



# CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)

## MEETING MINUTES

**Wednesday, October 16, 2024,**

*Tour: 5:30 p.m.*

*Meeting: 6:00 p.m.*

**Foothill High School (Hooper Hall)**

*230 Pala Avenue*

*San Jose, CA 95127*

---

*The following were in attendance:*

### **CBOC**

Harkins, Cody

Hermange, Debbie

Nair, Rajani

Pefley, Carol

Pham, Paul (Khoa)

Roberts, Christopher

Schimmel, Barry

Traynor, Patrick

Udasco, Aldrin

### **ESUHSD**

Huynh, Tom

Lucas, Julio

Nguyen, Cathy

Nguyen, Sandy

Soto, Moises

Tran, Shelby

### **Guest(s)/Community Member(s)**

Morrison, Alex (Gilbane)

Nguyen, Jimmy (Gilbane)

### **CBOC Member(s) Not Present**

Joglekar, Kaushik

## **1. CALL TO ORDER/ROLL CALL**

### **1.01 Call to Order/Roll Call**

Roll call was taken at 6:11 p.m. by Chair Barry Schimmel.

## **2. PUBLIC COMMENT**

### **2.01 Public Comment**

No general public comments at this time.

## **3. APPROVAL OF MINUTES OF PREVIOUS MEETING**

### **3.01 Action to Approve the Meeting Minutes of July 17, 2024 Meeting**



# CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)

## MEETING MINUTES

Motion to approve the July 17, 2024, Meeting Minutes was made by Christopher Roberts and seconded by Aldrin Udasco. Motion was carried ( 8–0). Aye.

### 4. UPDATED ITEM(S) FROM CBOC CHAIR

#### 4.01 Legal Representation

Chair Barry Schimmel addressed the three questions that the committee had from the last meeting: (1) Can the committee choose its own legal counsel? (2) Can the committee choose an independent auditor? (3) Can the committee develop its bylaws without board approval?

Associate Superintendent of Business Services Tom Huynh addressed the second question first by pointing out that besides an independent external auditor, whose processes are compliant with the state and local government accounting standards, the District also has an internal auditor, Kelly Kwong, whose role is to audit the entire processes and procedures related to the district financial management and reporting. That added another layer to ensure the District's compliance with government laws, regulations, and policies.

Barry Schimmel then asked if a CBOC representative could be on the panel to select the District's auditing firm. Tom Huynh said that the bond program is a subset of the district operation. The District selects the auditor to audit all district program expenditures, including the bonds. The auditor selection follows the contracting and procurement process according to the Board policies. Member Carol Pefley asked if other districts are following the same practice. Tom Huynh responded that they are.

Member Rajani Nair asked if the bond program's expenditures can be separated from the district expenditures since it is not part of the district's day-to-day function. That way, the CBOC members can be involved in the auditing process. Tom Huynh said that it is not efficient to separate the bond program since the District has many programs that would then also need to be separated, i.e. maintenance program, ASB program, special services, instructional services, etc. Member Paul Pham said that the bond proceeds are still public funds reported as building funds; therefore, they are still managed by the district and must follow its procurement policies. Paul Pham added that because it is for public funds, all selected auditing firms must follow the government accounting standards; thus, it is more cost-effective to have one firm auditing the whole district's financials to avoid duplication of effort from multiple auditing firms.

The chair concluded the conversation by sharing his experience meeting the auditing firm last year. The firm provided answers to all the questions. Rajani Nair asked if the CBOC could see the audit reports before the Board approved them. Member Patrick Traynor confirmed that this request had been addressed and that the CBOC members had access to the report at the same time as the District.



## CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)

### MEETING MINUTES

Addressing the third question, Tom Huynh asked the committee to clarify the rationale for the CBOC to bypass board approval for their bylaws. Patrick Traynor believed that the CBOC cannot be independent if it cannot make changes to its own bylaws without the approval of the Board. Carol Pefley read an excerpt she got from a Google search, which stated that CBOC should have separate legal representation that prioritizes the interest of the taxpayers as their interest might differ from that of the entity issuing the bonds. Therefore, in order to fulfill its oversight role, the CBOC should have its own legal counsel. Rajani Nair mentioned that it was also a recommendation by CABOC (California Association of Bond Oversight Committee). Tom Huynh noted that CABOC is a non-profit organization formed in 2019 by regular citizens and does not have an official office. It is a good resource; however, it is not a state entity. Only the statutes in the Education Code mandate how the CBOC operates. Carol Pefley recalled her conversation with Board Member Pattie Cortese about obtaining a separate legal counsel for the CBOC and reiterated her concern about the CBOC not being independent if it does not have its own legal counsel and does not develop its own bylaws. As a taxpayer, she believes the perception is that the CBOC cannot be a separate entity from the district if it uses the district's legal counsel and bylaws. Tom Huynh stated that there are no funding sources for the CBOC legal counsel and clarified the term "independent" as the members being independent of the school district, that they cannot be employees, consultants, vendors, or contractors of the District. They are private citizens who engage in the detail level of activities outlined in the California Education Code regarding School Bonds. Tom Huynh said if there was any misuse of the bond funds, the CBOC could bring up the issues with the Board.

Barry Schimmel then commented that if the committee found any irregularity in the expenditures, their responsibility was to bring it forth to the School Board and make recommendations to the School Board. He added that at that time, the committee could also request a specific auditing firm instead of the current firm the District is using. Carol Pefley wanted to know if there is any written guideline that outlines this procedure. Tom Huynh confirmed that the process is also in the Education Code. Carol Pefley questioned whether other districts have separate legal counsel for their CBOCs, and how they fund it. Tom Huynh said he would look into that information.

Vice Chair Christopher Roberts pointed out that there was a difference in the interpretation of the word "independent" between the committee members and the District. Christopher Roberts recommended that the committee review the information provided to them today and bring back this item at the next meeting for further discussion. The committee agreed.

**4.02 2024 CBOC Annual Report (FY 2022-2023) Presentation at the Board Meeting of August 15, 2024**



# CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)

## MEETING MINUTES

Chair Barry Schimmel briefly spoke about his presentation of the CBOC Annual Report at the Board meeting on September 19, 2024.

### 4.03 Solicitation of Volunteers for the 2025 Annual Report Editorial Subcommittee

Chair Barry Schimmel briefly explained the process and asked for volunteers for the 2025 Annual Report Editorial Subcommittee. Members Aldrin Udasco, Cody Harkins, and Rajani Nair volunteered, with Rajani Nair leading the subcommittee. Patrick Traynor shared his experience working on the report and noted that this year, the report is moved up six months from the usual timeline.

### 4.04 Election of new CBOC Chair and Vice-Chair for Calendar Year 2025

The members conducted their annual official election of chair and vice chair. Christopher Roberts was elected chair, and Patrick Traynor as vice chair.

## 5. REPORTS

### 5.01 Presentation on the Capital Construction Project Updates – Julio Lucas, Senior Manager of the Bond Program

- **Foothill - Modernization of Building G**

Schedule: Spring 2025 – Estimated Total Cost: \$4,935,054

Area: 6,690 square feet – Construction Team: Gilbane Building Company (CM), Studio Lin (Architect), Beals Martin (Contractor)

Funding Sources: Measures E, I, and Z

The CBOC members just toured this building. The image in the presentation is of the food service area.

- **Mt. Pleasant - Modernization of Building 500**

Schedule: Spring 2025 – Estimated Total Cost: \$18,444,202

Area: Approximately 11,500 square feet – Construction Team: Van Pelt Construction Services (CM), Rodan Builders/SVA Architects (DBE)

Funding Sources: Measures E and Z

The progress shot in the presentation is of the servery/dining hall looking out to the student center.

- **Piedmont Hills - Performing Arts Building with Classrooms**

Schedule: Fall 2024 – Estimated Total Cost: \$17,910,478



## CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)

### MEETING MINUTES

Area: Approximately 10,500 square feet – Construction Team: Van Pelt Construction Services (CM), Gilbane Building Company/Perkins Eastman (DBE)  
Fund Sources: Measures G, E, I, and Z

Move-in is planned to happen during the Thanksgiving break. The image in the presentation shows the new synthetic turf looking into the orchestra room. There are guitar room, piano keyboard room, and new restrooms for male, female, and gender neutral.

