

OHLONE COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee Meeting
Fremont Campus, Room 7101
43600 Mission Boulevard, Fremont, CA 94539

Minutes of Citizens' Bond Oversight Committee
January 14, 2013

MEMBERS PRESENT: Bob Douglass, Brad Hatton, Hector Rastrullo, Rakesh Sharma, Andrea Francis, Frank Pirrone, Tawney Warren, Dennis Wolfe

MEMBERS ABSENT: William Wahl

OCCD STAFF PRESENT: Dr. Gari Browning, President/Superintendent
Ron Little, Vice President, Administrative Services
Arti Damani, Bond Accountant
Thomas Moore, Director of Facilities and Modernization
Kelly Abad, Assistant to the V.P., Administrative Services

GUESTS: Casey Michaelis, Gilbane/EIS, Measure G Bond Manager
Ann Kennedy, Gilbane/EIS, Measure G Bond Manager
Chris Wilson, Gilbane/EIS, Measure G Bond Manager

OPEN MEETING: The meeting was called to order by Bob Douglass at 6:03 p.m.

**COMMUNICATIONS
FROM THE AUDIENCE:** None

**COMMUNICATIONS
FROM THE COMMITTEE:** None

SCHEDULED ITEM

1. Approval of the Agenda

The agenda was approved as presented.

Moved / Sharma / **Seconded** / Pirrone / **All in favor**

2. Approval of the 06/18/12 minutes

The minutes were approved as presented.

Moved / Wolfe / **Seconded** / Warren / **All in favor**

3. Committee Members' Attendance Report

The committee members' attendance report was reviewed and no revisions were noted.
William Wahl was absent from the meeting.

4. Communications from Committee Members

Rakesh Sharma: Kevin Feliciano is noted in the CBOC Annual Report. Is this an error?

Kelly Abad: Kevin Feliciano was a CBOC member during the timeframe of the annual report and that is the reason he is listed.

Bob Douglass: The Foundation Board is interested in a Measure G Update.

Ron Little: The Board of Trustees will have an update at their March meeting; we could extend an invitation to the Foundation Board to attend.

5. Communications from Staff

Dr. Browning stated that Don Eichelberger's term ended with the District at the end of December. Joanne Schultz has also left the District to take another position.

Ron Little said that Don Eichelberger will be serving the District on an on-call basis. The District may need his expertise to close out Measure A.

a. Response to Question Regarding Measure A & G District Staff Support

Ron Little discussed the question regarding Measure A & G District Staff Support, which was asked at the last meeting by Bill Wahl. Prop 39 is specific on how bond proceeds can be used. Law provides that the "proceeds... may not be used for any other purposes (than intent) including teacher and administrator salaries and other school operating expenses." Intent is clarified by the Attorney General in a legal opinion dated November 9, 2004 and was reviewed by the committee. The Attorney General's opinion is if "but for the bond projects," this work would not exist, then it is a justifiable expense.

The District has many internal controls. All positions are approved by the Board of Trustees and properly tracked with time reporting documentation, reconciled annually and monitored by accountants and auditors for validity. Under Measure A, only one-quarter of one percentage of the whole bond was used for support.

6. Communications from the Public

No comments from the Public.

7. Acceptance of Annual Performance Audits

Arthur Ngo, Crowe Horwath, went over the Bond Performance Audits with the committee for both Measure A and Measure G.

Measure A:

Page 1 shows the results of the test. *"The results of our tests indicated that, in all significant respects, Ohlone Community College District expended Measure A General Obligation Bond funds for the year ended June 30, 2012 only for the specific projects developed by the District's Governing Board and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution."* Page 2 shows language straight out of the bond ballot. The scope of the work is as follows. *"The District provided to us a list of all Measure A General Obligation Bond project expenditures for the year ended June 30, 2012. An approximate total of 110 transactions were identified, representing \$1,016,022 in expenditures from July 1, 2011 through June 30, 2012."*

Dennis Wolfe: Were you satisfied that the funds were tracked well?

Ron Little: A little over \$1 million was tested, which means that half of the funds spent within the year were audited.

Rakesh Sharma: Is the word significant a standard word?

