

Solano Community College District  
MEASURE G CITIZENS' BOND OVERSIGHT COMMITTEE  
August 3, 2009 – 5:30 pm  
Building 1400 – Student Union Conference Room

ADOPTED MINUTES

CALL TO ORDER

A meeting of the Measure G Citizens' Bond Oversight Committee was called to order at 5:30 pm, Monday, August 3, 2009, in the Conference Room of Building 1400, Solano Community College by Bruce DuClair, Chairperson.

Members Present:

Jesse Branch, College Foundation, Fairfield  
James Conlow, Construction/Trades, Benicia  
Frank Crim, Construction/Trades, Vacaville  
Bruce DuClair, Taxpayers' Association, Vacaville  
Melvin Jordan, Civic Organization, Benicia,  
Carol Landry, Business Organization, Vacaville  
Lillian Nelson, Student Trustee

Members Absent: None

Others Present:

Jowel C. Laguerre, Ph.D., Supt/President  
David Froehlich, Director, Facilities  
Susan Rinne, Interim Director, Fiscal Services  
Terri Ryland, CPA, TRR School Business Consulting  
Judy K. Anderson, Executive Assistant, Business Services

Introductions were made around the table for Supt/President Jowel Laguerre and new CBOC member, Melvin Jordan, Jr.

I. APPROVE AGENDA:

- Motion (Lillian Nelson), second (Carol Landry) to approve the August 3 meeting agenda. Motion passed unanimously.

II. APPROVE MINUTES:

- Motion (Carol Landry), second (Lillian Nelson) to approve the May4 meeting minutes. Motion passed unanimously.

III. BOND FINANCIAL & PERFORMANCE AUDIT REPORT BY PERRY-SMITH LLP:

- David Becker from Perry-Smith LLP presented the 2007-08 Measure G Bond Financial and Performance Audit Report. Mr. Becker reported the Performance Audit tests are to ensure the bond funds are spent in accordance with the ballot language and on appropriate projects.
- During 2007-08, approximately \$23.7 million was spent, and they audited a sample of 50 expenditures totaling \$9.2 million. They validated the monies were

spent on appropriate projects and they were appropriate expenses for those projects. There were zero irregularities.

- Mr. Becker reviewed the bond activities that took place during 2007-08, along with a total bond funds update through June 30, 2008.
- Discussion ensued on project management costs and Kitchell's role, and whether they provide financial as well as construction management services.
- Dave Froehlich explained that Kitchell provides hourly services and forwards to the District a monthly invoice indicating the total number of hours. They are here year-round and work on several projects at the same time.
- Currently, both Kitchell and the District are tracking funds; however, it's ultimately the District's responsibility. A complete reconciliation was done two years ago to balance the books. The District has greatly improved check issuances because the approval process was strengthened. It's Mr. Froehlich's responsibility to see that expenses are correct. The District gets involved in change orders if needed; however, Kitchell first negotiates them.
- There are ongoing issues with the architect agreements around errors and omissions and no terms or conditions requiring them to pay for its mistakes. Dr. Laguerre acknowledged that the Board is aware of the issues and very concerned about errors & omissions.
- Mr. Becker explained that the Governing Board approves the audit, and it's provided to the CBOC as information. Motion (Melvin Jordan, Jr.), second (Jesse Branch) to accept the 2007-08 bond performance & financial audit. Motion passed unanimously.

#### IV. BOND ARBITRAGE REPORT: TERRI RYLAND

- Ms. Ryland specializes in tying out all bond project revenue, bond accounting and facilitated our work regarding bond rebate calculations,. Ms. Ryland explained that the bond arbitrage report was presented to the Governing Board in March.
- Arbitrage: difference between the interest rate paid to bondholders and the interest earned on bond funds kept at the County Treasury. The District is not permitted to make money on the taxpayers' debt.
- Of the three bond series issued (2002 Series A, 2005 Refunding, 2006 Series B), the only rebate liability that exists so far is \$66,556 and is due in 2010.
- Additional calculations will get performed in 2010 and 2011. Total interest earned since 2003: \$13.6 million. The earned interest dollars are expended on bond project budgets.
- Total verified revenues for Measure G: \$146.7 million. About \$1.5 million was thought to be a Certificate of Participation (COP) for the Associated Students; however, it was not issued. Discussions continue with the Vice President of Student Services, Director of Student Development, and ASSC on remedies.
- Ms. Ryland further reported that the District is a party to 24 different redevelopment plans and plan areas; however, only 11 were found to be paying or should be paying redevelopment revenue to the District. She estimates that if all 11 plans were distributing funds it could total up to \$700,000 annually. A draft report is being prepared.

*Dr. Laguerre excused himself from the meeting due to another prior engagement. He thanked the CBOC members for its work.*

V. BOND PROJECT UPDATE:

- Dave Froehlich provided a bond project update on current status of projects: in progress, completed projects, and those in the design phase.
- He reported that at the Board's June 24 meeting, a comprehensive Measure G summary was presented, along with reprioritization recommendations.
- Ms. Landry commented that it's disappointing that it's been eight years since the bond passed and the Vacaville Center project isn't completed.

VI. MEMBER VACANCIES UPDATE:

- Judy Anderson reported that notices were published in the local papers for the two vacancies, and four applications were received. The applications will be forwarded to a board subcommittee to determine if it's a sufficient pool to nominate two individuals for appointment.

VII. ITEMS/ISSUES FOR NEXT AGENDA:

- Mr. Jordan requested that future agendas indicate the proposed action/purpose for each item, i.e., information, update, approval, etc.

VIII. ADJOURNMENT

- The meeting was adjourned at 7:10 pm.

jka