

Yosemite Community College District
Measure E Citizens' Bond Oversight Committee Meeting Minutes

YCCD Board Room
December 18, 2013, 6:00 p.m.

Members Present: Del Hodges, Jeff Phillips, Barbara Frazer, Matthew Rollicheck, Larry McElhaney, Thomas Solomon

Members Absent: Lyndi Love-Hanning, Taeilorae Levell, Paul Neumann

Others Present: Matt Kennedy, Teresa Scott, Nick Stavrianoudakis, Jill Stearns, Sarah Schrader, Tim Nesmith, Graciela Molina (recorder)

Prior to the regular meeting, CBOC Members Frazer, McElhaney, and Solomon along with YCCD Staff Teresa Scott, Sarah Schrader and Nick Stavrianoudakis participated in a new member orientation led by Mr. David Casnocha, Bond Counsel.

1. Call to Order

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

2. Comments from the Public

No comments from the public.

3. Committee Membership Update

Matthew Rollicheck introduced the newest Citizens' Bond Oversight Committee members Mr. Larry McElhaney (At-Large) and Mr. Thomas Solomon (Business Organization) who were appointed by the YCCD Board of Trustees at their meeting on November 13, 2013. Each CBOC member shared a brief biography. The two new appointments leave one vacancy in the area of Community College Student – Columbia College; continued efforts will be made to fill vacant position.

4. Approval of Minutes of October 2, 2013 Meeting

A motion to approve the meeting Minutes of October 2, 2013, was made by Barbara Frazer and seconded by Jeff Phillips. The motion carried with a vote of 6-0, all in favor.

Ayes: Del Hodges, Jeff Phillips, Barbara Frazer, Matthew Rollicheck, Larry McElhaney, Thomas Solomon

5. General Obligation Measure E Audit Report

Teresa Scott provided a presentation on the District Bond Measure E Audit. CBOC members were previously provided a copy of the Bond Measure E audit reports for review. Proposition 39 requires annual Performance Audits and Financial Audits separate from the District's annual End of Year Audits. The auditing firm of Matson and Isom has completed the 2012-2013 audits for Yosemite Community College District.

Highlights were provided for the three audit reports: Report to the Board of Trustees, Performance Audit, and Financial Statement Audit. **Report to the Board of Trustees:** It was reported that there were no difficulties encountered during the audit, no uncorrected and corrected misstatements, no disagreements with management and no significant audit findings, which translates to a positive audit report. **Performance Audit:** The independent auditors' reports note compliance with requirements of Proposition 39; and their opinion is that the District complied in all material respects. The objective of this report is to document Measure E expenditures, note weaknesses, make recommendations if needed and determine if expenditures are in accordance with

Measure E guidelines. Procedures performed as part of the Performance Audit were reviewed. In conclusion the District has properly accounted for the proceeds and expenditures of Prop 39 Measure E. **Financial Audit Highlights:** The Financial Audit provides the independent auditors' report which they deemed to be an unmodified opinion which is the highest opinion possible. The report includes financial statements and a written narrative. With respect to internal controls there were no deficiencies identified; as for compliance, there was no non-compliance issues disclosed.

A period of questions and answers arose. A formal request was made to have a representative from the auditing firm present for future District Bond Measure E audit reports to CBOC.

6. Bond Update

Kitchell representative Mr. Matt Kennedy provided presentations highlighting the following Bond Projects: Columbia College Sequoia Building, Modesto Junior College's North Hall Project and Library Renovation. **COLUMBIA COLLEGE SEQUOIA BUILDING MODERNIZATION:** The Sequoia is one of the older buildings on campus previously used for science purposes. This building is providing swing space during the Manzanita renovation for Student Services functions during the period December 2013 through June 2015. Ultimately, the building will accommodate the Math Program and a \$1.3 million project. **MJC NORTH HALL PROJECT:** Previously listed as the High Tech Center; the new use will be more classroom space and some Computer Science purpose; this is a building modernization. New functions will include Anthropology, Geography, Criminal Justice and Computer Science. The project budget is \$16 million. A main feature of the building is a patio area courtyard for student use and gathering; the project includes a new exterior design and seismic building upgrades to meet current standards. **MJC LIBRARY RENOVATION:** The library building is the oldest building on the MJC East campus. The project includes renovation, interior demolition, and asbestos abatement. Construction began November 2012 and concluded September 2013. The move in scheduled for December 2013. The project budget is \$9.5 million.

