Call to order by: Dennis Umphress (CBOC Chairman)
Time called to order 6:35 PM
Self introductions were held
The following were in attendance:

4 VISITORS 6 CBOC Members 2 District Members
Ricardo Reyes (SGI) Dennis Umphress Alan Garofalo
Charles Allen (SGI) John Sellarole Bill Jakel
Debby Nohelty (SGI) Will Johnson
Leonard Danna (VTD) Sara Przemielewski
Margaret Guerra
John Moore

Meeting adjourned by: Dennis Umphress (CBOC Chairman)
Time of adjournment: 7:54 PM
Next CBOC meeting date was scheduled for Tuesday August 23, 2005 at 6:30 PM

Public Comments

There were no members of the public in attendance, Dennis Umphress moved on to the next item of the agenda.

Review and Approve Meeting Minutes of February 1, 2005

No proposed changes were made for the 2/1/05 meeting minutes. A vote was called for and the motion passed to accept the meeting minutes as is.

Old Business

Dennis asked if there has been any interaction with CBOC members and their adopted schools.

John Moore told the committee that SGI had briefed the teachers at Santa Teresa High School and that it went well. It was an opportunity for all of the staff to get a picture of what was going on. The staff does have some concerns about leaks and things and John has already addressed these issues. Two areas have been fenced off in preparation for extensive landscaping; this project has been advanced by about one month to have it ready in time for commencement. Some vegetation will be cut down to accommodate this project and as part of this a new sign is expected on the campus. The next thing would be the addition of bleachers. The campus is being trenched out for cables throughout the buildings this is for the technology infrastructure upgrade. Dennis
Umphress asked about the fencing and if that was temporary. John answered that it is temporary to divide pedestrians and students from the area since there will be machinery working, but that ultimately there will be permanent fencing installed.

- John Sellarole met with teachers at Independence High School; they were in the updated Villa A Building and had nothing but positive comments about it. In particular what they really liked is the projection unit.

- Margaret Guerra hasn’t had a formal visit to Oak Grove; she did connect with a couple of parents that had some concerns as far as when activities are going to be starting. They were under the impression that things would have already started by now. Margaret told the parents that they could find out this information on the District website. Alan Garofalo mentioned that Oak Grove had wanted graduation on their field and that construction would start on the field the Monday following graduation.

- Sara Przemielewski didn’t have anything new to add about Overfelt High School. Alan Garofalo told Sara that there are models of the Andrew Hill and Mt. Pleasant campuses in the District Office foyer that show a 3-D view of the campuses.

- Will Johnson met with the principal at Mount Pleasant High School. The staff is pretty excited about the Performing Arts building; the ground breaking for that project is scheduled in August. The Bleacher project is finished or about to finish up in the near future. The staff is also talking about moving the portables to the back of the school and a parking lot will be where the portables now are. Alan Garofalo agreed saying that the existing parking lot is going to be used for part of the Performing Arts building. Will added that as far as streetscape or landscape nothing is being done at this time that will come at a later date. The principal told Will that graduation will be held at San Jose State Convention Center and that the school is planning to have next year’s graduation on the football field. Overall the staff is pretty happy with things.

- Dennis Umphress hasn’t formally visited Silver Creek High School or Andrew Hill High School, but Rueben Dominguez had left some pictures of the Andrew Hill track and of construction at Yerba Buena High School.

<table>
<thead>
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<th>Overview of Measure G Project</th>
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<td>Ricardo Reyes went through the CBOC Report handout and explained the status of various projects at the schools.</td>
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<td><strong>Andrew Hill</strong> - the track and field has beneficial occupancy. The bleacher replacement is expected to be completed end of this year October. Stadium lighting and scoreboard have gone through environmental clearance obligations.</td>
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<td><strong>Foothill</strong> - there are several projects in the planning phase. MVE architects have yet to start design of those projects.</td>
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Independence - gymnasium is nearly completed. There are a few issues to be resolved there and it looks like that will happen soon. Villa A has been completed and is in use. There are still some punch list items to be closed out. Villa C is currently under construction and Villa B will start towards the end of summer, the contractor is on schedule and it’s moving along quite well. Villa D is scheduled to start around the end of the year. Low Voltage infrastructure is continuing and is also ahead of schedule. Upgrade Fire Alarm is still in design and ready to go into constructability review, that package will be going out to bid soon. Sports field renovation projects have been completed.

