

Solano Community College District
MEASURE G CITIZENS' BOND OVERSIGHT COMMITTEE
May 3, 2010 – 5:30 pm
Vacaville Center, 2001 N. Village Parkway, Vacaville, CA

ADOPTED MINUTES

CALL TO ORDER

A meeting of the Measure G Citizens' Bond Oversight Committee was called to order at 5:33 pm, Monday, May 3, 2010, in the new Vacaville Center, 2001 N. Village Parkway, in Vacaville, by Jesse Branch, Chairperson.

Members Present:

Stan Arterberry, Business Organization, Vallejo
Jesse Branch, Chair, College Foundation, Fairfield
Melvin Jordan, Civic Organization, Benicia
Carol Landry, Business Organization, Vacaville
Lillian Nelson, Student Trustee

Members Absent:

Frank Crim, Vice-Chair, Construction/Trades, Vacaville
Jack Goldsmith, Senior Citizen Organization, Vallejo

Member Vacancies:

Vacant, Taxpayers' Group
Vacant, Construction/Trades

Others Present:

Jowel C. Laguerre, Ph.D., Supt/President
Carey C. Roth, Vice President, Administrative & Business Services
David Froehlich, Director, Facilities
Lester Young, Program Manager, Kitchell
Judy K. Anderson, Executive Assistant, Business Services

I. APPROVE AGENDA:

- Motion (Lillian Nelson), second (Stan Arterberry), to approve the agenda as presented. Motion passed unanimously.

II. APPROVE MINUTES:

- Motion (Stan Arterberry), second (Carol Landry), to approve the meeting minutes of February 1. Motion passed unanimously.

III. BOND AUDIT – UPDATE:

- VP Roth advised that the District made extensive efforts to reconcile the bond budget with our auditors. Out of 15 initial discrepancies, it has narrowed down to six items in question, primarily the delta between stated revenues.
- The committee expressed a willingness to meet prior to the next scheduled meeting (August 2), if required, to bring closure to the 2008-09 bond audit report.

- Dr. Laguerre agreed it's been a frustrating issue due to data extracted from the same system, and the auditors have not been responsive. When the audit issue is resolved, the final report will be provided to the Chair. A special meeting can be scheduled.
- Mr. Branch indicated that the Annual Report to the Governing Board is on hold until we obtain a reconciled and completed bond audit report. It has been postponed once already.
- Because the current auditor will be replaced, the final reconciliation is taking longer. The concern is the new auditor will work from the prior report. And it will soon be time for the 2009-10 bond audit.

IV. BOND PROJECTS – UPDATE:

- Dave Froehlich reported that the Vallejo Center was recognized and approved as a center by the Chancellor's Office today. The District will receive a \$1 million augmentation for 2009-10 and it is ongoing dollars.
- The Vacaville Center has a punch list of various items like touch-up paint, balancing air conditioning, etc. The Center's grand opening is Saturday, May 8. The facility has passed all critical tests.
- Kudos to Jennifer Davlin, a Kitchell project manager, on keeping the project on track and doing a great job dealing with all the contractors and inspectors.
- Lester Young reported on the status of other projects:
 - Athletic fields continue to be worked on, there are some irrigation issues, but they're working through it.
 - Building 1300 is getting ready to move into the swing space. The District is waiting for final approval on the schematic design.
 - Building 1700 is getting some warranty work done.
 - Building 100 interim remodel is complete.
 - Building 600 – District is resurrecting the building committee discussions, led by Trustee Denis Honeychurch and VP Carey Roth. The target start date is summer 2011, will have complete swing space, probably with portables.
 - Various infrastructure-related projects: two parking expansions at both Centers; replacing the Solano Irrigation District water system; the old Vacaville Center lease expires on June 30 and staff is exploring possible uses of the facility; fire alarm monitoring upgrade; boiler gas meters relative to air quality management; and water isolation valves.

V. BOND ARBITRAGE REPORT – INFORMATION:

- Terri Ryland prepared a memo updating the committee on the Measure G arbitrage rebate liability due to the IRS this month in the amount of \$64,719 for the Series 2005 refunding of the bonds. Arbitrage means the District cannot earn more interest on the funds in the treasury than the interest paid to bondholders: it's the bond yield versus the investment yield.
- Ms. Ryland reported that the Series 2006 bonds are deemed a "negative arbitrage," meaning that *"the investment rate is and has been below the bond interest rate that the college pays the bond holders. In fact, the investment rate is*

so far below the bond rate that there may never be any arbitrage rebate owed to the IRS on this bond issue.”

- According to the firm that did the analysis, Amtec, the next rebate computation will occur before August 31, 2010. No comments from the committee—the report is straightforward and Ms. Ryland presented information on the topic at the August, 2009 meeting.

VI. VACAVILLE CENTER GRAND OPENING:

- The grand opening is this Saturday, May 8. Dave Froehlich announced an invitation-only breakfast is at 8:00 am at the “old” center and dedication ceremony begins at 10:00 am in the multi-purpose room. Dr. Laguerre is the Master of Ceremonies. Two college bands, plus other activities to round out the event. At 1:00 pm the Center is open to the public.
- Congressman George Miller is scheduled to attend. Former Trustee Barbara Jones will attend, along with other local dignitaries. Ms. Jones was a key person in obtaining the property and envisioning a center in Vacaville.
- Dr. Laguerre announced that the Vallejo Center was approved as a center. We reached 1000 FTES and earned \$1 million for 2009-10 and ongoing. The Vacaville Center has received \$1 million for many years. Enrollment has tripled at Vallejo and it only opened three years ago. Dr. Laguerre thanked everyone for their support and everyone is a part of the college’s success.
- The \$1 million is proposed to be split between both centers and funding used for maintenance, security, lab assistants, and so on. We want to staff both centers properly, but especially Vacaville. Stan Arterberry stated that he commends Dr. Laguerre’s leadership for allocating the \$1 million for staffing at both centers, because it’s desperately needed.

VII. CBOC ANNUAL REPORT TO THE BOARD:

- Discussed under Item III; however, Chairperson Branch further added that he expected to present the report to the Governing Board at its May 19 meeting. It is on hold until the District and the CBOC receive the final audit report.
- Dr. Laguerre noted that his staff will work aggressively for a timeline and completion date of the bond audit.

VIII. CBOC MEMBER VACANCIES – UPDATE:

- Judy Anderson updated the committee on its member vacancies. Ms. Anderson reported that one application each was received for the construction/trades group and taxpayers’ group. There is a third citizen who expressed interest and was just recently provided an application to submit.
- The Chair noted that it’s vital to have representation from each constituent group.
- The Board subcommittee will meet and consider the three candidates prior to the May 19 meeting so the full Board can take action.

IX. ISSUES/ITEMS FOR THE NEXT AGENDA:

- None submitted.

X. ADJOURNMENT

- Motion, second and approved to adjourn the meeting at 6:55 pm.

jka