

MINUTES

**OHLONE COMMUNITY COLLEGE DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE MEETING
SEPTEMBER 15, 2014**

**LOCATION:
FREMONT CAMPUS,
ROOM 7101
43600 MISSION BOULEVARD
FREMONT, CA 94539
(510) 659-6000**

CITIZENS' BOND OVERSIGHT COMMITTEE, MEMBERS PRESENT

Dr. Dan Chang	Representative, Senior Citizen Organization
Andrea Francis	Representative, At Large
Brad Hatton	Representative, At Large
Luzviminda Macabitas	Representative, At Large
Frank Pirrone	Representative, Business Organization
Hector Rastrullo	Representative, At Large
Rakesh Sharma	Representative, Foundation

CITIZENS' BOND OVERSIGHT COMMITTEE, MEMBERS ABSENT

VACANT	Representative, Associated Students of Ohlone College
Dennis Wolfe	Representative, Tax Payers Association

OHLONE COMMUNITY COLLEGE DISTRICT, STAFF PRESENT

Patrice Birkedhal	Public Information Officer; Director, College Advancement
Arti Damani	Bond Accountant
Ron Little	Vice President, Administrative Services
April Merritt	Confidential Assistant to the V.P., Administrative Services
Thomas Moore	Director of Facilities and Modernization
Farhad Sabit	Director Business Services
Elaine Trujillo	Bond Purchasing Agent

GUESTS

Heidi Birch	Gilbane/EIS, Measure G Bond Program Manager
Mike Chegini	Gilbane/EIS, Communications Manager
K.P. Ghoman	Student
Nic Heuer	Stradling, Yocca, Carlson & Rauth, P. C.
Ann Kennedy	Gilbane/EIS, Measure G Bond Financial Manager

CALL TO ORDER

The Citizens' Bond Oversight Committee (CBOC) meeting was called to order by Committee Chair, Andrea Francis, at 6:00 PM. Roll call indicated all CBOC Committee members present, except Dennis Wolfe, who was absent.

I. APPROVAL OF AGENDA

Committee member, Brad Hatton, made a motion to approve the agenda as presented. The motion was seconded by Committee member, Rakesh Sharma. The motion was unanimously carried by all Committee members present.

II. APPROVAL OF MINUTES

Committee member, Rakesh Sharma made a motion to approve the minutes from the previous meeting on June 16, 2014. The motion was seconded by Committee member, Frank Pirrone. The motion was unanimously carried by all Committee members present.

III. COMMITTEE MEMBERS' ATTENDANCE REPORT

Ron Little presented the attendance report to the Committee. No concerns were expressed by the Committee.

IV. RECOGNITION OF REAPPOINTED COMMITTEE MEMBERS

Andrea Francis recognized Brad Hatton, Frank Pirrone and Dennis Wolfe on their reappointments. All three members' terms will end in June 2016.

V. COMMUNICATIONS FROM COMMITTEE MEMBERS

Rakesh Sharma thanked the Committee for all of their hard work.

VI. COMMUNICATIONS FROM STAFF

Ron Little presented the August 2014 issue of the Measure G Newsletter to the Committee. Ron recognized Heidi Birch of Gilbane for creating another successful newsletter. Ron highlighted several articles in the newsletter, including the Newark Modulars, the Newark overflow parking and the Smith Center fire alarm installation.

Ron shared move updates, including the VPAS move to Building 20, the CNET move to Newark, the Flea Market move to Building 18 and the Gallaudet move to Building 6. Ron also stated the bus stop will be relocated to Pine Street for the Fall Semester.

Rakesh Sharma: Will the olive trees be relocated?

Thomas Moore: Olive trees will be pruned. We have no plans at this time to relocate or remove olive trees.

VII. COMMUNICATIONS FROM THE PUBLIC

No items were presented to the Committee.

VIII. BYLAW REVIEW AND TRAINING

Ann Kennedy introduced Nic Heuer of Stradling, Yocca, Carlson & Rauth, P. C. to the Committee. Nic presented an overview of the bylaws governing the Committee, including recent updates. Nic noted how the Brown Act and Ed Code impact the Committee. The Brown Act mandates that information be available for public view in a timely manner. The Bylaws are governed by the Ed Code.

Dr. Dan Chang: What is the point of the Committee? What is our purpose?

