

Yosemite Community College District

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

YCCD Board Room

January 5, 2011, 6:00 p.m.

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**Members Present:** Verle Bartels, Frank "Del" Hodges, Gary McKinsey, Terry Plett, James West, James Cherry

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

**Others Present:** Joan Smith, Matt Kennedy, Tim Nesmith, Mark Newton, Teresa Scott, Nick Stavrianoudakis, Gary Whitfield, Deborah K. Campbell, Bryce Gibbs, Graciela Molina (recorder)

**1. Call to Order**

Citizens' Bond Oversight Committee (CBOC) Meeting was called to order by Terry Plett at 6:00 p.m. in the YCCD Board Room.

**2. Comments from the Public**

No comments from the public.

**3. Approval of Minutes of October 6, 2010 Meeting**

The meeting minutes of October 6, 2010 were approved by the Citizens' Bond Oversight Committee. A motion was made by James West and seconded by Gary McKinsey. The motion carried with a vote of 6-0.

**4. General Obligation Measure E Bond Audit Report**

Teresa Scott reported that audit reports were previously presented to YCCD Board of Trustees at their December 8, regular meeting; prior to the Board presentation, YCCD administration held an exit audit conference which CBOC members James Cherry and Frank "Del" Hodges attended. The audit process begins in April and concludes in November. Teresa Scott introduced Bryce Gibbs, representative from Matson & Isom. Mr. Bryce Gibbs provided members with an overview of the Measure E Audit Reports which were previously provided to CBOC members. He reviewed the *Report to the Board of Trustees* that outline the audit process. He reported that nothing questionable came out in the audit process; no difficulties conducted in the audit according to audit standards; no adjustments were required; no corrections were needed; and no disagreements with management/financial accounting experienced. Regarding a second opinion, one was not sought because there was no lack of authoritative guidance. Mr. Gibbs stated that including CBOC members in the exit conference provided further insight into the process. YCCD Controller Deborah Campbell responded to an inquiry by CBOC Member Frank "Del" Hodges regarding fair value of cash and cash equivalents stating the county provides the value and that this is an unrealized amount.

Mr. Bryce Gibbs proceeded to review the *Financial Statements*. He stated the District received an unqualified opinion, which is good. He reviewed the Statement of Net Assets; the balance sheet and the Statement of Cash Flows; he reviewed the footnotes with special attention to restricted cash and cash equivalents, capital assets and long term debt.

Prior to reviewing the *Performance Audit Report*, Mr. Brice Gibbs reported on changes to Education Code related to the auditor's approach to the performance audit. The new changes did not have an effect on YCCD because that which is being requested is the same that has been conducted in the past. Mr. Gibbs reviewed the procedures performed; he explained that other colleges have procedures that are vague or general; the procedures performed were detailed for YCCD. CBOC Member Hodges inquired about the High Availability Data Center cost in relation to the CBOC Annual Report; he noted a discrepancy in the figures; Deborah Campbell, Controller, stated she would research the matter. In addition, clarification was also provided on the Ag Modular Living Units. Discussion ensued regarding teeter counties, a term related to county taxes. Chair Terry Plett concluded the discussion by stating it is nice to report that we had an unqualified audit.

*Item #5 Committee Membership was taken out of order and discussed prior to Item #4.*

## **5. Committee Membership**

### **a. Termed Out March 2011: McKinsey, Plett, and West**

### **b. 1<sup>st</sup> Term Ends March 2011: Bartels, Cherry, Firch, and Taylor**

Nick Stavrianoudakis provided a committee membership update. Effective March 14, 2011, Gary McKinsey (Business Organization), James West (College Support Organization) and Chair Terry Plett (At-Large) will be termed out after serving two consecutive terms. YCCD Board of Trustees will determine whether to fill the At-Large vacancy. Effective March 11, 2011, Verle Bartels (At-Large), James Cherry (At-Large), Tammy Firch (At-Large) and Billie Taylor (Senior Citizen Organization) will complete their first term. Mr. Stavrianoudakis asked whether eligible CBOC members were interested in serving a second consecutive two-year term through March 11, 2013. Chair Terry Plett inquired with those members in attendance; James Cherry declined to serve and Verle Bartels stated he would continue and serve a second term. Chancellor's Office staff will inquire with CBOC members Firch and Taylor of their interest in serving another term.

According to the bylaws, the CBOC must consist of a seven (7) member board, at minimum. YCCD will begin to call for applications for the following categories: Business Organization, At-large, College Support Organization, and MJC/Columbia College Student. Two (2) applications have been received to date; a press release will be sent to local news media seeking CBOC member applicants. YCCD expects to identify replacements by March so that new membership can be appointed by Trustees for the April 6, 2011, regular CBOC meeting. Outgoing members may reapply for the CBOC after a one-year period. Gary McKinsey said he would make an announcement of the vacancy at the next Chamber of Commerce meeting.

Dr. Smith recognized the outgoing membership, and expressed heartfelt appreciation for their service. Outgoing CBOC members were provided the opportunity to comment. James West stated he enjoyed being in the center of the exciting growth at YCCD, especially in Modesto; he attended MJC and stated the college is near and dear to his heart; he said it was a pleasure meeting new people. Mr. West recalled Chancellor Emeritus Jim Williams stating that MJC was the crown jewel of the central valley and he truly believes it. He appreciated working with the Chancellor and the outstanding leadership; he thanked the group and will miss his service on the committee. Gary McKinsey stated he enjoyed serving on the CBOC; he also graduated from MJC and shared his service on the committee from the business perspective. Chair Terry Plett

shared that it has been a short four years, serving on CBOC has been a memorable experience and he has enjoyed working with his colleagues. Even though there was tremendous responsibility, he stated it was a pleasure seeing the investment of dollars benefit students and the District. Mr. Plett thanked the administration, fiscal staff, Nick Stavrianoudakis, Teresa Scott and Graciela Molina. In addition, he thanked all committee members for their efforts in fulfilling faithfully the duties they have been called to carry out.