James Lick - alterations to Student Services building and Streetscape are in design. The Gymnasium is also in design; those are both scheduled to start this fall. Track and Field improvements are out to bid and bids are due Friday May 6, 2005. That project should be underway in June. Bleacher replacement is underway with shop drawings. There are some difficulties with DSA. Ricardo mentioned that these drawings were sent to DSA around January 2005 and no comments have been received at this time and also that the bleachers are a standard design. Alan Garofalo added that DSA is very cautious about putting their stamp on anything without reviewing carefully. These particular bleachers are standardized and have structural engineer stamps on them and are being used throughout the state. Standard detail that is used everywhere else has to be reviewed by DSA over and over again.

Mt. Pleasant - there is also Bleacher replacement that is underway. The Performing Arts building that will begin construction in the fall.

Oak Grove - Music building and renovation is scheduled to go out to bid in June. Track and Field project bid are also due Friday May 6, 2005. HVAC Building U upgrade is also going out to bid this summer. Building E Modernization project is being planned. Pool renovations has beneficial occupancy, Bleacher replacements are also at DSA and Landscape is completed.

Piedmont Hills - C, D, & E Modernization is still under construction but is scheduled to complete in June. Track and Field improvements have beneficial occupancy. The field has been in use and the track has had some minor issues that are being resolved with the contractor, but the track is being used. Landscape/Streetscape is in design scheduled to go out to bid this summer. Bleacher replacement is also scheduled to be installed around October/November roughly.

Santa Teresa - Track and Field improvements, full use of both. Bleachers again, to be installed October/November. Landscape/Streetscape improvements the push is to get that completed for the start of the school year. Campus technology upgrade is also a summer project.

Silver Creek - Science and Classroom building streetscape is scheduled to go into construction in the late fall. And the Fire Alarm Upgrade is completed.
• W.C. Overfelt - Upgrade Fire Alarm system is in construction. Sports field renovation has beneficial occupancy and Buildings S and T are in design and soon to begin construction.

• Yerba Buena - Building 200 Modernization is well under construction. The scheduled completion date is another ninety days. Track and Field improvements bids are due Friday May 6, 2005. Bleacher replacement is also scheduled to happen towards the end of the year.

Dennis Umphress asked what the IAC and WCO AC listed at the bottom of the handout were. Alan Garofalo answered that they are the Independence Adult Education Center and the Overfelt Adult Education Center and that they are still in design.

Will Johnson noticed from the handout that there are seven schools having bleachers updated and wanted to know if any other schools are having problems with bleachers or if it was something that the schools asked for. Alan Garofalo answered that all the bleachers will be changed out and that any campus that is having field work done DSA has said they will go ahead and approve the field work provided the bleachers are changed out. Alan added that with the age of the bleachers a toll has been taken, that the structural integrity is there but that it could become a safety issue.

New Business

• Leonard Danna brought copies of two final audit reports. The first report was the Measure G General Obligations Bond Fund report and the second was the Agreed upon Procedures report, also called the Performance Audit report. Leonard went through the Measure G Obligations report first, as there were only a few pertinent items needing to be addressed. The financial audit basically shows a balance at the end of the year and a statement of revenues and expenditures. As of June 30, 2004 there was roughly $39,000,000 left in cash with $4.3 million in accounts payable and an equity balance of $35,515,000. Leonard explained how he came up with those figures, referring to his handout.

Leonard then moved on to the Performance Audit, starting with the independent report, these are the procedures agreed upon, what was done and what the findings and recommendations are. The primary issue is to make sure that the monies that were spent to date were properly spent. 83% of total expenditures were examined and no errors were found, all items were properly accounted for.

Leonard pointed out another performance audit requirement which says that once money is in that it is properly segregated so that the Bond premium cannot be spent on Bond projects. It has to be set aside for debt service. The combined total of the next Bond premium is $857,000. The auditors had to make sure that was properly accounted for, which it was. Interest from the fund gets posted to Fund 21 – the building fund. $1,640,000 is the amount of interest calculated. That amount has not been reflected in the Bond fund itself, and is not included in the financial statements; the auditors believe it should be. The auditor’s recommendation is to segregate it into a separate fund through the county office. Once it is segregated a transfer of that amount can be made to the Bond fund. From that point forward of having its own separate fund, the
county will automatically calculate and allocate its Measure G interest into the Measure G fund. Leonard went on to explain that the interest can be used for Measure G projects because if there is a demonstrated need in excess of the total Bond requirement then more can be spent.

