

ICOC

TIME and DATE: 4:00 p.m., Thursday, July 15, 2010
PLACE: Eugene Brucker Education Center Auditorium, 4100 Normal Street, San Diego, CA 92103

MINUTES

Committee Members: Alvin, Cantor, Gordon, Hillegas, Hom, Johnson, Morales, Pinson, Spathas, Spehn, and Stump

AGENDA ITEMS	ASSIGNMENTS/UNDERSTANDINGS
Meeting Called to Order: (Johnson)	Chair Johnson called the meeting to order at 4:04 p.m.
Roll Call: (Champy) (Action)	<p>Members in attendance: K. Alvin, G. Hillegas (excused), P. Hom, J. Gordon, D. Morales (arrived at 4:12 p.m.), L. Pinson, D. Spehn (arrived at 4:34 p.m.), M. Spathas (excused), J. Stump,</p> <p>ICOC Support Staff: A. Champy, L. Goshorn District Staff: C. Brown, L. Dulgeroff, G. Harris, K. Linehan, J. Splittgerber, J. Watts</p>
Public Testimony	Chair Johnson called for public testimony and there were none.
1. Approval of ICOC Minutes for 06-17-10 (Johnson) (Exhibit) (Action) (1-min)	Motion: Mr. Pinson moved to approve the minutes. Ms. Hom seconded the motion. The motioned carried with Gil Johnson, Leonard Pinson and Pat Hom in favor. Kevin Alvin abstained. John Gordon and John Stump voted in opposition.
2 Executive Director's Report, Capital Improvement Bond Program (Markey) (Information) (10 min) 2.1 Cash Flow 2.2 Prop. S Items to be presented to the BOE within the next 30 days (Information) 2.3 Project Schedule Changes 2.4 Legal Actions, Errors, Accidents & Exceptions 2.5 District Budgets 2.6 Executive Director's Comments on Current & unfolding events	<p>Chuck Brown, Director of Facilities, Planning and Construction presented the Executive Director's report.</p> <p><i>(2.2) Action Item: John Gordon and John Stump asked that this item be forwarded to the next Executive/Governance subcommittee meeting and requested that there be a docketed handout as it relates to the Executive Director's presentation from this day forward.</i></p> <p><i>Action Item: i21 will be discussed at the 8-4-10 Executive/Governance subcommittee meeting to make a determination of where its home should be.</i></p> <p>(2.3) Project schedule changes will be presented at the 7/29/10 Finance, Planning and Controls subcommittee. It will then be forwarded to the 8-19-10 ICOC meeting, which will then be forwarded to the BOE at its 9/14/10 meeting.</p> <p>(2.4) There are no pending legal actions.</p> <p>(2.5) Fiscal Year 11-12 deficit for the general fund will be about 120M.</p>
3 Construction Subcommittee (Pinson) (10 min) 3.1 Draft Minutes for 7-1-10 (Exhibit) (Information) 3.2 Small Business Outreach Program Status (Exhibit)	<i>(3.2) Action: Chair Johnson asked that Chuck Brown look at contracts that are in default and for Leonard Pinson to discuss this item more in detail at h is Construction</i>

