



SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Bond Oversight Committee
September 2, 2021 Meeting Minutes
Location: Hybrid (Zoom & In-person)

Members Present

Rosanne Foust
James Ruigomez
Anne Campbell
Michael Duncheon
Rocsana Enriquez
Shelley Kessler
Anna Mahoney
Bill Collins

Chair
Vice Chair

Members Absent

Bill Rundberg
Maxine Terner

District Staff Present

Michael Claire
Bernata Slater
Peter Fitzsimmons
Arlene Calibo
Jose Nunez
Marie Mejia
Michael Manneh

Chancellor
Chief Financial Officer
District Budget Officer
Facilities/Public Safety Business Manager
Vice Chancellor of Facilities Planning Maintenance & Operations
Interim Director of Capital Projects
IT Support Technician

Other Attendees Present

Jeff Scogin
Mike Chegini
John Dominguez

A Kennedy Group
A Kennedy Group
CWDL

Call to Order

The meeting was called to order at 3:03 p.m.

Approval of Agenda

A motion was made by Mr. Collins and seconded by Ms. Kessler to approve the agenda. The agenda was unanimously approved as presented.

Approval of the June 3, 2021 Meeting Minutes

A motion was made by Ms. Kessler and seconded by Ms. Campbell to approve the minutes as presented.

Ms. Kessler suggested that the meeting minutes, once approved, be posted to the Bond website in lieu of the zoom recording, if District storage space becomes an issue. She also asked about the ADA access for Building 3 – Theater AV/Lighting/Seats Upgrade. She feels that the ADA access at the back of the stage is not an acceptable access point for those needing to be on the stage.

Mr. Nunez stated that no action has been taken on that point yet. He is planning on bringing on an architect to look on how to improve the access.

The meeting minutes were unanimously approved as presented.

Public Comments

There were no public comments.

Communications Received by Committee Members

- a. Ms. Foust informed the committee that a question from Dr. Reiner was received on June 2nd for the June 3rd meeting and answers were provided within the September 2nd meeting packet.

Staff Reports

Chancellor Claire stated that the campuses are open with about 25-30% activity. A full opening is planned for January 2022. He pointed out that students are using the online modalities like in most campuses. He expressed thanks for Mr. Nunez and his team for working on the ventilation and filtrations systems during the shelter in place phase. The new kinesiology and wellness center has been opened at Canada college with classes and participating students. He pointed out that there is a continuation of transitioning to a new model for the athletic clubs. The Canada college site is part of those plans and once the programs and classes are opened, they will be opening it up to community memberships.

Ms. Foust thanked Chancellor Claire for assisting the students to be successful, which makes the community be successful.

Ms. Campbell pointed out that she read the article in the SF Chronicle and felt it did a terrific job showcasing the incredible the work that is happening at Canada college.

Brown Act Refresher

Ms. Slater asked Mr. Chegini to provide cliff notes on the Brown Act and a full Brown Act overview will be provided in the upcoming meeting.

Mr. Chegini stated that the provided guide was to inform the committee with key items from the Brown Act and referred the committee to the web link in the packets for further details.

Mr. Scogin asked Mr. Chegini to speak on the executive order that will be expiring soon about remote meetings.

Mr. Chegini stated that the amendments to the Brown Act regarding the remote meetings do expire on October 1, 2021 and everyone is keeping an eye on if that will change before the expiration. If it does not change, the committee will need to plan on returning to in-person meetings.

Chancellor Claire stated that the District is watching for any changes in the amendment as well and pointed out that the current meeting room is setup for any upcoming changes.

Measure H Performance Audit Process Discussion

Mr. John Dominguez, who attended the meeting on behalf of CWDL, asked for feedback regarding the process data that was requested at the last meeting and was provided to the members prior to this meeting.

Ms. Foust stated that she felt that the info provided by CWDL was an excellent summary and opened it up for the committee to ask questions.

Mr. Dominguez pointed out that there were some beneficial additions to this year's report compared to last years.

Mr. Duncheon wanted to receive confirmation that the scope of the audit verifies that personnel paid from the Bond are in compliance.

Mr. Dominguez stated that there is a separate section within the audit that looks at any payroll paid for by Bond funds.

Mr. Ruigomez asked if the current audit will be a forensic audit, and will that increase the costs?

