

MINUTES

MEETING DATE: September 26, 2012

The CBOC met at 5:00 p.m., September 26, 2012, at the Brazosport Independent School District Administration Building, 301 W. Brazoswood Drive, Clute, Texas, with the following members present:

Kay Aplin
Donald Caldwell
Jess Charpentier
David Fritz
Edward Garcia
Louis Guidry
Donald Lamont

Terry McCollough
Gerald Roznovsky
Vinay Singhania
June Strambler
Johnathan Sublet
Kirk Willson

The following members were absent:

Carolyn Kirk
John O'Connor

The following staff and Board of Trustee members were present:

Dr. Karin Holacka
Daniel Schaefer
Monty Burger
Sandra McCoy-Jackson
Danny Massey
John Craig

Rebecca Kelley
Christy Koury
Matt Williams (attend for Bill Frizzell)
Mason Howard
Jim Koch

The following staff and trustee members were absent:

None

The following individuals signed the register as visitors:

None

AGENDA

Introduction and Welcome – Dan/Karin

Review Website Information

Dan Schaefer, CFO and Oversight Co-chairperson showed members the information posted to the website and asked for comments and suggestions. Suggestions were made regarding simplifying vendor links to help with local vendor participation in bidding opportunities. Mr. Schaefer explained the process and where the information is maintained and agreed to look into providing some links on the actual bond page to make it more user friendly. Comments were also made regarding the many empty folders due to the bond program being in its early stages and asked if there was any way to hide or specify "empty" so stakeholders don't get frustrated clicking in empty folders. Technology would check if further customization of the website is possible.

Review and Consideration of Minutes of the June 26, 2012 Meeting

Following a review of the minutes, a motion was made by Terry McCollough and seconded by Louis Guidry for approval of the minutes as presented. Motion passed unanimously.

Review of Summer Projects

Mr. Schaefer provided members a list of all bonds items and the status as of 8/31/2012. The following is a summary:

- Substantially Completed:
 - Lanier – Chiller and Cooling Tower
 - 40 ft. trailer man lift
 - Mowers (3)
- In progress:
 - Computers for Student Labs and Staff - Teacher work stations bid and ordered (project 1 of 4)
 - Partial Fiber/Wireless Buildout - Phase 1 bid approved and under construction.
 - New Services Vehicles – Maintenance – Ordered 7-3-12, pending delivery.
 - Band Uniforms – B'Wood's ordered, pending delivery.
- Total – \$1,242,432 or 3% completed or in progress.

Reallocation of Project Funds

Mr. Dan Schaefer explained most projects are coming in under budget however there is one that exceeded by \$3,330.02. As the reallocation was less than 20% of the line item it is only required to be reported to the committee. It included moving excess funds from the new service vehicles to the mowers line item.

Review of Timelines

Mr. Monty Burger, CTO, reviewed the project timelines and indicated that more details continue to be added as plans are developed. Members inquired about the timing of projects and Mr. Schaefer explained that the timelines were originally developed by the Directors with input from staff. Some technology related items are requiring input from internal committees of end users including teachers, principals, assistant principals, etc. The timing of certain projects are contingent upon the completion of other items. For example, if a roof needs to be replaced on a facility the flooring will not be replaced before the roof. Mobile devices will not be purchased until the wireless infrastructure is upgraded to handle the devices. Mr. Burger explained that the timelines will be updated on the website as changes are made.

Review of Funding Timelines

Mr. Schaefer indicated that bond funds were received on August 23, 2012 and deposited in the First Public Investment Pool. Short term interest rates are at historic lows therefore generating interest earnings will be challenging. Investment options have been reviewed and at the time 2 year CDs were generating roughly 3 to 4 times the earnings when compared the investment pool. Roughly \$8M will not be needed for 2 years. The Board approved a broker to assist in the purchase of these CDs as we are limited to \$250,000 per bank. Since the analysis was performed, the Federal Reserve announced another round of quantitative easing (QE3) which further reduced interest rates along with announced changes to FDIC limits reduced the number of banks offering larger CDs. The investment in CDs is currently on hold until rates become more favorable.

Impact on Tax Rate (Actual vs Projected)

Mr. Schaefer reviewed some good news for taxpayers as the actual increase to the tax rate of 1.8 cents was far lower than the 4.5 cents anticipated. The decrease was due to the following:

- Refinancing old debt – saving over \$1M in interest each year
- More favorable rates – 1.99%
- Timing of bond sales with project industrial value growth
- Conservative estimates!

Consider Use of Architect

After some discussion, on a motion made by Vinay Singhania and seconded by Donald Lamont the committee voted to approve a contract not to exceed \$5,000 for architectural consulting services on an hourly rate basis with a report on the value obtained by these services. Motion passed 12 to 1.

Question/Discussion/Suggestions of Items

None.

SCHEDULING AND UPCOMING MEETINGS

Next meeting is December 19, 2012 from 5-6 pm at the Administration Building room D-7.

There being no further business, the meeting adjourned at 6:35 p.m.




