



CITIZENS' BOND OVERSIGHT COMMITTEE

MEETING MINUTES
February 25, 2020: 6:00 – 7:30 PM

San Jose Evergreen Community College District Office, 1st Floor Room CR112
40 S. Market St., San Jose, CA 95113

Present: Cory Demar Community At-Large
Leo Cortez Support Organization
Bethel Kim Community At-Large
Linda Reiners Business Community
Matthew Mahood Business Community

Absent:
Rose Regalado Senior Citizens' Organization
Shanta (Shay) Franco-Clausen Business Community

Staff: Jorge Escobar Interim Vice Chancellor of Administrative Services, SJECCD, and Vice President, Administrative Services, SJCC
Marilyn Morikang Acting Vice President, Administrative Services, SJCC
Terrance DeGray Associate Vice Chancellor, Physical Plant Development and Operations, SJECCD
Manuela Kolpin Controller, SJECCD
Hong Yang Accounting, SJECCD
Ann Kennedy Financial Manager, AKG
Mike Chegini Communications Manager, AKG
Stevie Le Project Accountant, AKG
Mark Newton Program Manager, Brailsford & Dunlavey
Ben Leavitt Cossolias Wilson Dominguez Leavitt (CWDL), CPAs

AGENDA:

1. Call to Order
The meeting was called to order at 6:15 PM with a quorum by Mr. Demar.
2. Approval of Agenda
Motioned by Ms. Reiners, seconded by Ms. Kim. The Committee unanimously approved the agenda as presented.
3. Approval of Meeting Minutes from September 17, 2019
Motioned by Ms. Reiners, seconded by Ms. Kim. The Committee unanimously approved the minutes as presented.

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

There were no public comments.

5. Communications Received by Committee Members

Mr. Chegini noted a question was received on the Bond website by a member of the public, asking if there is a senior exemption for Bond property taxes. The financial advisors were consulted and said that no, there is no senior exemption for Bond property taxes. The answer was provided to the public member.

6. Staff Reports

Mr. Escobar introduced Associate Vice Chancellor, Physical Plant Development and Operations, Terrance DeGray.

Mr. DeGray introduced himself to the CBOC and provided some personal and professional background information about himself and thanked the CBOC members for their service.

Mr. Escobar continued with the following report:

- The community continues to support the work the District is doing.
- The District is in the process of issuing the second series of Measure X. Based on cash flow projections, the District is looking at issuing a total of \$425M in the next series and planning on closing the transaction in June.
- SJECCD has gone through some staffing changes. Linda Wilczewski has moved on to Hartnell College. Jodi Marvet, Contracts and Risk Management, has also moved on. As a result, some shifting of responsibilities has occurred, which allows for an opportunity to streamline processes.
- Enrollment is in a good position, SJCC is up 5% this semester and EVC has maintained. SJECCD is the envy of other community colleges. Graduation rate is increasing. The commitment to the vision is intact. Property taxes have been increasing, and since SJECCD is a Basic Aid district, this allows for opportunity to look at a different way to do business.

Ms. Reiners asked about taxable bonds and their advantages, since they are more expensive.

Ms. Kennedy responded and said the rates are historically low, so the cost to the District is very low. The time constraint is removed with taxable bonds so there is more flexibility. There is also flexibility in use of funds regarding property acquisition.

Ms. Reiners cautioned the District to make sure funds are used properly because increased flexibility allows for funds to be used in a manner contrary to how they were originally intended to be spent.

Ms. Kennedy agreed and suggested that after the series are sold and numbers are finalized, to present to the CBOC a list of projects identified for that specific use.

Ms. Reiners asked, regarding the change in the Contracts and Risk Management position, if the supervisor for that position changes, and if any checks and balances are lost in the change.

Mr. Escobar noted that the position currently reports to him, however the Contracts portion of that position will be more integrated with Purchasing, and that checks and balances will be maintained.

