



# SAN JOAQUIN DELTA COMMUNITY COLLEGE DISTRICT

## MINUTES OF THE CITIZENS' OVERSIGHT COMMITTEE MEETING Wednesday, August 11, 2005

The regular meeting of the Measure L Bond Citizens' Oversight Committee of the San Joaquin Delta Community College District was held on Wednesday, August 11, 2005, at 5:30 p.m. in the Board Room, Administration 103, 5151 Pacific Ave., Stockton, California.

Members Present: Janet Lilly, Winnie Llamera, Ray McCray, Perfecto Munoz, Dan Schroeder, Jeff Thompson

Member Excused: Donna Gale, Barbara King, Scott Malm

<p><b>I. Called to Order</b></p> <p>The Board meeting was called to order at 5:34 p.m. by Chairperson Dan Schroeder.</p>	<p><b>Call to Order</b></p>
<p><b>II. Communications</b></p> <p>A. Public Comments There were no comments from the public.</p>	<p><b>Public Comments</b></p>
<p><b>III. Welcome and Introductions</b></p> <p>A. <i>Introductions</i> - Vice President of Business Services Andy Dunn introduced BR Brown, recently hired Director of Public Information &amp; Marketing for San Joaquin Delta College. Also introduced was Pete Holliday, new member to the Bond Team. Also introduced and welcomed were Lisa Perez, computer science instructor at the College; Claire Tyson, College Finance Director; Dr. Connee Bush, wife of Measure L Program Manager Bob Bush, and Superintendent/President Raúl Rodríguez</p>	
<p><b>IV. New Business</b></p> <p>A. <i>Approval of Minutes</i> – Vice Chair Perfecto Munoz moved to approve the minutes of the May 11, 2005, Committee meeting. Committee member Winnie Llamera seconded the motion, and the motion was carried unanimously.</p>	<p><b>Approval of Minutes</b></p>

B. *Measure L Financial Report:*

**Measure L Financial Report**

This report covered the period ending with the close of the fiscal year 2004-05, which ended June 30, 2005. Activities were reviewed since the last Oversight Committee meeting. Since then, on July 19, 2005, the Board of Trustees adopted the new Stockton Campus Master Plan as well as a proposal for a new Cunningham Math and Science Center. Also to be reviewed was a 90-day forecast schedule to anticipate what the Committee will be receiving at the next meeting as well as a forecast of other relative events.

Mr. Dunn went on to explain the various budget categories, but wanted to spend time on the expenditure category. Andy reviewed the listing:

- *Adm. 102 renovation* - \$18,000 spent
- *Asbestos Removal (Holt & Forum)* – these expenses were incurred now but the reimbursement resolution will allow the College to recapture \$8,300. Project standards and procedures are in place to ensure the safety of staff and students.
- *Barrier Free Furniture* – \$3,000 spent; the order has been placed and the furniture is being received.
- *Batting Cages* – this project has grown from one to three batting cages. This is in the bidding process and should be in place by this fall.
- *Campus Police ADA Ramp* - \$22,000 for ADA compliance issues.
- *CDC Sand Pit* – allocating \$30,000 to replace the sand in the Child Development Center playground with wooden project that is much more resilient.
- *CDC Flooring Project* – this project is underway with projected costs at \$176,000.
- *Cunningham Building Project* – thus far, just over \$200,000 in planning and programming activities
- *Gateway Building* - \$178,000 in planning and programming activities, traffic studies, drainage, transportation, environmental studies. One of the biggest hurdles to overcome is the effect of inflation on the program. The College is looking to use “Design Build” concept where the College can meld the design and construction process in order to save funds. More information will be available at the next Committee meeting. This should trim at least 6 months off the delivery time, which could mean a savings of hundreds of thousands of dollars.
- *Goleman Library Expansion* – gone through the programming and planning process and beginning

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design work.

- *Kitchen Upgrade* – recently completed Quick Start Project, about \$27,000.
- *Kuali Financial System* – spent \$50,000 in equipment on this activity so far for a new computer operating system.
- *Lathe House* – this is a holdover from a final project.
- *Lodi/Galt Campus* – spent \$66,000 (engaged a firm specializing in helping public agencies acquire land) in seeking land for the north county campus.
- *Maintenance & Storage Facility (District Support Services Facility)* – spent \$6,000 for planning and programming activities.
- *Marquee Sign* – this project has evolved somewhat. At the last meeting, it was proposed to refit the existing sign boards with electronic sign boards. This has turned out not to be feasible. Both signs will be replaced with a new message center type sign.
- *Mt. House Center* – three categories of expenditure: cornerstone building - \$1.8 million for design contract and halfway through the planning/design process; on-site infrastructure - \$246,000; off-site infrastructure - \$112,000.
- *Ornamental Horticulture Building* – that project has advanced forward because the OH Building presently sits on the footprint of the new Cunningham Science Center.
- *Repairing Walking Roofs & Drains* – this project started out as being funded through the Scheduled Maintenance program. Scheduled Maintenance is a program where the general funds and the state funds for activities come together. Even with the matching element, it turned out not to be enough money to do this project. It was relevant and necessary work as part of the Bond program. We have been able to take some Bond dollars, leverage state dollars, and leverage local general fund dollars and pull together this roofing project (\$181,000 total).
- *Other Projects Less Than \$5,000 Expended - \$20,000 planning activities, design & construction*

