

FINANCE PLANNING & CONTROLS SUBCOMMITTEE

TIME and DATE: 4: 00 p.m., Wednesday, October 20, 2010

PLACE: Eugene Brucker Education Center Room 2226, 4100 Normal Street, San Diego, CA 92103

MINUTES

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

AGENDA ITEMS	ASSIGNMENTS/UNDERSTANDINGS
Meeting Called to Order: (Gordon)	Chair Gordon called the meeting to order at 4:05 p.m.
Roll Call: (Champy) (Action)	Subcommittee members in attendance: J. Gordon, D. Morales, D. Spehn (excused), K. Schoettle, J. Stump Other ICOC members in attendances: G. Johnson ICOC Support Staff: A. Champy, L. Goshorn District Staff: L. Dulgeroff, R. Little, S. Markey, J. Splittergerber, J. Watts,
Public Testimony	Chair Gordon called for public testimony and there was none.
1. Approval of Finance Planning & Controls Subcommittee Minutes for 9-30-10 (Gordon) (Exhibit) (Action)	Motion: Mr. Morales moved to approve the minutes. Chair Gordon seconded the motion. The motion carried with no objections or abstentions.
2. Executive Director's BOE Look-Ahead (Markey) (Exhibit) (Information)	The Board of Education (BOE) members have asked a member of the ICOC be represented at their November 2, 2010 meeting to discuss Charitable Gifting. The local interest items that Stu Markey presented on the 10-19-10 Board workshop were items he presented to the BOE to take in as advisement.
3. Presentation of Standard Financial Reports of September 2010 (Splittgerber) (Exhibit) (Information)	Total Expenditures to date is 120M. Current fund balance is 261M. Projected revenue through June 2011 is 399M. Stu Markey: Expenditures are important. Stumbling through contracts, there is excessive and long approval processes. We lose a week after the Board says "I approve the contract" where it sits in somebody's inbox before it gets out to the field. When asked by Chair Gordon on how the ICOC can help Stu with this issue he said, "What I'd like to do is come up with—this is so complex there is no easy solution—it's across the whole enterprise and it's involved with law. I'm at a lost for a directive that the ICOC can give me other than "I'd like you to see improvements. I'd like you to create a metric by 15 -30 days. I'd like everything paid within 15 days." A reasonable metric for an organization like this is to have all, once accepted and once the invoice is accurate, to have them paid in fifteen to twenty-one days. With all the technology we have, the automation, we should be able to pay an invoice in fifteen to twenty-one days after we have accepted it as accurate.
4. Investment Philosophy (Spehn, Gordon, Watts) (Exhibit) (Action)	John Stump mentioned the following edits: Page 1: Mention taxpayers' in the second paragraph. Page 4: Remove any mentioned of elementary and middle schools in the second paragraph. Eliminate "Program and Project Reserves" header and the entire paragraph following the header. John Stump asked "What is not authorized?" Stu gave an

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	<p>example of the proposal to use Porter North and Porter South as the next feeder middle school for Lincoln High. The Legal Department said no because it is not permissible in the bond.</p> <p><i>Action: John Stump requested that the ICOC receive a legal opinion of this.</i></p> <p>Item #4 Investment Philosophy will be forwarded to the 10-21-10 ICOC meeting as a handout. The ICOC members will have a chance to read and forward any edits they may have to the ICOC Support Coordinator.</p> <p><i>Action: Gil Johnson asked that the three ICOC memos (Charitable Gifting, Career Technical Education and Proposed Prop. S changes) be added as an item on the BOE agenda.</i></p>
<p>5. Mark Young Update to ICOC on Financing Plans going forward to be presented at the 10-21-10 ICOC Meeting (Markey) (Information)</p>	<p>The bigger policy issue for the District in this area is at some point in time, we will have to go for another bond.</p> <p>ICOC Consultant Larry Goshorn mentioned that the “most efficient way of doing this is if you could do things on a cash basis. Currently under state law that’s not possible, there’s not a financing mechanism that enables the school district to do that, but on a long term basis, as far as any lobby efforts, whatever the district may have, that would be an interesting thing to present to the legislature. It would not be universally accepted. We’ve floated that idea, and there are a number of negatives against it. Part of it is that Wall Street wouldn’t be benefiting as greatly as it would by going through this mechanism. But there are other states in the nation where you can because staff have demonstrated that you plan this out, and if you have the ability to do it on a cash basis it would be possible. And it would certainly save Taxpayers’ enormous amounts of money.</p> <p>Mr. Stump mentioned that there is a paragraph of what the impediment is in regards to Larry’s comment.</p> <p>Motion: ICOC Finance, and District Chief Financial Officer (CFO), and District Facilities to work collaboratively together to update our Cost and Benefit Comparison Matrix and per Mr. Stump’s and Larry Goshorn’s suggestions to elaborate more on their ideas (mentioned above.) Mr. Stump seconded the motion. The motion carried with no objections or abstentions</p> <p><i>Action: Larry Goshorn to get back to Chair Gordon of what he estimates how long it will take him to complete the task of developing the idea that is mentioned in the paragraphs above.</i></p> <p>It would be helpful if each of the Chairs of each subcommittee would know what their budget or resources are so that the committee can figure it out.</p>
<p>6. ADJOURNMENT (Action) Meeting adjourned at 6:10 p.m. to the next meeting date and place stated.</p>	

Next Meeting: November 17, 2010, at 4:00 p.m. in the Eugene Brucker Education Center, room 2249