



Citizens' Bond Oversight Committee Meeting Minutes  
Thursday, April 1, 2010  
5:00 – 7:00 PM

LBUSD District Office - Community Room  
1515 Hughes Way  
Long Beach, California 90810

**Attendees:**

COC Members:	Byron Bolton Julie Jackson	Kristine Hammond Victor McCarty (Chair)	Karen Hilburn (Vice Chair) Michael Noll
Absent:	None		
LBUSD Staff:	Carri Matsumoto	Leticia Rodriguez	Kim Stallings
LBUSD Consultants:	Tim Doane David Casnocha, Bond Counsel	Steven McGuckin	Priscilla Meckley-Archuleta
Others Present:	Christy White and James Hawley, Nigro Nigro & White (External Auditors)		

**1. Call to Order**

The meeting was called to order by Chairperson McCarty at 5:00 p.m.

**2. Establishment of Quorum**

All members were present and a quorum was noted as established.

**3. Approval of Minutes**

The minutes from the December 17, 2009 meeting were provided to all COC members in their meeting packet.

Member Hammond asked for a clarification of the term “unqualified” when it stated no instances of non-compliance were found.

Christy White, auditor with Nigro Nigro & White explained that an "unqualified" opinion is the best result given by an auditor.

Member Hilburn moved to accept the minutes as written. Member Hammond seconded the motion and the motion passed.

#### **4. Communications**

Chairperson McCarty announced that Peggy Krynicki, Community at Large Representative, resigned from the Committee. Mr. Stallings stated that the seat needs to be filled. The vacancy will be re-publicized on the web site with an opening of April 2 and closing of April 23. All applications are to be submitted to Ms. Matsumoto. The Board of Education will then approve the appointment at their May 18<sup>th</sup> meeting.

Member Hammond noted that the one year terms (Bolton and Jackson) will expire on June 24. Mr. Casnocha, Counsel, stated that they can be reappointed if the incumbents express a desire to continue on the committee. The Board can reappoint them based on their original application.

#### **5. Public Comment**

None.

#### **6. Old Business (order of business was shifted)**

##### **▪ Annual Report**

Chairperson McCarty and Ms. Hilburn worked on a draft of the COC Annual Report. A copy was provided to all members with the meeting packet. They established the calendar year as the annual reporting period, as was agreed at the previous committee meeting. Mr. McCarty expressed his concern with the pre-existing debt.

Member Noll moved to accept the draft presented. Member Hammond seconded the motion.

Ms. Matsumoto stated that the report will be presented to the Board members, possibly at the April 20 meeting.

Mr. Casnocha noted that most districts do fiscal year (July to June) for reporting purposes.

Chairperson McCarty stated that it should be noted on the report that this particular report covers from June 25 to December 31, 2009.

Member Jackson made a new motion so that the report would read "including expenditures and materials from inception to October 31, 2009", right after financial quarterly updates. Member Hammond seconded the new motion and the motion passed.

Member Noll suggested that Ms. Matsumoto draft the next annual report and the Committee will then review it.

▪ **2009-10 Annual Financial and Performance Audit**

Christy White stated that they conduct a financial and performance audit. She explained that they will review all 2009-10 expenditures, including accruals. They follow the government audit standards and conclude with an opinion. She assured the Committee that they do a full audit and will report any significant discrepancies. Ms. White reviewed the timeline of their audit functions.

Mr. Hawley asked if they should issue two separate reports or a consolidated financial report.

Mr. Casnocha responded that it would be up to the district. He also stated that the auditors have no relation with the Committee, only the district does. The Committee only receives and reviews the audit report. The auditors usually only attend one Committee meeting per year.

Member Bolton asked for clarification of the Committee's responsibility and its functions.

Mr. Casnocha responded that the Committee has three functions:

1. Review expenditure reports and their appropriateness.
2. Inform the public.
3. Prepare annual written report and present it to the Board members.

Mr. Stallings stated that the staff is there to support the Committee. He would like to get a consensus on how many meetings the auditors should attend, as that would incur additional costs.

Member Noll cautioned that they should be careful not to go over their scope.

Mr. Casnocha reminded the Committee that it is governed by the Brown Act. This means that no serial meetings or sub-committees should be taking place. Any information released should be by consensus.

Ms. White answered questions related to the scope of the audit.

**7. Staff Reports**

▪ **COC Bylaws Reviews and Revisions**

Mr. Casnocha stated that the Committee is confined to bond proceeds generated by Measure K. It has no jurisdiction over future dollars or financing plans. The Committee has no authorization to direct district staff. It can only request documents that are public documents or have had Board action; otherwise it would violate the Brown Act.

Member Noll noted that the Brown Act has been revised to state that no two people of a committee or group can meet by themselves.

Mr. Casnocha also clarified that the Committee minutes are taken during the meetings. A draft (via email) will be circulated and presented at the public meeting. He cautioned that no dialogue should occur, either between members or with district staff, until the open meeting, at which time they can be amended.

Ms. Matsumoto shared that the minutes will be made available on a CD.

- **Executive Summary**

Member Hammond asked about the furniture expenses listed in the Executive Summary.

Ms. Matsumoto replied that an intern office (portable) has been set up at the Maintenance Branch. \$59,420 was for a copier/printer, which was negotiated by the district on a multi-year lease. Additional future expenses are anticipated once a permanent location is secured.

Discussion was held about delineating parameters to balance the overhead or non-school related expenses, for clarification purposes.

Mr. Doane reviewed the rest of the Executive Summary and answered a few questions.

- **Measure K Bond Program Update**

Ms. Matsumoto explained that the material provided in their packets was from the recent Board Workshop on March 25. The Board adopted a resolution for sustainability measures to be included in new projects, and these guidelines will be followed at the proposed high school at the DeMille site.

Ms. Matsumoto gave an update on current projects district-wide, including the removal of portables. The major project for the middle school is about two months behind schedule due to the weather. The architectural approval is anticipated some time in April for the ECATS project.

Member Noll shared that he visited the new middle school site on March 31. The City of Signal is working on allowing construction on Saturdays.

## **8. New Business**

- **COC One-Year Term Member Renewal**

Member Bolton and Member Jackson both expressed their interest in continuing on the Committee and will submit their interest letters to Ms. Matsumoto.

- **Tentative 2010/2011 COC Meeting Schedule**

Chairperson McCarty asked that the proposed dates for next year be included in the next meeting materials. Ms. Matsumoto noted that the Committee has been meeting on the 4<sup>th</sup> Thursday of the quarter, so the tentative dates are 9/23/10, 12/16/10, 3/24/11 and 6/25/11.

## **9. Announcements**

Mr. Stallings apologized for the scheduling conflict with the Board of Education meeting, which caused the Committee meeting to be rescheduled.

**Adjournment**

Member Hilburn motioned for adjournment at 7:00 p.m.

**Next Meeting**

The next regular business meeting will be held on Thursday, June 24, 2010 at 5 p.m.