

CITIZENS' BOND OVERSIGHT COMMITTEE

MEETING MINUTES

Tuesday, June 21, 2016, - 5:30 PM
San Jose City College, T-112 Conference Room

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|-----------------|----------------------------------|--|
| <u>Present:</u> | Cory Demar | Student – Evergreen Valley College |
| | Bethel Kim | Student – Evergreen Valley College |
| | Daniel Kojiro | Community At-Large |
| | Johnny Lee | Community At-Large |
| | Carol Lizak | Community At-Large |
| | Matthew Mahood | Business Community |
| | Jimmy Nguyen | Taxpayer's Association |
| | | |
| <u>Absent:</u> | Leo Cortez | Community At-Large |
| | Elias Portales | Community At-Large |
| | Rose Regalado | Senior Citizen's Organization |
| | President Byron Breland | Administrative Services, SJCC |
| | Vice President Jorge Escobar | Administrative Services, SJCC |
| | Casey Michaelis | Gilbane |
| | Vice Chancellor Douglas Smith | Administrative Services, SJECCD |
| | Linda Wilczewski | Controller, SJECCD |
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| <u>Staff:</u> | Chancellor Deborah Budd | SJECCD |
| | Peter Fitzsimmons | Director of Fiscal Services, SJECCD |
| | Owen Letcher | Director of Facilities and Bond Programs, SJECCD |
| | Interim Vice President John Ives | Administrative Services, EVC |
| | President Henry Yong | Administrative Services, EVC |
| | Tim McBrian | Gilbane |
| | Scott Jewell | Gilbane |
| | Andrew Spiller | Gilbane |
| | Ann Kennedy | Gilbane |
| | Mike Chegini | Gilbane |
| | Anna Tiscareno | Gilbane |

AGENDA:

1. Call to Order
The meeting was called to order at 5:35 PM
2. Approval of Agenda
Cory Demar / Bethel Kim
Unanimously approved
3. Approval of Minutes
The committee reviewed the previously distributed February 25, 2016 meeting minutes and asked for comments. There were no comments. Bethel Kim / Daniel Kojiro motioned and the committee unanimously approved the amended meeting minutes.

4. Election of Chair and Vice Chair

Mr. Jimmy Nguyen informed the Citizens' Bond Oversight Committee Members that the following current Members term is ending on February 12, 2017:

| <u>Representing</u> | <u>Current Members</u> |
|------------------------|------------------------|
| Community-At-Large | Mr. Daniel Kojiro |
| Community-At-Large | Ms. Carol Lizak |
| Taxpayer's Association | Mr. Jimmy Nguyen |

Mr. Jimmy Nguyen asked the committee if anyone is interested to become the next Citizens' Bond Oversight Committee Chair or Vice Chair of the San Jose Evergreen Community College District?

The committee determined to nominate Mr. Johnny Lee (currently Vice Chair) as Chair and Mr. Matthew Mahood as Vice Chair.

Mr. Johnny Lee introduced himself and informed all that he has been the Citizens' Bond Oversight Committee Vice Chair for a year and has been on the Committee for up to 3 years. Mr. Johnny Lee also informed the committee that he has learned a lot while serving on the committees. The Citizens' Bond Oversight Committee Members are putting their best efforts forward to ensure that the public is well informed and to reassure that the Measure G Bond Program Funds are being spent correctly.

The committee unanimously approved Mr. Johnny Lee as Chair and Mr. Matthew Mahood as Vice Chair, effective February 12, 2017.

Mr. Jimmy Nguyen also informed the committee that the Board of Trustees approved Ms. Adriana Ayala as a Citizens' Bond Oversight Committee Member representing Community-At-Large on June 14, 2016 with a start date of September 1, 2016.

Dr. Budd informed the committee that Mr. Cory Demar, Student-Evergreen Valley College, graduated from Evergreen Valley College and will be attending San Francisco State University.

5. Public Comment – 3 Minutes per speaker with advance sign in

There were no public comments made.

6. Communications Received by Citizens' Bond Oversight Committee Members

There were no communications received.

7. Staff Reports

Dr. Budd gave a brief overview of the Staff Reports.

Dr. Budd informed the committee of the following:

- She attended the first Citizens' Bond Oversight Committee meeting in February 2016 and is pleased with the outcome
- Thanked the Citizens' Bond Oversight Committee Members for volunteering their time and dedication to serve on the Measure G-2004 and Measure G-2010 Bond Programs
- The San Jose Evergreen Community College District completed an update to the 2030 Educational Master Plan and Facilities Master Plan, which was on the June 14, 2016 Board agenda and was presented to the Board of Trustees for consideration to apply for a new Bond Program.
- The San Jose Evergreen Valley College District sold the last \$58,000,000 of Bond dollars.

