

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Bond Oversight Committee Minutes
November 7, 2013
SMCCCD District Office Board Room

Members Present:

- ✓ Steve Dworetzky, active in group supporting the District (Foundation); term limit 11/2014 (by phone)
- ✓ Maritess Lagandaon, community member; term limit 11/2014
- ✓ Gus Petropoulos, active in organization in support of District (retirees) 11/2014
- ✓ 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
- ✓ Dennis Zheng, student member, term limit 6/2014

Members Absent:

- ✓ Sylvia Merkadeau, representative of seniors; term limit 11/2014

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

Call to Order

Chairman Talansky called the meeting to order at 3:05 p.m.

Public Comments on Non-Agenda Items

There were no public comments.

Approval of Minutes from Meeting of May 2, 2013 Meeting

Discussion: None

	Dworetzky	Lagandoan	Merkadeau	Petropoulos	Talansky	Torreano	Zanini	Zhenz
Motion						X		
Second				X				

Ayes	4
Noes	0
Abstain	4

Motion Passed

Director Christensen introduced the new student representative on the Bond Oversight Committee (BOC); Dennis Zhengor, attends Skyline College. She asked for a round of introductions from committee members.

Review/Accept Cumulative Report on Expenditures through September 30, 2013for Measure A (Chow)

Discussion: Ms. Christensen distributed the SMCCCD CIP Analysis by Site and explained that the document shows how the District is distributing funds to the Colleges and the District. Vice Chancellor Nuñez said the District information is included in College of San Mateo. Ms. Christensen said the funds come from many resources including: Measure C, Measure C Interest, Measure A, Measure A Interest, State Capital Outlay, State Hazardous Substances, State Scheduled Maintenance, Redevelopment, PG&E and Grants. She said that if expenditures per College are compared on a per square foot basis or a FTES basis, the data shows that the Colleges are each receiving their fair share of funds. Ms. Christensen said the summary includes information from 2001 to present. During this period, the District has seen the most student growth at Skyline College, while College of San Mateo's enrollment is declining. The Spring 2014 census, taken the fourth week of the semester, showed Skyline College student population surpassed College of San Mateo.

Mr. Petropoulos said it would be helpful if the summary included the assignable square footage for each location. Mr. Nuñez said he can update the summary to include assignable square footage. He explained that gross square footage includes stairwells, hallways, closets, restrooms, open areas and assignable square footage is the space related to education; classrooms, offices and lecture type spaces. Mr. Nuñez said on the operational side, the budget allocation is based on gross square footage, but Capital Outlay Funds are based on assignable square footage. Mr. Torreano asked if the energy plants would be included in the gross square footage. Mr. Nuñez said it would be included in gross square footage.

Chief Financial Officer Chow presented a summary of key financial information. He said that all Measure C projects were completed as of June 2011 and Measure A projects are estimated to be completed by June 2015. Measure A has a total budget of \$468 million with expenditures to date of \$452 million (96.68%), commitments of \$5.5 million (1.16%), leaving a balance of \$10 million (2.16%).

Mr. Chow said Districtwide projects has a budget of \$64 million with year-to-date expenditures of \$58.5 million (90.93%), commitments of \$967,000, leaving a balance of almost \$4.8 million. Mr. Nuñez said Districtwide projects include Athletic Fields Replacement, Sustainability Plans, Electrical Infrastructure Upgrades, Computer Lab Replacement, Technology Upgrades and Contingency Accounts.

Mr. Chow said that Cañada College has a budget of \$37.6 million with year-to-date expenditures of \$36 million (95.97%), commitments of \$365,000, leaving a balance of \$1.1 million. Projects at Cañada College which are cost more than \$100,000 include: Instructional Equipment, Small Projects, Emergency Building Repairs and Buildings 3/17 Access Security Upgrades.

Mr. Chow said that College of San Mateo has a budget of \$269 million with year-to-date expenditures of \$262 million (97.53%), commitments of almost \$4 million, leaving a balance of almost \$3 million. Projects at College of San Mateo which cost more than \$100,000 include: North Gateway, Instruction Equipment, Emergency Building Repairs, Building 12 Roofing, Small Projects and Building 10 Exterior Stairs to Softball Plaza.

Mr. Chow said that Skyline College has a budget of \$97 million with year-to-date expenditures of \$95.5 million (98.44%), commitments of \$146,000, leaving a balance of \$1.3 million. Projects at Skyline College which cost more than \$100,000 include: Instruction Equipment, Small Projects and Emergency Building Repairs.

Mr. Nuñez told the committee members for a complete list of projects name, locations and current expenditures, refer to the SMCCCD Bond Funded Projects – Measure A financial report which was included in their packet. Ms. Christensen said that yellow highlights indicate a change in expenditures from the last financial report

Mr. Chow said the bond interest for Measure C is entirely spent. As of 9/30/2013, the accumulated bond interest earned for Measure A is \$18,475,601, expenditures total \$6.8 million (37.08%), leaving a balance of \$11.6 million. Mr. Chow said SMCCCD is required to keep bond interest in the San Mateo County Pool and currently the interest rate average is 0.75%. The estimated interest income for FY 2013-14 is \$250,000.

	Dworetzky	Lagandoan	Merkadeau	Petropoulos	Talansky	Torreano	Zanini	Zhenz
Motion						X		
Second				X				

Ayes	7
Noes	0
Abstain	0

Motion Passed

Update on Lehman Bankruptcy Payments (Chow)

Discussion: Mr. Chow said that San Mateo County loss \$155 million in funds invested in Lehman Brothers when it went bankrupt in 2008. SMCCCD lost \$23 million; \$689 from Measure C and \$22.5 million from Measure A. Mr. Nuñez said that the bond measure was in 2006, so a majority of Measure C funds were already spent and that is why the Measure A loss was so much more.

