

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Bond Oversight Committee Minutes
August 4, 2011
District Office Board Room

Members Present:

- Linda Asbury, representative of business; term limit 1/2012
- Gita Dev, community member; term limit 1/2012
- Steve Dworetzky, active in group supporting the District (Foundation); term limit 11/2014
- Maritess Lagandaon, community member; term limit 11/2014
- Sylvia Merkadeau, representative of seniors; term limit 11/2014
- Gus Petropoulos, active in organization in support of District (retirees)
- Alan Talansky, representative of business; term limit 11/2014
- Victor Torreano, community member; term limit 11/2014
- Adrienne Zanini, representative of bona-fide taxpayers association; term limit 2/2015

Members Absent:

- Jeff Gonzalez, student member, term limit 6/2012

District Staff Present: Barbara Christensen, Kathy Blackwood, José Nuñez

Guest Present: Shawn Kann, College of San Mateo Student and Lin Bowie, College of San Mateo Instructor

Call to Order

Committee Chair Ms. Asbury called the meeting to order at 3 p.m.

Approval of Minutes from Meeting of May 5, 2011

Ms. Asbury asked the committee members to review the minutes of May 5, 2011 and asked if there were any corrections. Mr. Dworetzky recommended two changes on page 2. In paragraph two, students should be plural (students) and in paragraph four, "...programs they don't have" should say "...programs that don't have". It was moved by Ms. Merkadeau and seconded by Mr. Dworetzky to approve the minutes of May 5, 2011 with two corrections. The motion passed with all members voting "Aye".

Review of Cumulative Report on Expenditures through June 30, 2011 for Measure A and Measure C

Director Christensen introduced Kathy Blackwood who was appointed Interim Executive Vice Chancellor for the San Mateo County Community College District (SMCCCD). Ms. Blackwood replaces Jim Keller who was appointed Interim President of Cañada College due to the retirement of President Tom Mohr.

Ms. Blackwood summarized the financial reports as of June 20, 2011. She reported that all funds and interest for Measure C are expended. Measure A expenditures to date are

\$421,059,045 (90%) with commitments of \$14,208,183 (3%) leaving a balance of \$32,732,773 (7%). Ms Blackwood pointed out that Measure A interest has been added to the report on page two and that the chart shows \$639,705,568 has been spent on all projects since they began in 2003. In reviewing the detailed reports for Measure C and Measure A, Ms. Blackwood reminded the committee that the expenditures highlighted in yellow are the expenditures that have had activity since the last quarter report.

Mr. Petropoulos asked if date of Measure C expenditures should say 6/30/11. Ms. Blackwood answered no, the date will remain 3/31/2011 because the Measure C projects are completed and all the money has been spent.

Ms. Blackwood said that recently the IRS conducted a bond audit at the District. The IRS audited one series of bond issuances and reviewed all invoices and expenditures. Ms. Blackwood said that the auditors found no exceptions during the audit and commended the District on their documentation and electronic record keeping of all bond projects.

Ms. Christensen asked if the annual bond audit performance and financial reports will be completed for the November Bond Oversight Committee (BOC) meeting. Ms. Blackwood said the District will receive all audit reports in December. The bond audits will be presented to the Board of Trustee and then reviewed by the BOC at the meeting on February 2, 2012.

Update on Lehman Fund Losses

Ms. Blackwood checked with the County of San Mateo before the meeting and reported that counsel is still negotiating an agreement for the recovery of funds loss due to the Lehman Brothers bankruptcy. She is hearing that the anticipated payback for the funds loss would be between 21 cents to 35 cents on the dollar. The District loss approximately \$25 million, of which, approximately \$20 million were bond funds. Ms. Blackwood said even if the payback was 20 cents on the dollar, the District would recover \$5 million.

Update on Construction Projects

Vice Chancellor Nuñez presented the Capital Improvement Program (CIP) Status Report. He reviewed colored coded maps of Cañada College, College of San Mateo and Skyline College which showed completed projects in green, projects in progress in yellow, projects not funded in red and potential project in purple. Mr. Nuñez said he will be making a presentation to the Board of Trustees to address the unmet needs for future projects and the possibility of putting a bond measure on the November ballot.

