

San Mateo County Community College District
Bond Oversight Committee Minutes
February 2, 2004

Members Present: Jim Wyatt, Marion McDowell, Marta Bookbinder, Coleman Campbell, Stanley Gross, Bill Nack, Ruth Nagler, Greg Royce, Rose Jacobs Gibson

Others Present: Lynn Pontacq, Barbara Christensen, José D. Nuñez, Karen Freeman, Mildred Arencibia, Rosa Perez, Auditor Terry Montgomery

Agenda Item #1

Call to Order The meeting was called to order and roll taken by Chairman Jim Wyatt at 3:35 p.m.

Agenda Item # 2

Minutes from previous meeting approval Jim Wyatt asked for approval of the minutes from the previous meeting.. It was moved, seconded and the motion carried to approve the minutes of the 10/21/03 Bond Oversight Committee meeting.

Agenda Item #3 Update Report on Bond Projects José Nuñez and Karen Freeman presented an update on the status of the Capital Improvement Program (CIP). Tour of Cañada projects was cancelled due to inclement weather.

At the previous meeting, the presentation included: program overview, program definition documents, Districtwide projects, and design progress updates. This presentation updated the Bond Oversight Committee on the progress of several key projects:

- ♦ **Cañada College – Building 3 Phase 2 Project Overview**
- ♦ **CSM Building 36 – Science Building Project Overview**
- ♦ **Cash Flow Projections**
- ♦ **CIP Update & Project Process Overview**

Barbara Christensen informed the Committee that the Library/Learning Resource Center at Canada is funded partly by the Proposition 55 bond and partially from the District's bond fund. José Nuñez explained that the entire cost of the project is approximately \$27M. Of that approximately \$6M would be provided by the local bond (Measure C). If the bond doesn't pass, the District will look for alternative funding from other sources.

Committee members were shown the location of the Library/LRC on an campus aerial map. President Rosa Perez reported on the crowded conditions in the current library facility. The new Library/LRC will allow for library expansion and consolidate student services; it will also serve as an alternate entrance to the campus and social center of the College.

Coleman Campbell asked if union contracts are taken into account when awarding jobs to contractors. He also asked whether, in today's economy, the District is receiving more contractor applicants. Karen Freeman responded that we don't specify that contractors should be unionized on the job bid; however, as a public agency, we are required to conduct a prevailing wage job. Job turnout depends on the type of job and its specificity; however, we are definitely seeing an increase in applications.

Agenda Item #4

Report from Auditor on Financial and Performance Audit through 06.30.03 Terry Montgomery, auditor from Vvaranek, Trine and Day distributed the two reports and commented that the financial report "presents fairly" the position of the Bond Fund. Greg Royce asked what land was purchased. Barbara Christensen responded that the College District purchased Pacific Heights School at Skyline for approximately \$17M. In response to further questioning, Jose Nunez noted that the Pacific Heights School will be used as swing space to house classrooms while other buildings at Skyline are being renovated.

Terry Montgomery told the BOS Committee that, for the performance audit, a 25% sample was used for the report. Terry pointed out that the performance audit is judgmental not statistical and seeks to assure that bond funds are used only for projects that were specifically authorized in the District's bond measure.

Formatted: Indent: Left: 0", First line: 0"

Chairman Wyatt asked the committee members to approve the audit report in order to forward to the Board. Everyone was in favor. It will be forwarded to the College District Board of Trustees.

Agenda Item #5

Review of Cumulative Report on expenditures through 12.30.03 Lynn Pontacq distributed the report. She attested to the fact that all expenditures shown in the cumulative report have been made for authorized bond projects; she said that she is available to give further details on any questions related to the Bond expenditures.

Coleman Campbell asked if there are projections for increasing enrollment. Barbara Christensen responded that enrollments are very closely tied to the economy and the status of the state budget. Because funding for all public agencies is so constrained this year and is expected to be limited in the near future, the College District is not projecting any major changes—up or down—in enrollments over the next several years.

Agenda Item #6

2003-04 and 2004-05 bond expenditure projections A cash flow projection for expenditure of bond funds was given by José Nuñez and Karen Freeman. Marta Bookbinder asked how close bids are to budgets for projects and how the District accommodates any differences that exist. Karen Freeman responded that, for every project, the District identifies "must haves" and "would like to haves" and determines a budget that covers the first ones. During the Design/Build process, the contractor determines if the project can be built within the established budget. If more funds are needed, the user decides if the budget is increased or

not. José Nuñez added that it is the Colleges' internal decision to prioritize among projects and work the reallocation of funds.

Greg Royce asked whether the BOS could access Board Reports on capital construction items. Karen Freeman noted that this information can be found in the portal site:
<http://www.smccd.net/accounts/facilities/downloads/Construction%20Projects%20Status%20Matrix.xls>

He also asked whether any contributions are received from the community and, if they come with strings attached? José D. Nuñez said that the District has secured several grants that may or may not come with requirements for specific uses or expiration dates.

In response to a question about how the athletic improvements are being funded and when they will be completed, Jose Nuñez and James Keller responded that the District has contracts with 13 different redevelopment agencies that provide funding that will be used for Districtwide athletics projects. A 20-30 year Certificate of Participation (COP) will be issued and it will be repaid over time from the redevelopment revenues.

José Nuñez told the BOS Committee that information on projects can be obtained at the Facilities website:
<http://www.smccd.net/accounts/facilities/downloads/Construction%20Projects%20Status%20Matrix.xls>

Jim Wyatt asked why we are refurbishing the tracks when there is no track and field program in place. Mr. Nuñez responded that the project is taking place due to community requests.

Agenda Item #7

Schedule of next meeting The next Bond Oversight Committee meeting will be scheduled in April or May of 2004. The meeting minutes will be mailed and emailed to members and posted in the BOS website along with committee reports and the audit.

The meeting was adjourned at 5:07p.m.