



## Proposition O Citizens' Bond Oversight Committee

### Minutes

February 20, 2013

District Office Board Room

1130 Fifth Ave., Chula Vista, CA 91911

1. Meeting called to order by Nick Marinovich at 6:03 p.m.

*Roll Call:*

Nick Marinovich (NM) – Present

Kevin O'Neill (KO) – Present

Bernardo Vasquez – *Absent*

Dr. John Grubb – *Absent*

Terrance McKearney (TM) – Present

David Butler (DB) – Present

2. Pledge of Allegiance
3. Approval of Meeting Minutes: Minutes for January 16, 2013, and February 6, 2013 were brought for approval and trailed.
4. Public Comment: Ms. Cheers commented on the building of a new middle school when Southwest Middle School (SOM) is closing down, money spent to change Prologue codes, where Prop O funds are shown on the board agenda, increasing bandwidth rather than using the Cloud and storage room for iPads and the cost to have air conditioning there. Tom Calhoun (**TC**) clarified that SOM is not closing down and explained how Prop 39 requires us to offer space to charter schools. Therefore, Stephen Hawkins Charter School at SOM and Castle Park Middle School. Charter school facilities and their funding, including the MAAC kitchen project, were discussed by member of the committee, TC and Paul Woods (**PW**). TC also answered questions about the need for a new middle school and our student transfer policy.
5. Changes to CBOC Policy and Regulations (By-Laws): **NM** commended **PW** on his dedication to his work in the district. **NM** then explained the process of reviewing and revising the CBOC By-Laws and asked **PW** to give highlights of changes. Changes included applicants listed in every category, except the parent category, having a letter from their organization acknowledging their membership and one or more CBOC members may be a part of the new member evaluation process. The big change was modification of member terms. A graphic was handing out demonstrating how the three cycles would work and **PW** explained when each member's term would end. Other changes included a change in frequency of meetings, referring to the recommendation to meet monthly, which might not be necessary if there was a lull in activity, i.e. no bond sales; formalizing the election of the chair and vice chair; informing members when council underwriters issue a bond; requiring budget requests to be made in January; and most of the audit recommendations were included. **PW** also reported that there was still disagreement on CBOC have a right to review and comment on changes prior to board review and on the issue of the CBOC and board being required to hold two joint meetings per year, which seemed an impossible goal to district staff, so they are making it a recommendation rather than requirement. Joint meetings and membership terms were further commented on by CBOC and staff.

Public Comment: David Krough commented that he had come to the meeting because he had heard that there was an at-large vacancy. He stated his qualifications to serve and commented on several of the changes, including suggesting that member resignations need not be effective immediately, but rather at a date to be stated and having the types of bonds stated when informing members of bond sale. CBOC members thanked him and invited him to apply. **PW** stated that in regards to member resignations, he could add the phrase at the end, within the parentheses, "which shall be effective upon its receipt by the Superintendent, if no resignation date is specified." **NM** requested that this be made a part of the motion to approve. **PW** further commented that the resignation date could be designated as "upon appointment of my successor," which was well received. **KO** made a motion to accept the revisions to the by-laws as provided, which was seconded by **NM**. **TC** asked for clarification on section 9.5(b) which was highlighted to indicate that agreement between CBOC and district staff had not been reached. Members asked that it be kept as it was for the board to decide. Members then voted and the motion carried unanimously.

6. CBOC Budget Request for 2013-14: **KO** and **TM** put together the information for this item and **KO** explained the handout in the packet showing the funding that was being requested. Items included outside advice and instruction interpreting district reports, the Brown Act and state requirements; a webmaster for the Prop O website; clerical assistance for minutes and flyers; and training and travel. These all totaled \$32,800. **TM** discussed his view on the value of the CBOC and that they deserved the funds. **NM** commented on his board item requesting reimbursement for travel funds, which was approved, and his negative experience. However, he was volunteered to take the request to the next board meeting as part of the Chair's Report and was informed by Tom of the budget cycle procedure. **TM** stated that they were concerned about spending money freely that should be going to the schools and students, and opposed setting a budget.

Public Comment: **KC** suggested that TK and NM meet with Jim Cartmill, president of the board, and stating his reason for not setting a budget.

**KO** clarified that all of the funds would probably not be used, but that they should be requested and that it was a reasonable request. **KO** then moved that the CBOC accept the budget request as the brought for by the subcommittee and submit it to the district for their consideration; **NM** seconded. The motion with approved by a vote of **5 yes to 1 no TM**.

