



BUILDING ON SUCCESS - SCHOOLS FOR THE NEXT GENERATION
MEASURE K BOND PROGRAM

Citizens' Bond Oversight Committee Meeting Minutes

Thursday, September 24, 2009

5:00 – 7:00 PM

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

Attendees:

COC Members:	Byron Bolton Julia Jackson Michael Noll	Kristine Hammond Peggy Krynicki	Karen Hilburn (Vice Chair) Victor McCarty (Chair)
LBUSD Staff:	Carri Matsumoto		
LBUSD Consultants:	Tim Doane	Steven McGuckin	Priscilla Meckley-Archuleta

Call to Order

Meeting was called to order by the Chair (*McCarty*) at 5:05 PM.

Establishment of Quorum

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

Approval of Minutes

June 25, 2009 meeting minutes were provided to all COC members in their meeting packet. Moved by Member Hilburn and seconded by Member Jackson. Motion carried without further discussion.

August 27, 2009 workshop minutes were provided to all COC members in their meeting packet. Moved by Member Hilburn and seconded by Member Jackson. Motion carried without further discussion.

Communications

Distributed COC Member Contact List, which included District and Bond Program Manager information.

Distributed copy of Board Resolution No. 072108-D Corrected with Revisions of Exhibit A and Exhibit B.

Noted that Member Hammond and Member Noll attended a make-up workshop session on September 10, 2009.

Meeting Minutes Production and Distribution

Meeting minute drafts will be provided to Chair McCarty for review following the meeting. It was confirmed that meeting minutes are reviewed with Chair McCarty prior to being published as a "draft" for COC member review and approval. There was discussion about early distribution - prior to distribution of the meeting agenda and associated materials – and the timing of that distribution.

Follow-up to Previous Meeting Comments/Discussion

There were a small number of sixth graders enrolled at the DeMille Middle School (proposed location for the Thematic 1 – ECATS project) this fall.

Public Comment

None.

New Business

None.

Staff Reports

Quarterly Financial Update (Doane)

A revised report was distributed, reviewed and discussed with questions from COC members addressed. Following are the primary topics of discussion.

- The revision was to the Master Program Budget report only, which now reflects a \$0 Program balance. It was noted that all initial Program Budgets would start with a \$0 balance, and the money previously reflected in the Program balance had been placed in the Future Projects – Unassigned Projects budget. Any changes in the future will be provided with accompanying details in the back-up reports. This change was a result of last-minute reporting of investments and some modifications on the New 6-8 Middle School #1 (at the former GTE site) expenditures and savings.

- Reviewed the Master Program Budget. Discussed implications of State funding release for both current projects. New 6-8 Middle School #1 at the former GTE site is on the funded list, but the funds have not been released yet. Thematic 1 - ECATS is eligible, but funds have not yet been requested. Discussed how State funds are applied to projects and the requirements for matching with local funds.
- Interest earnings will typically be entered annually.
- Debt retirement was the pay-off of some COP's, which retired some remaining old debt. This was allowable as part of the Bond language.
- Discussed the application of Measure A funds to projects and how that is determined. The intent of the Master Program Budget is to reflect full project budgets and allows tracking and reporting over a full project rather than just portions of the project. There should not be any additional Measure A funds on the two current projects. However, some other future projects may have Measure A funds if an existing contract is part of the project work scope.
- No Measure K monies were used to pay for the passage of the Bond. Staff was asked to provide the specific date following when Measure K funds can be used. Except for the \$50 million Measure A debt retirement, Measure K funds have not been applied to any work completed prior to the issuance of the first series of bonds. The Board approved this sale on February 17, 2009; and they were sold on May 7, 2009. It is noted that the District could apply expenditures back to November 4, 2008 when Measure K was approved by the voters.
- There are two audits - performance and financial. The financial audit will address application and validity of specific expenditures. There was discussion about COC coordination with the audit team and the COC having access to the team as they prepare the audits. It is the intent to have this year's audit team come to the December 17, 2009 COC meeting. There was discussion about how the COC will interface with the auditor for the next audit. The intent is to have the auditors meet with the COC prior to starting the next audit and to have conversation about the methodologies and focus of the upcoming audits. It was confirmed that the auditor for this year's audits (both the COC Measure K Bond audits and the District's general financial audit) is Vincenti Lloyd & Stutzman. The audits may be brought to the Board separately from the COC's Annual Report.
- Reviewed Thematic 1 – ECATS Budget Reports. All changes from this point forward will be modifications to the budget and reflected in reports with each quarterly report. Contingencies were reviewed briefly, as well as the Funding Detail Report and the Budget Modifications Processed During Current Period Report. There was discussion about the status of this project, what steps can be expected; and questions about the demolition of the buildings were addressed.
- Discussed what projects may be included in the overall Program. COC members were referred to the Board Workshop (August 18, 2009) Presentation, Page 50. It was recommended that the District communicate more with the public about the priority of projects and probable timing of construction commencement.
- "Facilities Lease – TBR" line item on the New 6-8 Middle School #1 at the former GTE site was clarified.

Review of Sample Annual Reports (McGuckin)

Various sample annual reports from other agencies were provided for discussion and consideration. Those samples were from Long Beach CCD, Poway USD, Cupertino Union SD and Foothill – De Anza CCD. Following was discussion on what the LBUSD COC may want to include in their Annual Report, when that Report may be produced and what period the Report

is to cover. It was suggested that it would not be appropriate for the COC to report on things outside of their limits of responsibility. Action was deferred until the December 17, 2009 meeting. Staff was asked to confirm timing of the annual report according to the Bylaws. Moved by Member Hammond and seconded by Member Krynicki. Motion carried without further discussion.

Announcements

None.

Adjournment

Meeting was adjourned at 7:11 PM.

Next Meeting

Thursday, December 17, 2009 at 5 PM Regular Business Meeting