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SAN DIEGO UNIFIED SCHOOL DISTRICT

4100 Normal Street, Auditorium

San Diego, CA 92103

Proposition S School Bond

Independent Citizens' Oversight Committee

August 20, 2009, 4:00 p.m. to 6:00 p.m.

MINUTES

AGENDA ITEMS	ASSIGNMENTS/UNDERSTANDINGS
Meeting Called to Order: (Johnson)	Meeting called to order at 4:03 p.m.
Roll Call: (Hoff for Ross) (Action)	<p>Members in attendance: Gregg Cantor, Jim Frager (left at 5:30), John Gordon, Glenn Hillegas, Gil Johnson, Daniel Morales, Ray Moreno (arrived at 4:15), Leonard Pinson (left at 5:47), Matt Spathas (present through video conferencing at 4:10), Deanna Spehn (arrived at 4:17), John Stump</p> <p>Members absent: none</p> <p>Others in attendance: Mark Bresee, Chuck Brown, Lee Dulgeroff, C.J. Haskins, Stu Markey, Cynthia Reed-Porter, Joel Splittgerber, Jim Watts</p>
<p>Public Testimony [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>Public Testimony requests are to be given to the ICOC Secretary prior to the start of the meeting.</p>	None given.
<p>1. Approval of Minutes:</p> <p>1.1 3-25-09 Draft Minutes (Exhibit) (Action)</p> <p>1.2 7-16-09 Draft Minutes (Exhibit) (Action)</p>	<p>Motion: Mr. Pinson moved to approve the 3-25-09 Minutes. Mr. Stump seconded the motion with corrections. He noted errors in regards to the designation of the guests in the Pubic Testimony: Jay Powell, the Executive Director of City Heights Community Development Corporation; Jim Ryan with the Associated General Contractors of America, the San Diego Chapter; Bob Mulz, Chairman, and A.J. Wilson, Vice Chairman, of The Elite Service Disabled Veteran Owned Business Network.</p> <p>In Item 4, on page 2, Mr. Stump stated that the following information should be added to the Disclaimer statement: He is an appointee of the State Bar of the Legal Services Trust Fund, receiving travel reimbursement from them. In Item 11, he pointed out that Mr. Gordon is included as a member of the Governance Model Subcommittee.</p> <p>The roll was called and the motion passed unanimously.</p> <p>Motion: Mr. Stump moved for approval of the 7-16-09 Minutes. Mr. Morales seconded the motion. The motion</p>

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	passed unanimously.
<p>2. Construction & Implementation Subcommittee (Pinson)</p> <p>2.1 Presentation of 8-6-09 Draft Minutes/Report (Pinson) (Exhibit)</p> <p>2.2 Project Management Report (Dulgeroff) (Exhibit) (Information Only)</p> <p>2.3 Construction Management Report (J. Brown) (Exhibit) (Information Only)</p> <p>2.4 Small Business Outreach (Watts) (Information Only)</p> <p>2.5 Construction Subcommittee Chair (Pinson)</p> <p>2.5.1 Chair's Comments</p> <p>2.5.2 Current/Future Subcommittee Focus</p>	<p>Mr. Pinson questioned presenting draft minutes to the ICOC and Mr. Johnson indicated that they are needed as a reference, not to approve or disapprove, but to understand some of the details. Mr. Stump requested that other attendees at all the meetings be listed. Also, if there is a legal opinion, it needs to be declared who gave that information. There was discussion regarding the i21 project and whether the training of teachers is an allowable cost under Prop S. Mr. Bresee indicated it is an allowable item under the Education Code and he will investigate further with regards to Prop S.</p> <p>Mr. Dulgeroff reported on the Project and Construction Management Reports. Nine projects are under construction. Three track and field projects under construction should be ready for school football season. The i21 Promethean Board project is on schedule. Two more contracts were awarded on August 12th and DSA approval of work on projects to be awarded this year is nearly complete. Regarding the turf being used, it was stated that Field Turf is the product being used and Astro Turf has not been purchased or used. Mr. Stump asked where items such as change orders, scope changes, or double payments can be found in the reports. Mr. Dulgeroff referred the committee to the Works in Place percentage (WIP %) column in Exhibit 2.3 which is the indication of the amount of work that has been invoiced and paid for up to the date of this report. Mr. Pinson said that his subcommittee will look at change orders as they are approved. The change order rate will be dealt with at the subcommittee level and he will only bring trends to the ICOC. Mr. Markey said the Prompt Payment Act requires they be in compliance and he is prepared to present any data the committee desires regarding payment and schedules. Mr. Johnson asked Mr. Gordon to take this item up in his subcommittee. Mr. Dulgeroff reported on four dates that ICOC members would be able to go in the field for project site visits; part of the visit would involve technology and the other part would revolve around construction.</p> <p>Mr. Watts reported that the main focus of outreach in terms of upcoming events is to provide support for the training sessions on the PSA to make sure that the contractors and sub-contractors are aware of all the provisions. Ms. Spehn would like to get copies of the quarterly reports from outreach. It was agreed that the</p>

