

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Bond Oversight Committee Minutes
November 1, 2012
Skyline College, Building 6 - Room 203

Members Present:

- ✓ Steve Dworetzky, active in group supporting the District (Foundation); term limit 11/2014
- ✓ Linda Martinez, student member, term limit 6/2013
- ✓ Gus Petropoulos, active in organization in support of District (retirees) 11/2014
- ✓ Victor Torreano, community member; term limit 11/2014
- ✓ Adrienne Zanini, representative of bona-fide taxpayers association; term limit 2/2015

Members Absent:

- ✓ Maritess Lagandaon, community member; term limit 11/2014
- ✓ Sylvia Merkadeau, representative of seniors; term limit 11/2014
- ✓ Alan Talansky, representative of business; term limit 11/2014

District Staff Present: Barbara Christensen, Raymond Chow, José Nuñez, Jan Phemester

Guests Present:

Regina Stanback Stroud, Skyline President
Don Carlson, Dean Business Division
Ray Hernandez, Dean of Science/Math/Technology
Cherie Napier, Director of Marketing, Communications & Public Relations

Call to Order

Vice Chair Dworetzky called the meeting to order at 3:05 p.m. and asked for a round of introductions.

Public Comments on Non-Agenda Items

None

Tour of Skyline College

Director Napier told the committee members that they would be touring the science labs, led by Dean Hernandez and that bond money was used to help build the science building. She said that the tour of the automotive building would be lead by Dean Carlson. Then they would end the tour in the cosmetology/massage area.

Upon returning to the meeting room, Vice Chairman Dworetzky thanked President Stanback Stroud and Skyline staff for the tour of Skyline College.

Vice Chairman Dworetzky said the San Mateo County Community Colleges Foundation Board toured Skyline College approximately two years ago when the renovations were just beginning. He said he will suggest to Stephani Scott, Executive Director of SMCCC Foundation, that the Foundation Board visit all the Colleges to see the completed projects.

Mr. Petropoulos said that during the tour, President Stanback Stroud mentioned that Skyline College is out of space. Vice Chancellor Nuñez said Skyline College has the largest student enrollment out of the three Colleges. Director Christensen said with the problems at City College of San Francisco, more students maybe enrolling at Skyline College because it close to San Francisco. Mr. Torreano asked Vice Chancellor Nuñez if the District has looked at the student population per square footage over the years. Vice Chancellor Nuñez said this information has been reviewed and it is on the Facilities website. Vice Chancellor Nuñez will put together a report for the next BOCmeeting.

Approval of Minutes from Meeting of May 3, 2012

Discussion: None

	Dworetzky	Martinez	Lagandaon	Merkadeau	Petropoulos	Talansky	Torreano	Zanini
Motion							X	
Second					X			

Ayes	5
Noes	0
Abstain	0

Motion Passed

Review/Accept Cumulative Report on Expenditures Through September 30, 2012 for Measure A

Discussion: Chief Financial Officer (CFO) Chow distributed a revised copy of the cumulative report on expenditures to committee members. CFO Chow reported that the \$207 million budgeted for Measure C and \$11 million in interest have been spent and all projects under Measure C have been completed. Measure A was budgeted for \$480 million and 95% of those funds have been spent, leaving a balance of \$19.8 million. He said approximately \$8.7 million of the balance is in contingency, as shown on page 3, number 7 in the report.

Director Christensen asked if the funds for contingency are budged from the beginning. CFO Chow replied that sometimes those funds are budgeted from the beginning of the project or if the project comes in under budget, the remaining funds will be rolled into contingency. Mr. Torreano asked what percent of the total bond funding is set aside for contingency. Vice Chancellor Nuñez said approximately ten percent of the budgeted amount is normally set aside.

Vice Chancellor Nuñez said the \$20 million balance of Measure A funding is broken down and distributed over a five year period to capture the replacement of instructional equipment, small projects and emergency building repairs. Each College also has a separate budget for small projects.

Mr. Torreano asked if the interest income from the bond money invested with the county is added to contingency. CFO Chow responded that the interest earned from the county investment pool is held in a different account for interest only and not combined with the bond funding. Once the budgeted amount for the project is depleted, funds from the interest only account may be requested to supplement a project. CFO Chow told the committee that the bond interest expenditures are shown on page 5 of the report.