Mr. Dominguez informed the committee that the current audit would not be forensic. It will be an audit based on the guidelines stated under Prop. 39.

Ms. Foust thanked Mr. Dominguez for the extensive information and additional examples from other District.

Ms. Kessler asked what a forensic review is.

Mr. Dominguez gave an overview of what a standard audit looks like and stated that a forensic audit would be triggered by some type of concern or looking for very specific elements of non-compliance. A forensic audit is a far more pointed and specific audit with very different techniques that would be used.

Ms. Kessler also expressed appreciation the level of detail provided to have a clearer understanding overall.

Ms. Foust thanked Mr. Dominguez and asked the committee to keep this part of the packet close at hand, as the committee has a fiduciary responsibility to not become repetitive with information or inquiry.

Communications Update

- a. Mr. Chegini stated that there is no additional cost for meeting recordings to be on the District website.

Ms. Kessler brought back her earlier suggestion about the meeting minutes, that once approved, they be posted to the Bond website in lieu of the zoom recording, if District storage space becomes an issue.

Mr. Chegini confirmed with the District's IT dept. that storage space for the zoom recordings would not be a concern.

Ms. Kessler suggested that meeting minutes be posted instead of the video recordings.

Ms. Mahoney asked if the website could have both the written and video of the meeting.

Mr. Duncheon asked how many persons would be accessing this information.

Ms. Foust answered that it may depend on the agenda and what is being discussed.

Mr. Collins made a motion to have both the written and recorded meeting be posted to the District's bond website going forward from the September 2nd 2021 meeting. Seconded by Ms. Kessler.

Motion passes, with a Nay by Mr. Duncheon.

- b. Mr. Chegini showed the committee how to access the District's bond website.

Annual Report Preparations

Ms. Foust stated that she is hoping that committee members would volunteer for this.

Mr. Chegini explained that this is the time of the year to start to put together the annual report and asked the committee for volunteers. He stated that Ms. Foust is automatically a member of the annual report preparation team as she is the Chair. He explained that the draft will be sent to the volunteers with enough time to review it and presented a schedule for all committee members to see. He also stated that in-person meetings are not required unless requested.

Ms. Kessler asked how suggestions and edits of the report are taken.

Mr. Chegini stated that feedback would need to be provided by the 15th of October. Then the draft of the final version would be presented at the 12/2/21 CBOC meeting.

Ms. Foust asked for volunteers again.

Mr. Duncheon, Mr. Ruigomez and Ms. Kessler volunteered.

Ms. Foust thanked Mr. Chegini for all the work put into this.

Update on Capital Improvement Program (CIP3)

Mr. Nunez handed the presentation over to Ms. Mejia. She briefly updated the committee on some of the current projects.

Ms. Foust thanked both Ms. Mejia and Mr. Nunez on the presentation approach this time and the work put into it.

Ms. Campbell asked why there was a change in the estimated expenditures for the CSM Water Supply Tank Replacement (CSM-007).

Ms. Mejia explained that some required additions were necessary per the state which changed the amount needed from Measure H funds.

Mr. Nunez added that there was a challenge with the state with the funding, over a 10-month period, that they initially allocated to the District and then tried to remove, as they felt that San Mateo was a wealthy enough District to fund the project locally.

Ms. Mejia added that because this was a safety project the state is required to contribute 90% of the funds, yet they were asking for the District to fund 50% of that amount.

Mr. Nunez stated that all safety projects at the state level must now put in 50% of the matching funds, so San Mateo was fortunate to get the additional funds.

Ms. Kessler asked for clarification on whether the audit recognizes additional bond related payroll expenditures that are reflected on a project.

Ms. Mejia gave an example of her, and her teams are paid directly from the bond, that when the funds are spent out from the bond, they will either stay on with the District in a different capacity or need to find other employment.

Mr. Nunez added that all these types of expenditures are looked at by the auditors.

Program Financial Reports

a. Mr. Scogin presented the Financial Reports for Measure H as of June 30, 2021, highlighting key information and projects with significant quarter expenditures.

Mr. Nunez pointed out in the Whole Program Report that in addition to the Measure H bond there are additional funds from the state and other funding sources.

Mr. Scogin stated it's important to think about in the overall project and not just the Measure H component. Leveraging bond funds to get the state matches is important in achieving the goals of the District.

Mr. Duncheon asked what Mr. Scogin referred to in the Project Summary Report as 'Liability has been Released'.

