

Please Post

San Bernardino City Unified School District

Regular Meeting of the Measure T Bond Citizens' Oversight Committee

Board of Education – Conference Rooms A/B
777 North F Street
San Bernardino, CA 92410

MINUTES

March 11, 2009

Committee Members	Representing	Present	Absent
Cynthia Barrow	Parent	X	
Tierney Harris	At-Large		X
Sheri Hundley	Parent/PTA Member	X	
David Justice	Business Community	X	
Ralph Knox	Senior Citizen	X	
Troy Nelson	At-Large		X
Maria Dolores Ochoa	At-Large	X	
Martin Romeo	Business Community	X	
Marion Vassilakos	Tax Payers' Organization	X	

District Support	Department	Present	Absent
Dr. Arturo Delgado	Superintendent's Office		X
John Peukert	Facilities/Operations		X
Wael Elatar	Facilities Management		X
Keith Kajiya	URS Facilities Program Management	X	
Laura Breuer	Facilities Management	X	
Beth Alexander	Facilities Management	X	
Mohammad Islam	Business Services	X	
Renee Graves	Vicente, Lloyd & Stutzman, LLP	X	

1. Opening

a. Call to Order

Chair Sheri Hundley, called the meeting to order at 1:04 pm.

b. Approval of Minutes

Ralph Knox moved, seconded by David Justice, to accept the minutes of the December 3, 2008 COC meeting as presented. Motion carried.

c. Members' Term Renewals

Keith Kajiya explained that the first, two-year term of two members was going to end in 2009. Marion Vassilakos and Tierney Harris both agreed to serve an additional two-year term and their names were approved by the School Board on January 13, 2009.

2. Administrative Report

a. Proposition 39 Audit Reports for Fiscal Year 2007-2008

Mohammad Islam, SBCUSD Chief Business and Financial Officer, introduced himself and Renee Graves, from the audit firm of Vicente, Lloyd & Stutzman, LLP, to the Committee. Mohammad thanked the Committee for their involvement and commitment.

Renee presented the findings of the Financial Audit for the Fiscal Year ending June 30, 2008. She explained that this is an additional, and much more in-depth, audit of the Bond funds. She reported that they tested fifty-four (54) different costs and 80% of the expenses. Of the issued Prop. 39/Measure T Bond funds, \$14M remains unspent and \$17M has yet to be issued. The report stated..."There were no findings and questioned costs related to the financial audit of the Measure T Bond Building Fund for the year ended June 30, 2008". The report also stated that the one finding and recommendation from the 2006-2007 audit, had been implemented and corrected.

Next, Renee presented the Performance Audit report. This audit looks at non-financial issues, such as the make up of the Citizens' Oversight Committee and compliance with the performance requirements for the Prop. 39/Measure T General Obligation Bonds under the California Constitution and Prop. 39 guidelines. The reported concluded..."There were no findings related to the performance audit for the fiscal year ended June 30, 2008".

Mohammad Islam thanked Renee for the outstanding job she and the other auditors did.

David Justice asked a question regarding the interest earned on the unspent bond funds. Mohammad explained that the San Bernardino County Audit Controller has invested the funds in secure, stable investments that have done well under the current economic circumstances. David also asked about what the "Other Services" included and Mohammad explained that those expenditures were for such things as: architects, consultants, inspectors, project managers, construction managers and utilities.

It was decided that the Financial and Performance Audit reports will be included in the Citizens' Oversight Committee's Annual Report which will be presented to the School Board in either April or May.

Martin Romeo moved, seconded by Cynthia Barrow, to accept the Financial and Performance Audit reports as presented. Motion carried.

b. Funding Status Update

Keith Kajiya reviewed the October 2008, Bond Report. He explained that because of the State and Federal Budget problems, stimulus funding may be available to the District. This is not finalized and financial consultants are traveling to Washington, DC to lobby for schools to receive funds. The State of California is not releasing funds that were apportioned and temporary bridge funding is required to keep construction moving in this favorable bidding environment. With the downturn in the economy, Keith explained that bids for construction are low which allows the District to do more work to improve facilities. Keith reported that John Peukert and Wael Elatar were in Sacramento today to meet with OPSC to request a temporary transfer of State cash received for Land Acquisition and Design to other projects. This will allow to District to proceed with construction on some Modernization projects to take advantage of the current bidding climate. Keith also discussed the District's current evaluation of a Certificate of Participation (COP), which is a lease-lease back funding mechanism, which can be used as short-term bridge funding to continue construction. There are on-going discussions

with US Bank to secure a letter of credit for potentially \$75M of COP funding. The District hopes to have this funding in place by June 2009.

c. Fiscal Year 2008-2009 FCIP Mid-Year Report

Keith gave an overview of the current and upcoming projects. He reported that due to the reorganization within the District, the Facilities Management and Maintenance and Operations Departments are combining. The Departments will be relocating to the Maintenance and Operations Department's building at Ninth and "J" Streets. The move is expected to be complete by the end of June.

d. Citizens' Oversight Committee Newsletter

Chairperson, Sheri Huntley, reported that Keith Kajiya, David Justice and she had met to discuss the various topics that might be in the newsletter. Discussion followed. Keith asked that Sherri and David prepare a draft of their cover statement for the newsletter and submit it to him by March 26.

e. Citizens' Oversight Committee Fiscal Year 2007-2008 Annual Report

Keith explained that with completion of the Financial and Performance Audits and approval by the Committee, the COC Fiscal Year 07-08 Annual Report could be prepared and presented to the School Board. Keith asked Beth to send COC members' contact information in order for them to email their input for the Annual Report to Chairperson, Sheri Huntley and/or Vice-Chairperson, David Justice.

f.. Business Outreach Status

Keith reported that two-thirds of the Measure T Bond funds have been spent in the Inland Empire, helping to support our local businesses. Through the Labor Compliance tracking done by the Facilities Management Department, Keith is compiling a chart of businesses whom have contracted with the District to get statistical information, such as: race, gender, and wages as requested by the Committee.

g. Five-Year Housing's District Tour

Keith announced that the Five-Year Housing Committee is planning a bus tour of the new projects in the District. All COC members are invited to attend. Details will be forthcoming.

3. Committee Comments/Concerns

None

4. Schedule for Future Meetings

Scheduled: Wednesday, June 3, 2009

Scheduled: Wednesday, September 2, 2009

5. Public Comments

None

6. Items for Future Agendas

- a. COC Newsletter feedback

The meeting was adjourned at 2:50 pm.