



MINUTES
ORANGE UNIFIED SCHOOL DISTRICT
Measure S
Citizens' Oversight Committee

Virtual Meeting
5:30pm
January 27, 2021
Meeting No. 16

1.0 CALL TO ORDER

Chair Diana Fascenelli called the meeting to order at 5:35 p.m.

2.0 PLEDGE OF ALLIGIANCE

3.0 ESTABLISHED QUORUM

Present: Diana Fascenelli, Patricia Buttress, Bill Campbell, Nicol Jones, Mrunal Shah, Bill Utter. Staff present: Dr. Gunn Marie Hansen, Dave Rivera, Jenny Delgado, Scott Harvey, and Rory Lorenzo.

4.0 PUBLIC COMMENTS

There were no public comments.

5.0 APPROVAL OF AGENDA

Action

Motion was made by Member Shah to approve the Agenda. Second by Member Campbell.

Motion Passed: 6-0-0

6.0 APPROVAL OF MINUTES

Action

Motion was made by Member Campbell to approve the July 15, 2020, & October 21, 2020 Minutes. Second by Member Jones.

Motion Passed: 6-0-0

7.0 APPROVAL OF COC MEETING DATES 2021

Action

Motion was made by Member Jones to approve the 2021 COC Meeting Dates. Second by Member Utter.

Motion Passed: 6-0-0

8.0 ANNUAL FINANCIAL AND PERFORMANCE AUDIT

~~Information~~ Action

Motion was made by Member Buttress to approve the Annual Financial Audit. Second by Member Utter.

Motion Passed: 6-0-0

Presenter: Jeff Nigro of Nigro & Nigro

Jeff Nigro presented the Measure "S" General Obligation Bond Building Fund of Orange Unified School District Audit Report, for the fiscal year ended, June 30, 2020.

Discussion:

Member Utter asked if the notes had been reviewed by the District administration and Board of Education. Mr. Nigro replied that the audit had been shared with District administration, but not the Board of Education at that time. Member Shah asked if the audit sample selections came from all four high school sites. Mr. Nigro reviewed his notes, and confirmed that samples had been drawn from all four sites. Member Utter asked what percentage of the audit sampling contained testing contracts. Mr. Nigro responded that eight different contracts were looked over for the school sites, but it is not marked by percentages. Mr. Harvey added that most of the bidding for the projects were done in the previous fiscal year. He noted that the bidding process would pick back up again once Phase II begins. Member Campbell asked how many invoices were tested. Mr. Nigro shared that thirty-three expenditures were sampled.

Member Jones asked for clarification on why Fred Kelly Stadium, which is non-bond, was included in the sampling. Mr. Nigro responded that the Nigro & Nigro firm did the annual audit for the entire District as well as the Bond, which is why there was an overlap in projects presented. Chair Fascenelli asked for assurance that the other (seven) contracts sampled were specifically from the Measure S Bond projects, since the eight was the Fred Kelly Stadium contract. Mr. Nigro read out the list of high schools included in the seven contracts, which contained all four high schools, and were all Measure S related. Mr. Rivera also noted that the sampled projects were Bond related because they are marked under Fund 21. Chair Fascenelli asked if it was an error that the Fred Kelly Stadium was included in the audit. Mr. Nigro responded that it was not an error since Nigro & Nigro audited the District as a whole, it just should not have been included in the Bond audit review. None of the expenditure transfers included non-Bond funds. Mr. Rivera had Mr. Nigro read the vendors contained in the audit, all of which were Bond related. Member Shah asked if there was any cross over from the vendors on the Fred Kelly project and the Bond projects. Mr. Nigro said there was not.

Member Campbell stated that the overall opinion was that the District was in compliance for the Bond program according to the printed audit. Mr. Nigro confirmed that statement. Chair Fascenelli questioned if the percentage of invoices tested equaled twenty-seven million dollars, as stated in the audit. Mr. Nigro confirmed that number. Chair Fascenelli asked if Nigro & Nigro had full cooperation from the District staff. Mr. Nigro responded that although it was a difficult year due to COVID-19 restrictions, all staff complied with providing all needed documents in a timely and virtual manner. Chair Fascenelli asked for any further comments, and thanked the District and Nigro & Nigro for the wonderful audit. Member Campbell asked if anything needed to be sent to the Board of Education from the COC. Mr. Rivera responded that the Bond audit would be brought to the Board at the March 11, 2021 Board Meeting. Member Buttress asked if the item needed to be moved on for approval. Mr. Rivera said yes.

After the motion carried Mr. Harvey stated that staff would adjust the item from "Information" to "Action" in the minutes. He also stated that there was a glitch in the Public Comments link in the first five minutes of the meeting. He stated that any comments which come in to the meeting will be shared during the meeting and posted. Member Shah asked if that glitch happened when the request for Public Comments was made at the beginning of the meeting. Mr. Harvey said it was, so the meeting would extend the time of receiving Public Comments. Chair Fascenelli responded that Public Comments will be reviewed once again near item No. 10 on the agenda.