Highlights of projects throughout SMCCCD include:

Projects in Design

Cañada College

- Building 5, Dining Room Renovation

Projects Out to Bid

Districtwide

- Boiler NOx Project

College of San Mateo

- Building 12 and Colonnades Reroof

Projects in Construction

Cañada College

- 12kV Electrical Infrastructure Replacement

College of San Mateo

- Building 34 Tenant Improvement
- Hillsdale parking Lot Repair and Improvements
- North Gateway Phase 1 – Electrical Load Center and Site-wall

Skyline College

- 12kV Electrical Infrastructure Load Center 2

Projects on Hold Due to Litigation

College of San Mateo

- North Gateway Part 2 – Demolition of Buildings 21-29 and North Gateway Plaza
- Edison Parking Lot – Building 20 complex/Greenhouse

Mr. Nuñez told the committee that the Construction Planning Department (CPD) has officially been disbanded. As Measure A projects are completed and the work load is reduced, the District is working on integrating staff members into other departments such as finance, general services and facilities. Mr. Dworetzky said he feels that the disbanding of CPD is an appropriate use of bond funds.

Information on Grand Jury Findings

Ms. Christensen told the committee that included in their packet is a copy of the Grand Jury Report dated June 1, 2011, “Bond Measure A and the San Mateo County Community College District” and the response letter from the Board of Trustees. She said that twice in the last five years, the San Mateo County Civil Grand Jury (Grand Jury) has reviewed our capital improvement program and recommended that the other schools in San Mateo County adopt policies and best practices for managing capital improvement projects based on the SMCCCD model.

The Grand Jury concluded that the College District’s expenditures of bond funds conformed to the bond projects list presented to the voters and that operating a fee-based athletic facility, open to the public, is consistent with other enterprise activities like the bookstores and cafeterias. The Grand Jury also pointed out that other public universities operate centers like the San Mateo Athletic Center and that the use of public facilities on a fee-basis is a widespread and accepted practice in San Mateo County.

Information on Building 20/Greenhouse

Ms. Christensen distributed two board reports with updated information regarding the Building 20 complex. Board Report No. 11-5-100B asked the SMCCCD Board of Trustees to adopt the addendum to the Initial Study and Mitigated Negative Declaration for facility improvements at College of San Mateo and approve the demolition of the Building 20 complex and Board Report

No. 11-7-1B asked for approval to discontinue American Sign Language, Japanese, Italian, Humanities, Horticulture and Meteorology at College of San Mateo.

Ms. Christensen reminded the committee that because the Building 20 project was changed from what was studied in the Initial Study in 2006 and the Mitigated Negative Declaration in 2007, the California Environment Quality Act (CEQA) requires an evaluation of the impact that the changed project might have on the environment. She said that ICF concluded, after studying the potential impact of the proposed change in the Building 20 project on all categories of the CEQA checklist that the changed project would not result in a new or substantially more severe impact than that identified in the 2006 Initial Study/MND.

Ms. Christensen reported that on May 16, 2011 the SMCCCD Board of Trustees accepted the addendum to the IS/MND and approved the demolition on Building 20. After this approval, a lawsuit was filed by students and neighbors who want to save the Building 20 complex. The lawsuit is currently in litigation and she will report back to the committee when the lawsuit is resolved.

Committee Members' Comments/Requests for Future Agenda Items

Ms. Christensen said Linda Asbury and Gita Dev's term for serving on the BOC expires 1/2012. Seeing that their last meeting will be in November, the committee will need to elect new officers for 2012. She also asked committee members to email her the names of anyone who might be willing to serve on the BOC.

Mr. Nuñez will discuss the Facilities Master Plan 2011 at the next meeting.

Public Comments

None

Schedule of future meetings: November 3, February 2, 2012, May 3, 2012 (1st Thursday, every 3 months)

Ms. Asbury asked members to calendar the future BOC meetings.

Motion to Adjourn

It was moved by Mr. Torreano and seconded by Mr. Talansky to adjourn the meeting. The motion carried, all members present voting "Aye". The meeting was adjourned at 3:55 p.m.