Inquiry regarding the amended project budgets arose; Teresa Scott will research and report back. She also reported an increase in investment earnings than previously projected, since the 1st bond was sold, from the estimated \$20 million to reaching now \$24 to \$25 million.

Inquires arose and information was provided regarding the Patterson Educational Site, and the stop light on Blue Gum Avenue. It was reported the MJC Foundation agreed to purchase the land needed for the stop light installation; work will begin in May, awaiting the end of spring term.

In addition, Matt Kennedy referenced the bond update provided in the agenda packet. **Modesto Junior College: North Hall:** The project is under construction. **Science Community Center/Great Valley Museum (GVM):** GVM is under construction. **Columbia College: Manzanita Building Remodel:** The project is working through back check at the DSA. **Sequoia Building:** The project is in construction. **Central Services: Secondary Data Center:** The project is in construction. **Central Services Building:** The project is in design.

7. YCCD Measure E Budgets and Schedule

Matt Kennedy provided a presentation on the YCCD Budget and Schedule for CBOC members. Following the presentation there was discussion and questions regarding contingency budgets at each cost center and with the Central Services budget.

8. Bond Quarterly Expenditure/Revenue Report

CBOC members received the Quarterly Expenditure Report as part of their packet. Matt Kennedy provided a presentation on the Expenditure Revenue Report for CBOC members. As of October 31, 2013, MJC has total expenditures of about \$178.4 million, encumbered about \$13 million, and ends with an unencumbered balance of \$28.6 million. Columbia College has total expenditures of \$36.5 million, encumbered about \$1.6 million, and an unencumbered balance of \$14.3 million. Central Services has total expenditures of just under \$50 million, encumbered about \$3.2 million, and an unencumbered balance of \$25.4 million. Overall, program-wide total expenditures are just over \$265 million, encumbrances total \$18.3 million, and an end with a balance of approximately \$68 million.

9. Nomination and Election of CBOC Chair

Chair Matthew Rollicheck opened nominations for the position of CBOC Chair. Jeff Phillips was nominated for CBOC Chair. A motion was made by Del Hodges and seconded by Matthew Rollicheck to appoint Jeff Phillips as CBOC Chair. The motion carried with a vote of 6-0, all in favor.

Ayes: Del Hodges, Jeff Phillips, Barbara Frazer, Matthew Rollicheck, Larry McElhaney, Thomas Solomon

Nominations were then opened for the position of CBOC Vice Chair. Matt Rollicheck was nominated. A motion was made by Jeff Phillips and seconded by Barbara Frazer to appoint Matthew Rollicheck as CBOC Vice Chair. The motion carried with a vote of 6-0, all in favor.

Ayes: Del Hodges, Jeff Phillips, Barbara Frazer, Matthew Rollicheck, Larry McElhaney, Thomas Solomon

10. Comments from Committee Members

Matthew Rollicheck reported receiving emails of dissention regarding Measure E Projects and funding. President Jill Stearns reported on recent discussions that took place at Modesto Junior College regarding project prioritization and moving forward with projects.

Following an inquiry by YCCD staff, CBOC members agreed to participate in a tour of MJC Bond Projects prior to the March CBOC regular meeting.

11. Adjournment

A motion to adjourn the Citizens' Bond Oversight Committee meeting was made by Jeff Phillips and seconded by Barbara Frazer. The motion carried with a vote of 6-0, all in favor.

Ayes: Del Hodges, Jeff Phillips, Barbara Frazer, Matthew Rollicheck, Larry McElhaney, Thomas Solomon

The meeting adjourned at 7:16 p.m.

The next regular meeting of the Citizens' Bond Oversight Committee will be held on Wednesday, March 5, 2013. 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 will precede the general meeting.