Director Christensen mentioned that there was a recent article in the newspaper regarding embezzlement by a District employee. This was discovered by another employee through our own internal audit controls. The loss was initially reported to be \$3,500 in misappropriated funds. Director Christensen said

the San Mateo Police were immediately notified and the employee was terminated. At great expense, the District hired forensic accountants to further investigate our records. Upon further findings by the forensic accountants, the San Mateo County District Attorney was notified. Director Christensen said to date the misappropriated funds total \$137,000, but today she saw another newspaper article which said the total was \$350,000.

Mr. Petropoulos asked over what period of time this took place. Director Christensen said the majority of this theft happened within the last three years. She believes that the District insurance company will cover this loss and the ex-employee has agreed to restitution. Director Christensen said the District is unsure how much of the \$137,000 was bond money, but the District has made the commitment to reimburse the bond from Fund 1 so no bond money will be lost. Mr. Petropoulos thanked Director Christensen for bring this issue to the committee’s attention.

	Dworetzky	Martinez	Lagandaon	Merkadeau	Petropoulos	Talansky	Torreano	Zanini
Motion					X			
Second							X	

Ayes	5
Noes	0
Abstain	0

Motion Passed

Update on Construction Projects; Update on B20 and Trees Litigation (Nuñez; Christensen)

Vice Chancellor Nuñez presented a PowerPoint presentation showing photos of several smaller projects throughout the District. A summary of the projects include:

Projects in Design

- Cañada College - Parking Lot 10 Expansion Project
- College of San Mateo - Building 12 & Colonnades Reroof
- College of San Mateo - Edison Lot (on hold pending lawsuit resolution)
- District Wide - Athletic Field Replacement (redevelopment funds)

Projects in Construction

- District Office - Cooling Tower and Chiller Replacement (rebate from PG&E)
- Cañada College - Tennis Court Improvements (redevelopment funds)
- College of San Mateo - Building 5 Locker Room Renovation (redevelopment funds)
- College of San Mateo - Building 8 Swing Locker Room (redevelopment funds)

Projects About to Field

- College of San Mateo - North Gateway Phase 2 (TBD pending lawsuit)

Projects in Close Out

- Cañada College - Building 5 Dining Room Renovation
- College of San Mateo - Hillsdale Lots Storm Drain Upgrade and Slope Repairs
- Skyline College - Building 6 Dining Room/Public Area Renovation
- Skyline College - Running Track Resurfacing
- Skyline College – Building 5 Disability Resource Center

Vice Chancellor Nuñez asked if there were any questions.

Vice Chairman Dworetzky noticed that several project are being funded by redevelopment money and asked if those funds were segregated before the dissolution of Redevelopment Agencies. Director Christensen said the District negotiated agreements with Redevelopment Agencies 25 years ago and has been receiving payments since then. In 1994, a State law was passed and those agencies without an agreement were to pay our District money which needed to be divided between operational money and facilities money. She said the District was receiving about \$2.3 million in redevelopment money per year. The funds were accumulated and the first time, they were spent on Athletic fields because the District felt it benefitted the communities. Director Christensen said with the demise of Redevelopment Agencies, the District anticipates receiving close to \$4 million per year and that figure should rise as their debts are paid off.

Vice Chairman Dworetzky asked if the minor projects go out to bid. Vice Chancellor Nuñez said there is a process in place depending on what the project is and the cost of the project. He said conversation begins at the Cabinet level, then a project director is assigned and a budget is determined. Once they project is approved at Cabinet level, a Project Initiation Form is filled out and reviewed by Facilities financial staff and Vice Chancellor Nuñez to determine what the funding source will be, then it is forwarded to the Executive Vice Chancellor for approval.

Mr. Torreano asked if there will be any new bond measures. Vice Chancellor Nuñez said unfortunately no, the timing is not right to bring a new bond measure to the voters.

Committee Members’ Comments/Requests for Future Agenda Items

Director Christensen said staff will prepare a report for the next meeting showing college square footage, parking lot space, and student counts.

Schedule of Future Meetings: May 2, 2013; November 7, 2013 (1st Thursday, every 6 months)

No discussion

Motion to Adjourn

Discussion: None

	Dworetzky	Martinez	Lagandaon	Merkadeau	Petropoulos	Talansky	Torreano	Zanini
Motion							X	
Second	X							

Ayes	5
Noes	0
Abstain	0

Motion Passed.

Meeting adjourned at 5:00 p.m.