

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**  
**Bond Oversight Committee Minutes**  
**March 3, 2016**  
**College of San Mateo**  
**Building 10, Room 401**

**Members Present:**

- ✓ Alan Talansky, Chair, business representative
- ✓ Frank Pagliaro, community member
- ✓ Gus Petropoulos, active in organization in support of District (Retirees and Foundation)
- ✓ Adrienne Zanini, representative of bona-fide taxpayers association
- ✓ Steve Dworetzky, Vice Chair, community member (by phone)

**Members Absent:**

- ✓ Dennis Zheng, student representative
- ✓ Victor Torreano, community member

**District Staff Present:**

- ✓ Raymond Chow, Chief Financial Officer
- ✓ Barbara Christensen, Director of Government & Community Relations
- ✓ Gohar Momjian
- ✓ José D. Nuñez, Vice Chancellor, Facilities Planning, Maintenance & Operations
- ✓ Karen D. Powell, Executive Director, Facilities Planning & Operations
- ✓ Jessica Pulido, Administrative Assistant

**Guests Present:**

- ✓ Maxine Turner, community member

**Call to order**

Alan Talansky called the meeting to order at 3:13 pm

**Public Comments on Non-Agenda Items**

Barbara Christensen announced that she was retiring at the end of May and her interim replacement is Gohar Momjian.

**Approval of Minutes from Meeting of December 3, 2015**

	Dworetzky	Pagliaro	Petropoulos	Talansky	Torreano	Zanini	Zheng
Motion		x					
Second			x				

Ayes	4
Noes	
Abstain	1

The Motion passed.

## **Information on EIR for Campus Projects**

The District's Director of Government & Community Relations Barbara Christensen gave an update on the EIR process for the campus projects. Ms. Christensen explained that the District was particularly careful in the EIR Process due to the two CEQA lawsuits that were filed against the District over the last several years. The District won one of the cases and the second is pending at the California Supreme Court.

The Draft EIR received six public comments, and most were not responsive to the EIR. The District responded to the comments and the Board of Trustees adopted the Final EIR in December 2015. There was no challenge to the adoption during the 30 day period when the public can file a lawsuit, and the District is now able to move forward with the campus projects.

## **Review of 2014-15 Financial and Performance Audits**

Vavrinek, Trine, Day & Co., LLP reviewed the 2014-2015 Measure A & Measure H Financial and Performance Audits. Mr. Petropoulos asked if the firm is the same auditor that performs all of the District's audits. Ms. Blackwood confirmed it was.

## **Review/Accept Cumulative Report on Expenditures through December 30, 2015 for Measure A and Measure H**

Mr. Chow explained that the expenditure report is the same as the last reporting, but with more expenditures compared to last quarter. All funds in Measure C have been expended since 2011. Measure A is scheduled to be finished by June 2016. Ms. Blackwood explained that the District needs to spend Measure A because the IRS expects issuing agencies to spend the tax exempt funds in a timely manner, within a 3 year period from the date of issuance of the bonds. However, there are mitigating circumstances—such as the lawsuit filed against the District—that would extend that time. Therefore, the District is shifting expenses that are allowable under Measure A's ballot language, from Measure H to Measure A. Mr. Nuñez confirmed the District has the authority to shift expenses.

Mr. Talansky stated that the District could possibly be required to pay federal taxes on the bond's interest if the earnings were not expended within the time period, which the District does not want to do; Ms. Blackwood confirmed that was true. Mr. Pagliaro asked for clarification on the District moving available funds from Measure A to Measure H. Ms. Blackwood clarified that she was going to take projects that were authorized under Measure H and spend them out of Measure A in order to spend down the Measure A funds.

