

MINUTES OF THE CBOC MEETING:

February 17, 2010
135 Van Ness Avenue, Room 210

Facilitator: Jim Quadra

Committee Members Present: Lourdes Garcia Brian Liles
Walter Haub Monica Pressley
Craig Issod Jim Quadra, Chair
Mike Theriault

Committee Members Not Present: Patricia Crawford Nan McGuire

Interested Parties Present: David Goldin Richard Pio Roda
Bruce Hart Leonard Tom
Tom Brewer

Minutes prepared by: Susan Ortega-Resurreccion

1. Jim Quadra presided over the meeting.

2. Roll call. A quorum is present for this meeting.

3. Approval of Minutes of January 20, 2010 meeting.

Minutes of January 20, 2010 meeting was unanimously approved by members present.

4. VTD – Tom Brewer to discuss the audit report of 2008-2009.

Tom Brewer reported that several transactions did not meet the letter of bond language. Bond counsel explained and cleared the questions, except for 2 minor transactions that were not appropriately funded. One was for \$27K for painting done in the exterior of a site, but bond language for this site was specific. Another was for \$49K for security cameras at John O’Connell, bond language was specific on limited areas. David informed the committee that deferred maintenance will reimburse Bond funds. Tom stated that no audit adjustment will be made as amount is not immaterial. Another is adjustment of \$250K for the 2003 Bond Election. District legal counsel suggested holding off on the adjustment and will review on the 3 year statute of limitation. City did not charge at that time.

Audit was done on 2003 Bond. 1 transaction per vendor about \$48M/85% and 170 transactions for \$100K at \$6.7M. On 2006 Bond, 1 transaction per vendor about \$55M/75%. 2 employees were found to be not 100% at Bond Program time, but other staff work hours spent on Bond work from these departments offset the differential. Recommendation: Track time for non-bond related work. Supervisor to sign off on a monthly basis.

Audit found no monies charge to salaries for normal operations of schools. On direct payment compliance, 6 or 7 transactions were found with no signatures from Leonard Tom or David Goldin. These were from IT and Legal departments. Recommendation: Change procedure to implement non-signature from LT or DG from these departments.

Adjustment of \$379K was made to true-up salary allocation between 2003 and 2006 Bonds.

This is presentation from Auditor and a general discussion of the audit for FY08-09. Committee will approve audit on next meeting. Legal counsel will review 3 year statute of limitation on 2003 Bond Election charges from City. Auditor conceded that audit is complete and will distribute draft copy of the audit to committee members.

5. Public Comment – None.

6. Program Status Reports from:

- **Chair, Vice Chair Comments**

None.

- **Greening Program status: Green schoolyard report by Nan McGuire.**

None.

- **Community Outreach.**

See item #8.

- **David Goldin – program status.**

Leonard reported on the November financial report. He informed the members that 2003 Bond projects primary work are complete and follow up work are on-going or underway this summer. Appropriate use of surplus funds will be discussed on item 7. 38 sites of 2006 Bond started or under completion. 4 sites: Hoover MS, Wallenberg HS, Buena Vista ES and Grattan ES will be start construction this Spring.

David added that State continues to hold \$25M funds approved grants, close to \$40M State grants with all 2006 Bond projects. Bond Program will not slow down any projects. At the end of the program, 2 projects (Francisco MS and Guadalupe ES) may be dropped or included in the 2011 Bond. Craig asked to get response from the Board on potential school closures.

Leonard suggested waiting by next year to get a better idea if State grants will come through.

7. Discussion of the scope of duties of CBOC members and interpretation of the scope of the Bond language in relevance to audit duties as recommended by Legal counsel.

Richard reported that interpretation of the bond language should be done on a case-by-case basis. The first clear situation where interpretation of bond language may be applicable is when DSA or other regulatory body requires interpretation to achieve bond program results. The second situation that justifies interpretation is for work that is reasonably related to the work listed in the bond program language. There is case law that allows for a less restrictive reading of bond program language, especially as it relates to what was provided in the ballot language versus other program reference materials or attachments. However, oversight committee counsel's opinion is that such interpretation should be done on a case-by-case basis, determining that there is a reasonable relationship between the interpretation and the actual bond program language. A factor to consider could be preservation of the asset or its value.

8. Discuss CBOC website.

Postponed for next meeting

9. Proposed Schedule and Agenda for Next Meeting.

Proposed next meeting is scheduled in March, 2010.

- 1) Action Item – CBOC to approve the audit report of 2008-2009
- 2) Discuss CBOC mechanism of communication with Bond counsel.
- 3) Discuss and confirm potential school closures.
- 4) Discuss CBOC website.

10. Adjournment.

Meeting was adjourned.