Leonard also pointed out that expenditures were counted for separately; the net original issue premium was properly segregated into Bond Redemption fund.

The final finding is that $458,000 in the original issue proceeds were segregated and put into what has called a proceeds account. It is District money, but it is set aside to pay for other costs of issuance such as, attorney’s, possibly insurance, printing costs and a number of other items. It is really District money and whatever is left over after those costs have been paid should go back into the Measure G fund.

A vote was called to accept the audit reports and the motion passed.

- The next agenda item, the 2005 CBOC audit report. Dennis Umphress wanted to discuss this now that there have been audit proceedings. Dennis told the committee members to keep in mind that the 2004 CBOC report was laid out and formatted and asked if any committee members would be interested in preparing the 2005 report. John Moore raised his hand; he and Dennis will work with the report. Dennis encouraged the other committee members to review the 2004 to see what they would like to include or exclude in the 2005 report.

- Dennis moved to the next item, the Budget Task Force has come up with spending recommendations that would impact Measure G and asked John Moore if he knew anything more about that. John explained that it appeared on paper that the 2004-2005 budget would be resolved. John re-confirmed Loan of Measure G Funds – funds loaned in fact were loaned to the District came from the Quimby land sale proceeds not Measure G. At this time there is no point in using Measure G funds for operational costs and it doesn’t appear that Measure G was impacted one way or another. As for resolution of budget issues the 2005-2006 budget will be balanced by the end of this month. John asked to bring up another budget issue regarding the copiers used by the schools. Every school has its own copier and service contracts. Some of the copiers were bought, some are leased, some have long term contracts and some have short term contracts. It has been determined that the District could save at least $300,000 per year with a master contract District wide. John attended a meeting where it was recommended that a study be done to assess the schools copy needs. John recommended that the committee that since Measure G funds authorize funds for technological improvements, he believes a master copier contract and commonality of copiers would be the best technological improvement for the District. John feels that the expenditure of funds for soft costs this study would be a valid and legal use of funds. John would like committee members to report to the Board of Trustees that they would authorize, if necessary, the use of Measure G funds to fund and implement a study for this contract. John stressed that the funds would not be used for operations, it would be for dollars needed to implement technological improvements.

John Sellarole asked what the improvements would be and John Moore answered that it would eliminate all existing copiers, acquiring new common copiers from the same
vendor and get one contract. John Moore says indications have been made that if a single source contract and a single source maintenance contract are used $300,000 could be saved of what’s currently being spent. John expressed that there is no reason why it can’t be centrally managed.

John Sellarole mentioned in the past he has worked with vendors as far as talking them down in price and maintenance agreements. His concern right now is that it’s up to the principal to watch those budgets and see if it’s getting out of hand as far as the use of the copier.

Alan Garofalo made the comment that the estimate for the study was very conservative. The CBO is looking to bring in experts in this field to look at the needs of each site and sculpt specs to fit those needs so that it can go out to bid and have various vendors compete against each other. For this type of expenditure, the District doesn’t want to rely on a salesperson. They want to rely on a professional. He mentioned that the CFO has names of people who specialize in this field and something is being put together. John Sellarole agreed that this was a good idea, but that in an audit it might be a problem.

John Moore said that the Bond speaks of technology improvements; copiers need improvement and are a technology. John Sellarole sees it as a stretch and wants to make sure the money is spent in the right place.

John Moore moved that the committee authorize the expenditure of Measure G funds to complete a study for technological improvements & copier contracts, if need be. Dennis Umphress seconds the motion, a vote was called for. 5 were in favor of this and 1 was opposed.

Will Johnson asked if the auditors could be contacted about this issue to see if it is appropriate or not. Bill Jakel said he could ask the auditor, but that he wouldn’t get a “yes or no” answer. The auditor would more than likely just say if it couldn’t be done.

- Dennis Umphress, asked about the next Bond issuance and what the amount would be. Alan Garofalo responded that the District has gone to the financial advisor and that it should be issued this summer. There were two issues one for $60 million and one for $35 million. Dennis asked how much was left roughly, Alan answered $60 million. Dennis asked if there was any other discussion about possible loans of Measure G funds, Will Johnson asked John Moore about the Quimby property sale. John said that $12 million resulted from the property sale. Dennis added that Assembly member Coto pushed to pass a bill to allow East Side Union High School District to use some of those funds. Alan told Dennis that the bill was passed through assembly and was on its way to senate.

Additional Items

- Next meeting date is set for Tuesday, August 23, 2005 @ 6:30pm