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<p>(Action)</p> <p>3.3 Construction Management Report (Exhibit)</p> <p>(Action)</p> <p>3.4 Cost Savings Matrix (Exhibit) (Action)</p> <p>3.5 Chair’s Comments on Current & Future Focus</p>	<p><i>subcommittee meeting.</i></p> <p>George Harris commented that the Finance department would only track the amounts paid to the general contractor. Those payments to subcontractors with whom we do not have a legal binding contract are not tracked.</p> <p>Chair Johnson had asked, “If we contract with a MBE/WBE for a \$1000, do they receive \$1000? Can they bank \$1000? To which Mr. Harris replied, “Yes.”</p> <p>Chair Johnson: “So this MBE/WBE contract was a direct contract relation?”</p> <p>Harris: No. Those are primarily subcontractors. If any of these subcategories have a direct contract with the school district we can track and reconcile. If they’re subs, we cannot.</p> <p>(3.3) No action. Information only (3.4) No action. Information only</p>
<p>4 Executive/Governance Subcommittee (Johnson)</p> <p>(Information) (5 min)</p> <p>4.1 No meeting on 7-7-10</p> <p>4.2 Next schedule meeting August 4, 2010</p> <p>4.3 Chair’s Comments on Current & Future Focus</p>	
<p>5 Finance Planning & Controls Subcommittee (Gordon)</p> <p>(10 min)</p> <p>5.1 No meeting on 6-24-10</p> <p>5.2 Bond Counsel Advisory Teleconference Update (Information)</p> <p>5.3 Prop. S Monthly Controls Status Report – May 2010 (Splittgerber) (Exhibit) (Information)</p> <p>5.4 Chair’s Comments on Current and Future Focus</p>	<p>(5.2) On 7-13-10 the BOE approved item H-4 Resolution in the matter of authorizing the sale in the amount not to exceed 200M of 2010 general obligation bonds.</p> <p>There was a teleconference on 7-12-10 with Mark Young. Daniel Morales dialed in for John Gordon.</p> <p>Daniel gave a brief report from the teleconference of the issues related to the bond.</p> <p>Key points during the teleconference: Assessed value (AV) compared to last year was .91. Within the district the AV came to a negative 1.9. Within the City of San Diego, 1.47. County was at 1.6. Mark Young gave information related to the maturity rate changing. State law now allows maturity rate to go from 25 to a 40 year.</p> <p>All the bond sales were issued with the 40 year maturity rate as it relates the remainder of the bonds. The debt service cost estimate from 2023 to 2063 is 15.8 billion dollars for 2.1 billion dollars of capital. Under the 25 maturity year rate, it would’ve been 8.5 billion for 2.1 billion of capital.</p>

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	<p>8-19-10 the bond staff will make a presentation to the full ICOC at the request of the Chair.</p> <p>8-3-10 the county board of supervisors will have to approve the bond sale. –As stated by Daniel Morales from his notes.</p> <p>Staff’s recommendation: 164M general obligation bonds 36M in qualified school construction bond with the 40 year maturity rate.</p> <p>Two models were presented:</p> <ol style="list-style-type: none"> 1.) 24 year project projection with a 25 year maturity rate from 2023-2058 debt service will save .5 Billion 2.) Accelerated version of 14 year project program with a 40 year maturity rate for 15.8 billion <p><i>Action: ICOC Support Coordinator to transcribe Mark Young’s words from the 7/13/10 BOE meeting, and forward the transcription to the full ICOC to have as a record.</i></p> <p>Motion: Mr. Pinson motioned to move this item to the end of the agenda for further discussion. Ms. Spehn modified the motion and suggested that the item should be moved to the Finance, Planning and Controls subcommittee instead. Kevin Alvin seconded the motion. All were in favor. The motioned carried with no objections or abstentions.</p>
<p>6 Audit Subcommittee (Stump) (10 minutes)</p> <p>6.1 Draft Minutes for 6-14-10, 6-25-10 (Exhibit) (Information)</p> <p>6.2 Consideration of ICOC Suggestions RE: District Audit Scopes (Harris and Goshorn) (Action)</p> <p style="padding-left: 20px;">6.2.1 District Proposed Audit Scopes (Exhibit) (S. Markey Letter)</p> <p style="padding-left: 20px;">6.2.2 Calendar of 2010 Performance and Financial Audit processes (Goshorn) (Exhibit) (Action)</p> <p>6.3 Chair’s Comments on Current & Future Focus</p>	<p>There were no recommendations from the Audit subcommittee, only comments. It is up to the district on how they would like to structure the audit reports.</p> <p>(6.2.1) John Stump commented that this letter should have been addressed to him because he is the Chair of the Audit subcommittee and should not be addressed to the Chair.</p>
<p>7 Communication Update Report (Reed-Porter) (2 minutes) (Exhibit)</p>	
<p>8 President’s Report (Johnson) (10 minutes)</p> <p>8.1 Monthly Status Meeting with Bill Kowba,</p>	

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<p>Superintendent (Information)</p> <p>8.2 Joint ICOC/BOE Special Workshop, June 29, 2010, 8-9:30 a.m. (Information)</p> <p>8.3 ICOC Activity Planning Calendar for FY10-11. Fwd to Exec./Gov. Subcommittee for August 4, 2010 meeting (Information)</p> <p>8.4 Chair's Comments on Current & Future Focus</p>	
<p>9 ADJOURNMENT (Action)</p> <p>place stated.</p>	<p>Meeting adjourned at 6:06 p.m. to the next meeting date and</p> <p>Next Meeting: August 19, 2010, at 4:00 p.m. in the Eugene Brucker Education Center Auditorium</p>

LP:ac
7-16-10

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