Mr. Dunn followed with comments on prior year disbursements. This was triggered by the reimbursement resolution that the Board of Trustees adopted. This created a window back to February 2004, whereby eligible bond-related expenditures could be recaptured with Measure L dollars, which was done soon after receiving Series A funding. Those reimbursed projects included:

- Debt Payments (\$2.4 million)
- Mt. House (\$1,075)
- Asbestos Removal (\$31,501)
- Lathe House (\$10,982)
- Cunningham Expansion (\$25,000)
- Goleman Library Expansion (\$25,000)
- Fire Alarm Phase II (\$25,728)
- Debt Reduction (\$9.5 million)
- Cost of Issuance (\$1.8 million)
- Unallocated (represents \$50 million)

Mr. Dunn then reminisced with the Committee that 30 years ago, each of the buildings had a theme: Science/Math, Fine Arts, Humanities, Industry. In re-designing the campus Master Facilities Plan, these elements have been recaptured. The one new element being introduced is the Gateway Building. It was found through this process that one of the missing links in the campus was a real sense of entry to the campus.

In July, the Board adopted the new Stockton Campus Master Plan. Three "snapshots" were presented: 5 Year Plan, 2003-08; 10 Year Plan, 2003-2013; and a 15 Year Plan, 2003-2018. Measure L funds will probably run out around 2010, and is one source of funds to implement the elements. Improvement is needed in the egress/ingress to the College. Another improvement being reviewed is realigning the perimeter road to go across the top (north) end of the campus. Moving the District Support Facilities (Purchasing, Maintenance) to the north end of the campus will defer delivery trucks to the outer edge of the campus and alleviate pedestrian/truck traffic within the interior of the campus and free up space in the core of campus. Police Services and Business Services (Pershing) will also be relocated to the District Support Facilities Center.

Discussion centered on various components of moves and new buildings, changing landscaping (removal of some berms) to gain more parking and increase security, which will all be part of site improvements.

One of the elements absent from the College is a large central quad where students can congregate together. An attempt has been made to create that through the implementation of the Master Plan. There were three absences depicted on one of the slides to show the changes being explored: Cunningham Center (demolished and relocated), the Forum Buildings

Future plans also include removal of the Forum Building, which currently houses large auditorium-like spaces. The

utilization of that building is currently very low. One of the concepts of the Gateway Building is to create a one-stop student center which will also house large auditorium-like spaces. This could also be made available for joint use: so the College could use it for lectures and it will also be made available to the community for public use.

The second phase (building) of the Gateway Building would be the addition of an Administration Building. The current Administration Building would be removed thereby creating a real open space (quad) in the middle of the campus.

*Cunningham Science & Math Center* – Vice President Dunn gave a brief update – the Center is three stories and contains 114,000 gsf which is broken up among the different types of uses (administrative offices, 24 labs, lecture rooms). It is located immediately north of the Shima Center. Once the new Center is built, the old Cunningham Center will be torn down. It is unclear at this point if the College can get state funds for the Planetarium; however, it is shown in the plans, but is it not clear how or when that project will evolve. There will be much more glass and natural lighting coming into the building; at the same time, it will respect the existing architecture of the campus.

*Atherton Auditorium Safety*- improvement projects include curtains, rigging, seating will be replaced.

*Elevator Project* – there is a separate project identified in the program for elevator improvements. There is not enough funding to add new elevators, but the elevators we have are old and not dependable and not compliant with the Americans with Disabilities Act (ADA). It is believed that some of the controls can be replaced and make them co-compliant.

C. *Preliminary Auditor Comments* – Director of Finance Claire Tyson reported that the District has contracted with Vavrinek, Trine, Day & Co., LLP to provide the required annual financial and performance audit of the Measure L Bond activity. The first audit was completed for the fiscal year ended June 30, 2005, and all costs were incurred by the District. VTD is an experienced auditing firm in the education and government fields including general obligation bond audits. One of the firm's most experienced bond auditors, Felipe Lopez, began the on-site audit procedures for San Joaquin Delta College on July 18-20, 2005. The agreed upon procedures he performed with reported informal comments are listed below:

- Reviewed District Procedures Regarding Contracts, Bids and Disbursements – The procedures are well

**Preliminary Auditor  
Comments**

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documented with accompanying forms and flowcharts that align with existing district procedures. He recommended that the District document its practice used for distribution of general programming costs and methodology used for reimbursements. He reiterated the need for the Bond management team to follow the District's procedures regarding contracts, bids, and disbursements.