Mr. Scogin explained that there was a liability that was booked in the District's account for the delivery method for the lease / lease-back and the liability was showing as an expense, and the

reports reflect the District's financial figures. It was noted that the project was showing that it was overspent because of that liability and the liability was released to show the true intent of the project as not actually being overspent. It showed up this way initially because it was originally booked this way in the District's system.

A motion was made by Mr. Collins and seconded by Mr. Duncheon to approve the Financial Reports and they were unanimously approved as presented.

b. Mr. Scogin presented the Managerial and Administrative Expenditure Summary.

Ms. Foust stated that as these reports were asked for by one committee member and that she will be looking at requests closer, if just from one member or the committee as a whole. Also asking the committee to be aware of the amount of time and costs these requests require as part of the overall decision making within requests for additional information.

Mr. Duncheon asked what these reports are showing.

Mr. Scogin explained that the prior quarterly report format had a note that identified projects that included management consulting fees and the total amount for the services. The current reports being provided show these costs by project.

Ms. Mahoney asked if the time it takes to program it would be a one-time cost, so each quarter it would be a quickly run report or would it take the same amount of time each quarter to produce these reports.

Mr. Scogin stated that it would be a one-time programming exercise for the creation of the report but suggested to reach out to Ms. Slater for quantification of District associated costs.

Mr. Duncheon asked what these reports would be used for.

Ms. Foust concurred and stated that she is trying to discern from the other report that already has this information within it.

Mr. Scogin stated that this information is just one vendor and their costs.

Ms. Foust brought to the committee's attention that this was just one vendor. She asked about all the other vendors. How much deeper do we need to go when the numbers are already there in an aggregate?

Mr. Nunez concurred with Ms. Foust's sentiment that these reports only show one vendor and there are many more vendors that work on a project.

Ms. Foust asked the committee to weigh in on this.

Mr. Duncheon stated that this type of information presented is what the auditors are asked to do to make sure this information is legal.

Mr. Scogin confirmed that the auditors review the salary schedule and pull a sampling of the salaries and do a test against the ballot language and make sure those individuals are working on the Measure H Bond program.

Mr. Collins expressed appreciation for the work that has been performed, but this is too much information to be able to efficiently do the work as a committee member.

Ms. Enriquez supports not doing more work of this type if it's not necessary.

Mr. Collins makes a motion to no longer have these 3 reports generated at this time. Seconded by Ms. Enriquez. Motion passes with an abstention from Mr. Ruigomez.

c. Mr. Scogin presented the Fiscal Year 2020-2021 4th Quarter Bond List Revision.

Ms. Kessler asked what is used for storage on the Solar Energy Storage (DW-022) project.

Mr. Nunez informed the committee that it was a project that was started to obtain about 5 million in grant funds for a storage unit relating to provide solar over at the CSM Beethoven lot, but the grants fell through, and the project never got underway and was cancelled.

Proposed Next Meeting Date

Ms. Foust pointed out the next meeting date of Thursday, December 2, 2021. She asked the committee if there was a need to move it to December 9th, would there be a conflict?

Mr. Chegini let the committee know that he will send out a poll about the next meeting date of December 2nd or December 9th.

Future Agenda Items

Mr. Duncheon suggested that the Chair and senior staff connect with legal counsel to ask if the committee is complying within their purview.

Ms. Foust expressed that this has come up before regarding the Attorney General opinion and have been told that the committee has been informed that they are complying. She asked Ms. Slater, if acceptable, to reconfirm the Attorney General opinion that the SM CBOC is in full compliance.

Ms. Slater stated there are a couple of ways of addressing this. She stated that they can bring in the bond counsel and address this. Another way she informed is that the auditors are always checking for compliance in the performance audit.

Mr. Collins expressed that this topic has been covered before. Also bringing up the costs to bring in the specialists in on an hourly basis and would rather not spend the money nor the time on this.

Ms. Foust proceeded to poll the committee on their desire for this to move forward. The poll showed that the majority of the committee feels that they are in compliance. She also suggested to Mr. Duncheon and to Ms. Mahoney to speak with Ms. Slater or the auditors with additional questions pertaining to this.

Adjournment

A motion was made by Mr. Collins and seconded by Ms. Kessler to adjourn.

Ms. Foust adjourned the meeting 4:33 PM.