



**FOOTHILL-DE ANZA
Community College District**

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**MEASURE C
CITIZENS' BOND OVERSIGHT COMMITTEE MEETING
DRAFT MINUTES**

December 10, 2013

Members Present: Dudley Andersen – Chair, Member at large
David Bergman – Committee Vice-Chair
William Dietz – Senior citizens' organization representative
Robert Lancefield – Representative, Taxpayer Association
Susan Silver – At-large Representative

The following staff and others were present:

Staff: Charles Allen
Art Heinrich
Letha Jeanpierre
Donna Jones-Dulin
Kevin McElroy
Carla Maitland
Judy Miner
Joe Moreau

Gilbane-MAAS & Others:
Mike Chegini
Tom Armstrong
Ella Bisconti
Kirsten Moore

Call To Order

Chair Dudley Andersen called the meeting to order at 5:01 p.m.

Committee Organizational Matters

1. Approval of the Agenda

M/S/C: Lancefield/Bergman

Action: Approved the agenda for meeting.

2. Approval of Minutes of September 17, 2013

M/S/C: Lancefield/Bergman

Action: Approved the minutes from June 11th and September 17th, 2013.

3. Input from Public on Items not on Agenda

None.

4. Correspondence Received by Members

None.

5. Approval of 2014 Calendar

M/S/C: Bergman/Silver

Action: Approved the 2014 Calendar as presented.

Measure C Reports

6. Measure C Performance / Financial Audits (McElroy/Quinonez) Information Only

Kirsten Moore (external auditor) from Vavrinek, Trine, Day Co., LLP (VTD) presented the Summary of Measure C Bond (Performance and Financial Audit) to the Citizens' Bond Oversight Committee. Proposition 39 accountability requirements include annual performance and financial audits on use of bond proceeds.

The performance audit was prepared in accordance with Education Code Section 15286, which requires that the audit be conducted in accordance with Governmental Auditing Standards, issued by the Comptroller General of the United States.

The Measure C performance and financial audits for fiscal year ended June 30, 2013 were prepared by the independent certified public accounting firm of Vavrinek, Trine, Day, & Company, LLP, located in Pleasanton, California, and are included in the Board of Trustees' agenda for acceptance at the December 9, 2013 Board meeting. Copies of the reports are available for public viewing in the Vice Chancellor of Business Services' Office.

The Committee asked if the Auditors talk to vendors and Kirsten Moore (external auditor) replied no. Vice Chancellor McElroy said that an audit involving vendor interviews would be a separate effort and is not normally done for Bond funded projects unless there were

some unusual circumstance which dictated such an action. Chair Dudley Andersen noted that there is a tab on the Measure C document titled Performance Audit, but that the Performance Audit does not include involvement of vendors in the review.

Kirsten Moore (external auditor) reported there were no findings by Vavrinek, Trine, Day Co., LLP (VTD)—this was a clean audit.

Tonette Torres said that VTD also looks at our bank statements. VTD confirms with the County and compares financial statements that come from the county against the project expenditures. McElroy stated that the auditors do spot-checking using financial statements against expenditures. Kirsten Moore stated yes, we do spot-checking in reply to Tonette Torres/Vice Chancellor McElroy. With regard to vendor selection processes, Donna Jones-Dulin stated when we go out for bids, we follow all appropriate state mandated requirements and guidelines when doing so.

Vice Chancellor McElroy reported this audit did review the expenditures and tested them against the individual expenditures and followed the paperwork to check for necessary signatures. Representative Lancefield said the motivation for his question came from what the citizens may think of as an audit, and not what the audit was designed to showcase. Representative Silver stated the charge of this committee is that the Bond Measure C money is to be spent as it has been designed.

Quinonez stated a performance audit was completed for both project and program management of the Measure C bond by an independent auditor. This type of Performance Audit has been done the past three years and has been presented to the Audit and Finance Committee and the Citizens' Bond Oversight Committee. Kirsten Moore stated that she made sure that the expenditures examined were for projects that are on the approved Measure C list.

Lancefield stated that he is a retired Lawyer and performed trustee work. Lancefield said he has an obligation to make sure that the bond money is being spent as it was designed.

Representative Silver & Chair Dudley Andersen stated the following: They both feel that the district does a great job at preparing for the CBOC Committee meetings and the professionalism displayed when conducting these meetings is appreciated by the members of the Bond Oversight Committee.

