

FINANCE PLANNING & CONTROLS SUBCOMMITTEE

TIME and DATE: 4: 00 p.m., Thursday, July 29, 2010

PLACE: Eugene Brucker Education room 2249, 4100 Normal Street, San Diego, CA 92103

MINUTES

Subcommittee Members: Alvin, Gordon, Morales, Schoettle, Spehn, Stump

AGENDA ITEMS	ASSIGNMENTS/UNDERSTANDINGS
Meeting Called to Order: (Gordon)	Chair Gordon called the meeting to order at 4:09 p.m. No Quorum was met but the meeting began administratively. At 4:20 p.m., with the arrival of Deanna Spehn, quorum was achieved.
Roll Call: (Champy) (Action)	Subcommittee Members in attendance: K. Alvin (excused), J. Gordon, D. Morales, K. Schoettle, D. Spehn (arrived 4:20 p.m.), J. Stump (absent) ICOC Support Staff: A. Champy, L. Goshorn District Staff: C. Brown, S. Markey, J. Salkeld, J. Splittgerber, J. Watts, T. Wright
Public Testimony	Chair Gordon called for public testimony and there was none.
1. Approval of Finance Planning & Controls Subcommittee Minutes for 05-27-10 (Gordon) (Exhibit) (Action)	Motion: Ms. Spehn motioned to approve the minutes. Mr. Morales seconded the motion. The motion carried with no objections or abstentions.
2. Discussion of Executive Director's BOE Docketed July 2010 Submission Items (Exhibit) (Action), 2.1. \$200M CY10 District Prop. S Bond, Analysis, Costs & Benefits (Exhibit)	Chair Gordon began the meeting by introducing new ICOC member Kim Schoettle who is replacing Pat Hom. (2) Bi-weekly, ICOC members will receive an FYI of the Prop. S Board of Education (BOE) "Look-Ahead" of submission items. This document will be routed by the Support Coordinator via email. Chair Gordon began this section trying to outline the cost and benefits of the CY 2010/2011 bond offering program. Stu Markey wrote and presented a paper on bond benefit costs. (2.1) The District Bond Counsel owes the ICOC a briefing. Mark Young was originally scheduled to brief the ICOC at its 8-19-10 meeting, but will need to help the District wrap up interviews for the Chief Financial Officer. The new meeting date is to be determined sometime in September 2010. <i>Action: Chair Gordon suggested that Executive Director Stu Markey outline the nominal dollars, the then year dollars and then display the future value treatment. This is the best way to revise the analysis to allow comprehension of the material presented.</i>

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<p>3. Presentation of Standard Financial Reports of July 2010 (Splittgerber) (Exhibit) (Information)</p>	<p>Total Expenditures-to-date is 18.2M. Current fund balance is 72.8M. Total 2009-10 fiscal year expended to-date is 91.5M.</p> <p>Stu Markey opined on the cost effectiveness of the Project Stabilization Agreement (PSA). There have been fewer bidders and some impact to the cost base. Chair Gordon asked to let the record reflect Stu Markey's personal professional opinion.</p> <p><i>Forward to 8-19-10 ICOC Meeting</i></p>
<p>4. 2010 MRR/RR Plan Preliminary Final Review MMR Plan (Goshorn/Wright) (Exhibit) (Action)</p> <p>4.1. ICOC Review of MRR Report (Exhibit)</p> <p>4.2. ICOC Review Presentation (Exhibit)</p>	<p>(4) Tom Wright is planning to take his MRR report to the Board of Education after positive review from the ICOC.</p> <p>Major Repair and Replacement (MRR) is the largest program in Prop. S.</p> <p>The amount of money that the District should be spending on maintenance and repair programs is in the range of \$60M – \$90M a year. This also includes preventative and routine maintenance.</p> <p>It is expected that beginning 2013, that there will be about \$34M of annual recurring funding available for maintenance and repair programs. This is well below what should be dedicated to maintenance and repair programs. The definition of MRR as repair and replacement work that has a useable life exceeding 20-years is targeted at carving out a portion of the work associated with the above recurring need that could be financed over a long period of time without digging an ever deepening hole of financial debt.</p> <p>Prop. MM general obligation bonds provided \$370M in supplemental funding for MRR between 1998 and 2008. The debt service of those bonds is \$24.3M annually and the bonds will be paid off by taxpayers in 2029.</p> <p>Mr. Goshorn reviewed recommendations in the draft ICOC Review of the MRR Report and provided a quick summary of the presentation material.</p> <p>For standardization purposes, Chair Gordon requested that slide 5 of the power point be used for anytime information is used to display the Facility Condition Index (FCI).</p> <p>Motion: With edits to reword the last recommendation in the ICOC Review and the last bullet point on page six of the power point slide, Mr. Morales moved to forward exhibits 4.1 and 4.2 to the 8-19-10 ICOC meeting. Ms. Spehn seconded the motion. The motion carried with no objections or abstentions.</p>

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5. Other Actions (Action) <ul style="list-style-type: none"> 5.1. Career Technical Education Round 3 Grant Projects (Watts) (Exhibit) 5.2. Charitable Gifting (Exhibit) 5.3. Prop. S Schedule <ul style="list-style-type: none"> 5.3.1. Memo (Exhibit) 5.3.2. Schedule Update (Exhibit) 	(5.1) Finance, Planning and Controls subcommittee members are not comfortable in giving an opinion on this subject until the Construction subcommittee members have had a chance to review it. (5.2) Deanna volunteered to an ad-hoc committee to work on the Prop. S five-year execution plan. Gil Johnson, Chair of ICOC, will pull other members to work with Deanna.
6. 2010-2011 Facilities Planning & Construction Master Calendar (Exhibit) (Action)	<i>Forward to 8-19-10 ICOC meeting</i>
7. ADJOURNMENT (Action) Meeting adjourned at 6:15 p.m. to the next meeting date and place stated. Next Meeting: August 26, 2010, at 4:00 p.m. in the Eugene Brucker Education Center Auditorium	

LG:ac
8-2-10

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