- Review District Bond Documents – Mr. Lopez reviewed the initial bond documents including board resolutions, local election ballot language, cost schedules for the Series 2005 A bond issue (cost of issuance, debt repayments, reimbursements, etc.). All documents and costs were appropriate and reasonable.
- Review Recording of Bond Proceeds and Expenditures – Mr. Lopez reviewed the accounting structure and entries for bond proceeds and expenditures through payments made in June. He will complete this review including accruals during final audit in October. He found the records in order with no exceptions noted.
- Test at Least 10 Percent of the Number of Invoices and Total Dollar Expended – Due to Mr. Lopez' thorough review of the Series 2005 A bond issue and related costs, the number of invoices reviewed was approximately 40 percent of the total paid and the total dollar value exceeded half the expenditures. All expenditures were appropriate and properly authorized and documented.

The District Finance Office and bond management team continue to work together to align processes and procedures. In addition, the Finance Office will develop the documentation for practices used in the treatment of financial distributions and reimbursements. In October, Mr. Lopez will return for the final site visit to review the remaining activity and the progress made on written practices and coordination of the team.

This is an encouraging reflection on the hard work being done by the accounting, purchasing, and budget staff of the College in coordination with the Barnhart, Inc., Bond Management Team.

D. *Review Duties and Responsibilities of Citizens' Oversight Committee* – A copy of the bylaws and excerpt from the California Constitution were provided to the Committee for review. Mr. Dunn reviewed these documents. He briefly touched on the duties of the Committee members:

- Shall inform the public concerning the District's expenditure of the bond.
- May review quarterly expenditure reports produced by

**Committee Members'  
Duties &  
Responsibilities**

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the District to ensure that

- Bond proceeds were expended only for the purposes set forth in Measure L;
- No bond proceeds were used for any teacher or administrative salaries or other operating expenses.
- Shall present to the Board, in public session, an annual written report which shall include the following:
  - A statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and
  - A summary of the Committee's proceedings and activities for the preceding year.

The Committee's other responsibilities include that the report also address the summary of the Committee's proceedings and activities for the preceding year.

Authorized Activities – Mr. Dunn also reviewed the authorized activities that the Committee may engage in:

- Receive and review copies of the district's annual independent performance audit and annual independent financial audit;
- Inspect college facilities and grounds for which bond proceeds have been or will be expended;
- Review copies of deferred maintenance proposal or plans developed by the District;
- Review efforts by the District to maximize bond proceeds by implementing various cost-saving measures.

CA Constitution Article XIII A, Section 1(b)(3) states:

- *Bonded indebtedness incurred by a school district, community college district, or county office of education for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters of the district or county, as appropriate, voting on the proposition on or after the effective date of the measure adding this paragraph. This paragraph shall apply only if the proposition approved by the voters and resulting in the bonded indebtedness includes all of the following accountability requirements*
  - *A requirement that the proceeds from the sale of the bonds be used only for the purposes specified and not for any other purpose, included teacher and administrative salaries and other school operating expenses.*
  - *A list of specific school facilities projects to be funded and certification that the school district board, community colleges board, or county*

*office of education has evaluated safety, class size reduction (applies to K-12), and information technology needs in developing that list. [This was done in the Facilities Bond Master Plan, adopted by the Board of Trustees and was included in the bond language.]*

- A requirement that the school district, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.*
- A requirement that the school district, community college board, or county office of education conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended only on the specific projects listed.*

## **V. Other Business**

- A. *Determination of Next Scheduled Citizens' Oversight Committee Meeting* – Chair Schroeder polled the Committee to see if this later time for a Committee meeting was acceptable. It was the consensus of the Committee to continue this time/day format. The next scheduled meeting will be Thursday, November 10, 2005, at 5:30 p.m. in the Board Room.
- B. Committee member Janet Lilly commented that the term of her service (as well as the terms of two other members) to the Committee would be ended before the next meeting.
- C. Committee member Perfecto Munoz questioned as to when the groundbreaking for the Mt. House Center would take place? Originally, a date of Fall 2007 was targeted and confident for opening the facility at Mt. House. That meant that a small amount of grading work would be started this fall. The building process would have begun in earnest in the Spring of 2006. But that meant a series of activities off site had to unfold and unfold in a timely manner. Those activities are not happening as anticipated. That meant that the facility would be hard to complete by the Fall of 2007. Several options are being investigated...one of them involves another site. It is anticipated that by the time of the next Committee meeting, a firm plan will be in hand and a better handle for the start date of construction and opening date for the facility. If the building stays on the current site, it will not be ready for the Fall of 2007.

The way Trimark (the main developer) has written some of the requirements and costs are highly inappropriate. The College is in serious disagreement over what the costs are

## **Other Business**

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and what the College's share should be. Legal real estate consultants state that the College, as a public entity, is not liable for those costs. Trimark's reaction is that they do not care and Delta College should pay the money. A relocation of the site is being considered.

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

Committee Chair Schroeder adjourned the meeting at 6:45 p.m.

Respectfully submitted,

W. Andrew Dunn  
Vice President of Business Services

**Adjournment**