## 6. Bond Update

Kitchell representative Mark Newton provided CBOC members a PowerPoint presentation on three bond projects. **CC Playscapes Project:** There was a net savings of \$413,942; improvements to the play area were possible due to the additional funding; improvements doubled state requirement for area; retaining walls, flat area, patio deck, real grass and better play structures were added, and better pathways created. In addition, the water areas were highlighted after an inquiry made by James Cherry. **MJC Library Project:** The project consists of a two-part update to its historic and updated revision of the building and is currently in design phase; the floor plan is being significantly remodeled and incorporates larger computer labs. The presentation included computer generated renderings, allowing CBOC members to get a sense for the layout; the presentation highlighted areas that allow for student group discussion and quiet areas for studying. It was noted that library offices will be moved to the historic part of the building; a classroom function has been added to the building, as well. The project schedule is moving to construction documents in January; State Architect review will take place May 2011, with a hope to bid in October. The project will be on the heels of the Founders Hall renovation. Discussion ensued regarding moving to the use of electronic books and how it influences the design of the library. In response to an inquiry from Frank "Del" Hodges, Mark Newton stated that a shift to centralize math and English computer labs to the library is taking place at MJC. **MJC Allied Health Project:** One of the central elements is the circulation and organizational space for the building available on the lower and upper floor, the core of the building. Scaffolding is in place for plaster, the building is water tight and work on the interior continues; glass elements incorporated to look out; pictures of the site during the various levels, circulation and observation areas, lecture classes and simulation labs were shared. The project is scheduled to be complete this summer; move in is projected for summer and classes to begin in the fall. Information on the *Central Plant Building* was provided as it helps provide resources to the *Allied Health Building*. The highlight of the *Central Plant* was that staff will be able to conduct maintenance without interrupting service, in light of having planned out the double load concept. Also, bids are due January 20, for the *MJC Plaza Design*.

CBOC member Frank "Del" Hodges inquired about contractors who work on Measure E projects that go out of business; he asked if the incidents are isolated or happen often. Discussion ensued on the topic. Mark Newton reported that all contracts have liquidated damage preventions associated to them. Pay applications are very tight; public law contracts cannot be paid unless material is onsite or in a certified warehouse; applications are very rigorous to enforce. CBOC member Hodges also shared his conversation with Mr. Berry Hillman, with Condor Earth Technology, a local contractor that conducts Geo Technical and Material testing; Mr. Hillman supported the Measure E Bond but was unable to get qualified by the District. Mark Newton reported that the District uses a Request for Qualifications (RFQ) process; requests are received and reviewed; then a selection is made for consultants that are used for bond projects. Vendors request to be added to the pool; however, YCCD has not gone back to open a RFQ to add additional vendors to the

pool. Executive Vice Chancellor Teresa Scott stated she would bring forth the topic for discussion with District leadership, to see if there is any opportunity for local business.

Mr. Newton followed the discussion by providing an update on the progress of current Bond projects. **Modesto Junior College: Allied Health:** General contractor is working to enclose the exterior of the building to weather proof. **Infrastructure/MJC West Roads Project:** The project is nearly complete. **Softball Concession Stand:** The project is currently bidding. **Agricultural Multipurpose Pavilion:** Work on the exterior and interior continue. **Science Community Center & GVM:** Steel structure to begin in December. **Student Services:** The building exterior work is underway. **Founders Hall:** Project is in construction. **High Tech Center:** Currently in the design development drawing phase, VE session was successful in bringing the project into budget compliance. **Columbia College: Science and Natural Resources:** The steel frame, roof and second floor decks are complete. Work has started on the exterior enclosure.

#### **7. Project Status Report**

Mark Newton provided an overview of the Project Status Report. He provided information on each column: *Measure E Budget* is the total project budget; *Total Construction Budget* contains change orders and moving costs in addition to any state money contributed to the project, for example the MJC Auditorium; *Bid Day Budget/Const. Contract* column is the actual contract amount with contractor for the project.

#### **8. Bond Quarterly Expenditure/Revenue Report**

The Bond Quarterly Expenditure Report is formatted in three different sections, Modesto Junior College, Columbia College and Central Services. Mark Newton provided an overview of the Measure E Quarterly Expense Report. As of October 31, 2010, MJC has total expenditures of \$68 million, encumbered \$67 million, and ends with an unencumbered balance of \$83 million. Columbia College's total expenditures amount to \$23 million, encumbered just under \$7.9 million, and an unencumbered balance of about \$20 million. Central Services has total expenditures of just over \$31.5 million, encumbered just over \$739 thousand, and an unencumbered balance of about \$21 million. Program wide total expenditures amount to almost \$123.6 million, encumbrances just over \$78.5 million, and an ending balance of approximately \$123.9 million.

#### **9. Comments from Committee Members**

Frank "Del" Hodges reported that the Columbia College welding shop staff shared information at the Board of Supervisors meeting and had a public relations event.

Chair Terry Plett thanked YCCD and Kitchell Staff, he said he will miss seeing folks. James West thanked Teresa Scott and Deborah Campbell for their service. Executive Vice Chancellor Teresa Scott thanked outgoing members for their service on the Citizens' Bond Oversight Committee.

#### **10. Adjournment**

The Citizens' Bond Oversight Committee meeting was adjourned at 7:31 p.m.

**The next meeting of the Citizens' Bond Oversight Committee will be held on Wednesday, April 6, 2011, at 6:00 p.m., in the Yosemite Community College District Board Room.**