Mr. Chow said the District worked with San Mateo County to recoup some of the losses. Originally, the District was told we would receive 25 cents per dollar loss. Beginning in April 2012, the District has received four payments totaling \$9.2 million which was approximately 40% recovery of funds lost. In addition, the District will receive a share of the \$5.8 million settlement in the case brought by San Mateo County against the directors and officers of Lehman Brothers. Mr. Chow said the District should receive approximately 7% of the \$5.8 million. Ms. Christensen said another lawsuit is pending but she does not know what the impact will be.

Mr. Talansky asked if San Mateo County is still managing the money invested. Mr. Chow replied that they are still managing the money, but the County has since changed their policy to include a 5% cap on individual investments.

Update on Construction Projects (Nuñez)

Discussion: Vice Chancellor Nuñez began his PowerPoint presentation with District Demographics as of October 2013. This information was requested at the last meeting. The chart includes campus acreage, gross square feet, assignable square footage, buildings, parking, student headcount, student FTES and full-time faculty and staff. Vice Chancellor Nuñez added that full time staff at the District includes all facilities personal and public safety at the colleges.

Vice Chancellor Nuñez reviewed the current CIP projects which included the budget, scope, schedule and photos of the projects throughout the District. A summary of the projects include:

Cañada College

- Tennis Courts Improvements

College of San Mateo

- Edison Lot
- East Perimeter Road Sidewalk Addition
- North Gateway Phase II

Skyline College

- Theater Seat Replacement Project

District Wide

- Athletic Fields Replacement (redevelopment funds)
- Sustainability Plan
- Digital Infrastructure Mapping Project
- Electric Vehicle Charging Stations

Proposition 39

- Energy Efficiency & Renewal Projects

Mr. Nuñez said the Digital Infrastructure Mapping Project consolidates all information related to underground utilities. The color coded map is GPS based and state-of-the art. It displays many underground utilities including water, air, electrical, gas, lighting, sewers, and manholes. Mr. Nuñez said there is a Digital Infrastructure Map for each campus and crews were sent to validate the information. Mr. Talansky asked if the CAD drawing was available on the Facilities website. Mr. Nuñez said it is not on the website because the document is password protected.

Update on B20 and Trees Litigation (Christensen)

Discussion: Ms. Christensen said the District lost the appeal regarding the College of San Mateo Edison Lot project and with the advice of our attorneys, the District filed the Garden case in Supreme Court today. She said in 2006, a master plan was prepared outlining campus-wide improvements including the demolition and/ or rebuilding of buildings, parking lots, pedestrian walkways, landscaping and lighting at College of San Mateo. Buildings 15 and 17, were scheduled to be torn down, but instead were remodeled. Building 20 was scheduled to be remodeled but was found to be seismically unsafe and contained hazardous materials. Also, there was no need for the building because the horticulture program was discontinued due to low

enrollment. Since the District was tearing down fewer buildings than originally planned and remodeled more buildings, an Addendum to the Initial Study was prepared outlining the changes which the District felt were minor. The lawsuit was filed by the Friends of the CSM Gardens.

Ms. Christensen said there are three Appellate courts in California that have taken entirely different positions on the question of what is a minor project and, therefore, direction from the Supreme Court is needed. Mr. Torreano said very few CEQA cases go to the Supreme Court. He asked Ms. Christensen if the District ever considered cutting their losses and doing a new Environmental Impact Report (EIR). Ms. Christensen said many options were considered and even if a new EIR was done, there is no guarantee that the District will not be sued again

Committee Members' Comments/Requests for Future Agenda Items

Ms. Christensen reminded committee members to email her if they had future agenda items. She will email the committee an updated copy of SMCCCD CIP Analysis by Site that includes adjusted square footage.

Mr. Nuñez said he will give a detailed demonstration of the Digital Infrastructure Mapping that consolidates all information related to underground utilities at the next meeting. Mr. Talansky asked if the CAD drawing was available on the Facilities website. Mr. Nuñez said it is not because it is a password protect document available to staff, contractor and vendors.

Annual Report to the Community 2013 – Draft

Ms. Christensen noted that a draft of the Annual Report to the Community 2013, was included in the packet, but was not included on the agenda. Suggestions were made to include information on the Lehman Brothers bankruptcy and savings from energy efficiency throughout the District. Mr. Talansky suggested that Ms. Christensen update the report as discussed and email the report to the BOC members for review, comments and approval.

Following the meeting, Director Christensen made the changes and emailed the Annual Report to the Community 2013 to the BOC members. The report was approved by all members and posted on the BOC website.

Schedule of Future Meetings: **Currently scheduled: May 1, 2014; November 6, 2014 (1st Thursday, every 6 months). **Should we consider meetings in February and September closer to the audit results (available in January) and end of fiscal year results (available in August)?****

Discussion: Mr. Talansky suggested that Ms Christensen email committee members the exact dates under consideration. Ms. Christensen said the meetings would remain on the first Thursday in February and September.

Following the meeting, Ms. Christensen emailed committee members the schedule of meeting for 2014. The committee agreed to meet on **March 6, 2014** and **September 4, 2014**

Motion to Adjourn

Discussion: None

	Dworetzky	Lagandoan	Merkadeau	Petropoulos	Talansky	Torreano	Zanini	Zhenz
Motion				X				
Second						X		

Ayes	6
Noes	0
Abstain	0

(Mr. Dworetzky exited the call at 4:30 p.m.)

Motion Passed

Meeting adjourned at 4:35 p.m.