

Yosemite Community College District

**Measure E Citizens' Bond Oversight Committee Meeting Minutes**

Columbia College, Buckeye 3

July 7, 2010, 5:00 p.m.

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**Members Present:** James Cherry, James West, Frank "Del" Hodges, Terry Plett, Gary McKinsey (arrived at 5:15 p.m.)

**Members Absent:** Mégane Quéromès, Tammy Firch, Verle Bartels, Billie Taylor

**Others Present:** Roe Darnell, Mark Newton, Tim Nesmith, Michael Perez, Judith Lanchester, Gary Whitfield, Lacey Peterson, Ron Martin, Duke York, Nick Stavrianoudakis (recorder)

**1. Call to Order**

Citizens' Bond Oversight Committee (CBOC) Meeting was called to order by Terry Plett at 5:00 p.m. in Buckeye 3 at Columbia College, but officially began at 5:15 p.m. when quorum was established.

**2. Comments from the Public**

No comments from the public.

**3. Approval of Minutes of April 7, 2010 Meeting**

Approval of meeting minutes discussion was postponed to later in the meeting. Chair Plett noted two amendments for the April minutes on page 2, item #5. The second sentence should read that "Mark Newton reported that the approved '**MJC**' project changes went through project committee and '**MJC**' college council review..."

A motion to approve the minutes of the April 7, 2010 meeting, as amended, was made by James West and seconded by James Cherry. The motion carried with a 5-0 vote and minutes were approved.

**4. Annual Report Subcommittee**

A call for volunteers was made for the annual report subcommittee. James West, Del Hodges, James Cherry, and Terry Plett each agreed to serve on this subcommittee. Nick Stavrianoudakis will coordinate with the group and gather content for the report, as directed within the next several months. A final draft will be presented to CBOC in October. Once finalized the report will be available online and distributed to newspapers, libraries, and forwarded to local boards.

**5. Bond Update**

Mark Newton provided the following bond update:

**Modesto Junior College**

**Allied Health** – Project will include simulators, beds, educational opportunities, full dental suite, x-ray, phlebotomy lab, and nursing program. Columbia College President Joan Smith added that "placement" is what the nursing students need. **Infrastructure Project** – Phase 1 is to install infrastructure on MJC West Campus to support the new buildings, redistribute power from overhead to underground, and modernization. **Softball Complex** – Project is complete except for concessions stand and public restrooms. Ribbon cutting scheduled for fall 2010. **Agriculture Multi-Use Pavilion** – The original steel fabricator shut its doors so there was a delay to recover the steel, we have a different steel fabricator now and in "schedule recovery" which may delay the project by one (1) month. **MJC Science Community Center** – The engineering estimate was \$41 million and the winning bid from Brown Construction was \$35.5 million. There was concern brought by the Carpenters Union that the Board of Trustee's reviewed and proceeded with awarding the contract. YCCD Chancellor Darnell stated that

staff made the determination. The Carpenters Union concern was with a second-tier subcontractor not paying appropriate labor rates (prevailing wages); Kitchell recommended a third-party labor compliance officer, not a requirement for state-funded jobs – but it would serve as a good safeguard. Jim Cherry inquired about cost, the answer was unknown. **MJC Student Services** – The contractor is working on excavation, hand digging around trees, being sensitive to treatment during construction, and the District has an arborist monitoring health of trees. **Founders Hall** – This is a large remodel, pre-bid walk is tomorrow with a project bid date of August 2. Pirates Village will be temporary classrooms set up in the stadium parking lot and will be ready next fall. Two-thirds of classes from Founders will be housed in Pirates Village. **High Tech** – Remodel, classroom building, project can not start until the Science Community Center is complete.

### Columbia College

**Child Development Center** – Punch-list was completed in mid-June; playscape installed the end of June.

### Outreach Sites

**Calaveras** – District is in process of purchasing land from Calaveras Board of Education, behind Bret Harte High School on Murphy's Grade Road, CEQA compliant and should close July 27. **Oakdale** – District is looking at possible sites, in property acquisition mode at this point with a \$1 million budget. **Turlock** – In property acquisition mode, a site is being considered, no formal bid or offer yet. **Patterson** – Completing DSA review, hope to start construction in the near term. Chancellor Darnell added that we will begin in 1 ½ months and looking for approval of additional infrastructure funds from US Economic Development Administration (EDA). District is hitting road blocks because of federal emergencies such as the gulf oil spill recovery taking all of EDA's funds in the current federal fiscal year funding cycle. This will be resolved shortly one way or another. District has not pushed a timeline because of the hold on enrollment growth and building is partially a timing issue.

