

MINUTES OF THE CBOC MEETING:

November 10, 2010
135 Van Ness Avenue, Room 210

Facilitator: Mike Theriault

Committee Members Present: Lourdes Garcia Nan McGuire
Walter Haub Monica Pressley
Craig Issod Mike Theriault, Vice Chair
Brian Liles

Committee Members Not Present: Patricia Crawford Jim Quadra, Chair

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

Minutes prepared by: Susan Ortega-Resurreccion

1. Mike Theriault in the absence of Jim Quadra presided over the meeting.

2. Roll call. A quorum is present for this meeting. (Lourdes Garcia, Brian Liles, Nan McGuire, Monica Pressley and Mike Theriault present. Craig Issod and Walter Haub came in late).

3. Approval of Minutes of March 24, 2010 meeting.

The minutes were unanimously approved by the CBOC members present in the meeting.

4. Discussion item: 2009-2010 annual audit preparation.

Tom Brewer reported to the CBOC members on legislative changes for audit reporting. Tom distributed the copies of the new legislation and a sample draft of a new performance audit report to the committee members. Based on the generally accepted government auditing standards (GAGAS) issued by the Comptroller General, SFUSD's prior audits already exceed the new GAGAS standard for performance audits. Tom recommended adding review of the financial construction closeout documents on the next Bond audit.

A question regarding the cost of additional work for the suggested review of closeout documents was raised. Tom replied that even though he has not reviewed this procedure, he does not feel that there will be additional cost. David mentioned that retention releases require dual sign off from him and Joe Grazioli. He added that 95% of bond projects have their retention in escrow accounts. SFUSD authorizes release the escrow accounts upon clearance of any prevailing wage and/or stop notice claims.

Tom requested the committee to authorize the FY 10 audit to proceed. The committee plans to meet in December to approve VTD's engagement letter.

5. Public Comment – None.

6. Program Status Reports from:

- **Chair, Vice Chair Comments**

None.

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

Nan reported on a GSA conference held at the end of September at 3 sites. There were 160 attendees that took advantage of 150 resources present at the conference. She asked Leonard where unused green schoolyard funds from school sites will go. Leonard replied that will go initially to the green schoolyard programwide fund. He further stated that 2003 green schoolyard sites will have to have their projects completed by June 30, 2011. Nan asked that purchasing procedure information be distributed to the schools. Leonard will delegate that task to Lori.

- **Community Outreach.**

Leonard re-informed the committee that the CBOC website is up and running.

- **David Goldin – program status.**

David reported successful completion of the first batch of the 2006 Lopez projects, which had June 2010 completion deadlines. A report has been submitted to federal court. He reported that the program is on target with the second and final 2006 batch due on June 30, 2012. He also reported about a very successful school opening in August. There were no construction-related problems on opening day and the Superintendent went out of his way to complement the Facilities Department on its performance. David added that the remaining 2006 projects are concluding their design phases.

David informed the committee of re-organization of the Superintendent's Office. He also confirmed the decision to close Willie Brown Academy and that the Superintendent was informed there are insufficient funds from the Bond Program to build a new school there. The Lopez plaintiff's counsel has been notified of this decision. The Superintendent is aware that some committee members have reservations on further use of Bond funding for replacement of Willie Brown until a source of new construction funding has been assured. A new student assignment policy has been put into place which affects attendance areas. David added that there are talks of building more new schools, possibly around the Mission Bay and Bayview areas. The Willie Brown closure and reorganization of low performing schools has been documented in a request for federal funding.

Craig Issod wanted to know what school(s) will occupy the vacant site at 1350 – 7th Avenue. David replied that it could be the Montessori-based program currently located at 2340 Jackson St./William Cobb and/or the Principal Center (County/Community) school currently located at 43rd Avenue. The previous school (Newcomer HS) residing at this site was closed to avoid duplication of services (e.g., International School at Mission HS).

Craig wanted to know the status of the bonds allotted for School of the Arts. David responded that the \$15 million from the 2003 Bond is only allotted for the 135 Van Ness Ave. location. Those bonds have not sold and will not be sold until a firm funding plan is in-place. The \$15 million from the 2006 Bond is allotted for any location in San Francisco and has not been sold. There are currently no firm plans for the future location of SOTA.

Leonard gave a summary of the August financial report. His focus is to bring 2003 Bond projects to financial closure. The last of the primary projects, Lincoln HS, is complete. The remaining 2003 programwide contingency has been allotted to follow up work at selected sites and green schoolyards at middle and high schools. On the 2006 Bond 48% of the total budget has been expended and the last dozen projects are in design approval phase. The availability of State funding is still a significant concern. Only \$12 million of \$42 million in potential grants have been received. The 2006 budget will have to be reviewed again in the Spring with a focus on the status of State funding. Timing and/or delivery of a couple of projects could be threatened.

Mike Theriault wanted to know how architects are incorporating additional work scope into their projects. David responded that there are 4 steps on this task: 1) architects look and survey for potential improvements on the site and recommend solutions, 2) a high level review is conducted, 3) project budget is adjusted, and 4) architect's fee is negotiated after scope of work is agreed to.

Walter Haub asked how many projects completed have been certified by DSA. David replied that majorities were, but we have difficulty obtaining final clearance from DSA due to State budget constraints.

7. Action item: Discussion and vote regarding Opinion of CBOC relative to interpretation of 2003 & 2006 Proposition A Bond language.

Richard PioRoda discussed the final draft of the resolution on the interpretation of 2003 & 2006 bond language. Tom Brewer asked if this had been reviewed and approved by the Bond counsel. Richard replied that this was reviewed and approved by the District counsel. He also noted that Jim Quadra had previously met with Sidley/Austin, Maribel Medina, David and Leonard to discuss this issue. Tom Brewer was also concerned that even with this resolution in place, how was the auditor to deal with “gray areas” on compliance with the legislative code. Richard and David agreed that Tom could run project scope reviews by the Bond counsel.

The following amendments to the resolution were recommended:

- 1) page 1, paragraph 6, line 4:
“saving measures, protection of assets, and preserving asset value.”
- 2) page 2, paragraph 1, section b., line 4:
“propositions with a focus on preserving and protecting asset value, and enabling joint”.

The resolution was approved, as amended, by the CBOC:

(ayes) Lourdes Garcia, Craig Issod, Brian Liles, Nan McGuire, Monica Pressley, and Mike Theriault.
(nay) Walter Haub

8. Discussion of 2011 Facilities Bond.

David reported that a new Facilities Bond will be proposed for the November 2011 ballot. It will be for \$530M at 46 school sites, depending on the polling. There will be components for greening and sustainability.

9. Proposed Schedule and Agenda for Next Meeting.

Proposed next meeting: Early December, mid-day meeting.

- 1) Action Item – CBOC to approve selection of VTD and confirm scope of audit work.
- 2) Superintendent Carlos Garcia or Assistant Superintendent Carranza present to discuss general procedures on school closures relevant to Bond Program.

10. Adjournment.

Meeting was adjourned.