Article XIII A, Section 1(b)(3)(A) of the California Constitution.)

Permissible CBOC Activities

- ✓ Committee may engage in the following activities:
 - Review annual, independent financial and performance audits performed by an independent consultant.
 - Inspect school facilities and grounds to ensure that bond revenues are expended in compliance with law.
 - Review any deferred maintenance proposals or plans.

- Review efforts by District to maximize revenues by implementing cost saving measures
 - Professional fees
 - Site preparation cost and other efficiencies
 - Joint use
- CBOC has an **review/audit** function, responsible to report to the public
- CBOC must produce at least one annual written report each year
- Decisions reserved for the District:
 - Determining how bond funds may be spent (within the parameters of Bond Project List)
 - Determining project timing, terms, priorities
 - Timing for issuance of bonds

Technical Assistance to CBOC

- District's Board/Staff to provide technical and administrative assistance to CBOC, such as:
 - ✓ Website information posting
 - ✓ Assist with preparation/posting of agendas; create minutes; provide Brown Act guidance
 - ✓ Provide financial and progress reports
 - ✓ Submit independent financial and performance audits to CBOC, no later than March 31 for prior fiscal year
 - ✓ Respond to findings, recommendations and concerns addressed in audits within 3 months

Action: 2. Election of Chair and Vice Chair Chair and Vice Chair of the Meetings

Appointment of Ida Lopez-Chan as Committee Chair

Andria Brinson nominates Lucio Rios. Mr. Rios declined.
Mr. Rios would like instead like to nominate Ida Lopez-Chan as Chair
Mrs. Lopez-Chan accepted

Motion by Lucio Rios, second by Andria Brinson

Final Resolution: Motion Carries

Yea: Andria Brinson, Ida Lopez-Chan, Lucio Rios, Robert Gwinn, Priscilla Banuelos

Appointment of Lucio Rios as Committee Vice Chair

Mr. Rios nominated Mr. Gwinn as Vice-Chair. Mr. Gwinn declined.
Mrs. Lopez-Chan nominated Mr. Lucio Rios as Vice-Chair. Mr. Rios accepts.

Motion by Ida Lopez-Chan, second by Andria Brinson.

Motion Carries

Yea: Andria Brinson, Ida Lopez-Chan, Lucio Rios, Robert Gwinn, Priscilla Banuelos

Procedural: 3. Establish Dates and Format of Meetings

According to the Measure G bylaws the CBOC are to meet quarterly.

All Committee Members agreed that meeting quarterly.

Format of meetings and dates to come at a later date.

Informational: 4.

Presented by Nicole Roberts.

Measure N Series A & B Bond Sale Summary and Project Expenditure Description

In March of 2021, 2 Million of the 2020 Elections Series A Bonds were sold as a private placement, Truist Bank. Average interest rate was 1.9%. Sold as short term, 5 years, because they were both for Technology and to start the planning of the Teacher/Staff Housing Project.

5.5 million of the Series B bonds were sold last week – Funds to be used for continued planning and construction of the Teacher/Staff Housing Project. Sold on the public market by Loop Capital. 15 years very low average interest rate of 1.78%

Ida commented that it is a great interest rate.

Dale added that the rates are set however the district is able to refinance at a lower rate should the rates drop translating into lower interest rates for property.

Ida commented that it is good to have the flexibility. She asked if there are any plans for the district to sell more bonds in the next year.

Dale answered that it is unlikely that within the next year. Shortly after the next year it's a good bet. There is enough money to get the project started, sales would be dependent on preconstruction and planning needs.

Closing Comments

Conny stated that purpose of these conversations is to communicate in the most transparent way and be mindful and fiscally prudent with the expenditures and to safeguard the assets of the district in a way that is benefitting to the stakeholders.

She appreciates the time and willingness of everyone to be part of this committee and providing valuable feedback.

Lucio Rios comment that appreciates being on the committee and looks forward to working with everyone.

Superintendent Bangs thanked the community members for their service and recognized that it is a very important function.

E. Adjournment

6:13pm