

BEVERLY HILLS UNIFIED SCHOOL DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE
MARCH 3, 2026, MEETING MINUTES

The Citizens' Bond Oversight Committee (CBOC) held a meeting on Tuesday, March 3, 2026, in the District Office Collaboration Room, located at 624 N. Rexford Drive, Beverly Hills, CA 90210 pursuant to written notice as required by law.

Attendees

CBOC Members:

- Nathan Kruger
- Bill Bymel
- Marc Carrel
- Paris Elias-Benyamin
- Jasmine Yadgari
- Don Wyse

Board Members:

- Amanda Stern

Baker Tilly

- Tammy Lohr-Schweitzer

District:

- Dr. Alex Cherniss
- Will Karrat
- Shirley Vasquez
- Khai Nguyen

Fonder-Salari

- Amin Salari
- Kimberly Emerson

Minutes Prepared By: Shirley Vasquez

1. Call to Order at 4:06 pm

Mr. Nathan Kruger called the meeting to order and the committee proceeded with approval of the meeting agenda. A motion was made and seconded to approve the agenda as presented. The motion carried unanimously.

2. Approval of Previous Minutes

The committee reviewed the December meeting minutes. A motion was made and seconded to approve the minutes. The motion carried unanimously.

3. Public Comment

No members of the public were present and no public comments were received. Although Ms. Paris Elias-Benyamin asked about the graduation being held at the grand lawn this year. Mr. Amin Salari shared the timeline as to when the grand lawn will be completed and if it will be ready for graduation. Fonder-Salari will keep the committee updated.

4. Audit Report Presentation

Ms. Tammy Lohr-Schweitzer from the auditing firm Baker Tilly presented the draft Performance Audit Report for the fiscal year ending June 30, 2025.

She explained that the audit evaluated:

- A sample of 62 expenditures, representing approximately 80% of total expenditures for the fiscal year.
- Six procurement transactions to verify compliance with district policies and California procurement regulations.
- A site visit and jobsite walkthrough of bond-funded construction projects.

Audit Objectives

The purpose of the audit was to determine whether:

- Bond funds were spent in accordance with the voter-approved ballot language.
- The district maintained appropriate internal controls and policies related to procurement, staffing, and financial management.

5. Audit Findings and Discussion

Compliance with Bond Measure

Baker Tilly reported that all expenditures reviewed were compliant with the bond measure language and no misuse of funds was identified.

Committee members acknowledged this result as a positive outcome.

Finding #1 – Late Vendor Payments

The audit identified two instances where payments were issued beyond the district's 30-day payment policy.

The delay occurred because:

- Additional documentation was requested by the Los Angeles County Office of Education.
- The processing occurred during the holiday period.

The delays ranged from approximately five to ten days beyond the payment policy timeline. Committee members noted that this was a minor issue and significantly fewer instances than reported in earlier audits.

District staff explained that in some cases delays occur when:

- Vendors are newly entered into the system.
- Additional verification or documentation is required.

The committee acknowledged that the late payments were minimal and did not incur late fees.

Finding #2 – Contractor Open-Book Accounting (ProWest)

A recurring finding relates to open-book accounting documentation from the contractor ProWest. The contract requires that the contractor provide documentation related to subcontractor agreements and

cost breakdowns. According to the auditors, the contractor has not provided full subcontract documentation necessary to fully verify billing amounts.

Mr. Salari explained:

- The district reviews progress payments using schedule-of-values documentation.
- Conditional and unconditional lien releases are collected for subcontractor payments.
- Progress payments are tied to verified construction progress and materials on site.

Staff indicated that the issue relates specifically to historical subcontract documentation, some dating back several years prior to the current management team.

He also shared:

- The project is nearing completion.
- A final close-out audit and reconciliation will occur once the project is complete.
- Final subcontractor cost documentation will be required before final payments and retention are released.

Committee members requested that the audit language be clarified to more accurately reflect the documentation that has been provided versus what is still outstanding. Ms. Lohr-Schweitzer agreed to revise the wording of the report to improve clarity.

6. Resolution of Prior Audit Finding

The auditors reported that a prior finding related to program budgeting and cash flow transparency has been resolved.

Improvements included:

- Better financial reporting.
- Enhanced budget tracking.
- Improved program master planning documentation.

Additionally, the auditors noted that through value engineering and financial management, the district reduced the projected bond program budget deficit from approximately \$12 million to about \$4 million.

Committee members commended staff for improving the financial outlook of the program.

7. Construction Program Update

District staff provided an update on current construction projects.

Building C Project

- Structural steel work is nearly complete.
- Construction is on schedule for completion by December.

Athletic Facility Project

- Approximately 95% complete.
- Expected to be substantially completed within the next two weeks.

Upcoming Projects

Remaining projects include:

- South Site parking lot
- Retaining wall removal and reconstruction
- Southside athletic facility improvements

Staff indicated that once these projects are completed, the district's bond program will be largely concluded.

8. Bond Program Budget Discussion

Staff reported that the program deficit has been reduced to approximately \$4 million. Additional factors that may improve the budget include:

- Potential state reimbursement funding
- Possible savings from project close-out processes

However, state funding reimbursements may take two to three years to be received. The committee discussed how the district may address the remaining deficit once final project costs are determined.

9. Technology Budget Discussion

The committee discussed the technology allocation originally included in the bond program. Originally approximately \$9 million had been allocated for technology-related expenditures. Some board members, agreed upon by some members of the committee, previously expressed concerns that bond funds should not be used for items such as laptops and tablets that are typically funded through the general fund. The remaining technology funds are still included in the bond program budget and may be used to help offset other project costs.

10. Committee Membership and Bylaws

The committee discussed difficulties maintaining quorum due to a limited number of committee members.

District staff reported that additional recruitment efforts would be made to identify new community members interested in serving on the committee.

CBOC Bylaw Amendment

Committee members discussed term limits outlined in the committee bylaws. Current bylaws state that members may serve three consecutive two-year terms.

A motion was made to amend the bylaws to allow four two-year consecutive terms in order to maintain continuity and ensure quorum through the completion of the bond program. The motion was seconded and approved unanimously.

The proposed bylaw amendment will be forwarded to the Board of Education for approval.

11. Review of Historical Bond Expenditures (Hawthorne Projects)

The committee discussed historical bond expenditures dating back to approximately 2014 related to the Hawthorne campus.

Expenditures included:

- Architectural design services
- Seismic analysis
- Chiller and cooling tower replacement
- Electrical distribution improvements
- Auditorium modernization planning

District staff explained that:

- Architectural designs were completed.
- However, construction was never pursued due to changes in district priorities and school reconfiguration decisions.

While some committee members expressed concern about the amount spent on designs that were not ultimately constructed, staff indicated that the architectural services were completed in accordance with their contracts.

No evidence of fraud or improper billing was identified.

12. Adjournment

The meeting adjourned at 5:26 pm.