Arthur Ngo: We consider the size of the materials. There is a calculation used, which is based on the amount of expenditures.

Dennis Wolfe: Are you looking for trends of irregularities and not looking at nickels and dimes?

Arthur Ngo: We look at everything spent, within the test.

Measure G has the same explanation and format.

Page 1 shows the results of the test. *"The results of our tests indicated that, in all significant respects, Ohlone Community College District expended Measure G General Obligation Bond funds for the year ended June 30, 2012 only for the specific projects developed by the District's Governing Board and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution."* Page 2 shows language straight out of the bond ballot. The scope of the work is as follows. *"The District provided to us a list of all Measure G General Obligation Bond project expenditures for the year ended June 30, 2012. An approximate total of 75 transactions were identified, representing \$14,400,953 in expenditures from July 1, 2011 through June 30, 2012."*

The Measure A and Measure G Bond Performance Audits were accepted.

Moved / Sharma / **Seconded** / Pirrone / **All in favor**

8. Review of District's Financial Audit

Ron Little mentioned that the District's Financial Statements will be presented to the Board of Trustees on Wednesday. Page 50 and 52 were specifically discussed with the committee.

Arthur stated that the District Financial Audit has an unqualified opinion, which is the best opinion you can get.

Bob Douglass: Can you explain unqualified opinion?

Arthur Ngo: The financial statements are stated accurately. They are appropriately presented and in accordance with Generally Accepted Accounting Principles (GAAP).

9. Measure A Bond Financial Update

Ron Little went through the Measure A Bond Financials with the committee. Funds have been moved around for the HVAC work to support Bond Project 2. The Science Modularity project is located under Bond Project 3, Health and Safety.

Dennis Wolfe: What is going on with legal?

Ron Little: We currently have two legal actions we're pursuing. We are still meeting with all major players regarding the Geo-coils project at Newark. Mediation is scheduled for next month with regard to the Student Services Building.

Dennis Wolfe: Where is the money to pay for this?

Ron Little: If we run out of money within Measure A, Fund 41 can pay for the work that needs to be completed.

Rakesh Sharma: Does Measure A have left over money?

Ron Little: We have about \$1 million. There is an opportunity for settlement for mediation. We have money from Fund 41. The Geo Coils project is another challenge.

Hector Rastrullo: What is Fund 41?

Ron Little: This is a fund for Capital Outlay. The non-bond fund portion of the Below Grade Water Intrusion project was paid from this fund.

10. Measure A Bond Projects Update

Thomas Moore gave an update on the Measure A Bond projects. We have a substantive closeout on all projects with a few exceptions. The Below Grade Water Intrusion Project is in the closeout phase. Documents need to get to DSA. The Building 16, Science Modulars project, needs to be closed out through DSA. The HVAC repairs in Building 7 are 50% complete. Programming and balancing needs to be done. The Geo-coils in Newark are still in need of repair. The vaults are still giving us trouble.

Rakesh Sharma: What is the problem at Newark?

Thomas Moore: The Geo Coils are the problem. We've isolated the problems to the vaults. All five need to be replaced and we are currently negotiating with contractors.

11. Measure G Financial Update

Ann Kennedy went over the Measure G Financial Update. Under the Measure G Program Report, approximately \$17.6 million has been spent. Interest earned is \$310,970. We will see a catch up on interest earnings in quarter two.

The bond list revision, already been reviewed by this committee, is now reflected in the Summary Report.

It was noted that a pointer should be used during the financial portions of the meeting to easily follow along.

12. Measure G Bond Projects Update

Chris Wilson went through the following Measure G Bond projects.

- Newark Photovoltaics – March completion date fairly solid.
- Academic Core – completing programming. Figuring where everyone will be. Information will be brought back to the March CBOC meeting and Board of Trustees meeting.

Rakesh Sharma: Is there a consensus about clustering?

Chris Wilson: Yes, that is the direction that we have been given. One of the major principles of the Master Plan was to have interactive collisions on campus. The goal is to put the learning resource center in the middle of campus.

Dr. Browning: We have an Educational Master Plan, where we add our philosophies and values. This document also includes enrollment projections. This was used to create the Campus Master Plan.