Mr. Rivera thanked Mr. Nigro and the Nigro & Nigro firm, as well as the leadership of Ms. Jenny Delgado for the audit effort. Ms. Delgado thanked District staff for their efforts, and Mr. Harvey thanked the Cummings Bond team.

9.0 MEASURE S UPDATE PRESENTATION

Information

Presenter: Mr. Scott Harvey, Senior Executive Director

Mr. Harvey presented updated information on the Measure S Program highlights and milestones, as well as a Phase II planning and tentative schedule update.

Reviewed handouts were provided to the Committee.

Discussion:

Member Shah asked what the total delay was for both El Modena and Villa Park projects compared to the original schedule. Mr. Harvey responded that El Modena HS is about eight months delayed due to structural steel issues as well as COVID-19 related supply delays. Villa Park HS is about five months delayed. He responded that the District is working with the contractors to accelerate the timelines.

Chair Fascenelli asked what day of delay Villa Park HS was at. Mr. Harvey responded that it was around five months delayed, with hopes of occupying in July. Chair Fascenelli asked if the contractors would be paid or if payments would be withheld due to the delays. Mr. Harvey said payments would continue to keep the acceleration of the projects on schedule, while keeping the 5% retention until the end of the project.

Member Campbell asked for clarification on what happened with the structural steel issues at Villa Park High School. Mr. Harvey explained that the structural steel subcontractor deviated from the plans, and missed minute details in the original plans. When the DSA inspector found issues they wrote around one-hundred deviation notices, and the contractor had a difficult time fixing the issues. The subcontractor removed themselves and were replaced by a new subcontractor team because they did not finish the items in a timely manner. Member Utter asked if that was a similar cause with El Modena HS. Mr. Harvey replied that El Modena was different because they were able to complete their requirements. However, the steel supplies were galvanized once received from Mexico. Because a lot of the markings on the steel were painted over, the LOR had to review all of the steel to make sure that it passed inspection. The issues of the exchange of material, (also known as change of custody) is what caused the delay. Chair Fascenelli asked if it was the same subcontractor for both projects, and Mr. Harvey said that it was. Mr. Rivera added that there is video on the District website with Ms. Moffat, which explains the delays in great detail.

Member Shah asked since Phase I was under budget, if the excess proceeds would be put towards Phase II. Mr. Harvey said that was correct, and that 5% was budgeted for change orders for Phase I, which helps to maintain the budget. Member Jones asked if the liquidated damages funds would also transfer over to Phase II. Mr. Harvey said that unfortunately they would not due to the additional costs of inspectors and support that would be needed to close out Phase I.

Mr. Harvey concluded his presentation and Chair Fascenelli asked if there were any questions or comments.

Member Jones asked about the total budget amount that Canyon High School was receiving in comparison with Villa Park High School. Member Jones stated that it seems as though the schools were not given equal amounts. Mr. Harvey responded that the schools were given the same amount for the Bond projects, however some of the schools raised money through parent and community groups to add to the school upgrades. Member Jones read from the financial report and stated that from the rounded numbers, the allotment of funds seemed to vary by great amounts.

Mr. Rivera responded that the funds set aside accrue interest, and since Canyon High School will be the last school completed it has accrued more interest than the other three schools. Member Jones clarified that there would be extra interest added, but not extra allocated money added to the schools' project budgets. Ms. Delgado also confirmed that the interest accrued is the reason for the budget differences in numbers.

Chair Fascenelli thanked Mr. Harvey for the thorough presentation, and recommended that the committee members view the video of Board Member Moffat on the District website.

Mr. Harvey welcomed his Secretary, Shay Brown, back from maternity leave, and then asked if any Public Comments had been received. No Public Comments were received.

10.0 UPDATE ON COC MEMBER SEARCH- VACANT BUSINESS REP MEMBER Information

Mr. Harvey shared that the District ran a search process in the Fall of 2020 and had not received any applicants for the Business Representative position. He stated that the District would be running another search process starting in the Spring. Chair Fascenelli mentioned that COVID-19 created some obstacles in obtaining new members, but she was hopeful that the next search would be successful. Members, Campbell, Utter, and Buttress said that they would share the information within the rotary groups that they participated in. Mr. Harvey mentioned that the District's legal council could review all applicants to make sure they fell within the required statutes.

11.0 AGENDA ITEMS FOR NEXT MEETING

No additional items were requested for the April 22, 2021 COC meeting.

12.0 ADJOURNMENT

The meeting was adjourned by Chair Fascenelli at 6:46 p.m.

LIVE RECORDING OF THE COC MEETING ON JANUARY 27, 2021 AVAILABLE AT:
<https://www.orangeusd.org/measure-s/coc>