



SAN JOAQUIN DELTA COMMUNITY COLLEGE DISTRICT

MINUTES OF THE CITIZENS' OVERSIGHT COMMITTEE MEETING Wednesday, February 9, 2005

The regular meeting of the Measure L Bond Citizens' Oversight Committee of the San Joaquin Delta Community College District was held on Wednesday, February 9, 2005, at 2:30 p.m. in the Board Room, Administration 103, 5151 Pacific Ave., Stockton, California.

Members Present: Barbara King, Janet Lilly, Winnie Llamera, Scott Malm, Ray McCray, Perfecto Munoz, Dan Schroeder

Member Absent: Donna Gale

I. Called to Order

The Board meeting was called to order at 2:43 p.m. by Chairperson Dan Schroeder.

II. Communications

A. Public Comments
There were no comments from the public.

III. Welcome and Introductions

A. *Introductions* - Vice President Dunn introduced newly appointed Assistant Superintendent/Vice President of Instruction Della Condon. She expressed her appreciation to the Committee for the task they have undertaken. Mr. Dunn also announced a transition in the Program Management team. Bob Bush has replaced Henry Amigable as Program Manager

IV. New Business

A. *Tour of Campus* - Chair Dan Schroeder requested to change the agenda line-up and have the tour of the campus conducted at the end of the meeting. It was the consensus of the Committee to conduct the tour at the end of the meeting.

B. *Approval of Minutes* - Vice Chair Perfecto Munoz moved to approve the minutes of the October 6, 2004, Committee meeting. Committee member Barbara King seconded the motion, and the motion was unanimously carried.

C. *Measure L Status:*

1. Program Update –

Program Manager Bob Bush spoke on the expectations on how they are going to account for the progress on this program with the Committee, as representatives of the community, and to understand how the financial reporting relates to the actual programmatic progress. Mr. Bush showed the level of detail in analyzing Series A projects. Since this Committee meets quarterly, the Bond Team will provide a snapshot of what has taken place in the last 90 days. Each quarter will be reported in arrears. There are several major projects being reviewed at this time – Mt. House, Maintenance Warehouse, Cunningham Building, a series of Quick Start projects, Gateway Building, Goleman Library expansion, Danner Hall renovation. All of this constitutes the body of work being focused on.

This will be reported in four basic groupings: programming planning, design, construction, and equipment. This is a fairly standard approach to provide data back to the Citizens' Oversight Committee. At the next meeting, the Bond Team will probably have three or four reports of this nature to expand on as well as the soft costs.

2. 2005 Series A Issuance Schedule Update –

When the Committee met in October, the Board had just approved a resolution to sell \$90 million in the first issuance. A number of steps have been taken, with the District's bond team making presentations to the various rating agencies. On February 8th, the group was in San Francisco for the bond selling process. Those proceeds will be received by the end of the month so that by the next Committee meeting, financial activities with Measure L proceeds will be seen.

Mr. Peché noted that the actual issuer of the bonds is San Joaquin County, and after the Board of Trustees adopted their resolution in November 2003, the County adopted a similar resolution as the issuer for Delta College. Part of the process was to make an application to the rating agencies, and there are three major rating agencies: Moody's, Fitch, and Standard & Poor's. The better your rating, the lower your bond

costs. During this application process, we received ratings of Aa3 by Moody's, A+ by Fitch and A+ by Standard & Poor's. Mr. Peché went over the process management went through. The group applied to all four major bond insurers: NBIA, FSA, FGIC, and Ambeck. FSA was awarded the bid and the final bid was a difference of \$135,000 as they had the lowest bid for debt service. After purchasing the bond insurance policy, the net of that, the College saved the District's taxpayers a little over \$500,000.

The process of issuing bonds then began. Several bond issues were reviewed. A pre-pricing meeting was held and our case was stated to the County treasurer and gave them an overall view of the market and other AAA rating issues. The underwriters are asked for their views and the rates are negotiated. Then the underwriters get the authorization to go out to market with those rates. The bond purchase agreement was signed and approximately February 24th, the District will receive the funds at the County treasurer, and the next report to the committee will probably be where the funds get spent. Anyone can invest in the bonds, with the minimum investment of \$5,000.

The approximate disbursement of these funds are:

- ★ Building Fund - \$80.0 million
- ★ Reimbursement - \$2.3 million (back into the general fund)
- ★ Lease Prepayment – \$10.7 million

3. Status of Replacement of Committee Member Erb –

A few weeks ago, Committee member Mr. John Erb tendered his resignation due to family illness and the need to relocate to Fresno. A timeline was distributed that addressed the process to replace Mr. Erb. Several applications were still on file when the initial solicitation for Committee members was conducted. But it was felt that given the broader publication of Measure L, that it would be worthwhile to sending out a similar level of solicitation again. It is anticipated that an appointment would be sent to the Board of Trustees in April and then join the Committee by the next regular meeting in May. Mr. Erb had an "at-large" slot on the Committee, a two-year term.

A news release regarding the backfilling of this position was distributed.

IX. Other Business

- ★ The Committee was dismissed to tour the campus, which lasted approximately 30 minutes. Maintenance Supervisor Stan Stinnett and Director of Outreach/Enrollment Michael Kerns were introduced. They assisted in leading the tour.

- ★ A Committee member asked how the acquisition for property in other areas was going. Mr. Dunn explained that the District will be taking the planning process and focusing it outward. The Master Plan will have the District acquiring two additional sites – the first would be in the Lodi/Galt area. A community meeting is scheduled for the week of February 21st in Lodi/Galt as well as Manteca and Stockton areas. This is the first of the planning process to reach out to the communities and get their input. The District has also engaged a real estate professional who specializes in land acquisition for education purposed.

At this time there is not targeted geographic area for the Calaveras area. As plans develop, it might be to our benefit to partner with something like a school district or city as a joint venture.

A motion was made by Janet Lilly and seconded by Ray McCray to adjourn the meeting.

Committee Chair Schroeder adjourned the meeting at 3:38 p.m.

Respectfully submitted,

W. Andrew Dunn
Vice President of Business Services