

Yosemite Community College District
Measure E Citizens' Bond Oversight Committee

Record of Discussion

YCCD Board Room
July 10, 2007, 6:00 p.m.

Members Present: Nick Cretan, John Keiter, Donald Bunce, Gary McKinsey, Michael Gianelli, Patrick Sweeney, Richard York Jr.

Members Absent: David Geer, Gary Hampton, John Keiter, Debbie Paffendorf, Terry Plett, Betty Ann Prescott, James West

Others Present: Stan Hodges, Matt Kennedy, Tim Nesmith, Mark Newton, Teresa Scott, Joan Smith, Nick Stavrianoudakis, Connie Mical, Roe Darnell, Bob Nadell, Connie Mical, Pat Dean

1. Call to Order

Citizens' Bond Oversight Committee (CBOC) Meeting was called to order by Richard York at 6:15 p.m. in the YCCD Board Room. Mr. York reported that quorum was not met therefore information items on the agenda will be presented, but action items will be voted on at the October CBOC meeting.

2. Approval of Minutes of April 4, 2007 Meeting

Discussion Postponed for October CBOC meeting.

3. Comments from the Public

No Comment from the Public.

4. Measure E Audit Report

Teresa Scott introduced Independent Auditor Bryce Gibbs from Mattson & Isom who reviewed the Report to the Board of Trustees, the Performance Audit Report and the Financial Statements with Independent Auditors' Reports with CBOC members.

He stated that the *Report to the Board of Trustees* includes audit process and audit standards; areas highlighted included auditing standards, significant accounting policies, accounting estimates and audit adjustments. He reported that no audit adjustments were proposed to the District, no disagreements with management, no consultations with other independent accounts, and no issues discussed prior to retention of independent auditors.

In reviewing the *Financial Statement with Independent Auditors' Report* he stated that Quarterly Reports received are on a fund basis and rules of reporting are different; areas not seen on the normal reporting were incorporated for the governmental reporting. In response to a question about amortization, Bryce Gibbs stated that the funds are invested through the county; funds mature as they are expensed and have fixed interest rates. The audit looks as if the county is investing as it should and also ensures that management is following policies. In response to Mr. Gianelli's inquiry on the impact of expensed v. capitalized interest, Mr. Gibbs stated that government agency does not capitalize interest costs as done in private accounting.

The *Performance Audit Report* is an audit of expenditures through fiscal year ending June 30, 2006. In response to questions from the committee Bryce Gibbs expects to present the 2007 Audit Report to the Board of Trustees in December and then to CBOC in January 2008. The future audit will reflect current completed projects such as the Columbia College bus service loop and the secondary emergency access road. In response to providing a legal determination on the audit Mr. Gibbs stated that Matson & Isom is not legal counsel

therefore cannot provide a legal opinion and must incorporate such language in their summary.

5. Measure E Bond Update

Mark Newton reported that Kitchell received four bids within the last three months which included the Pinyon project bid and relocation bid as well as the Ag housing project bid and demolition bid. All bids came in considerably under budget. The District is moving forward with site acquisitions. *Patterson Center*: Discussions in Patterson regarding moving property inboard to directly on Baldwin have taken place which require a revision to the donation agreement and the closing of escrow is identified as September 30 on the donation agreement. *Calaveras Center*: The District has discussed acquiring 5 acres from the adjacent landowner to the County Board of Education property and hope to close within the next several weeks. *Oakdale Center*: Columbia College held a community forum and the College is considering a lease option to provide a bridge facility and establish a permanent presence. The *Auditorium* is proceeding on time and on budget; a key addendum moving forward is for the repaving of the parking lot.

a. Madrone Project Presentation

Matt Kennedy reported the Madrone Project which is the first project coming online at Columbia College and identified the future location for the Madrone building. This project was first thought of as an addition to the existing building, but building a new facility would be cost effective. He provided an overview of proposed layout including the welding area, auto bays and ventilation; and reported that the facility did not have a sprinkler system. He provided elevation options and informed members that the exterior material will coincide with that of the existing Madrone Building.

6. Measure E Quarterly Expense Report

Mark Newton provided members with an overview of the Measure E Quarterly Expense Report layout and stated that expenditures are increasing from last reporting. As of April 30, 2007, MJC has a total expenditures amount of approximately \$4 million, encumbered about \$18.5 million, and end with an unencumbered balance of just under \$197.5 million. Columbia College's total expenditures amount of \$2.2 million, encumbered amount of \$2.3 million, and an unencumbered balance just under \$48 million. Central Services has total expenditures at \$17 million of which a significant part is for debt service; and a balance of about \$36.5 million with no current encumbrances. Program wide total expenditures amount to \$23.5 million dollars, encumbrances of about \$22 million ending with an overall balance of \$280 million.

In response to a question from Michael Gianelli, Mark Newton reported that the next quarterly report will reflect a reallocation of funds that has been approved by the YCCD Board of Trustees. He also stated that our project estimates are down; the District is seeing a higher number of bidders for each project due to the downturn in the residential market. Mark Newton confirmed that the change order tracking for the Auditorium has been approved. Donald Bunce reported that the City of Modesto is requiring a right turn lane for the parking structure; Mark Newton reported that the impact of the turn lane would be a total of 60 stalls from 490 to 430 stalls

7. Annual Report Update

Nick Stavrianoudakis reported that the annual report sub-committee will wait until the expenditures of the June 30th are confirmed to finalize the annual report. Chair Richard York informed members that the annual report would be finalized at the October 3 meeting and will be forwarded to the YCCD Board of Trustees on October 10.

8. Future Meeting Dates

Discussion Postponed for October meeting.

9. Comments from Committee Members

Michael Gianelli expressed concern with the new FMP and the proposal to move Science and the Great Valley Museum (GVM) to the West Campus; he requested to see how funds are being allocated to each project and asked about GVM representation for the planning process. Mark Newton reported that when the GVM budget was created the growth square footage was looked at; Kitchell is in the process of reviewing the architect pool for the GVM and there will be direction from the College to involve GVM members to serve on the project committee.

Patrick Sweeney inquired about the Westside Center; he asked if land was accepted, what the timeline was for the building, and if the budget changed. Dr. Hodges reported that the CEQA review process will begin once title is transferred and no budget revisions were made for this project.

Donald Bunce expressed concern regarding the Educational Master Plan process. The plan is scheduled to be presented at the August YCCD Board of Trustees meeting.

10. Adjournment

Discussion adjourned at 7:12 p.m.

The next meeting of the Citizens' Bond Oversight Committee will be held on Thursday, October 3, 2007, at 6:00 p.m., in the Yosemite Community College District Board Room.