

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**  
**Bond Oversight Committee Minutes**  
**November 4, 2010 - 3:00 p.m.**  
**District Office**

Members Present: Linda Asbury, Steve Dworetzky, Jeff Gonzalez, Sylvia Merkadeau, Gus Petropoulos, Alan Talansky, Victor Torreano

Past Members Present: Jim Wyatt, Marion McDowell, Bill Nack

Members Absent: Gita Dev, Maritess Lagandaon

District Staff Present: Barbara Christensen, Jim Keller, José Nuñez

Guest: Tom Casey

**Call to Order**

The meeting was called to order at 3:10 pm and Director Christensen said there was a quorum. A quorum consists of half of the total membership plus one member.

**Introductions and Discussion of BOC Composition and Purpose**

Director Christensen explained that because of term limits for the Bond Oversight Committee there are seven new committee members. Linda Asbury and Gita Dev will continue to serve on the committee as their term does not expire until January 2012. After a round of introductions, Ms. Christensen said she is still looking for a person to serve on the committee who is active in a bona fide taxpayers' organization. She asked committee members if they could recommend anyone living in the county, who is active in a taxpayer's organization and willing to serve on the committee, to email her their name and contact information.

Mr. Casey said that bond measures for public projects have existed for many years. Prior to the year 2000, they generally required 2/3 of the vote to pass the measure and there was no requirement for an oversight committee. In 2000, as part of an effort to have a measure go on a statewide ballot, Assemblyman Lempert put a measure on the ballot which would change the State constitution to allow school bond measures to be passed with 55% of the vote. This legislation also required governing boards to appoint a citizen's oversight committee and to conduct performance and financial audits.

Mr. Casey said that the Bond Oversight Committee is a public body and therefore required to follow some state laws. The Brown Act is a law that requires that all meetings be open to the public. The public has the right to participate in all meetings. The agenda must be posted 72 hours in advance of the meeting. Staff is responsible for keeping minutes and records.

Mr. Casey said the second group of laws which Bond Oversight Committee members must be aware of are the Conflict of Interest Laws which are in several places in the State law. The Political Reform Act was enacted by the voters in the early 1970's. It includes detailed provisions regarding political campaigns, money for political purposes, conflicts of interest and a requirement that people in certain positions file a disclosure statement. The disclosure statement

is a State form which requires one to list financial assets and sources of income that could be affected by your actions or decisions made by this body. While serving on this committee, members will be required to file a disclosure statement each April.

Linda Asbury said on other boards in which she serves, if they require a disclosure form, they also must take an oath of office. She asked if Bond Oversight Committee members must take an oath of office. Mr. Casey replied that they do not because this is not an elected office.

Mr. Casey explained the basic responsibility of the Bond Oversight Committee is to review district reports, performance and financial audits, to ensure that bond money is only spent on projects approved by the voters. The most important role as a member is to ask questions so you understand the materials presented. Mr. Casey said the law is clear that the Bond Oversight Committee is not involved in the planning or approval of projects or expenditures.

### **Review of BOC Binder**

Director Christensen reviewed specific tabs in the binder and said the information is provided as tools to help committee members understand their role, relevant laws and how the bond money is being spend in accordance to the bond language approved by voters. The tabs include:

- *Minutes and Agendas* – samples from past meetings.
- *Financial Reports* – the report was for expenditures through September, 30 2010. To make it easier to understand the projects, some categories and descriptions were expanded, but no dollar amounts changed. There are two financial reports: Measure C was passed in November 2001 for \$207 million and Measure A was passed in November 2005 for \$468 million. In the project list reference column, the coding key can be found on the Bond Measure A Project List or the Bond Measure C Project List which are is under the bond project list tab in the binder.
- *Report to the Community* – Staff is required to produce an annual report for review and approval by the Bond Oversight Committee. It is then distributed to the local media and posted on the San Mateo County Community College District website.
- *Laws Governing Bond Oversight* – This tab includes: District Rules and Regulations, Proposition 39, Assembly Bill No. 1908, and the Brown Act.
- *Audits* – General Obligation Bond Financial and Performance Audits are based on fiscal year and will be presented to the Board of Trustee in January. Copies will be available at the next meeting.
- *Little Hoover Commission* – The San Mateo County Civil Grand Jury recommended that Bond Oversight Committee members should review the 2009 Little Hoover Commission Report.

### **Review of Cumulative Report on Expenditures through September 30, 2010 for Measure A and Measure C**

Executive Vice Chancellor Keller spoke about the different types of funding the District receives for facility projects including State bond funds, redevelopment funds, and other special State

funds for ADA, hazardous materials and capital construction. The financial report only shows expenditures funded by our local bond measures passed by the voters.