## 6. Project Status Report

A copy and review of the Project Status Report was provided.

## 7. Bond Quarterly Expenditure/Revenue Report

The Quarterly Expenditure/Revenue Report was provided to CBOC members prior to the meeting for review. The following questions and comments were presented to Kitchell and YCCD staff: CBOC Member Del Hodges asked why the Bid Day Budgets are the same for the *Loop Road* and *Infrastructure Projects* at MJC. Mark Newton informed the membership that the same formula was used. He added that some of the dollar figures on the project status chart need to be updated. Mark Newton responded to another inquiry from Del Hodges regarding the *Manzanita Project* stating the project consists of a remodel of the existing main portion of the building. In addition, he reported that the District waited on Central Services projects to ensure there were enough dollars for the college projects. Jim Cherry asked Chancellor Darnell for new dollar columns stating there are too many loose ends and reading problems when looking at the project status chart. Del Hodges was informed that the delay for the completion of the MJC Ag Multi-Use Pavilion, which has an estimated date of February 2011, is maybe one (1) month. Jim Cherry expressed concern with the project status chart and asked about the amount of soft costs. It was reported that soft costs do not appear in the \$3.3 million. Mr. Cherry pointed out that the chart and the expenditure report are different displays, and that the expenditure report is key to understanding the dollar figures. Jim Cherry stated the Columbia College Child Development Center started at \$9 million and ended up at \$6.4 million, and asked where the savings is shown. Mark Newton answered that the remainder is in encumbrances and in unencumbered balance, which will eventually go to the college's contingency line item. The shadowed area on the expenditure reports mean a project is closed

out. In fact, all savings from project budgets are reallocated to the college's budgets. Jim Cherry then asked why the Columbia College Public Safety building is not closed out. Mark Newton answered that it was a timing issue. Del Hodges stated that the Public Safety Building was completed last year; Kitchell confirmed that it was completed in April 2009. Judy Lanchester answered that sometimes equipment and furniture is later requisitioned, etc. or face of cabinetry will not be signed off on paying until delivered. Some encumbrances are paid later versus closed out. Jim Cherry asked where the quarterly expenditures report and annual report is published; answer was that they are on the District website.

#### **8. Comments from Committee Members**

Chair Terry Plett congratulated the District and staff stating that the Columbia Child Development Center is spectacular. There is a great benefit to seeing it from plan to completion. He thanked Kitchell and stated the facility is great for the community. This is what our citizen's voted for and will benefit the community for years.

Del Hodges stated he had problems with transparency of money flow. He wants to verify funds are not spent somewhere else. He's not comfortable with the bond counsel's advice not to drill down and ask questions. The revenue expenditures reports do not tell the whole story and would like to see more than just review the financial reports; he would like to see more information. He asks this so he can be comfortable with the figures in order to truly champion the projects. He commented that he experienced difficulty in obtaining information.

Terry Plett added that the reports are reviewed by auditors and that the auditors must follow specific processes independent of any control from the District. The auditors go through a very rigorous test, testing standards that can detect anything questionable. Jim Cherry questioned some of the auditor's responses.

Chancellor Darnell stated that the District periodically changes auditors to keep from having a coziness developed. Del Hodges noted that when questions were asked of the auditor, they danced around issues. Chancellor Darnell said to arrange time with Teresa Scott and staff to answer these types of questions. Del Hodges closed by stating his intention is merely to feel more comfortable with the information provided.

The consensus was for a meeting to be set up with Terry Plett, Del Hodges, Jim Cherry and Teresa Scott and other District staff to have an opportunity to share information in depth and provide adequate time to answer more questions. After this meeting, the CBOC's sub-committee will let all other members know the outcome. Dates for the meeting will be determined.

#### **9. Adjournment**

Chair Terry Plett adjourned the meeting at 6:05 p.m.

**The next regular meeting of the Citizens' Bond Oversight Committee will be held on Wednesday, October 6, 2010. Open session will begin at 6:00 p.m., in the YCCD Board Room, Yosemite Community College District, 2201 Blue Gum Avenue, Modesto, California. A tour of bond projects for CBOC members may precede the general meeting.**