



**Proposition O Citizens' Bond Oversight Committee
Wednesday, September 11, 2013**

TIME: 6:00 p.m. Meeting

PLACE: District Office/Rooms A&B
1130 Fifth Avenue
Chula Vista, CA 91911

AGENDA

1. Meeting called to order by Nick Marinovich at 6:00p.m.

Roll Call:

Nick Marinovich (NM)	Present
David Butler (DB)	Present
Terrance McKearney (TM)	Present
Kevin O'Neill (KO)	Present
Robert Carriedo (RC)	Present
Edgar Guerrero (EG)	ABSENT
Dr. John Grubb (Dr.G)	ABSENT
Robert Strahl (BS)	ABSENT

2. Pledge of Allegiance followed with a moment of silence for those who lost their lives on 9/11.

3. Approval of Meeting Minutes:
 - a. **8/14/13** Un-adopted minutes tabled to next meeting 10/9/13.

4. Public Comment:

(Ms. Cheers) Last meeting spoke and asked that you requesting back up documentation that BOT receive every month, during comment, as eluded to the fact that, remember this meeting last month was on the 14th, she eluded to the fact that the information the board would be reviewing would be on the 19th was already on BoardDocs, that she had stumbled across. That backup information includes: what school; what project; the contractors and the cost. Last Friday returned home and was handed a card by her husband from ESI International, a private investigator firm, her husband was quite upset and she was a bit shaken, called the gentlemen he did not answer and called her back and was just getting back to his office in Rancho Bernardo. She lives on Palm Avenue. He then proceeded to tell me I asked to know what the call was about. He asked her where she got the inform she had eluded to in that meeting (8/14/13), she asked him if he had listened to the tape, "what tape he said" did you review the cd "what cd he said", then she proceeded to basically tell him Do Not Ever show up on my door step unannounced again #1! #2 resents the fact that tax dollars are being used a private investigator to investigate her. He said he could tell by her passion that she was telling the truth, what she didn't tell him was that she had proof of what she was talking about. She really didn't need proof did she, because all you had to do Mr. Calhoun was go on the website and it was right there, it was there that evening and the next day up until the board meeting. She's not a stranger to this district, Mr. Calhoun you could have approached me at the board meeting, you could have called me, but No a private investigator was sucked on her, in a manner to intimidate her, that's all it was, point blank. Bottom line is this "why are tax dollars being used" at that board meeting the following week, ESI International came up, our BOT have already spent a \$100,000 dollars and Brand wanted \$100,000 more, they told him not right now, it's going to be reviewed again, so he didn't have the author to do it and did it anyway.

Addressed Mr. Calhoun, told him that his action where quite unprofessional and contemptible, clearly an act of intimidation by Dr. Brand you didn't sick the PI on me he did. She doesn't answer to him or Dr. Brand, contrary to the picture painted, she quite a credible person in this community FBI thinks so; the DA thinks so, Sacramento thinks so and so does Washington DC, she really has better thing to do with her time than go to the board meeting, but does so because she cares about this community, that's the only reason, she's not running for office, she's not a mover or shaker, she doesn't know any politicians other than Sweetwater she is now straightened with reality with what she is doing is worthwhile. She saw a commercial in which Rumwell? "You got to be the son of That tells the press what others are afraid to, and guesses she's the son of a.... and she is not going away. Very upset and thoroughly resent a Private Investigator showing up on my door step handing this card to her mentally challenged daughter, she thoroughly does. And Mr. McKearney, you of all people should want to know why! Our tax dollars are being spent in such a manner. (TM) we'd all like to know. She continued to say that the information was there right there, she has proof, Maty Adato was there at the meeting, she then called Ms. Maty Adato, and told her she saw and found this and mentioned it can't be true, Ms. Adato joked about it, said you must of gotten into Cheer's Merlot, she also went in and found it too. Her regret in bringing it up, is that a poor employee here is going to probably get rung out for it, believes they probably hit some button, she not an IT person and doesn't have access to the systems. Commented she does have a daughter that works that works here and son in law that works here, they have been talked about in the blogs, her husband has been talked about in the most vial manner, he (Dr. Brand) infuriates her, but the only thing that keeps her going that he is going to be gone. That's who you two work for (Mr. Calhoun and Dr. Alt). (Referring to Dr. Brand). And we're going to get somebody in here to run this district, you can let him know that he better not ever send a PI after her again, unless he knows what he's going after, and the next time you take information about me, you better take it all, there was an audio, there was a video, and it was on BoarDocs, she didn't break into your system. She proceeded to apologized for taking so much time.