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	<p>quarterly reports would be distributed to the full ICOC but they do not have to be an agenda item.</p> <p><i>Action Item: Mr. Bresee will research and give information to the committee on his findings regarding the use of Prop S funds for teacher training.</i></p> <p><i>Action Item: Mr. Gordon will have the Finance Subcommittee discuss expenditures under Prop S in regards to double payments and change orders.</i></p> <p><i>Action Item: Outreach quarterly reports to be distributed to ICOC.</i></p>
<p>3. Finance, Planning & Controls Subcommittee (Gordon)</p> <p>3.1 Presentation of 7-23-09 Draft Minutes/Report (Gordon) (Exhibit)</p> <p>3.2 Update from District Bond/Financial Advisor (Gordon/Markey) (Information Only)</p> <p>3.3 Proposition S and Facilities Update (Markey) (Exhibit) (Information Only)</p> <p>3.4 Monthly Controls Status Report (Splittgerber) (Exhibit) (Action)</p> <p>3.5 Finance Subcommittee Chair (Gordon)</p> <p>3.5.1 Chair's Comments</p> <p>3.5.2 Current/Future Subcommittee Focus</p>	<p>Mr. Gordon reported that the District Bond/Financial Advisor has indicated there is nothing new regarding the revenue side. Mr. Markey will be checking with the financial team to confirm information before putting his proposals forward to the Board of Education but he does not think anything will change in the next couple of months. Mr. Gordon asked about the outcomes of some of the scope items presented to the Board on July 28. Mr. Markey said that primarily the discussion revolved around the Gompers/Millennial Tech site pertaining to a 6.2 acre DG field, how it would be developed and who would have access to the field. The resolution was that the Board of Education has directed him to develop that field and put an athletic facility on it. It would be shared by both schools. An important item is the distribution of site discretionary funds (\$150 per student per school) and when to issue them. The decision is to do distribute them over a five year period. He will follow up with Board memorandums regarding those decisions. The Board also directed him to accelerate the i21 program which he said has two components: infrastructure (technology construction) and classroom modernization. He cautioned the Board not to assume that the State Schools Facilities Fund is available as it has been in the past because the matched revenue source will expire in the 2012-2013 timeframe so ideas to expand projects beyond the scope of Prop S have to be looked at carefully. Mr. Stump indicated that the ICOC should be able to make recommendations on projects and schedules.</p> <p>Mr. Splittgerber reported on the Monthly Controls Status Report. The obligated to date is approximately \$46 million. Mr. Markey said he is very guarded in this environment that funds are used properly and are not charged to that account just because they fit the</p>

