



CITIZENS' BOND OVERSIGHT COMMITTEE

MEETING MINUTES
Tuesday, March 1, 2011 - 5:30 PM
District Office Board Room
4750 San Felipe Avenue, San José, CA 95135

<u>Attendees:</u>	Spencer Horowitz	Community At-Large
	Jimmy Nguyen	Taxpayers Association
	Kathy Kyne	Senior Citizens Organization
	Joseph Becker	Community At-Large
	Bob Nunez	Community At-Large
	Linda Lam	Student Representative
	Carol Lizak	Community At-Large
	Daniel Kojiro	Community At-Large
	Ann Mancuso-Engdahl	Community At-Large
	Douglas McNea	Taxpayers' Association
<u>Staff:</u>	Dr. Rita Cepeda	Chancellor, SJECCD
	Jeanine Hawk	Vice-Chancellor, Administrative Services, SJECCD
	Dr. Barbara Kavalier	President, San Jose City College
	Dr. Marilyn Brock	Interim President, Evergreen Valley College
	Robert Dias	Executive Director of Facilities, SJECCD
	Peter Fitzsimmons	Director of Fiscal Services, SJECCD
<u>Consultants:</u>	David Casnocha	Bond Counsel
	Ann Kennedy	Bond Program Consultant
	Michael Day	California League of Citizens' Bond Oversight Committees

AGENDA:

1. Call to Order

Meeting was called to order at 5:35 PM

2. Introduction of New Members

All members of the committee were formally introduced.

3. Election of Officers

Bond Counsel, David Casnocha, presented the committee with a legal overview of the protocols relative to the appointment of officers to serve on this committee.

Chancellor Cepeda thanked the committee for their willingness to serve and gave a brief summary of the District capital construction program relative to Measures G 2004 and 2010.

Vice-Chancellor Hawk requested clarification on the process to elect officers.

Chancellor Cepeda also requested clarification on the role of the committee chair.

Bond Counsel Casnocha discussed Proposition 39 and its accountability requirements, which include the establishment of a Citizens' Bond Oversight Committee (CBOC). The role of the CBOC is described in the California Education Code Sections 15278-15288. A summary of the purpose, activities and requirements of the CBOC was presented. Mr. Casnocha advised that the By-Laws of the CBOC were amended to allow for a single committee and set of By-Laws for the District's Measure G 2004 and 2010 Bonds.

Chancellor Cepeda and Vice-Chancellor Hawk recommended the nomination of Kathy Kyne to serve as Chair of the CBOC.

Kathy Kyne accepted the nomination, the motion was moved by Spencer Horowitz and seconded by Ann Mancuso-Engdahl. The committee unanimously approved by appointment Kathy Kyne as Chair of the Citizens' Bond Oversight Committee.

4. Approval of Agenda:

A motion to approve the agenda was moved by Spencer Horowitz and seconded by Joe Becker. The agenda was unanimously approved.

5. Public Comments:

There were no public comments.

6. Chancellor's Welcome:

Chancellor Cepeda officially welcomed the new members of the Committee and thanked all for their commitment to public service. The Chancellor summarized the current state of the District and emphasized the importance of the role of the Committee. She acknowledged the voters of San Jose and Milpitas and their continued support of the District's Capital Improvement Program (CIP).

The Chancellor described the significant impact Measure G-2004 capital improvements have made to the District's facilities in support of its primary educational goals. She expressed continued commitment to the voters mandate as the District embarks on Measure G-2010. Implementation of Measure G-2010 will benefit from the District's experience and lessons learned from the earlier bond program. The District is committed to the highest level of oversight and accountability as required by the provisions of Proposition 39.

