

CITIZENS' BOND OVERSIGHT COMMITTEE

MEETING NOTES

March 20, 2018: 6:00 – 7:30 PM

San José City College, 600 South Bascom Avenue (Room T-112)

<u>Present:</u>	Cory Demar	Community At-Large
	Shanta(Shay) Franco-Clausen (arrived at 6:45)	Business Community
	Bethel Kim	Student – Evergreen Valley College
	Johnny Lee	Taxpayers' Association
	Linda Reiners	Business Community
	Joel Ruiz Herrera	Community At-Large
<u>Absent:</u>	Chancellor Deborah Budd	SJECCD
	Vice President Andrea Alexander	Administrative Services, EVC
	President Byron Breland	Administrative Services, SJCC
	Elias Portales	Community At-Large
	Simon Vidal III	Community At-Large
	Leo Cortez	Support Organization
	Brigit Espinosa	Community At-Large
	Matthew Mahood	Business Community
	Rose Regalado	Senior Citizens' Organization
	Casey Michaelis	Gilbane
	Anna Tiscareno	Gilbane
	Andrew Spiller	Gilbane
<u>Staff:</u>	Vice Chancellor Douglas Smith	Administrative Services, SJECCD
	Owen Letcher	Director of Facilities and Bond Programs, SJECCD
	Peter Fitzsimmons	Director of Fiscal Services, SJECCD
	Linda Wilczewski	Controller, SJECCD
	Interim President Keith Aytch	Administrative Services, EVC
	Vice President Jorge Escobar	Administrative Services, SJCC
	Mark Miller	Gilbane
	Ann Kennedy	AKG
	Mike Chagini	AKG
	Jessica Fassler	AKG

AGENDA:

1. Call to Order
The meeting was called to order at 6:07 PM. No quorum was present.
2. Approval of Agenda
Approval of the Agenda- No action was taken.
3. Election of the Chair and Vice Chair
Election of Chair and Vice Chair – No action was taken.

4. Approval of Minutes from December 19, 2017

December 19, 2017 Meeting Minutes Approval – No action was taken.

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

Committee Chair, Johnny Lee, informed the attendees that he received a correspondence, via the bond website email, from a member of the public, Ravindhar Kaw. Mr. Kaw wanted to know if, as a senior citizen, he could be excluded from the General Obligation Bond taxes on his property taxes. Vice Chancellor Smith informed the Committee that, no, General Obligation Bond taxes provide no exclusions for senior citizens, though parcel taxes do. He responded to Mr. Kaw via email. A copy of the correspondence was handed to the Committee members at the meeting.

Mr. Herrera asked his reaction. Vice Chancellor Smith answered, just a thank you.

7. Staff Reports

Vice Chancellor Smith noted Chancellor Budd was out of state and he would make a few comments in her absence. He thanked all those attending the meeting for their presence.

- Vice Chancellor Smith thanked Committee Chair Lee for his presentation of the Annual Report at the February 13, 2018 SJECCD Board meeting. He did an excellent job.
- Mr. Chegini explained the Annual Report postcards, the purpose of them, where they were distributed, how they are tracked.
- Vice Chancellor Smith reviewed the Credit Rating packet he handed out reflecting SJECCD's last rating as of May 2016, which he had presented to the Board at the February 13, 2018 meeting. Moody's Investor Services assigned a rating of Aa1. Standard and Poor's Global assigned a rating of AA/Stable. He explained they expected a similar outcome from the upcoming meeting. Chancellor Budd, Mr. Fitzsimmons, Mr. Letcher and he will be presenting at the Credit Rating Meeting April 11, 2018 related to the sale of the first series of Measure X Bonds. For more detail, please refer to the handout.

Mr. Herrera asked who preps the team.

Vice Chancellor Smith explained they have a very solid, experienced support team, with Ann Kennedy, Chet Wang of Keygent, the Bond Underwriter and Bond Counsel.

Ms. Kennedy explained the process of preparing before the meeting.

Mr. Herrera asked if the report goes to the Board.

Vice Chancellor Smith answered that a summary does, not the presentation.

Mr. Fitzsimmons noted it also goes to the website.