Andrea Francis: Our job is accountability, credibility and oversight. Our job is to ensure bond expenses are appropriate. We have a fiscal responsibility to the public. This is done very well at Ohlone...the Bond Team...the staff...the other agencies... They are all impressive.

Rakesh Sharma: Let us say that when you are doing your due diligence in reviewing expenses, you have a concern. You have the absolute right to bring that to the Committee.

Ann Kennedy: Yes. Nic, this Committee oversees A and G. A is closing. Is there anything you need to say to the Committee as they oversee the closure of Measure A?

Nic Heuer: No. Before you had two to oversee, and now you just have one bond program.

Ann Kennedy: Do the bylaws need to be amended?

Nic Heuer: The bylaws do not need to be amended.

Rakesh Sharma: Are members' terms related to measures?

Nic Heuer: Terms are not related to Measures.

IX. MEASURE G PROJECT UPDATE

Thomas Moore provided an update on the Athletic Fields. CW Driver has been selected as the contractor for the Athletic Fields through a lease-leaseback procurement method.

Hector Rastrullo: Could you explain lease-leaseback?

Thomas Moore: It allows you to select a contractor based on a price component plus quality. We are looking for a balance between price and quality. At the end of the process, the selected contractor gives us a guaranteed maximum price. It is a fixed price.

Dr. Dan Chang: We lease the property?

Thomas Moore: We enter into a lease of the property to them. The 'leaseback' portion is the payments we make during and at the end of the construction.

Heidi Birch: The lease-leaseback contractor comes on early in the process. So you get their input plus the subcontractors' input.

Thomas Moore: That is very important. The contractor completes a review of the project to address issues ahead of time. The contractor has a long period of time to review everything so that we are confident that everything has been reviewed. CW Driver has completed 16 lease-leaseback projects, including two community colleges and five athletics fields. They are experienced on working on campuses so they know how to mitigate. And they have a database of about 300 subcontractors. Plus they are very well versed with DSA regulations.

Andrea Francis: What is the warranty period if it is all grass?

Thomas Moore: The problem was maintenance. It has to be replaced as well. There is a greater initial cost, but you have year round usage with synthetic turf.

Thomas presented the updates on Buildings 5 and 9. It was suggested by a user group that Building 5 have better lighting and a larger student lounge area. The food service/cafeteria will be updated. The staircase will be reworked. There will be up to five main student areas.

X. BOND SALE UPDATE

Ron Little presented an update on the Bond Sale to the Committee. Ohlone Community College District received high credit ratings prior to the bond sale. The District's creditworthiness allowed for a 1.94 to 1 repayment ratio. The State mandates that repayment ratios stay at or below 4 to 1. Wells Fargo purchased \$45 million of the \$75 million bonds sold.

Dr. Dan Chang: Are we not paying principal for the first 4 years?

Ron Little: We are paying some principal in order to receive a lower interest rate and to maintain the Measure G tax rate near the voter estimate of \$19.95 per \$100,000 of AV.

XI. MEASURE G FINANCIAL UPDATE / BOND LIST REVISION

Ann Kennedy presented an update on Measure G expenditures. The bond expenditures are at \$49 million. The bond is on track for the next two quarters. The previous quarter's activity was at \$8.67 million. The bond is entering a very active portion of the program.

The Bond List Revision list was presented to the Committee. The purpose of the revisions was to take the overhead and spread to all projects. The reason was to move the budget associated with the overhead that was allowed to be capitalized to those projects. The expenses were moved internally so that it matched.

Hector Rastrullo: Was this supposed to be the end of the fiscal year? Is the transfer complete?

Ann Kennedy: Yes. But we have not completed the audit, so there could be adjustments.

XII. MEASURE A FINANCIAL UPDATE/BOND CLOSURE REVIEW

Ron stated to the Committee that Measure A has been closed. Approximately \$450,000 was transferred to Fund 41. The excess was due to settlement funds received from litigation proceedings. Ron thanked the Committee for their hard work in overseeing Measure A.

XIII. REQUEST FOR VOLUNTEERS: ANNUAL REPORT WORKING GROUP

Mike Chegini discussed the need for a working group to complete the annual report. Frank Pirrone and Andrea Francis agreed to join the Annual Report Working Group. The group will complete their work via email.

XIV. CONFIRMATIONS OF UPCOMING MEETINGS

Dr. Dan Chang informed the Committee that he will be absent at the March meeting.

XV. ADJOURNMENT

The meeting was adjourned at 7:45 pm.
