

BEVERLY HILLS UNIFIED SCHOOL DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE
March 20, 2025, MEETING MINUTES

The Citizens' Bond Oversight Committee (CBOC) held a meeting on Thursday, March 20, 2025, 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:

- ☒ Les Bronte
- ☒ Nathan Kruger
- ☒ Bill Bymel (via Zoom)
- ☒ Marc Carrel
- ☒ Paris Elias-Benjamin
- ☒ Harry Kraushaar
- ☐ Jasmine Yadgari
- ☒ Don Wyse

District:

- ☒ Dr. Jason Hasty, BHUSD
- ☒ Shirley Vasquez, BHUSD
- ☒ Amin Salari, FSI
- ☒ Kimberly Emerson, FSI

Board Members:

- ☐ Rachelle Marcus
- ☐ Judith Manouchehri
- ☒ Sigalie Sabag
- ☐ Amanda Stern
- ☒ Russell Stuart

Moss Adams:

- ☒ Tammy Lohr-Schweitzer
- ☒ Jordan Wahl
- ☒ Micky Nguyen

CFS/KeyAnalytics

- ☒ Tarana Alam, CFS

Keygent

- ☒ Chris Hiatt

Piper Sandler

- ☒ Jin Kim

Minutes Prepared By: Shirley Vasquez

CALL TO ORDER:

The meeting convened at 4:05 pm

APPROVAL OF AGENDA: APPROVED

APPROVAL OF October 17, 2024, Minutes: APPROVED

PUBLIC COMMENTS: None

Dr. Jason Hasty commenced the meeting by expressing his gratitude to all attendees. He acknowledged that there were some minor issues during the night work that is happening at the high school, but these were addressed promptly and effectively.

Mr. Amin Salari updated the committee with the construction updates (the report can also be found on the District website). Mr. Salari said that the team has started two new projects since the last time the committee met. Building C project, which is the gymnasium project, and the Upper Athletic Fields project. For Building C, we have to build the retaining wall which is currently in progress. The Upper Athletic Fields project consists of six tennis courts and a softball field. The goal is to complete by August of this year for the fields, so it's a very fast track project. Building C is about two years. Buildings B3/B4 project is on track and the goal is to finish and deliver by August. The main concern right now is the night operations that we have due to the condition of the soil. We are getting some complaints from the community. We are doing our best to decrease the noise by adding some blankets to the soil and putting mufflers on the sound the trucks are making when reversing. There is a threshold for the sound as we have installed sound monitoring devices around the area, and we are trying to maintain that threshold. It is not 100% convenient for the neighbors but we are below the standard threshold that is required by the state.

Mr. Harry Kraushaar asked how long that aspect of the project will take. Mr. Salari said that the team has been working closely with the contractor, worst case scenario would be ninety days. If the soil was clean, there is no need for night work but since there is soil contamination, then the work has to be done at night. We also have air monitoring in place around the site, so dust is being monitored diligently. Also, the sound is being monitored. There are no health concerns, just the noise.

Mr. Nathan Kruger inquired about the closure of the swim gym. In response, Mr. Salari explained that the contractor is tasked with handling the necessary repairs. He elaborated on the cause of the repairs, noting that heavy rainfall recently led to rainwater infiltrating two conduits that connect to the electrical room, resulting in damage to the flooring. He also mentioned that the repairs will be covered by the contractor's insurance, ensuring that there will be no costs incurred to the bond.

Ms. Tarana Alam presented her financial updates (the report is available on the District website). Measure E has been fully expended. There is only \$13,000 available balance left from generated interest, but this measure will be closed out soon. For Measure BH, all \$385M have been issued and has earned \$20M in interest. \$262M has been spent and \$142M remains to fund the projects. Mr. Kraushaar asked what the other expenditures are for El Rodeo, since the school is already completed. Mr. Salari said that there were miscellaneous repairs, e.g. the ball wall.

Ms. Tammy Lohr (Moss Adams) introduced herself and her team. She reminded everyone that the audit was conducted under generally accepted government auditing standards which require very specific forms of evidence to support the derived conclusions. Mr. Jordan Wahl, went over the results of the performance audit. In comparison to previous year's audit, where there were four open observations, two have been addressed and two were closed. First observation was 4A from the prior year, which is the expenditure and payment procedures, payment trends of the 30-day and 45-day payments. He added that this year, there were no instances of payment exceeding those thresholds. This observation is closed for this year. Observation C from the prior year, which also touches on expenditure and payment procedures. The District should continue to conduct construction audits and review procedures to ensure any potential non-compliance charges that are billed to the District and support transparency of the project(s). As best practice, the District building controls and policies should be evaluated to prevent potential excessive and non-compliant charges as required by the contract. The District continues to conduct detailed reviews of each payment application. The general contractors are required to submit subcontractor lien

releases for the previous month with each pay application. This is something Moss Adams will continue to monitor. Observation 10, fraud prevention and detection controls. The District has developed and implemented a fraud prevention checklist. The District does their fraud prevention training on a regular basis. The final open observation is observation 11, which is the master planning. The District has taken phenomenal steps in getting the District up to speed with getting the master planning underway. Moss Adams recommendation, as a best practice is to include information surrounding cash flow, modeling and funding source information in the master planning to promote transparency. Mr. Wahl congratulated the District on another excellent audit year.

Mr. Kruger shared that he and Mr. Don Wyse met with the Moss Adams team to probe on the security funds. He said that the feedback they received was that there was no misappropriation on the use of bond funds. The funds were spent on something that is under the definition of bond expenditures, and it was Board approved. The committee discussed the security issue and asked if there is a possibility of opening this issue again, how the District can get back some of the funds that were paid to security.

Dr. Hasty introduced Ms. Chris Hiatt and Mr. Jin Kim to discuss the bond refinancing. He added that this will be going to the Board for approval, but he wanted to inform the committee that the District will be looking at refinancing old bonds. Ms. Hiatt shares a presentation (presentation available on the District website). She explains how the bond refinancing works by taking the old bonds at higher rates and replacing them with new bonds at lower rates, similar to a home refinancing mortgage. The key difference is that the term of the bonds does not extend, so the final payment year remains the same. Mr. Kim said that interest rates go up and down, as a result of many different things. Some due to the recent macroeconomic news and geopolitical events. One thing that needs to be noted is that while interest rates have gone up recently (action taken to combat inflation), interest rates historically remain on the low. He added that interest rates now are stable. For Piper Sandler and Keygent to be considering this refinancing and hope to secure as many investors as possible to lower the interest rates even further, so higher savings can be achieved.

Mr. Bill Bymel asked how much Keygent and Piper Sandler will make from this refinance. Ms. Hiatt answered saying she believes the contract is for \$65,000. He also asked if there is a possibility to refinance below 3% in May or June. Mr. Kim said that that is the current expectation. If the interest rates go up to where it seems unfavorable to the District taxpayers, then the District can pause and pull off.

The committee discussed accepting applications to become a CBOC member.

The next meeting will be on May 1st, to discuss the annual report.

Meeting schedule (agenda item #9) discussion tabled, moved to next meeting.

Meeting adjourned at 5:37 pm.