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	<p>description of Prop S expenses. As a precaution, the expenses he has approved are balanced with the charges of what comes up on PeopleSoft every quarter.</p>
<p>4. Governance & Accountability Subcommittee (Spathas)</p> <p>4.1 Presentation of 8-5-09 Draft Minutes/Report (Spathas) (Exhibit)</p> <p>4.2 8-10-09 Draft Minutes will be available at the next Governance Subcommittee meeting</p> <p>4.3 ICOC Draft Bylaws (Spathas) (Exhibit) (Action)</p> <p>4.4 Governance Subcommittee Chair (Spathas)</p> <p>4.4.1 Chair’s Comments</p> <p>4.4.2 Current/Future Subcommittee Focus</p>	<p>Mr. Spathas presented the draft bylaws and Ms. Spehn reminded the members that even though it has been handled in the subcommittee, many of the ICOC members have not dealt with the bylaws.</p> <p>Mr. Bresee pointed out that the item is an action item on the agenda so this is intended to be the first reading of the bylaws which will be adopted by the ICOC after a second reading.</p> <p>Regarding Article 5.D., Mr. Stump said there is a legal question on the fixed term issue and Mr. Bresee was to come back with a legal opinion so he believes it is still an open question. Mr. Bresee indicated the statute does designate a fixed term of two years. When the term is fixed, the general proposition in the law is that a term can only be shortened for cause or for resignation or another situation that causes a vacancy in office. In order to stagger the terms, he is comfortable with changing the language based on practices around the state to say 5 of the members will be chosen by lottery through a random determination once these Bylaws are adopted by the ICOC and the Board. It was agreed that the language would read, “Five seats will be determined to be one year terms, first by volunteer and the remainder by lottery.”</p> <p>The committee agreed to the modification that clarified the conflicting language in Article 6.B.</p> <p>Mr. Morales asked that the committee make a decision regarding Article 7.B.1) without any reference to other issues: [7.B.2) and 3)].</p> <p>Motion: Mr. Morales moved to approve Option 1 in Article 7.B.1) with the maximum number of 5 to a subcommittee. Mr. Stump seconded the motion. The motion passed.</p> <p>Motion: Mr. Stump moved to retain the Chair as an ex-officio member but exclude the vote of the Chair in Article 7.B.3). Mr. Moreno seconded the motion. The motion did not pass. The language remains as written.</p> <p>Motion: Mr. Spathas moved to approve the language of the Executive Committee in Article 7.D. as redline. Consensus was not reached and it was agreed by the committee that it moves to a second reading.</p> <p>Motion: Mr. Cantor moved to continue the meeting until 6:15 pm. Mr. Morales seconded the motion. There were no objections.</p> <p>Motion: Mr. Spathas moved to approve Option 2,</p>

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	<p>“should”, in Article 7.B.2). Mr. Stump seconded the motion. The motion passed.</p> <p>There were no objections regarding Page 5.</p> <p>Motion: Mr. Stump moved to approve Option 1, four members, in Article 13. Mr. Morales seconded the motion. Consensus was not reached and it was agreed by the committee that it moves to a second reading.</p> <p>Motion: Mr. Stump moved to approve Option 1, “two-thirds vote”, in Article 15. Ms. Spehn seconded the motion. The motion passed unanimously.</p> <p>Motion: Ms. Spehn moved the language remain as written in regards to the adoption and approval by the Board in Article 15. Mr. Spathas seconded the motion. The motion passed. Ms. Spehn asked that the Bylaws be dealt with first at the next meeting.</p>
<p>5. Communication Update Report (Reed-Porter) (Information Only)</p>	<p>Cynthia Reed-Porter reported the renaming of the ICOC files on the website has been accomplished. The new web pages are being set up and will be live the first or second week of September.</p>
<p>6. Executive Director Comments (Markey) (Information Only)</p>	<p>Mr. Markey indicated that he hired Mr. Larry Goshorn to assist the ICOC in the site visits. He will develop the reports and take photographs. He has been given 100 hours to help with those reports. There are two legal items outstanding. There is a lawsuit that was filed as a complaint by the Carlin Group representing Audio Associates. It has to do with the CMAS i21 contract. The other one is the AGC lawsuit. It pertains to issues related to apprenticeships and their claim that unrepresented apprentices were harmed. Both of these are writs and are expected to be heard in November/December or later. He also reported that at this time DSA has come down from six months to four to six weeks. The obligation today is \$79 million which is quite different than it was two weeks ago. Ms. Spehn asked about the state audit that was done. Mr. Markey said that he has not received the formal report yet but once it is received, it will be given to the committee.</p>
<p>7. ICOC Members’ Comments (Information Only)</p>	<p>Mr. Spathas questioned if there is a role for the ICOC to play in keeping Dr. Grier in San Diego. Mr. Bresee indicated there was not based on the Education Code provisions that define the purpose, function and activity of an ICOC.</p>
<p>8. Chairman Pro Tem Comments (Johnson) 8.1 ICOC Calendar of Events FY 2009-2010 (Johnson) (Exhibit) (Action)</p>	<p>Mr. Johnson presented the ICOC Calendar of Events and encouraged the members to use this timeline in order to make sure things are getting done and to meet the</p>

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	expectations for audits and annual reports.
9. Adjournment (Action)	Meeting adjourned at 6:18 p.m.

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