



SAN JOSE EVERGREEN COMMUNITY COLLEGE DISTRICT

CITIZENS BOND OVERSIGHT COMMITTEE

MEETING MINUTES

Wednesday, November 18th 2009 - 6:30 PM

Center for the Arts – Room VPA 200

Evergreen Valley College

<u>Attendees:</u>	Benjamin White	Community at-large
	Nicholas Dinh	Taxpayers Association
	Hector Cortez	Support Organization
	Kathy Kyne	Senior Citizens Community
	Jeanine Hawk	Vice-Chancellor, Administrative Services/Acting Chancellor
	Robert Dias	District Exec. Director of Facilities

Meeting called to order at 6:45 PM

1. Jeanie Hawk requested an amendment to the proposed agenda to insert a presentation of the Draft Financial & Performance Audit Reports. Motion to approve the agenda by Hector Cortez was seconded by Ben White. Motion carried
2. The revised agenda was moved to be approved by Hector Cortez and seconded by Ben White.
3. The draft meeting minutes of the May 13th 2009 meeting were reviewed. Nicholas Dinh pointed out that his name was spelt incorrectly in paragraph two on page 2. It was noted and will be corrected. Hector Cortez moved to approve the 01-13-09 minutes with the noted change, Ben White seconded.
4. Terri H. Montgomery, Terri Montgomery of Vavrinek, Trine, Day & Co, LLP, the District's independent auditor reviewed the June 30, 2009 Measure G financial and performance reports with the committee.

It was noted that the financial report opinion was that the amounts were fairly presented (unqualified or “clean”) opinion meaning that the amounts are materially accurate. Assets as of 6/30/09 were \$66.8 million and consisted mostly of bond proceeds that were not spent as of 6/30/09 and were on deposit with the County Treasurer. Districts are required to deposit the majority of their funds with the County cash system and

those funds are pooled together and invested into various investments at the direction of the investment committee of the County Treasurer.

Revenue for the year included \$2.4 million of interest on those funds in the County Cash system. Interest income that the District can keep and use for bond projects is capped by a concept called “Arbitrage”. Discussed reasons for arbitrage to discourage Districts from selling bonds earlier than needed for cash planning purposes, and any excess over the cap would have to be paid to IRS. District management indicated that at this time they did not believe it was likely that there would be any excess earnings.

Expenses for the year included \$43.2 million, mostly from capital outlay \$32.6 million, and \$10.2 million for services (architects, inspectors, etc), along with approximately \$450,000 for salaries and benefits related to construction program oversight. It was noted that increasing expenditures likely occurred over the summer when there are less students on campus and more construction occurs. This would happen right after the cutoff of the 6/30/09 reports and more recent financial reports would be provided to the Committee by the District.

The Measure G performance report was reviewed and it was noted that 35% of all expenditures were reviewed and no instances of exceptions were noted where expenditures were outside of the scope of the bond project list approved by the voters as Exhibit B of the Bond Measure Election. The performance report also summarized the expenditures by project and the remaining available funds.

5. Ben White asked a couple of questions; one related to interest earned and the difference between the fund balances. He stated that it would be beneficial to get a copy of the Financial and Performance Reports. Copies of the complete report will be emailed to the committee.
6. Jeanine Hawk spoke briefly about the appropriate use of bond funds and compliance with the original intent as indicated in the Measure G ballot language. If the public has any questions related to bond expenditures they can contact the committee members directly.
7. Robert Dias gave the committee a live demonstration of the proposed new Website for the Measure G Bond. The new website will include a home page, Measure G Summary, Oversight Committee, Program Documents, Project Information, Business Opportunities, Contact Information, Links, Feedback and a search feature. The committee was given the url link to this website and asked to review and make comments and / or suggestions for improvement.
8. A brief discussion was held relative to the San José City College Baseball Field project. Ben White indicated that he was contacted by a member of the Sherman Oaks Neighborhood Association. Many of the questions were raised primarily relative to the role and responsibility of the committee. The committee reviewed and discussed these issues and it was determined that many of the issues raised by SONA were beyond the

responsibilities of the committee. In a move to convert the Baseball field into a multi-use athletic facility, every effort will be made to leverage / saved from the original project.

9. Future Meeting Schedule: The committee was notified of the meeting schedule for the current academic year as follows:
 - January 20, 2010 – San José City College
 - April 21, 2010 – Evergreen Valley College
 - July 21, 2010 – San José City College

Please make your calendars.

10. Motion to Adjourn by Hector Cortez, seconded by Ben White. Motion carried, and the meeting was adjourned at 7:45 p.m., followed by a brief tour of the Center for the Arts. The committee was impressed by this facility and expressed its appreciation of this project and the excellent impact that it will have on the students in the community in the visual and performing arts areas. The committee expressed high appreciation for the design and layout of the building and surrounding grounds.

Respectfully Submitted:
Robert Dias
Executive Director of Facilities