



# ACCM Insider

## New ACCM Officers Elected

On June 30, 2009, ACCM welcomed two new members to the five-member Executive Committee and elected one to a different role. Kris Meyer of Ledesma & Meyer Construction Co. is the new President of ACCM. Terry Street of Roebbelen Construction Management Services will serve as the new Vice-President and Paul Bonaccorsi of WLC Construction Services was promoted to Secretary/Treasurer.

All members of the Executive Committee are no stranger to ACCM. Each participating firm has been a member for over 6 years.

After starting and managing his own individual side-line construction company for several years, Kris Meyer joined Joe Ledesma and formed Ledesma & Meyer Construction Company, Inc. in 1997. Through consistent attention to quality work, on-time performance, and unparalleled customer service, the company has grown from a small general contractor into one of Southern Cal-

ifornia's leading and most respected full-service construction firms.

As a Construction Manager and General Contractor, Kris is a leader in the construction of educational, entertainment, institutional, and public works facilities with projects throughout the Orange, Riverside and San Bernardino Counties.

He has over 60 employees that support a wide range of clients in the public and private sector, maintaining a reputation for the highest professional and ethical standards as well as superb performance on complex and difficult projects.

Terry Street is the President of Roebbelen Construction Management Services in Sacramento. He brings over 30 years of experience to the ACCM Executive Committee and the philosophy of building exceptional projects and making a positive difference in our industry and within each community.

Paul Bonaccorsi of WLC Construction Services is well familiar with the ACCM Executive Committee. Paul has previously served a two-year term as Officer At-Large.

Paul began his career with a strong interest in total project problem solving and felt the team approach, from funding, to design, and all construction-related issues could be made simpler and better for the client. He is currently on his 23<sup>rd</sup> year of designing and building schools.

Each Officer of the ACCM Executive Committee will serve a two-year term.

Elections for the two "Officer At-Large" positions will take place in October. If you are interested in being nominated for an Officer At Large candidacy, please contact Ernest Silva at [esilva@m-w-h.com](mailto:esilva@m-w-h.com).

**Next Member Action-Item**  
**Conference Call:**  
September 24, 2009  
4:00 p.m.

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## *State Budget & School Facilities*

The Legislature has approved the 2009-10 State Budget. The Governor made additional “blue pencil” cuts before signing the Budget. The following is a summary of the provisions of the State Budget of interest to the school facilities community, all of which are contained in the “categorical flexibility” provision of the education portion of the State Budget.

### **Use of Proceeds from the Sale of Surplus Property**

Allows school districts to sell surplus property not purchased with state funds and use the proceeds for general fund purposes for three years.

### **Contribution to the Routine Restricted Maintenance Account (RRMA)**

Reduces, for FY 2008-09 through 2012-13, the amount of the general fund budget that school districts are required to set aside in the RRMA from 1% to zero, as long as the district maintains its facilities in good repair.

### **Deferred Maintenance Extreme Hardship**

Authorizes, for FY 2008-09 through 2012-13, the State Allocation Board to release “extreme hardship” deferred maintenance funding in advance of the normal timeline, if necessary, to avoid serious facility damage or hazard to the health and safety of students. Repeals the extreme hardship set-aside in 2008-09 through 2012-13 and reinstates it commencing 2013-14.

### **Use of Prior Year Fund Balances**

Provides LEAs with access to additional, prior-year fund balances in 2009-10 beyond those provided in February, and includes the Deferred Maintenance Program (DMP).

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## *With the Budget Settled, Will Bond Funds Flow?*

ACCM has brought you a number of opportunities to meet with state officials to discuss the availability of School Facility Program (SFP) funds following the December bond freeze. By now, ACCM members are looking for the light at the end of the tunnel. Lack of a balanced budget was one of the causes for the state’s cash flow problems and of the financial markets’ hesitancy to purchase more infrastructure bonds. However, as important as the budget passage is, the bond markets may remain unstable for some months. In July, Moody’s and other institutions again lowered the state’s bond rating by two steps. This leaves California bonds just two steps above junk bond status. The result is an increase in the costs of transactions and continued hesitancy in some corners.

State Treasurer Bill Lockyer was able to sell approximately \$14 billion in March and April, before the most recent rating downturn. He is carefully reviewing the State Budget and markets in determining when the next offerings will be made. ACCM will provide updates on those actions as soon as available.

Controller John Chiang, who was forced to issue “registered warrants” (IOUs) because of the budget crisis, is now carefully reviewing whether the recently adopted budget will provide the cash necessary to cover all of the state’s payment obligations. The IOUs will be redeemed on October 2,

2009. The Controller has indicated that if he and the Pooled Money Investment Board (PMIB) determine that the budget and revenues allow sufficient cash flow, then the IOUs may be redeemed sooner.

The State Allocation Board has been issuing “unfunded approvals” awaiting further PMIB allocations for the SFP. There are currently \$1.2 billion in unfunded approvals. There is increasing discussion about imbalances in the various SFP pots and interest in moving funds from one to another to meet demands better.