Mr. Escobar also noted that the District will be implementing a 5-year spend down rule on Series B.

7. Financial and Performance Audit Reports

Mr. Leavitt presented the financial and performance audit reports. He noted that for both bonds, CWDL was asked by the Board to also review the District's Outreach program as a part of the performance audit.

a. Measure G-2010:

Mr. Leavitt reported that no exceptions were found on either financial or performance audit reports.

b. Measure X-2016:

Mr. Leavitt reported that no exceptions were found on either financial or performance audit reports.

8. Review and Approval of 2018 – 2019 Annual Report

Mr. Chegini thanked Mr. Demar and Ms. Franco-Clausen for their assistance in putting together the report, then presented the annual report to the Committee for any final edits and feedback.

Motioned to approve by Mr. Mahood, seconded by Mr. Cortez.

9. Program and Project Updates

Mr. DeGray gave a brief overview of the Measure G-2010 and Measure X Bond Program project highlights regarding the current status of the projects for the District Office, Evergreen Valley College and San José City College. Please refer to the meeting packet for more details.

Mr. DeGray informed the Committee of the intent to publish the master schedule so that the community can be aware of project schedules.

Mr. Demar asked if morning traffic was considered in the planning of the parking lot project at Evergreen Valley College. Mr. DeGray said through CEQA and EIR process those factors are taken into account, and civil and traffic engineers have been consulted as well. Mr. Escobar brought up that a new access road is being considered as a part of the 27 acres project which should help to alleviate traffic issues as well as provide additional egress in case of emergency.

Mr. Mahood wanted to know how bids were being advertised to underrepresented groups and how those efforts were being tracked. Mr. DeGray responded that the District does have an outreach program which is handled by Sam Ho. The District also works with Brailsford & Dunlavey on communications, and all bids are posted on Planet Bids. Ms. Kennedy informed the Committee that an annual report on outreach efforts is presented to the Board of Trustees, and a link can be provided in a future meeting packet if the Committee is interested. Mr. Newton noted that last year's report showed that the District had exceeded the 25% expectation as well as hit all the metrics on underrepresented groups.

Mr. Demar wanted to know if students were being consulted on the new buildings being built on the Evergreen Valley College campus. Mr. DeGray responded that students are involved via the shared governance group at every phase, starting with procurement of the design team, as well as requested to be a part of user groups during the design and programming phases.

10. Program Financial Reports

a. Financial Reports for Measures G-2010 and X

These reports were provided to the Committee.

Mr. Mahood motioned to approve, Ms. Kim seconded.

b. Bond List Revisions

These reports were provided to the Committee.

c. Measure X Bond Sale

Ms. Kennedy provided an explanation for the large dollar value of series sold as well as the type. Mr. Escobar noted the District had commissioned an economic impact report in order to understand what the District contributes back to the community. With 2018-2019 numbers which was based on \$30M of bond expenditures, the initial report valued the District's annual economic value at around \$1B. Once big capital improvement projects start, that number will be multiplied at least threefold.

11. Review of Committee Membership

Ms. Kennedy noted there are two vacancies, a student as well as a taxpayer's association member, and that the application can be found on the CBOC website. She also noted that Ms. Kim is up for her final term in October.

12. Proposed Future Meeting Dates

Ms. Kennedy noted that the March meeting date has been removed due to the delay in the January meeting, and that the next meeting would be in June and would report on two quarters of financials.

13. Future Agenda Items

a. Election of Chair and Vice Chair

Ms. Kennedy noted that CBOC will be asked to nominate a new chair and vice chair.

b. Colleges' Update on Educational Programs

Ms. Kennedy noted that future program updates will include new slides for each campus to present an update on their educational program.

c. Budget Cost Reports

Ms. Kennedy asked if the committee members are still interested in this, and they said no.

14. Adjournment

The meeting was adjourned at 7:35 PM by Mr. Mahood and seconded by Mr. Demar.