/BOT

(TM) asked what information where we supposed to have had, information on public site. (Ms. Cheers) it's called back up documentation that bot get every month, and CBOC never has gotten it in packet in the four years, itemizes it how Prop O monies are being spent per site, she has asked that this be given to CBOC. She handed out packets at last CBOC meeting, and wanted to show everyone examples. (NM) Ms. Cheers came in with the board items, Friday before the board meeting, at the last possible meeting, apparently those agenda items, back up information, was up on website early. Mentioned at the his last CBOC Chair report at Board Meeting, wouldn't it be nice on Prop O items, to have agenda items which give the details on how the monies are being spent, like one bid on fire alarm project, accepted and contract accepted prior to board meeting, would have been nice to know this at the CBOC committee meeting, mentioned it to Cartmill, and he would try to find a way. Feels it's a simple request to get ahead of time. (Ms. Cheers) Clarified that CBOC has never received those documents, even after the fact. (DB) Correct and recalls making a motion, to include the back to be included. (TM) admitted, this is the second time he's heard of a PI working for the district, why is a school district having a PI working for them. (KO) It's not unusual for HR to have an investigator, if there is a concern about what an employee does, contract with these ESI, is in control of Dr. Brand, got a \$50,000 approval from the BOT last year, over ran that by \$65,000 without a question. Presented to BOT last month, spoke on it last month, basically asked what is he (Dr. Brand) doing with this, a little paranoid if he's investigating you (BOT) this is totally improper, and to ask for additional monies for this. (TM) mentioned the employee and such, runs a defense company, so has facility security clearance, and use to doing background checks, don't need PI to do this, there are company that do checks on employees for employment purposes. (KO) feel that you don't show up at a citizen's home un-announced, this is so inappropriate and in proper. Not talking about getting private information on an employee, this is public and public knowledge as soon as they have it, no reason to be up at the last possible minute. This is the practice of this district and superintendent.

(BC) asked Ms. Cheers, what did he (PI) ask of you, what information, Ms. Cheers "how did she get back-up documentation", (Ms. Cheers) PI said Dr. Brand wanted to make sure that you didn't get it from an employee or a Board Member. (NM) commented that Dr. Alt doesn't have a say, but there was a question at the board meeting, Dr. Alt couldn't answer the question on how we are spending the monies, only Dr. Brand really knows how the money is being spent. (KO) unless this is going to be billed thru Prop O it's out of our court as a group. CBOC members very upset about this problem.

WEE

(~~TM~~) it's appalling, it does relate to having more information sooner and an organized fashion so CBOC can understand how the money is being spent, specifically and not get the feeling, with all do-respect to any person, that somehow there is information that we're not getting that we should be getting, nothing against Dr. Alt, or Mr. Calhoun, but the system, it doesn't appear we getting this in a timely basis to do their job. (TM) asked how much more is there given to board then we do?

(TC) board does not get this level of detail, what they get is action items for projects depending on project initiations, approved projects, in the budget, the M-1 report which CBOC gets each month, which is a summary of financials, the architectural engineering contract and to get design contract which are brought to the board, once that's approved, design begins, once design is completed, it will go out to bid, award project and then have a consultant agreement, testing lab, geo-tech etc., we track for CBOC in one location in the project update and every month we give you items that went to the board, which is synopsis, we can pull the items from website that go to the board, which would be a month in arrears. Also mentioned not having board meeting this coming Monday after all so agenda is not ready.