All of these issues remain subject to contingencies of the bond market and the market’s response to the new State Budget. *(cont. next page)*

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# Last Minute Disabled Veteran Business Enterprise Preferences Part of Budget

By: Ernest Silva

The following article explains changes to State Agency Contracts that were not made to school district contracts.

ACCM members have been concerned about changes to the Disabled Veteran Business Enterprise (DVBE) requirements that were submitted as part of the last-minute State Budget deal. ACCM has been working with the Associated General Contractors (AGC), ACCM member firms and attorneys Mark Kelley of Miller Brown and Dannis, and Blair Shahbazian of Murphy Austin Adams Schoenfeld to clarify what the new laws will be.

For firms involved with school facilities, the answer is that no DVBE changes will occur. The law remains that a good faith effort to meet the DVBE participation goal is still a valid way for a school district to comply with this requirement when it is receiving state funding for a construction project.

Education Code Section 17076.11 requires that school districts utilizing state bond funds through the State School Facility Program either utilize DVBE contractors for three percent of the work or demonstrate a good faith effort to comply with this goal.

However, AB 21 of the Fourth Extraordinary Session did make changes to how state agency contracts are required to meet a DVBE participation goal by Public Contract Code Section 10115.2, part of the State Contracting Act. That bill, approved by the Governor on July 28, 2009, as Chapter 19 of the Statutes of 2009, changes Public Contract Code Section 10115.2 by eliminating the good faith alternative for meeting the DVBE compliance goal for state contracts. It does not affect Education Code Section 17076.11 applicable to school districts. As a 2/3 majority "urgency measure," the state contract provisions are effective immediately.

Earlier this year AB 220, which would have changed Education Code Section 17076.11, was introduced. The author cancelled a committee hearing on the bill in April, and no further action has been taken to date.

ACCM members with questions about DVBE provisions are encouraged to contact Mark Kelly ((415) 543-4111) or Blair Shahbazian ((916) 446-2300 Ext. 3095). ACCM will be supporting AGC's efforts to clarify these issues for state contracts in the months to come.

## With the Budget Settled, Will Bond Funds Flow? (cont.)

Our discussions with state agency representatives indicate that events of the next few weeks are critical. ACCM will provide new information as soon as it becomes available. Keep your eyes open for ACCM Alerts over the next four weeks.

### ACCM Officers

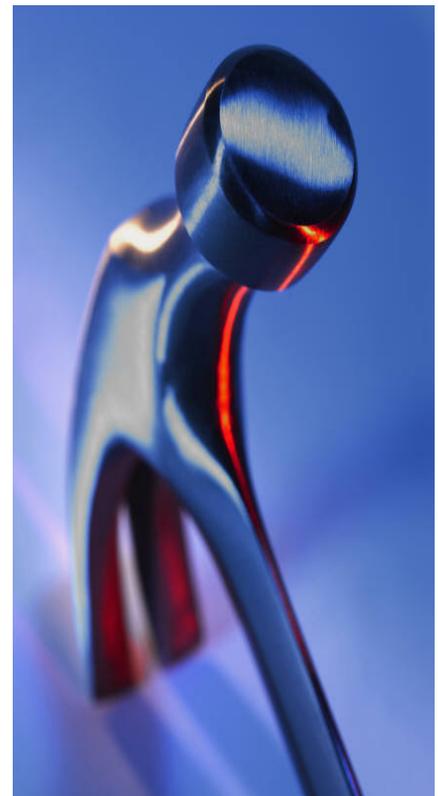
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Officer At-Large  
Vacant

Officer At-Large  
Vacant





## ASSOCIATION OF CALIFORNIA CONSTRUCTION MANAGERS

### 2009-10 Meeting Calendar\*

#### 2009

- August 13 – Executive Committee Conference Call – 4:00 p.m.
- September 3 – Executive Committee Conference Call – 4:00 p.m.
- September 24 – Action Item Conference Call – All Members – 4:00 p.m.
- October 12 - 14 – C.A.S.H. Fall Conference – Westin South Coast Plaza, Costa Mesa
- October 12 – Full Membership Meeting at C.A.S.H. Fall Conference
- November 5 - Executive Committee Conference Call – 4:00 pm
- November 19 – Action Item Conference Call – All Members – 4:00 pm
- December 3 – Executive Committee Conference Call – 4:00 pm

#### 2010

- January 7 – Executive Committee Conference Call – 4:00 pm
- January 28 – Action Item Conference Call – All Members – 4:00 pm
- February 4 – Executive Committee Conference Call – 4:00 pm
- February 22-25 – C.A.S.H. Annual Conference – Sacramento
- February 24 – Full Membership Meeting at C.A.S.H. Annual Conference
- March 4 – Executive Committee Conference Call – 4:00 pm
- March 25 – Action Item Conference Call – All Members – 4:00 pm

\*Dates are subject to change

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