Mr. Letcher gave a brief overview of the following on behalf of Vice Chancellor Smith.

- Forty (40) post cards of the Measure G-2004 & Measure G-2010 Citizens' Bond Oversight Committee 2014-2015 Annual Report are included with each committee agenda packet. The 2014-2015 Annual Report post cards were distributed to internal staff of the San Jose Evergreen Community College District, San Jose City College, Evergreen Valley College, to local Libraries and to the San Jose Silicon Valley Chamber of Commerce.
- A distribution list is kept for District records of the Measure G-2004 & Measure G-2010 Citizens' Bond Oversight Committee 2014-2015 Annual Report post cards.
- If you require additional post cards or a copy of the distribution list don't hesitate to contact the District.

8. Resolution to Adopt Ballot Language for a November 2016 Bond Election

Dr. Budd gave an overview of the Resolution to Adopt Ballot Language for a November 2016 Bond Election and informed the committee that an information agenda item was submitted to the Board of Trustees for their consideration on June 14, 2016.

This Board Resolution was the result of the Educational Master Plans that were approved by the Board of Trustees in December 2015 and the 2030 Facilities Master Plans of the colleges, which were approved in January 2016 and came as the result of reaching out to the community. The Resolution presented identified project needs of \$748,000,000 resulting from the outcomes of the master planning efforts.

Mr. Nguyen asked the following questions:

- a. Did the Board of Trustees approve the Ballot Language for November 2016?
- b. Is the Board of Trustees aware of the three (3) tax measures that will go on the November 2016 Ballot and if the Board of Trustees will take this in consideration?
- c. The polling says that it should pass in November 2016 and this will be 55%?

Dr. Budd answered:

- a. June 14, 2016 was the first meeting for the first reading of the draft Ballot Language and was only presented as an information agenda item to the Board of Trustees. An action agenda item for this resolution (final Ballot Language) will be presented at the July 12, 2016 Board of Trustees meeting.
- b. The Board of Trustees considered the tax measures, during the polling process, in late February 2016 and March 2016 and took in consideration of going out in June 2016.
- c. Yes 55%. More than 65% of the polling has taken a class at San Jose City College or Evergreen Valley College or had a relative that has taken classes at these campuses.

Mr. Mahood asked is this an assessment for parcel?

Ms. Kennedy answered the maximum allowable is \$25 per \$100K of assessed value.

Ms. Kennedy noted that the draft language is available on the District website. The detailed Ballot Language is located below the first section of Exhibit A.

9. Program Updates

- a. Mr. Jewell and Mr. McBrian gave a brief overview of the Measure G-2010 Bond Program project highlights regarding current status of the projects for the District Office, Evergreen Valley College and San Jose City College.

Ms. Lizak asked if the four (4) electric charging stations of the Campus Site Improvements project are being funded by an outside source?

Mr. McBrian answered that this project is building fund.

Mrs. Lizak asked if there are grants available?

Mr. Letcher answered there are grants available through the Bay Area Air Quality Management District but the grant for the electrical vehicle charging stations expired January 15th. The San Jose Evergreen Community College District made a request for January 20, 2017 and is currently on a list for future consideration to purchase an electric vehicle with a potential grant fund from Bay Area Air Quality Management.

President Yong noted that the Evergreen Valley College applied to Tesla for electric vehicle charging stations.

Mr. Letcher gave a brief history of Leadership in Energy and Environmental Design (LEED.) The current District Standard is LEED Silver certified. The San Jose Evergreen Community College District goal is LEED Silver for every project. The Board of Trustees will review the LEED projects as we go forward .

The Evergreen Valley College Automotive Technology building is targeted as a LEED Platinum building and the Evergreen Valley College South Campus for MS-3 building is currently targeted as a very high Gold with the hope that they can gain a couple of more LEED points through the review systems and a few Platinum, which measures the water and energy efficiency.

Mr. Kojiro asked the energy efficiency is based on a comparison to existing technology?

Mr. Letcher answered comparison to existing technology the worst building you can build and still be code compliant. There are standards that apply across the Country for how much energy you can use per square footage of a building and LEED will give you points if you use less energy.

- b. Mr. Jewell and Mr. McBrian gave a brief overview of the Measure G-2004 Bond Program project highlights regarding current status of the projects for the District Office, Evergreen Valley College and San Jose City College.

Mr. Jewell gave a brief overview of the San Jose Evergreen Community College Extension project highlights regarding current status.