Chris Wilson: Campus standards will also be set.

- Central Utility Plant – Currently studying if it will be good for long term efficiencies.
- Quick Fix Projects:
 - Floor box changes
 - Wooden boards have been replaced with cement.
 - Roof tiles for buildings 1, 5, and 9 are repaired.
 - Signage – in process
 - Safety hand railings
 - Doors at the Smith Center – had exiting problems.
- RFQs:
 - Campus Land architect - softball, baseball and soccer
 - Terraced parking structure

Rakesh Sharma: It would be helpful to have a campus map.

13. Approval of CBOC Annual Report

Ron Little discussed the annual report with the group. Staff met with the subcommittee of the 2012 annual report in November. The subcommittee consists of Andy Francis and Bob Douglass.

Mike Chegini walked the group through the draft of the annual report. This year it was decided to go with an online version that is also capable of producing a print friendly report. The URL to the website is located on the back of the postcard that was given to each committee member. The web version features more photos and pictures. It has direct links to the most commonly accessed areas of the CBOC website. There is a letter from the committee chair. Links to the bond website are shown. Budget and expenditures are shown with pie charts. The annual performance and financial audits are easily located by a link on the same page. There is a paragraph at the bottom of the budget and expenditures page, approved by the auditors, that states, *"California Proposition 39, California Education Code Section 15278, and the Section 1(b)(3) of Article XIII A of the California Constitution required annual performance and financial audits on use of general obligation bond proceeds. The performance and financial audits for the fiscal year ending June 30, 2012 were performed by an independent certified public accounting firm in accordance with generally accepted auditing standards and governmental auditing standards, issued by the Comptroller General of the United States. The audits indicate that, in all significant respects, the District expended the general obligation bond proceeds in accordance with the requirements of Proposition 39."*

Rakesh Sharma: How come some of the pie charts have color legends and some do not?

Mike Chegini: We will add color legends on all bond overview budgets to be consistent.

Rakesh Sharma: It would be nice if we posted the meeting dates and times to let the public know when we have meetings.

The site also has tracking built into it to find out how people found the webpage. Project lists for Measure A and Measure G are shown. There is a featured projects page that has pictures and a description on the bottom of each picture. And the final section has the bond language for both Measures A and G. Any questions?

Frank Pirrone: This was beautifully done.

Dennis Wolfe: Are the audits on here?

Mike Chegini: There is a link at the bottom of the page. You can view the complete audit report with the link.

Bob Douglass: I don't think that the last page reads well. Shall the voters?

Ron Little: We tried to reflect what was said based on the language of the ballot.

Patrice Birkedahl: Would it help to have it in quotes?

Ann Kennedy: With regard to the request to add a place for public input, if we go to the home page where it says learn more and add a place for public input, would that meet your request?

Dennis Wolfe: This report reflects the work of this group and it seems like it would be an appropriate place to reflect that.

Color legends on the budget pages, adding a link to the bottom of the letter from Chair to learn more and adding quotations on the ballot language are the items that need to be changed.

The CBOC annual report was approved with minor modifications.

Moved / Sharma / **Seconded** / Hatton / **All in favor**

The Board of Trustees will be given a printed copy. If we would like to have Mike Chegini walk them through the annual report, we could, but the committee needs to present to the Board.

Dr. Browning: The Board of Trustees should be encouraged to look at the web version because it is such high quality.

Mike Chegini: The printed version is not a carbon copy of the web version.

14. Evaluation of current meeting

Bob Douglass stated that he has difficulty following what is being approved at times. He would like to have a talk with Ron before the next meeting.

Dennis Wolfe mentioned that only a few of the committee members have been here before, so he agrees and supports Bob's statement. He also mentioned that he wants to give Kelly Abad credit for the work she does.

Tawney Warren would like to highlight the projects list so that it pops out on the few key things that you are clearly going to hit on.

Ron Little thanked the team for putting the annual report together. The team includes Patrice Birkedahl, Arti Damani, Kelly Abad, Ann Kennedy and Mike Chegini.

15. Topics for Next Meeting

None noted.

Bob Douglass adjourned the meeting at 7:36 p.m.