- **Oak Grove - Modernization of Building K**

Schedule: Spring 2025 – Estimated Total Cost: \$19,356,870

Area: Approximately 12,000 square feet – Construction Team: Van Pelt Construction Services (CM), Alten Construction/SVA Architects (DBE)

Funding Sources: Measures E, I, and Z

The image shows the current construction progress with the slab on grade. The steel is on-site and ready to be installed.

- **Yerba Buena - Performing/Fine Arts Classrooms and Theater Building**

Schedule: Summer 2025 – Estimated Total Cost: \$25,039,127

Area: Approximately 19,430 square feet – Construction Team: Gilbane Building Company (CM), BHM Construction, Inc/HED (DBE)

Funding Sources: Measures G, E, and Z

Current photos of the project show the foundation, slab work, and steel already in place with wood framing attached to the steel. There are seven classrooms dedicated to the art. The unique feature of the theater is the retractable, individual seats that fold up to yield more space if needed.

- **Santa Teresa - New Building**

Schedule: Winter 2024 (moved from Summer 2024) – Total Cost: \$13,477,277

Area: 9,450 and 9,654 square feet – Construction Team: Gilbane Building Company (CM), BCA Architects (Architect), DL Falk Construction (Contractor)

Funding Sources: Measures E, I, and Z

This project is near completion, even though we still have to push the contractors along. We are looking at a December/January move-in.

Q: Why did the District choose Design Bid Build for this project? (Rajani Nair)

A: At this project's price point, it is hard to find a contractor who is willing to do Design Build. (Julio Lucas)



## CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)

### MEETING MINUTES

Q: What percentage of the project's total cost goes to each construction vendor, i.e., architect, construction manager, and contractor? (Carol Pefley)

A: Roughly 30% goes to soft costs, including regulatory agencies, project inspectors, architects, material testing companies, etc. School constructions are typically more expensive because the Department of State Architect (DSA) has to review public construction projects in California for access, compliance, and other aspects, including fire and life safety, as well as structural safety. (Julio Lucas)

Q: For school rehabilitation projects, do you still have the same parameters for safety and other things? (Carol Pefley)

A: If you modernize a building greater than ten percent of its current structure, you have to bring the whole building to the current code and compliance. If you do lower than ten percent, you can fall into the older building standards. (Julio Lucas)

Q: Can you show the schedule change and the soft/hard cost for each project in future presentations? (Rajani Nair)

A: Yes, we will do that. (Julio Lucas)

Christopher Roberts expressed his appreciation for the conversations between the CBOC members and the District regarding the cost and building process of these projects, which have helped everyone gain a better understanding of public building safety standards and the proper processes the District is following to ensure these standards are met.

#### **5.02 Information on the Capital Program Budget Adjustment Report – Sandy Nguyen, Construction Bond Program Controls Manager**

Sandy Nguyen provided the Board-approved Capital Program Budget Adjustment Report for the period of June 2024 through August 2024. These reports show board-approved changes to a project budget within the last three months. For this period, we have two reports, June and August.

Q: Are there plans for another Tech bond? (Rajani Nair)

A: Measure N is a general obligation bond that includes technology. (Tom Huynh)

Q: We have a ballot initiative coming out in November. Can you summarize what happens if it does or does not pass? (Barry Schimmel)

A: It is a parcel tax called measure N, at \$49 per parcel. If passed, it will increase our overall funding sources by \$6.4M a year over five years for different programs throughout the District. (Tom Huynh)

A: How many board members are up for re-election? (Carol Pefley)

Q: Two of them are. (Tom Huynh)



## CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)

### MEETING MINUTES

**5.03** Presentation and Action to Receive and Approve the Budgets and Expenditures Report – Cathy Nguyen, Capital Budget Manager

Cathy Nguyen presented and provided an update of the Board Approved Budgets and Expenditures on all bond measures (Measure G, E, I, I-Technology, Z, and N) through August 31, 2024. A summary of the overall budget was presented, including the total current encumbrance balance, total expenditures/disbursements, and total remaining budget balance.

Rajani Nair and Christopher Roberts suggested Measure N be presented in a different format on the pie chart of the presentation to help distinguish the difference between board-approved project allocation and pending allocation. The District agreed to use a different color to show the distinction.