(KO) Commented in the end his issue is that ~~it's not feel that the anything~~ stamped draft is a public document, readily accessible to the public, except for personnel issues, litigations strategies, negotiations etc., everything else should be readily available to the public, and he will come in with a PRA, because he can't just come in and ask for something, then he will get a paper saying no responsive documents, no responsive documents, received a letter from an attorney, there has to be a corresponding invoice for it. And he gets no responsive documents. In short order, she (Deanne Vicedo) will have a deposition taken from her about who asked her, he did asked what employee of the district is claiming that there is no responsive document, and he was told it was not his to know. So there will be an accounting and change in his attitude on what he expecting or in districts attitude on what they can give. This is just for the good of the institution. (Ms. Cheers) asked about the change orders to Mr. Marinovich, feels that CBOC should see all the change orders, should you see the reason why. (RC) asked Mr. Calhoun, from statement made, this committee gets everything the board gets, but only later, the board gets nothing different nothing more. (NM) upset, not correct, CBOC has not gotten the board items, detailed board items, agenda items, the Chair has to go there Friday night or Saturday morning PDF every one individual board items, save attachments and put on one pdf, we need at minimum every single board item on the board, if you can't give it to us in advance it should be on their 8:00am, if possible give it to us on draft on Wednesday before we meeting, NM & DB would like for Tom to ask Dr. Brand the CBOC request this of the BOT. (TC) will do, and will provide a pdf of all items.

5. Overview Financial Advisor, Prop O Audit & RFQ's (Dr. Alt):

Purpose of the this item, Mr. Marinovich as chair you have a bit more insight on this, RFQ process for the qualifications, using this for service providers that provide financial advisory on counsel, audit etc., he wants to ensure district has a broad base selection process, and just not picking firms used before, but exploring all of our options, a selection committee that will ensure that service providers that we use and pay lots of money to thru issuance and bonds are the right fit for us and giving us good solid advice. In development of those documents needed, is here requesting that the CBOC appoint a member to site with the broader committee, CFE, CFO, CBOC & Community at Large representative, and a representative from SDCOE or County Treasurer and a CBOC member from outside district, that would be the process similar to the selection of a member. At the end of the day we would have a transparent process with broad based involvement that recommends a pool of viable vendors to the governing board and they intern thru their action would authorize Dr. Alt to choose from that pool when there are bond issuance, bonds COD etc., any questions on how process may work, feedback on how we may design the process, then ultimately an appointee from CBOC to participate. (RC) asked Dr. Alt, clarified what process this was for, and if there are any restrictions as to confidentiality in respect to the meetings. (Dr. Alt) Not in as the documentation and how it's developed it, would be up to how CBOC work on how to provide input for the document for representative, when reviewing particular vendors, there may be some confidentiality issues, continued discussion. (RC) would that person be able to come and speak to the CBOC. (KO) Commented CBOC is over site, shouldn't not be really interviewing these people, it's up to district to choose that representative, taking about performance audit, it would not be appropriate we have confidence in this firm/person or we don't, feel this is out of their oversight. (TC) remember the process we went thru on the RFQ for performance input and you (Chair NM) worked with CalBOC to get information you then shared it with your group and took that info from CBOC as input to the RFQ and placed it with the RFQ, that was part of the RFQ process to go out. Agreed with Mr. O'Neill, having a BOC member as part of the selection process gets you in the driver seat, Mr. O'Neill still feels that BOC should not be involved in this decisions. (NM) asked on audits, will district have a separate performance auditor, or ~~having~~ the same firm.

