

MEETING MINUTES

OHLONE COMMUNITY COLLEGE DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE MEETING
JANUARY 22, 2018

LOCATION:
FREMONT CAMPUS,
BUILDING 7, ROOM 7101
43600 MISSION BOULEVARD
FREMONT, CA 94539
(510) 659-6000

CITIZENS' BOND OVERSIGHT COMMITTEE, MEMBERS PRESENT

Dr. Dan Chang	Representative, Senior Citizens' Organization
Ajmal Mundu	Representative, Associated Students of Ohlone College
Luke Zakedis	Representative, At Large
Eric Tsai	Representative, Tax Payers Association

CITIZENS' BOND OVERSIGHT COMMITTEE, MEMBERS ABSENT

Karen Koshy	Representative, At Large
Vacant	Representative, Business Organization
Vacant	Representative, Support Organization

OHLONE COMMUNITY COLLEGE DISTRICT, STAFF PRESENT

Dr. Gari Browning	President
Susan Yeager	Vice President, Administrative Services
Robert Dias	Bond Construction Director
Farhad Sabit	Director of Business Services
Arti Damani	Staff
Leticia Perez	Staff

CONSULTANTS

Mike Chegini	Gilbane, Communications Manager
Ann Kennedy	Gilbane, Measure G Bond Financial Manager

GUESTS

Peggy Vande Vooren	Gilbert Associates, Inc.
Dustin Purinton	Gilbert Associates, Inc.

CALL TO ORDER

The Citizens' Bond Oversight Committee (CBOC) meeting was called to order by Committee Vice-Chair, Dr. Dan Chang at 6:01 PM.

1. APPROVAL OF AGENDA

Committee member Eric Tsai, made a motion to approve the agenda as presented. Committee Member, Ajmal Mundu, seconded the motion. The motion was unanimously carried by the Committee members present.

2. APPROVAL OF MINUTES

Committee Member, Ajmal Mundu, made a motion to approve the minutes from the previous meeting that took place on December 11, 2017, with one edit - to recognize AKG as consultants in the attendance section of the minutes. Committee Member, Eric Tsai, seconded the motion. The motion was unanimously carried by all Committee members.

3. COMMITTEE MEMBERS ATTENDANCE REPORT

Committee Vice-Chair Dr. Dan Chang presented the attendance report to the Committee. The Committee expressed no concerns or changes.

4. ELECTION OF CHAIR AND VICE-CHAIR

Ann Kennedy suggested that the current Chair and Vice-Chair continue with their positions. The Committee bylaws indicate the need to reelect every year, but since the elected members have met only once, she suggested they be reappointed, so they can serve a full year in that capacity. Committee Member, Eric Tsai, made a motion to approve the reappointment of Karen Koshy as Chair and Dr. Dan Chang as Vice-Chair. Committee Member, Ajmal Mundu, seconded the motion. The motion was unanimously carried by all Committee members.

5. COMMUNICATIONS FROM COMMITTEE MEMBERS

There were no communications from Committee members.

6. COMMUNICATIONS FROM STAFF

There were no communications from staff.

7. COMMUNICATIONS FROM PUBLIC

There were no communications from the public.

8. UPDATE ON MEMEBERSHIP

Susan Yeager explained that the search for an organization member and support member continues with nothing new to report. She encouraged anyone interested in serving on the Committee to contact her office so she can communicate with them. She also requested that if anyone present at the meeting knows of anyone that may be interested in serving on the Committee, please have them contact her office.

Dr. Browning: Ann would you please explain what a support member is?

Ann Kennedy: It's a support position, a member of an organization that is supporting the District, like that of a foundation member.

9. REVIEW OF ANNUAL FINANCIAL & PERFORMANCE AUDIT – GILBERT ASSOCIATES

Peggy Vande Vooren and Dustin Purinton from Gilbert Associates, Inc. provided a presentation on the Measure G and Proposition 39 General Obligation Bonds Financial and Performance Audits. Peggy explained how they pull out Measure G bond funds to present. The audit firm opinions are stated on page 1 of the report; it is a clean and unmodified opinion, this is the best opinion a district can obtain. She continued to explain that other financial statements are on page 3 & 4, as well as footnotes on page 5. Please see audit reports for additional detailed information.

