



# CALIFORNIA STATE TREASURER JOHN CHIANG

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## MINUTES

### TASK FORCE ON BOND ACCOUNTABILITY

Monday, October 8, 2015, 9:30 am

Sacramento City Hall, Council Chamber Room  
915 I Street, Sacramento, CA 95814

#### ITEM 1: CALL TO ORDER AND ROLL CALL

Co-Chair Jay Goldstone called the meeting to order at 9:39am.

Present:

TASK FORCE MEMBERS:

James (Jim) Bemis, *Principal*

Robert Campbell, *Auditor-Controller*

Carrie Corder, *Manager/CFO*

Ana Matosantos, *Principal*

Jenny Salkeld, *Chief Financial Officer*

Nadia Sesay, *Director*

Robert Whalen, *Mayor*

Jay Goldstone, *Co-Chair*

Fred Keeley, *Co-Chair*

EXECUTIVE STAFF:

Mark Campbell, *CDIAC Executive Director*

Robert Hedrick, *STO Senior Attorney*

#### ITEM 2: OPENING REMARKS FROM CHAIRS (INFORMATION ITEM)

Co-Chair Goldstone provided opening remarks to the Task Force on Bond Accountability. He shared that the Task Force will plan to hold no more than two future meetings. One would be used to provide edits and changes to the Guidelines and the last to hand off the Guidelines in a formal presentation to the Treasurer, assuming he wants one.

Co-Chairs Goldstone and Keeley thanked the staff for the work on the report and Guidelines.

**ITEM 3: APPROVAL OF TASK FORCE MEETING  
MINUTES, JUNE 26, 2015 (ACTION ITEM)**

Co-Chair Goldstone entertained a motion to adopt the June 26, 2015 Task Force meeting minutes. Co-Chair Keeley made a motion to accept the minutes, followed by a second from Robert Whalen.

Co-Chair Goldstone asked for changes to the minutes. Hearing none, he motioned to approve the minutes as submitted and called for a roll call vote. The secretary called a vote: Out of the nine members present, six voted in favor (*three members present abstained from voting as they were not present at the June 26<sup>th</sup> meeting*) and none were opposed. The motion passes and so ordered.

**APPROVAL OF MAY 21, 2015 MINUTES**

	AYE	NAY	ABSENT	ABSTAIN
Jim Bemis	X			
Robert Campbell	X			
Carrie Corder				X
Andrew Finlayson			X	
Blake Fowler			X	
William Holder			X	
Ana Matosantos				X
Jenny Salkeld				X
Nadia Sesay	X			
Robert Whalen	X			
Jay Goldstone	X			
Fred Keeley	X			

**ITEM 4: DISCUSSION OF STAFF DRAFT REPORT (INFORMATION ITEM)**

Co-Chair Goldstone provided directions to the Task Force members on how he would like to go through the Staff Draft Report. He suggested that the report be broken down into three parts:

1. The Core staff report without the appendices.
2. The first 16 pages of the staff report taken globally rather than page by page.
3. Each finding one by one with a general consensus vote after discussion of each one.

The attention of the Task Force turned toward the appendices that were distributed – Appendix A: The Guidelines. Co- Chair Goldstone stated that he envisioned that the Guidelines will become a stand-alone document.

The Task Force was directed that they would go through the Guidelines recommendation by recommendation, and discuss and vote if acceptable as modified or originally presented.

Lastly, the Task Force was to direct its attention to the Checklist to make sure the Task Force was in agreement with them.

Staff was to take the input of the Task Force, make modifications to the draft report and Guidelines pursuant to this meeting. Following that, both documents would be deemed to be products of the Task Force.

Co-Chair Goldstone asked Mark Campbell for a few comments on how the Report was organized.

Mark Campbell stated that the report was a representation of the proceedings of the Task Force, including research conducted by the Task Force relevant to the administration or management of bond proceeds. The Guidelines were a product of the analysis of the Task Force meetings and information gathering.

Robert Campbell sought clarification and asked Co-Chair Goldstone if staff is authorized to make necessary adjustments even if they were not discussed at a Task Force meeting without having to come back to the Task Force. Co-Chair Goldstone agreed but stated that if it is a material change that was not discussed with the Task Force that it should be brought back before them.

Co-Chair Goldstone also expressed that the Task Force will see another iteration of the Report before it becomes a Final Task Force Report.

With that, the floor was opened by Co-Chair Goldstone to proceed with discussion of the Report. Members recommended changes and additions to the Report and Guidelines. The Task Force, under advisement of counsel (Robert Hedrick) asked staff to provide the next iteration of the report and Guidelines in both a red lined and clean version.

The Task Force discussed the public review process, including the time frame for the public review and comment period. After concerns were made regarding the time period that would be allotted, Mark Campbell stated that there would be 3 weeks available between October 19, 2015 and November 6, 2015. Task Force members were instructed by Co-Chair Goldstone to review the distribution list and to inform staff of anyone not on the list.

Co-Chair Goldstone asked members how they would like to proceed in regard to the checklist. Due to time constraints he suggested that all modifications and changes specifically related to the two checklists, be provided offline and brought back to the next meeting.

Mark Campbell also wanted to recognize that the staff identified a couple of other appendices or checklist that could be added. There are three proposed and two that staff are working on:

1. The Code of Conduct for elected officials - model language that may be added to oath of office with regard to management of public funds.
2. Language that may be incorporated into a duty statement- duties that are germane to the management of bond proceeds. To the extent that an accountant oversees the disbursements or payments on requisitions of bond funds that there be some language specific to the management of those bond funds.
3. Monitoring Procedures- evaluate the design of the internal control system using a guide like a gap analysis.

ITEM 5: PUBLIC COMMENT, CLOSING COMMENTS  
AND ADJOURNMENT (INFORMATION ITEM)

Co-Chair Goldstone asked for any additional directions, comments or input from the Task Force and opened the floor for public comment. Seeing and hearing none, the meeting was adjourned by Co-Chair Goldstone at 2:25pm.