have

(Dr. Alt) mentioned it can be, there is a value of having the same firm doing the entire district audits feels they learn how the district, whether it's the foundation funds, restricted funds; prop o fund; and general fund in the performance audit because they learn the flow of the district, they learn where we might have internal control issues, etc., though it's not required. (NM) said he was more interested in the financial advisor part in this. (KO) when talking about financials, (TC) clarified that before Dr. Alt came on board, Rick Knott made the decision we would go for a separate performance audit verses the prop o financial audit, Christy White did the general ledger books and the prop o financial audit, performance was done by Nigro & Nigro, it's been done both ways in the past, the input of the committee would be appropriate. (NM) feels it should be separate, given the type of audit; it involves understanding construction and project management. (DB) feels that all members should be present to come to this kind of decision. (KO) talking about the financial, one had would like to have a new fresh set of eyes to look at the books every year, question is district now employing the same practices in accounting across the board that the County system and district systems are uniform.

(Dr. Alt) before his time as he knows, we were fiscally independent, the county and evaluation of our practices felt we needed some controls that weren't in place, they did have us come back in supervision/review for fiscal reporting and as a condition of fiscal independence they put in some conditions in place for example district has to audit 100% of the commercial warrants that go out, verses having them do that, we are still fiscally independent, we are doing so under the criteria that they set for us. This is first discussion of this, draft for committee, for the next meeting would want an appointee for the preview financial advisor (NM) can this wait until next meeting. (Dr. Alt) yes asking for participation for the reviews of the RFQ's not the selection of the individuals, (Dr. Alt) proposing that you are involved as a broader base body but that the review of the candidate vendors isn't thru the hole body it's thru you CBOC as a representative of the body with a broader base group, if that too close to home, this group could provide input on what the scope of what the selection criteria would be. Continued group discussion. (KO) motion made to continue down this path, that CBOC feels comfortable and will choose who will work with Dr. Al. (DB) and as a committee we chose who is going to be involved. (NM) breakdown is Financial Advisor, Audit and Bond Council (DB) 2nd motion, 5-0 with Dr. Grubb, Strahl & Guerrero Absent. (NM) Mentioned the County Office of Education budget, expenses for 2013-14 was \$278 million, both restricted and unrestricted funds.

6. Report from CBOC Chair:

(NM) 1) AB182 which is the capital appreciation bond is on governor's desk, have had several conference calls with CalBOC regarding AB182 and hard to say what's going to happen, media accounts, when looking at the details on this bill is not that great, it's gotten emaciated, and is a case book example of how money in political influence legislation that is less than what it was intended for. It does limit capital appreciation bonds to a 4 - 1 ration, are redeemable, and more transparency with school district., etc. 3) Will keep everyone updated on this. 2) Open vacancy on CBOC for parent with a student, three applicants all females, which is great, once he has more information will inform what's next. 3) meeting with Jeffery Olsen from County Treasurer Assessors Office to go over assess value figures are generated and how they historically relate to statistical information like home turnover, vacant land and so one, to better understand as chair what will determine future assessed value growth in the district. Meeting next week they should have data for all the bond district within county.

Also mentioned he submitted a trip request for November 15th to do to CalBOC in Sacramento, and will see how that goes, going on agenda? (TC) will not go for September, all items already due, so it would be taken for October's meeting. (KO) if it is not approved than we as a board we need to do something about it, go on strike, go out to media and make a case that district is diminishing the effectiveness of this group by not allowing NM to go to CalBOC and reimbursement, and we can drag out all the other trips that the district has spending money on for everybody else that works with it. (TC) upset that this did not get put on the agenda. (Ms. Cheers) it's not that Tom Calhoun can't make it happen it's that Dr. Brand doesn't want to make it happen.

(TM) asked if committee will have the representative for new member selection. (TC) explained once deadline occurs and go thru documents they will call the committee, HR will go thru and contact CBOC member (Dr. Grubb) approximately a week after closing.

7. Bond Project Updates

- a. Project Status Reports: went thru Prop O Update highlights, see handout for detailed information, also on website.