The auditors indicated that this audit was performed in accordance with government fund rules, and stated the following key points:

- Fund balance at \$138M is registered with county treasurer's office.
- Page 4 provides information on revenues and expenditures, with \$52M in expenditures.
- The Footnotes provide further description into the nature of the bond funds.
- What is new in this audit? The district did a refunding in August of 2016 to advance refund on the 2011 Series A and partially advance refund on the 2011 Issue Series A-1.
- The last note in these financial statement is note #4 where it indicates the Districts commitment to various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$93M.

Page 10 is the independent auditor report, which indicates that there was nothing to report and that there were no internal control issues.

Eric: On page 4 expenditures, I thought the bond was not allowed to pay salary and benefits?

Peggy: They are not allowed to pay for certificated salaries, it does allow

for positions that are directly needed for bond management.

Farhad: That would be our Measure G Director, he oversees the program, and a 75% staff accountant. Every fiscal year these positions are reevaluated and when finalized, it is sent to

the Board of Trustees for approval so that it can be charged to Measure G funds, the audits confirm this.

The Performance audit report is to make sure the bond is in compliance. Sample invoices were pulled from the \$52M in expenditures to verify that the funds were being spent on items that have been approved. Page 1 provides a clean opinion, it also spells out the scope of work and background information. Page 2 summarizes what the objective is and Page 3 summarizes the procedures that the auditors performed, to make sure that it is being tracked and appropriated correctly. Of the sample expenditures pulled, 79% tested with no issues. This ensured the district is following its own internal controls.

Eric: What do you sample? How detailed? Are they Invoices?

Peggy: Yes, we look at invoices, purchase orders, contracts, and progress reports to verify.

Eric: How do you check to make sure you did receive the items? Do you just check that the payment was for the items and the contract was approved?

Peggy: Yes, if you wanted to get a physical check, you can have that type of audit, but it is more detailed and extensive.

10. REVIEW AND APPROVAL OF ANNUAL REPORT

Mike Chegini briefly explained the annual report is available via a link on the bond website. The first section is the letter from the Committee Chair, Karen Koshy. We will also be adding a link to the Master Plan. The Annual Report lists the committee members that were active during the fiscal year being reported on. It provides data on budgets and expenditures as well as the project list and featured projects. For further specifics please see the Annual Report.

Eric: Requested that the font on the page with the Letter from the Chair be increased.

Luke: On the future projects page, the completion date indicated is Fall 2019. I thought it would be finished or ready in spring?

Mike: Yes, it is a financial date not an occupancy date.

Committee Member, Luke Zakedis, made a motion to approve the CBOC 2016/2017 Annual Report. Committee Member, Eric Tsai, seconded the motion. The motion was unanimously carried by all Committee members.

11. FINANCIAL UPDATE

Ann Kennedy presented the financial update. She explained that the Q2 reports were still in progress and close out activities have not been finished. The Q2 reports will be provided at the March meeting.

The Committee was provided with a report that lists all Bond List Revision history by project. This is a reference document. This report can be provided to the Committee at any time, upon request.

Dan: Why use the small dollar amounts?

Ann: Because of the accountably standards we abide by, we take into account every dollar; we must show what happened from beginning to end, even if its 2 pennies. We must count it and do an entry for this.

Eric: When do these changes have to go to the Board?

Ann: Any time we change the name, a budget or a project scope we must go to Board for approval before we act on it. Periodically, we have changes, especially at the beginning of a program where we add or change projects. The Board is accustomed to these changes, but we try and keep it to once a quarter.

For additional information please see the financial update.

12. TOPICS FOR NEXT MEETING & CONFIRMATION OF NEXT MEETING

Susan asked the committee if they had any topics for the next committee meeting. She also reminded the committee that the next CBOC meeting is on March 26th, and there will be no special items on the next meeting agenda. Weather permitting, there will be a tour at the next meeting starting at 5:00pm.

ADJOURNMENT

Meeting was adjourned at 6:35pm.