Mr. Chow provided a summary of the following campus budgets, expenditures, commitments, and available balances for Measure A and Measure H funds:

<b>Fund</b>	<b>Campus</b>	<b>Budget</b>	<b>Total Expenditures</b>	<b>Total Commitments</b>	<b>Available Balance</b>
<i>Measure A</i>		\$468,000,000	\$465,764,957	\$1,236,110	\$998,931
	Districtwide	\$65,671,644	\$64,457,436	\$406,913	\$807,295
	Cañada College	\$36,246,692	\$36,092,770	\$92,047	\$61,875
	College of San Mateo	\$269,876,566	\$269,109,111	\$701,638	\$65,817
	Skyline College	\$96,205,099	\$96,105,641	\$35,512	\$63,946

<b>Measure H</b>	(First Issuance)	\$127,000,000	\$2,950,692	\$1,443,302	\$122,616,006
	Districtwide	\$47,349,001	\$1,300,000	\$ -	\$45,300,000
	Cañada College	\$23,860,000	(\$ negative)	\$ -	\$24,300,000
	College of San Mateo	\$15,520,999	\$1,200,000	\$ -	\$13,900,000
	Skyline College	\$40,270,000	\$941,000	\$ -	\$38,900,000

Cumulative bond interest earned as of 12/31/15 for Measure A is \$33,493,140. Expenditures are \$24,062,621. Commitments are \$4,070,545. Balance available is \$5,359,973. Measure H cumulative interest earned is \$1,084,873 and being held in the Measure H interest reserve account; it will be released when the construction budget is finished. Estimated FY15-16 interest income is \$1.2M. The County Pool current interest rate is 0.9%.

Mr. Pagliaro asked for clarification on “Bond Interest Expenditures.” Mr. Chow explained that the District places all funds earned from interest into a special fund to hold it from spending until bonds funds are expended first. Mrs. Blackwood further stated that the District is required to spend the bond’s interest on capital outlay projects.

Maxine Turner asked if the Bond Oversight Committee has the breakdown and list of the Small Projects and Emergency Building Repair projects. Mr. Nuñez answered that he has provided the list to the Committee in the past, and clarified that the criteria used for Emergency Building Repair projects is described in the bond language and accordingly noted.

**Receive Report to the Community for 2015**

Ms. Christensen has asked if the committee has reviewed the updated draft of the Report to the Community for 2015. She also asked if the committee would like to add and/or change anything within the report. She highlighted that she would add the financial report from the auditor to the report before it is released. Mr. Talansky agreed that it should be added to the report and the updated draft should be sent out.

Mr. Dworetzky requested that, once the packet for the Bond Oversight Committee is made public, if a member of the public has a question about an item, he suggested that they should ask staff before the meeting ahead of time, so that minor questions can be answered before the Committee meets.

**Update on CIP3 Projects, Schedule of Project Rollout and Timing**

Mr. Nuñez provided a presentation and summary of projects which included the College of San Mateo Beethoven/Olympian Parking Lot improvements; College of San Mateo Star Projector Replacement Project in the Planetarium; College of San Mateo Softball Fields Upgrade Project; College of San Mateo Learning Communities spaces for students; Skyline College Building 5 Learning Commons Phase 1 Project; Skyline College Team House Project; and Skyline Building 2 Middle College.

**Receive Board President’s Response to Letter from Maxine Turner**

The Bond Oversight Committee Meeting packet of materials included a December 15, 2015 letter prepared by Board President Dave Mandelkern and addressed to Ms. Maxine Turner. Ms. Turner stated that the letter written by the Board President is filled with inaccuracies and attempts to deflect

voters' concerns on the use of funds for various projects. Ms. Turner said she only received one response from the Board President and she believes the response was written by the Chancellor or a support staff member. Ms. Christensen stated that the Board President was the one who wrote the December 15, 2015 letter. Ms. Turner also stated she sent another letter to the Board of Trustees dated January 26, 2016 in response to the President's December 15, 2015 letter and requested discussion on her recent correspondence to the Board.

Mr. Talansky stated the committee is not in a position to go over her recent January 2016 communication since members would like to have time to read it. Ms. Christensen commented that the January letter is not on the agenda. Mr. Petropoulos also stated that the letter is not addressed to the Bond Oversight Committee members. Mr. Dworetzky stated that the Committee should table the discussion since not all members are present to receive the letter during the meeting.

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

There were no additional Committee Members' comments. No agenda items were requested.

**Schedule of Future Meetings: June 2, 2016, September 1, 2016 and December 1, 2016 (first Thursday every three months)**

**Motion to Adjourn**

	Dworetzky	Pagliari	Petropoulos	Talansky	Torreano	Zanini	Zheng
Motion		x					
Second			x				

Ayes	5
Noes	
Abstain	

The Motion passed. Meeting adjourned at 4:23 pm.