Q: When will we have a plan to spend Measure N? It has been two years since it was approved. (Patrick Traynor)

Tom Huynh gave a summary of the Master Plan that the District is working on. Barry Schimmel shared his experience with the process at East Side, how buildings are evaluated, and how decisions are made to ensure the money is well spent.

Rajani Nair and Paul Pham questioned page 31 of the report, asking for clarification on the difference between the District Program cost and Program Management Services cost. The District explained that the Program Management Services cost was used to pay for an external firm that managed the bond program. However, since the Board approved the organizational structure change, the program management roles had been taken in-house, under District Program cost.

Cody Harkins asked if the budget and expenditures report includes all the projects Julio Lucas presented. The District confirmed that all projects are included and explained that the amounts are listed under individual measures; the total amount is the sum of all the lines.

Cody Harkins and Aldrin Udasco noted a discrepancy in the name of one of the projects at Mt. Pleasant High School on the report. The District acknowledged the error and will bring back the corrected report at the next meeting.

Motion to receive and approve the Budget and Expenditures Report with the condition that the updated report be brought back to the next meeting was made by Christopher Roberts and seconded by Rajani Nair. Motion was carried (8-0). Aye.



## CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC)

### MEETING MINUTES

Aldrin Udasco brought up an issue with frequent WIFI disconnections at Independence High School and Evergreen Valley High School and wanted to know if the problem has been addressed/resolved. Tom Huynh said he would check with Randy Phelps, Chief Technology Officer, regarding the issue.

Christopher Roberts suggested that the CBOC meeting notification with the Zoom meeting link be pushed out via multiple District communication platforms such as CANVAS, mass automated emails, etc., to promote committee visibility, encourage community involvement, and help recruitment.

Q: Where do we send the annual report to? (Rajani Nair)

A: All channels (website, school sites, Chamber of Commerce, local rotary clubs, etc). (Barry Schimmel)

Paul Pham made a positive remark on his experience working with the District compared to other districts he had worked with. He thanked the staff for putting in the time and effort to prepare for the CBOC meetings and reports.

#### 6. COMMITTEE COMMUNICATIONS / COMMENTS

##### 6.01 Opportunity for Committee Members to Share Additional Comments

No additional comments.

#### 7. CONFIRMATION OF NEXT MEETING LOCATION

##### 7.01 Confirmation of Meeting Location for Next Meeting: Wednesday, January 22, 2025 @ 6:00 p.m. (TBD)

The next meeting will be on Wednesday, January 22, 2025, at Santa Teresa High School at 6:00 p.m. The tour of the site starts at 5:30 p.m.

The location is tentatively set pending Julio Lucas' confirmation.

#### 8. ADJOURNMENT

##### 8.01 Adjournment

Barry Schimmel adjourned the meeting at 7:54 p.m.

Motion to adjourn the meeting was made by Christopher Roberts and seconded by Aldrin Udasco. Motion was carried (8-0). Aye.





**CITIZENS' BOND OVERSIGHT COMMITTEE  
(CBOC)**

**MEETING MINUTES**

Minutes approved by: CHRISTOPHER ROBERTS *Christopher E. Roberts*  
Print Name Signature

01/24/2025  
Date







# 2024 1016 CBOC Meeting Minutes

Final Audit Report

2025-01-24

Created:	2025-01-23 (Pacific Standard Time)
By:	Nhu Nguyen (nguyennq@esuhsd.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAUDn8I-ErHUnc2e0nk605APkiOHIZ8HsP

## "2024 1016 CBOC Meeting Minutes" History

-  Document created by Nhu Nguyen (nguyennq@esuhsd.org)  
2025-01-23 - 1:27:22 PM PST- IP address: 198.148.71.20
-  Document emailed to chris@roberts7.net for signature  
2025-01-23 - 1:28:29 PM PST
-  Email viewed by chris@roberts7.net  
2025-01-24 - 1:30:42 PM PST- IP address: 147.185.47.140
-  Signer chris@roberts7.net entered name at signing as Christopher E. Roberts  
2025-01-24 - 1:31:20 PM PST- IP address: 147.185.47.140
-  Document e-signed by Christopher E. Roberts (chris@roberts7.net)  
Signature Date: 2025-01-24 - 1:31:22 PM PST - Time Source: server- IP address: 147.185.47.140
-  Agreement completed.  
2025-01-24 - 1:31:22 PM PST