

Americans with Disabilities Act of 1990 compliant. For disability-related modification or accommodation including auxiliary aids or services, please call the Recording Secretary 24-hours in advance Monday through Friday to ensure availability (858) 637-3609

## SAN DIEGO UNIFIED SCHOOL DISTRICT

Physical Plant Operations Center

4860 Ruffner Street, San Diego, CA 92111

Training Room A

WEB POSTINGS: <http://www.sandi.net/props/icoc/#2>

Proposition S School Bond

Independent Citizens' Oversight Committee

**Finance, Planning & Controls Subcommittee**

August 27, 2009, 4:00 pm – 5:30 pm

**MINUTES**

Subcommittee Members: Cantor, Frager, Gordon, Morales, Spehn, Stump

| AGENDA ITEMS   | ASSIGNMENTS/UNDERSTANDINGS   |
|--|--|
| Meeting Called to Order: (Gordon)  | Meeting called to order at 4:08 p.m.   |
| Roll Call: (Hoff) (Action)   | <p><b>Members in attendance:</b> Jim Frager (arrived at 4:21; left at 5:50), John Gordon, Deanna Spehn (arrived at 4:15)</p> <p><b>Members absent:</b> Gregg Cantor, Daniel Morales, John Stump</p> <p><b>Non-subcommittee members in attendance:</b> Gil Johnson (via teleconference at 4:16)</p> <p><b>Others in attendance:</b> Chuck Brown, C.J. Haskins, Tracy Higgins, Stu Markey, Joel Splittgerber, Jim Watts, Tom Wright, Emily Alpert (Voice of San Diego) and Roland Garcia (Smart Technologies)</p>  |
| <p><b>Public Testimony</b> [No action or discussion may occur regarding public comment on matters not on the agenda. Items may be referred to staff for placement on a future agenda. Public testimony is limited to 3 minutes per person.]</p> <p><b>Public Testimony requests are to be given to the ICOC Secretary prior to the start of the meeting.</b></p> | None given.  |
| 1. Approval of July 23, 2009, Minutes ( <b>Exhibit</b> ) (Action)  | Quorum was not obtained.<br>Minutes tabled to next meeting.  |
| 2. Revised Prop. S 5-Year Execution Plan (Splittgerber) ( <b>Exhibit</b> ) ( Information Only)   | Mr. Splittgerber presented the Revised Prop. S 5-Year Execution Plan. Because of the reduced assessed valuation of property, the execution schedule has changed from a three year to a five year execution schedule. The i21 program has been expedited. The data center, which will be at Serra High School, is also part of the i21 and the cost will be about \$25 million and it is expected to be completed in 2012. The library school has a \$20 million lease requirement and is slated for 2010 however negotiations are still at the city and state level. Mr. Markey stated that he could |

| AGENDA ITEMS   | ASSIGNMENTS/UNDERSTANDINGS   |
|--|--|
|  | <p>have Mr. Bill Kowba come in October to update the subcommittee regarding the situation. It was stated that in terms of cost of projects, the priorities are high schools first because they are generally in more need, then middle schools and then elementary schools.</p> <p><i>Action Item: Gil Johnson joined the subcommittee meeting by teleconference at 4:16 pm. and Chairman Gordon said because of previous questions, he would take the issue of attendance in this manner as referral back to the Governance Subcommittee or to the full ICOC.</i></p> <p><i>Action Item: Mr. Markey will ask Mr. Bill Kowba to update the lease/hold situation regarding the library school to the subcommittee in October.</i></p>   |
| <p>3. Proposed Prop S Site Discretionary Process (Watts) (<b>Exhibit</b>) (Information only)</p> | <p>Mr. Watts reported on the Proposed Prop. S Site Discretionary Process. The Site Discretionary Funds (SDF) will be \$150 per student for each of the school sites. They are recommending that the enrollment be set on the fourth Friday enrollment of this year as the baseline and that number will be frozen for the program. They have allocated \$19.5 million under Prop. S and that covers all district schools and all district sponsored charter schools. Mr. Markey said the latest information is that having just discussed this with the superintendent, the execution strategy is to break the school district into sub-districts and award the money based on API scores. The lowest performing schools will receive the money first across each sub-district and that way the money can be distributed equally throughout the district. He was directed by the superintendent to produce a list and report it to the Board via a memorandum after the final head count. That document will be generated and forwarded to the Board with a copy to the ICOC sometime around the first week of October or so based on when they get the data. Mr. Watts said the sites have to apply and put in a specific request. Because of the bond structure, one of the main differences between Prop. MM and Prop. S is that the sites can get furniture and equipment. In Prop. MM, it had to be a capital improvement. All the expenditures have to be in conformance with Prop. 39 regulations. Personnel, salaries, supplies and textbooks are not permitted. The funds will become available over a period of five years. After the sites make their requests, the money</p> |