Mr. Keller summarized the financial reports as of September 30, 2010. He reported that Measure C funds and interest have been spent. Measure A expenditures to date are \$360, 881,765 (77%) with commitments of \$28,915,229 (6%) leaving a balance of \$77,758,305 (17%). Mr. Keller said that the balance will be used for the large buildings currently under construction: College Center, building 10 at College of San Mateo; Multicultural, Cosmetology & Administration, building 4 at Skyline College; and the Library, Learning Resource Center & Student Services, building 5/6 at Cañada College. In addition, it will be used for smaller projects including landscaping, road work, and post occupancy needs that the tenants identify after the buildings are completed.

Mr. Keller explained that the yellow highlights on the detail report for Measure A identify the projects that had a change in spending from the last report. He said that the Board of Trustee has been presented with a list of unmet needs. He explained that the unmet needs are due to the State's decision to not to put a Statewide bond on the ballot in 2008 or 2010, resulting in a loss of \$55 million. In addition, \$20 million in bond funds was lost due to the Lehman Brothers bankruptcy.

Linda Asbury asked if there is allocation for staff time or are the figures in the report strictly for project cost. Mr. Keller said that no administrative time is allocated. The Construction Planning Department, Swinerton Management & Consulting, Inc., and contractors are the only staff cost included as they are directly involved in the managing of the construction projects.

Ms. Christensen suggested that we bring back to the next meeting an analysis of what the cost saving were when using District personal to manage the projects under Measure A vs. using Swinerton Management & Consulting, Inc., under Measure C.

### **Discussion of Construction Projects To Date—Funding; Completed Projects; Current Projects**

Vice Chancellor Nuñez began his PowerPoint presentation by giving an overview of the three college locations, institutional history and district demographics. He showed photos of actual projects that have been completed over the last nine years.

Mr. Nuñez said that the Capital Improvement Program begins with an analysis of facilities needs to develop a project list. Projects include new construction, infrastructure repairs, renovation and upgrades to existing buildings, and procurement of related fixtures, equipment and furniture. Funding sources and uses are continuously reviewed before and during program implementation.

Mr. Nuñez reviewed color coded maps detailing projects which have been completed, are in progress, have not been funded or still remain undetermined at Cañada College, College of San Mateo and Cañada College. He also reviewed charts for the projects at the colleges and Districtwide and the costs associated with these projects.

### **Analysis of Facilities “Unmet Needs”**

Mr. Nuñez presented charts for Cañada College, College of San Mateo, and Skyline College showing the individual projects and how much funding would be required from the District, State, or still to be determined. The CIP overview handout contains detailed information about

each college. In summary, in order to complete all of the projects on the charts of unmet needs, the following funding would be necessary: \$384 million from the District, \$66 million from the State and \$91 million is still undetermined. Mr. Nuñez added that the funds needed are estimates and subject to change.

### **Discussion of Campus Tours for New BOC Members**

Director Christensen said the next three meetings will be held at Cañada College, College of San Mateo or Skyline College so committee members can also tour each campus. Members will get a first-hand look at the many completed projects and it will give them a better understanding of the layout of the colleges and the projects discussed. Ms. Christensen said if anyone would like to visit the colleges before the next meet, they can contact her and she will arrange the visit.

Gus Petropoulos asked when building 10 at College of San Mateo will be opening. Mr. Nuñez said building construction should be completed in January 2011. The bookstore is scheduled to move into the new center February 2011, administration is scheduled to move in during spring break, and then student service will move to building 10.

### **Committee Members' Comments/Requests for Future Agenda Items**

Director Christensen said at the next meeting the committee must select a Chair and Co-Chair. She will distribute the 2010 Report to the Community for the committee to review and approve. The performance and financial audits will be discussed. Ms. Christensen will also provide program management cost information.

Alan Talansky asked if there was a report showing the funding sources and uses. He said it would be helpful to understanding the financials. Mr. Nuñez said the actual sources and uses chart is huge and contains much, very detailed information. He will bring a summary sheet to the next meeting.

Victor Torreano asked if another line item could be added to the financial report to show the estimated bid of the project. Mr. Nuñez explained that the numbers shown on the financials are the total project value, not the bid amount. He will check with his team to see if a different document can be produced to show construction cost, bid cost and what actually came in.

### **Public Comments**

None

### **Schedule of Future Meetings**

Linda Asbury asked if it was possible to schedule the quarterly meetings on a common day/date. She said that it might be easier to calendar future meetings as a standing meeting. For example, the committee would meet on the first Thursday of the month at 3 pm, every three months. Director Christensen replied that she would keep that suggestion in mind when scheduling future meetings.

### **Adjournment**

The meeting was adjourned at 5:00 pm.