7. CaLBOC Assistance in Reviewing Proposition O Financial Data: **NM** gave history on his contacts with CaLBOC and how they offered to give the CBOC assistance on reviewing flow of funds. **NM** suggested that after performance audit is completed and there has been some time to review and digest it, the CBOC should work with CaLBOC, having them give guidance on information that can be requested from the district and then reviewed. Discussion between members followed with some members feeling that since they had agreed to give **TC** a full year with the district to work on any deficiencies that this should wait until August, while other members did not agree that this type of assistance fell into that category. **NM** requested that at the next CBOC meeting there be an item to discuss the most recently released financial audit and, at that time, reconsider receiving CaLBOC's assistance. **TC** spoke to the fact that he felt responsible from his first day on the job and that he instituted all of the recommendations in the Eric Hall report and commend **PW** on saving the district \$3.2 million per year. He also clarified the audit finding 2012-1, Cash Accounting. He read the finding, emphasizing that the finding showed that we had not lost any cash, but rather that the cash was not recorded into the incoming balance, and that this deficiency had been corrected by the CFO.

Public Comment: **KC** commented on **TC's** assertion that he had implemented the audit recommendations and that there was no need to wait until July.

After public comment, members discussed the cost of receiving CaLBOC's assistance (none), and the advantages of seeking training as a BOC rather than as individuals. **NM** heard all member comments and with the CBOC's consent, trailed this item until a future meeting.

8. Meeting Length and Composition: **NM** commented on the length of the meetings and asked for suggestions to shorten them. It was mentioned that items that are brought up during public comment that are not on the agenda should be put on the next agenda rather than discussed at the same meeting. It was agreed that this was a good suggestion and would be put into practice.
9. Bond Project Updates:
  - a. Project Status Reports – Updates on CVH, HTH restroom, MOH Project 2, MOM, and NCM Project 2 were given by Paul Woods. (For a complete description, please see the written report included with the agenda packet.) **TC** invited members to the PPA Switch Throwing at SOH. **B** described and answered questions about the PPA Solar Project at various school sites.
  - b. Project Financial Summary – **PW's** report included full funding for MOH P2, NCM P2 and BVH HVAC modernization. Project savings were identified. **PW** answered questions about MVH and gave information on various small projects detailed in the written report attached to the agenda packet. **TC** answered questions about the BANS.
  - c. Board Items Report – The PPA resolution was brought up and **TC** answered extensive questions on the costs, arrays, and savings of the PPA project. **TC** stated that a report was being brought to the board next week on the PPA savings and would be shared with the CBOC
  - d. Program Management Update – The Contract Manager position that would be taken the board next month was described by **TC** and he answered members' questions.
10. Report from CBOC Chair: **NM** discussed capital appreciation bonds and the problems with lack of transparency by the district, which he discussed with the new CFO when he met with him. He then went on to talk about the financial audit and **TC** and **PW** clarified questions he had about the debt service on the bonds.
11. CBOC Sub-Committee Update: It was decided that the sub-committee structure would be left in flux until all new committee members were appointed.
12. Performance Audit Update: **NM** reported that he had been informed that the first draft of the audit had been edited and the second draft would be available in a week. **TC** clarified that the report would be released to the CBOC and board at the same time and that the second draft would be the final approved draft. He answered some of **NM's** questions about changes made.
13. Committee Member Reports: **KO** asked for the iPad statement. **TC** responded that he was waiting for Maria to give it to him and answered questions about future technology plans.
14. Calendar Site Tours: Site tours and how best to schedule and conduct them were discussed by members. **TC** offered to make a bus available for a Saturday tour of the sites. It was noted that if there was no quorum, there would be no meeting and a van could be used. It was also suggested that **NM** could talk to Mr. Cartmill asking if they would like to make one of the joint meetings a site tour.
15. Staff Announcements: (a) Interviews for NCM LLB are on Friday, March 8<sup>th</sup>. (b) **KC** is involved in committee for the MOH LLB. **NM** volunteered for this committee. (3) The next CBOC meeting is on Wednesday, March 13, at 6:00 p.m. in Rms. A&B. (4) Form 700 needs to be completed by resigning members and members that served last year.
16. Meeting was adjourned at 8:23 p.m.