| AGENDA ITEMS   | ASSIGNMENTS/UNDERSTANDINGS   |
|--|--|
|  | <p>will be encumbered until approximately the \$4 million mark is reached and then the sites will have to wait for the next year to make further requests. This is based on cash flow and the schools' allocations will be available through the end of the program. A small committee will be set up to review and it will include Jim Watts and the district architect and possibly other staff from facilities. Gil Johnson requested adding an ICOC member to be a part of this committee.</p> <p><i>Action Item: An ICOC member will be invited to be a part of the review committee.</i></p>   |
| <p>4. The Deferred Maintenance Plan (Tom Wright) <b>(Exhibit)</b> (Information only)</p> | <p>Mr. Tom Wright presented Handout 4, the Major Repair and Replacement Implementation Plan. Mr. Frager asked if it is funded out of Prop. S and the answer was it is not funded out of Prop. S. This will be a presentation to the Board but first they wanted to give an update to the ICOC as information only. There is a \$25 million dollar budget for this year of which \$20 million is district funds with a funding source from State School Facilities. There are 502 projects on the list involving 160 sites. It is within the law for district employees to do Proposition work if it is under \$21 thousand or under 750 hours. If a project is greater than \$21 thousand or 750 hours, then the internal work force cannot do that work. Mr. Markey said it would be beneficial for an ICOC member to review the details more closely. The presentation to the Board should take place in October and Ms. Spehn offered to review the information with staff.</p> <p><i>Action Item: Deanna Spehn will meet with Physical Plant Operations staff and review the information for the ICOC.</i></p> |
| <p>5. Monthly Controls Status Report (Splittgerber) <b>(Exhibit)</b> (Action)</p>        | <p>Mr. Splittgerber presented the Monthly Controls Status Report. It is the same basic report which was presented to the ICOC at the last meeting with all data as of July 31. Because of a suggestion from Mr. Gordon at the last ICOC meeting, he added the corresponding percentages. The total expenditure to date is \$19.5 million. The preliminary year-end adjustments are \$4.3 million. \$4.4 million was spent in the month of June. Fiscal year expenditures to date as of the end of June is \$16.8 million. Obligated to date, \$78 million has been encumbered. The Prop. S program is slightly behind schedule but \$13 million</p>  |

| AGENDA ITEMS  | ASSIGNMENTS/UNDERSTANDINGS  |
|---|---|
|   | under budget.   |
| <p>6. Special Referral Items (Gordon)<br/>           (Information only)</p> <p>6.1 Costs for i21 Training Authorization</p> <p>6.2 Risk of Double Payments</p> <p>6.3 Tracking/Controlling Appropriate Prop S Expenditure</p> | <p>Regarding the authorization of costs for i21 training, Mr. Markey reiterated that Prop. S funds are only paying for the trainers as part of the i21 contract. Teachers will be provided with 24 hours worth of system's training in six four hour sessions. Ongoing professional development and teachers' salaries or substitutes cannot be paid for with Prop. S funds. However, as part of the commission process, an instructor can be paid to give system's training. Mr. Splittgerber stated that concerning the risk of double payments, in the PeopleSoft system, once an invoice is approved, it cannot be approved again. In tracking and controlling appropriate expenditures, all the expenditures are downloaded on a monthly basis into PeopleSoft. If a charge from a school or a department appears and is not in the Prop. S bond project, it generates an exception report as a probable inappropriate expenditure. When any item is found to be incorrectly charged, the charges are reversed to a journal voucher and they are removed from the Prop. S funds.</p> |
| <p>7. Subcommittee Focus Items (Gordon)<br/>           (Information Only)</p>   | <p>Mr. Gordon asked for suggestions regarding focus items of the subcommittee. Ms. Spehn said she thinks the Major Repair and Replacement 2009-2010 Implementation Plan should go to the full ICOC as an information item but she does not think it needs to have a full presentation because it is self explanatory. Mr. Markey said the Controls Status Report should go forward to the full ICOC and Mr. Gordon replied it is a regular item each month. Mr. Markey said Mark Bresee still owes the ICOC an opinion on the technical training issue which is an action item from the ICOC meeting on August 20.</p>  |
| <p>8. Adjournment (Action)</p>  | <p>The next meeting will be held at the Eugene Brucker Education Center Auditorium at 4100 Normal Street.</p> <p>Meeting adjourned at 5:55 p.m.</p>   |