

CITIZENS' BOND OVERSIGHT COMMITTEE

July 20, 2015
MINUTES

The meeting of the Sonoma County Junior College District Citizens' Bond Oversight Committee was held on July 20, 2015 in Bertolini Room 4733, on the Santa Rosa Campus. The meeting was called to order at 3:05 pm.

Committee Members Present:

Frank Briceno
Ernie Carpenter
Pam Chanter
Michael Coutré
Paul Kelly
Kerry Mahoney Davison
Sue Nelson
Jaime Peñaherrera
Charles Judson
Joshua Pinaula
Mark Walsh
Nelson Weller

Others Present:

Frank Chong
Tony Ichsan
Doug Roberts
David Casnocha

INTRODUCTIONS

The meeting participants introduced themselves.

1. APPROVAL OF MINUTES, JANUARY 27, 2015

After a motion by Sue Nelson, that was seconded by Michael Coutré, the committee unanimously approved the minutes of the January 27, 2015.

2. PUBLIC COMMENT

There were no public comments.

3. THE ROLE OF THE CITIZEN'S BOND OVERSIGHT COMMITTEE (CBOC)

Mr. Casnocha explained that because the District's 2002 Measure A Bonds and 2014 Measure H Bonds were bond elections conducted under Proposition 39 (which only required 55% voter approval), the District was legally obligated to establish an independent citizen's bond oversight committee. He went on to say that in accordance with the rules of Proposition 39, the committee had to consist of at least 7 members, appointed by the Board of Trustees, and that the membership had to consist of:

- One member who was a student enrolled active in student government.
- One member representing the local business community.

- One member active in a local senior citizens organization.
- One member from a local taxpayers group.
- One member active in a college support organization (such as a foundation).
- Two members of the community at-large.

Mr. Casnocha noted that the District's CBOC consists of 11 members and does have the 5 specifically mentioned members. (He later explained membership terms).

Mr. Casnocha then went on to differentiate the duties/jurisdictions of the Committee versus those that belong to the Board of Trustees / College President.

The Committee has the duty to:

- Inform the public concerning the District's bond expenditures.
- Review bond expenditures to ensure that:
 - a) The expenses meet the purposes set forth in the approved bond measures.
 - b) No proceeds are used for teacher or administrative salaries, or other operating expenses in compliance with AG Opinion 04-110 (the latter does allow for certain District expenditures that would not exist were it not for bond activities).
- Present an annual written report to the Board of Trustees that summarizes the Committees activities of the preceding year, and whether the District's bond expenditures comply with legal requirements.

The Board/President has sole jurisdiction over the following:

- Review and approval of contracts.
- Review and approval of contract change orders.
- Expenditure of bond funds.
- Handling of all legal matters.
- Approval of project plans and schedules.
- Approval of all deferred maintenance plans.
- Approval of the sale of bonds.

Mr. Casnocha went on to delineate the authorized activities of the Committee, stating that the Committee could engage in the following:

- Receive and review the District annual audit and expenditure compliance reports.
- Inspect facilities and grounds for which bond funds have, or will be, expended.
- Review efforts to maximize bond proceeds through cost-saving measures
- Review deferred maintenance plans developed by the District.

Mr. Casnocha explained that members of CBOC are not subject to the Political Reform Act, and therefore do not have to annually file the Fair Political Practices Commission, Form 700. However, each member does have to comply with Committee Ethics Policy, which includes:

- Avoidance of conflict of interest; member shall not influence any bond-funded expenditure that will benefit them personally or benefit an immediate family member.
- Not use their authority to benefit member's current or future employment.
- Commitment to uphold the law.
- Commitment to the District.

Mr. Casnocha went on to discuss some of the other matters related to the Committee's logistical operations, and the support required from the District, all of which are contained in the by-laws of the committee.

4. BOND PROGRAM EXPENDITURES TO-DATE

Doug Roberts, Sr. Vice President of Finance and Administrative Services Business Services, presented a spreadsheet overview of the (unaudited) schedule of total bond expenditures from inception through June 29, 2015, listing all of the bond projects and expenditures broken out by series and fiscal year.