7. Review of Draft Annual Report (Chegini)
M/S/C: Dudley/Bergman
Action: Approve the Annual Report with the suggested changes made by the Citizens' Bond Oversight Committee on December 10th, 2013.

Mike Chegini reviewed the new photos, new projects and new financial data that will be posted to the website after the committee reviews and approves the draft of the Annual Report for Bond Measure C.

Chegini said to keep in mind that all the data is from June 30th, 2013. We have a letter from the Chair of the committee Dudley Andersen that Chegini showcased on the Measure C website.

Representative Silver had a question regarding the language in the letter from the CBOC chair which stated that "...audits conducted by (VTD**disclosed** no instances of non-compliance with the terms of Proposition 39 or Measure C". Representative Silver questioned whether the language of the letter intended to state that there were no instances of non-compliance **discovered** or whether there were no instances of non-compliance **disclosed**? Hector Quinonez thinks that the language used in the draft letter from the chair is language typical used by the auditors, but that since the letter is written from the Citizens' Bond Committee chair, it would be appropriate to make that change to the wording so as not to confuse the readers if the committee so desires. After discussion, the committee agreed that the language in the letter would be more appropriate if the word **discovered** would be substituted for **disclosed** in the first sentence of the last paragraph of the letter from the Chair. Mike Chegini agreed to make the change before finalizing the annual report.

Chegini went over through the Measure C website, page-by-page, with the committee. The committee pointed out a typographical error in the notation on the slide regarding photovoltaics. The notation will be corrected to read as follows:

"The cost of power **is** offset by operating the photovoltaics in Lots A & B. The savings equate to approximately \$300,000 per year."

Mike noted that that the print-friendly format link will be activated on the Measure C website after the changes have been made and the Board of Trustees accepts the report the report. Representative Lancefield complimented the Measure C website. Lancefield said it is done very well and should be a model for other districts to follow. Charles Allen replied that Chegini has been sought after regarding his website design for bond measures by surrounding districts and that other Districts are using this format. Charles Allen thanked Chegini for his work in maintaining this website with up-to-date information concerning Bond Measure C.

Representative Silver asked if there was a distribution list that we could mail this document out to individuals that support the district. Vice Chancellor McElroy asked President Miner of Foothill College, "if there was a list of community members that we could send this report to regarding Measure C?" President Miner of Foothill College suggested we use the Celebrity Forum and Foundation Donors distribution list to distribute this report to our community members. Representative Lancefield suggested we should promote this to our International students as well. President Miner of Foothill College suggested we market this report on the individual campuses websites—perhaps on the Admissions homepage.

8. Website Analytics Report (Chegini)

Chegini reviewed how often the public accessed the Measure C Bond Website.

4,879 Total Visits

2,305 New Visitors

39.34% Bounce Rate

Average time on the site is a little under five minutes. Reviewed top pages visited.

The State Chancellor's Office frequents the Measure C website for Foothill-De Anza CCD.

9. Projects Financial Update (Allen/Torres/Moore)

Charles Allen gave a report regarding the Projects Financial Update:

Allen noted that quite a number of projects have been completed and that a number of other projects require more work to align project scopes to come in line with available budgets with the intent to accomplish as much scope of work as possible without overcommitting ourselves. Allen said that the Flint Parking structure project is particularly challenging in aligning scope and budget. After a thorough review of the structure, we have come to realize that the structure needs more rehabilitation than originally anticipated.

Charles Allen stated we are very committed to the projects for these respective colleges.

We realize that some things may have to be given up in order to give the attention to the projects that require more resources.

10. Bond List Revisions (Allen/Torres/Moore)

Charles Allen asked if committee has any questions?

One question: What is the unrealized loss? Quinonez stated that unrealized loss and gains relates to county investments and is essentially an accounting exercise. This information can be found on page 4 of the Financial Audit. The county is looking at all cash available and this is a routine accounting exercise. The Controller follows this every quarter and brings this information to the Board of Trustees every quarter.

11. Modification to Citizens' Bond Oversight Committee Bylaws (Allen)

Allen clarified previously provided information about the number of terms each member may serve and pointed out that the maximum number of two-year terms that any member may serve is three. Therefore, the four members who are finishing up their second two-year term may request appointment to a third and final two-year term by notifying Chancellor Thor expressing interest to continue to serve on the CBO committee.

Meeting adjourned at 6:04 p.m.

Next Meeting Date: Tuesday, March 11, 2014 at the Foothill College, Toyon Room, 2020