7. New Member Training:

The training was initiated by Bond Counsel Casnocha and included the following:

- Role of the CBOC
- Committee By-Laws for Measure G 2004/2010

- Board Item Appointing the New Members
- Overview of Proposition 39
- Attorney General's Opinion
- Measure G Ballot Statement for 2004
- Measure G Ballot Statement for 2010
- The Brown Act

The following questions were raised:

- a. How many committee members constitute a quorum?
A simple majority.
- b. Since the CBOC Chair represents the committee's collective opinion, can individual members express their opinion?
Yes, as long as any opinion raised also reflects the collective opinion of the committee as a whole.
- c. Clarification was requested regarding the "Brown Act" provisions of internal communication.
Committee communication is part of the public dialog, placed on a scheduled agenda and discussed in public discourse as a majority. Serial, off the record communication is prohibited.
- d. Where do clarifications or questions from the committee go?
All clarifications and questions must be directed to designated District administrative staff.
- e. Is there some kind of blanket immunity for the liability of CBOC members?
Needs to be verified. Counsel's recommendation is that the District consider an "additional insured" clause to the existing overall insurance coverage.

Michael Day, with the California League of Citizens' Bond Oversight Committees presented an overview of statewide information and support for bond oversight committees.

Vice Chancellor Hawk followed with a summary of the hierarchy of the colleges Educational Master Plans and Facilities Master Plans that serve as the foundation and basis of the Bond Project List.

Ann Kennedy presented an overview of the Measure G-2004 project list that was included in the Cumulative Project Summary by location and funding source. This summary tracked all Measure G-2004 projects undertaken by the District's capital construction program, Measure I funds that were included in a Measure G-2004 project, and revenue from state bond proceeds. A summary was provided on the Budget/Expenditures for multiple projects since 1999.

The Measure G-2004 Whole Program Summary Report was presented and included the program cost and budget status as of September 30, 2010.

The CBOC Quarterly Summary Report contains budget, expenses, and available budget by location: San Jose City College, Evergreen Valley College and District-wide.

The Measure G Website was introduced by Vice Chancellor Hawk followed by a review of major completed projects at each campus. Robert Dias gave an overview of the Science Complex at San Jose City College and the Visual & Performing Arts project at Evergreen Valley College.

Peter Fitzsimons, Director of Fiscal Services, presented an overview and summary of the Measure G-2004 Financial and Performance Audits for Fiscal Year 2009-2010.

The following questions were raised:

- a. Jimmy Nguyen asked when the committee would receive copies of disbursements.
The previous committee did not request copies of disbursements; however, if the current committee requests this information, District staff will provide.
- b. Spencer Horowitz asked what the difference was between bond proceeds noted on page 4 of the compliance audit report and the authorized issuance of \$185,000,000 noted on page 4 of the financial audit report.
The difference is in the last series (Series C), yet to be sold.
- c. Carol Lizak inquired about internal controls over the accounting of bond funds.
Internal Controls are reviewed as part of the District audit and established by policy and procedure.

8. Annual CBOC Reports:

Ann Kennedy presented copies of the last two annual CBOC reports. This format was designed for effective visual impact and reviewed and approved by the previous CBOC. The completion of this annual report is a requirement of the Educational Code and is presented to the District Board of Trustees by the CBOC. This report typically reflects the ongoing activities of the previous fiscal year and must contain a summary of findings by the district's independent third party auditors. This report was distributed internally at the colleges level and externally to a limited mailing, geographically adjacent to each campus, public libraries, and community centers.

9. Schedule of Meetings:

The calendar of meetings presented to the committee was accepted with the following edits:

- The July 5, 2011 meeting was moved to July 19, 2011.
- The September 6, 2011 meeting was moved to September 20, 2011.
- The time of the meetings scheduled for February 7, 2012, and June 5, 2012, was moved from 3:00 – 5:00 p.m. to 5:30 – 7:30 p.m.

A motion was made by Ann Mancuso-Engdahl to accept the calendar with the above stated revisions. Joseph Becker seconded the motion and the motion carried unanimously.

10. Adjournment:

The meeting adjourned at 8:15 p.m.

Respectfully Submitted:
Robert Dias
Executive Director of Facilities, SJECCD

Ann Kennedy
Bond Program Consultant