For the benefit of those who might not have heard the explanation before, Mr. Roberts stated that although the District's Measure A Bond was originally voter-approved for \$251.7 million, the total funding available for Measure A Bond expenditures is roughly \$281 million. The increase was due the premium received from an early bond refinancing, plus interest earned on unspent monies held in deposit at the County Treasury.

For fiscal 2014-15, Mr. Roberts stated that Measure A started off with a \$12.6 million balance, and, to date, there have been roughly \$2.6 million in expenditures for the year. (Mr. Roberts expects the year's expenditure-amount to grow, as year-end invoices come in.) Pointing to the spreadsheet, Mr. Roberts said that the District is using what remains of Measure A money to fund technology, necessary repairs/renovations, and property acquisition/upgrade. Of the \$2.6 million spent for the year, roughly \$1 million was for technology, \$800,000 was spent towards the land-purchase and construction planning of the parking lot at the corner of Mendocino and Carr Avenues, the rest was for a variety of repair and renovation, most notable of which was the \$250,000 repair of the Bertolini open plenum (due to building air quality problems).

Doug Roberts said that going into 2015-16, the District should have roughly \$9.5 - \$10 million left in Measure A funds, and that there were already plans to spend about \$3 to \$4 million during 2015-16. The latter does not include the potential acquisition cost of the “Rocco house” which sits on the south side of Elliot Avenue, towards Armory Avenue, and is surrounded on three sides by SRJC. It is estimated that that property would cost at least \$1 million. Given that the District might spend half of its remaining Measure A money in 2015-16, Mr. Roberts stated that the District will probably have to start thinking about having its first Measure H Bond issuance sometime in 2016-17. The size of the issuance will depend on the amount of bond projects it expects to complete. He stated that IRS rules require that 85% of a bond series be spent within three years of issuance, so as not to run into arbitrage regulations.

Dr. Chong said that the District will be hiring a Director of Capital Projects who will be heading up the District’s Facilities Master Planning, a process that will include input all stakeholders, and help determine not only the construction that will take place, but also the timing and amount of bonds that we will initially issue.

5. REPORT ON VARIOUS MEASURE A PROJECTS

Tony Ihsan, Dean of Facilities Planning and Operations, reported the following progress on various Measure A projects:

- 1700 Mendocino Avenue Parking Lot:

The property was acquired for a little over \$1.1 million (total) in Measure A funds. After demolition site’s existing structures, the lot will be developed and utilized for a much needed additional customer parking for the Burdo Culinary Arts Center, as well as a corner pad for sales of Shone Farm products.

- Bertolini Open Plenum:

Tony explained that the District had to perform a necessary renovation/repair of the Bertolini Hall open plenum due to dust/particles being picked up, from the plenum, via the air circulation system, and causing air quality issues in the offices on the upper floors.

- Science and Math Replacement Project:

In planning for Department of Finance funding request from a future state bond, conceptual programming and planning was completed with the original local designer and a lab consultant. The process included confirmation of needs and meeting with at least two representatives from each STEM department.

- College Skills Lab Expansion:
Much needed additional computer lab space was added to Analy Village at approx. 1,230 sq., comprising of 16 computer stations, 12 study stations and 8 testing stations.
- Student Equity Remodel:
Renovation will be upcoming in Plover Hall Room 539 and 540 to accommodate a program director, administrative support, counselors, and student space.
- Professional Development Modular:
This upcoming project will involve demolition of an existing outdated garage/storage by the Button Building, and create a site for an in-ground 24x40 modular that will house the Prof. Dev. Staff, resource center, and a mediated meeting/training room.

6. CAMPUS WALKING TOUR

Based on the CBOC request, Tony Ichsan, Dean, Facilities Planning and Operations, led a tour of the Santa Rosa Campus, showing sample facilities that is reflective of the much needed Measure H to ensure the best environment for student success. The CBOC members were shown the current condition and needs in Shuhaw Hall, Beck Hall, Lounibus Center, Barnett Hall, and Tauzer Gymnasium.

The committee meeting (pre-walking tour) adjourned at 4:50 p.m.

NEXT MEETING: Date to be announced.