10. Program Financial Reports

a. Issuance of Measure G, Series D

Mr. Fitzsimmons gave a brief overview of the Issuance of Measure G, Series D and informed the committee that Agenda Item 10.a: Issuance of Measure G, Series D is in their meeting packet.

In the February 25, 2016 Citizens' Bond Oversight Committee meeting the Committee was informed of the preparation for the last Measure G-2010 Bond Program - Series D and the transaction summary is included in the June 21, 2016 Citizens' Bond Oversight Committee meeting packet; section 10.a: Issuance of Measure G, Series D. The San Jose Evergreen Community College went to market on May 18, 2016 and sold Bonds. The San Jose Evergreen Valley Community College District received cash on June 9, 2016.

Mr. Fitzsimmons noted that the San Jose Evergreen Community College District received an Aa1 Rating from Moody's Investors Service, which is the 2nd highest rating from the top (reference to page 22

through 28 of the meeting packet) and received an AA Rating from Standard and Poors, which is also the second highest rating from the top (reference to page 29 through 34 of the meeting packet.)

The San Jose Evergreen Community College District sold the following:

- Bond Premium Principal \$58,000,000
- Bond Premium \$5,600,000 (paid for 2 ½ years Debt Service and Underwriter Fee)
- \$57,770,000 (deposit to Project Fund)

Mr. Fitzsimmons also gave a brief overview of the following:

- Cost of Issuance Detail
- Debt Service Schedule

Mr. Nguyen asked the end date of September 1, 2037 was the San Jose Evergreen Community College District able to refinance the debt and lower the payment, which would have been higher than 1.37?

Mr. Fitzsimmons answered that the San Jose Evergreen Community College District refunded the Measure G-2004 Bonds and in essence each Series has its own Debt Service schedule, which is the Debt Service for Series C. The San Jose Evergreen Community College District actively looks at the Debt Service and as the Bond market changes an opportunity presents itself. Thereafter we refinance the Bond to reduce the Debt Service at the time.

Ms. Lizak asked where did the 2 ½ years come from?

Mr. Fitzsimmons answered that it was just the way it turned out when the San Jose Evergreen Valley College District worked with the Underwriters and Financial Advisors.

b. Measure G-2010 and G-2004 Financial Reports:

Ms. Kennedy presented an overview of the Measure G-2010 and G-2004 Financial Report from inception through March 31, 2016 and gave an update regarding the cost and schedule status of the program.

There were no “caution” projects to discuss for reporting period inception to March 31, 2016 of the San Jose City College, Evergreen Valley College, and District.

c. There were three Measure G-2010 Bond List Revisions during the reporting period ending March 31, 2016. The January 12, 2016 and February 9, 2016 Bond List Revisions were reported upon at the last meeting of the Citizens’ Bond Oversight Committee, held on February 25, 2016. The March 8, 2016 Bond List Revision occurred after the last meeting, February 25, 2016.

There are two Measure G-2010 Bond List Revisions that occurred after the reporting period ending March 31, 2016 and prior to this meeting. These revisions took place at the following Board of Trustees meetings and are reflected in the reports:

- April 12, 2016
- June 14, 2016

There are two Measure G-2004 Bond List Revisions that occurred after the reporting period ending March 31, 2016. The January 12, 2016 Bond List Revisions were reported upon at the last meeting of the Citizens’ Bond Oversight Committee, held on February 25, 2016. The March 8, 2016 Bond List Revision occurred after the last meeting, February 25, 2016.

There was one Measure G-2004 Bond List Revision that occurred after the reporting period ending March 31, 2016 and prior to the June 21, 2016 meeting. This revision took place at the following Board of Trustees meeting and are reflected in the reports:

- June 14, 2016

Measure G-2010 and Measure G-2004 Financial Reports/Bond List Revisions:
Matthew Mahood / Cory Demar
Unanimously approved

11. Proposed Future Meeting Dates

Ms. Kennedy reviewed the 2016 and 2017 Citizens' Bond Oversight Committee proposed future meeting dates, times, location, and asked the Committee for input/approval on the dates.

Mr. Nguyen suggested to reschedule the Tuesday, December 20, 2016 Citizens' Bond Oversight Committee meeting to Tuesday, January 17, 2017 to accommodate the Christmas Holiday. The committee agreed to reschedule the December 20, 2016 Citizens' Bond Oversight Committee meeting to Tuesday, January 17, 2017.

12. Future Agenda Items

No upcoming agenda items were discussed.

13. Adjournment

The meeting adjourned at 6:36 PM

The next scheduled meeting is Tuesday, September 20, 2016 at 5:30 PM – 7:00 PM. This meeting will be held at the Evergreen Valley College, Library/Ed. Tech. Center (LE) Building Mishra Room.