(NM) Issue with HVAC units, and having to do them in summer early fall, could it have been done earlier? (TC) probably, but waited to have enough funds with CFD funds; CPH- Lawsuit for discrimination, from 2006. GJ Health Clinic having some upgrades, going from 20hrs to

40hrs a week, Dr. on Site, no operations, minor problem procedures, panel was upgraded...
Fire Alarm upgrades are 20 complete at three sites, will get more done at the break.

Invited CBOC to the CPM for the Secretary of ~~State~~ ^{SOULATION} visit on Friday, 9/13/13 at 8:30am

Public Comment: (Ms. Cheers) the desk shown, (TC) that is in the team offices, girls coaches which is part of the team room, locker room and smaller area, with flat screen so they can watch plays.

- b. Project Financials: (TC) went over report, see handout for detailed information.
CBOC questioned accuracy of the financials, accounting is off, (TC) due to true course and prolog issue not updated. (TC) will go back and reconfigure and correct numbers/accounting.
Continued discussion on the corrections of numbers, funds, dollars, etc. Will reconcile and get correction done.
(DB) requested that CBOC receive the M-1.
 - c. Board Items Report: (TC) went over report, see handout for detailed information.
Next meeting will have back up from board items on a pdf. (NM) one pdf on Prop O website, with all board items related to Prop O. (TC) when released by BOT.
 - d. Program Management Update: (TC) went over report, see handout for detailed information.
LRFMP is in the budget, on M-1 report, \$300,000 dollars, 24 responded. The draft ½ a dozen good proposal, three step selection process, 1-project manager reviewing rating, 2- SWC, Principal at a High School – Someone from Planning industry, Interviews to take place around mid to end of October, 3-once final interview, get points assigned, add, open up price proposal, use quality base factor for the price., etc.
8. Initiation of Annual Report process: (TC) draft handout, still in the revision stage.
9. CBOC Sub-Committee Update
- a. Annual Report (N. Marinovich, D. Butler, 2012-2013): Nothing to report.
 - b. Best Practices (E. Guerrero, Dr. Grubb, T. McKearney):
 - c. Finance (D. Butler, T. McKearney): Nothing to report.
 - d. Audit (N. Marinovich, D. Butler, T. McKearney): Nothing to report.
 - e. Asset Management (N. Marinovich, Dr. Grubb, K. O'Neill):
KO, Part of reviewing, legal expenses, as higher volume of construction, need to make sure that the correct legal firms are being used for the correct issue. Requested a PRA and was told it was attorney client work. Are not privileged documents
Request a matrix from district, with firm name, bill rate, issue, that will give CBOC a chance to see where money is going. KO Motion made for a report and briefing on who what when for legal expenses, name of firm, issue/projects, rate, estimated cost to trial, amount to date. 2nd NM all passed.
 - f. Sub-Committee formation/Membership
(NM) requested that at next meeting the two new members, now have an idea of what the committee are about and understanding and re-doing our committee with to reflect the current membership.
- b. CBOC Information Log, (TC) went over log, see handout for detailed information, also on website.
10. Committee Member Reports: *Individual members of the CBOC may make announcements or raise issues to be addressed in the future.*
(TM) informed BOC of a volunteer project he is involved in, refurbished computers for schools, relates to SUHSD were going to give some to ORH, but administration didn't want after all because they didn't have the right desks. Has given them to Public Schools, Catholic Schools, Jewish Schools, if anyone knows of a school that may want refurbished computers, please let him know. (TC) referred Mr. McKearney to David Damico of IT. All computers have been refurbished by teacher's foundation, only about a generation behind. Non-profit organizations can go get one from them also.

Meeting Schedule/Format

- a. Calendar Additional Site Tours: **(NM)** mentioned maybe getting another look see/meeting at a site.
 - b. Retreat Scheduling, committee to look at this once committee has final member.
11. Staff Announcements – Next CBOC Meeting October 9, 2013, at MOM Library at 6:00pm and Site Tour of MOH at 5:00 pm. Tour will be agendize tour.
 12. Motion to Adjourned at 8:17 p.m.

DRAFT