8. Committee Members' Attendance / Bylaws section 5.6

Mr. Lee read the section 5.6 from the Bylaws. Members were directed to look at the attendance chart. Ms. Kennedy explained the process for removal of a Committee member. Mr. Lee said he would ask Mr. Portales to resign, but the Committee should agendaize his removal as an action item for the next meeting. Mr. Lee also noted Mr. Vidal III had been absent, and he would contact him. Ms. Kennedy informed the Committee of the recruitment process, and that it could be started now. Vice Chancellor Smith asked Mr. Lee if he would like him to contact Mr. Portales to request his resignation. He accepted.

9. Bond Team Transition

Mr. Letcher described the RFQ process for Construction Management(CM)/Program Management(PM) services that culminated in the selection of:

- Gilbane Building Company in association with Cordoba Corporation as CM for Evergreen Valley College
- Jenkins/Gales & Martinez, Inc. as CM for San Jose City College
- Brailsford & Dunlavey, Inc. as PM for the District

Initial contracts were approved at the March 13, 2018 Board meeting. The selection was a collaborative effort and these are three well-qualified firms, all with offices within 50 miles of the District and have some form of disadvantaged sector participation, such as veteran, minority or women owned business.

10. Update on Election Costs

Mr. Fitzsimmons noted that at the last meeting there had been a request for information about election costs. He pointed out the section in the packet (pages 12-19) showing elections costs associated with Measures G-2004, G-2010, and Measure X. Please refer to the packet for more details.

11. Project Updates

Measure G-2010 Project Update:

Mr. Letcher gave a brief overview of the Measure G-2010 Bond Program project highlights regarding current status of the projects for San José City College.

Mr. Miller gave a brief overview of the Measure G-2010 Bond Program project highlights regarding current status of the projects for Evergreen Valley College.

Mr. Letcher gave a brief overview of the Measure G-2010 Bond Program project highlights regarding current status of the projects for the District.

Please refer to the meeting packet for further details.

12. Program Financial Reports

Financial Reports- No action was taken.

Measure G-2010 Financial Report:

Ms. Kennedy presented an overview of the Measure G-2010 Financial Report from inception through December 31, 2017 and gave an update regarding the cost and schedule status of the program.

Vice Chancellor Smith explained why spending early in a program is low, until we get into construction.

Ms. Kennedy thanked Mr. Chegini for making the reports ADA compliant.

Mr. Herrera asked what a small capital project was. Ms. Kennedy informed him it a capitalizable and allowable expenditure. It improves an asset and is not large in nature, like window or roof replacement.

Ms. Franco-Clausen asked why we don't used the term "scheduled maintenance." Ms. Kennedy responded that the IRS distinguishes between maintenance and repairs and gave several examples of each type of work. Maintenance is not an allowable bond expenditure. It is an operational cost.

Measure G-2010 Bond List Revisions:

There were two Measure G-2010 Bond List Revisions during the reporting period ending December 31, 2017:

- October 24, 2017
- December 12, 2017

These Bond List Revisions were reported upon at the last meeting of the Committee and are included in the financial reports for this period.

There were four Measure G-2010 Bond List Revisions that occurred after the reporting period ending December 31, 2017 and prior to this meeting. These revisions took place at the following Board of Trustees' meetings and are reflected in the attached reports:

- January 16, 2018
- February 13, 2018 (Two)
- March 13, 2018

13. Future Agenda Items

Mr. Lee reminded the committee to think about elections for the next meeting.

Ms. Kennedy reminded the Committee to revisit both date and location for the June meeting and tour. Currently it is Tuesday, June 19, 2018 at San José Evergreen Community College Extension (1450 Escuela Parkway, Milpitas). Ms. Kennedy recommended a light meeting followed by the tour so folks can get to the meeting by 6 PM. The Committee agreed to keep it at Milpitas and incorporate the tour at the end for now. A survey will be taken in early May to confirm with all members date, time and location.

14. Adjournment

The meeting adjourned at 7:11 PM

The next scheduled meeting is Tuesday, June 19, 2018 at San José Evergreen Community College Extension from 6-7:30 PM, with an optional tour to follow.