



**FOOTHILL-DE ANZA
Community College District**

MEASURE C

CITIZENS BOND OVERSIGHT COMMITTEE

Minutes

February 26, 2007

CALL TO ORDER AND ROLL CALL 5:00 PM

Members Present: Ralph Adams, Jim Sandstrom, Phyllis Bismanovsky, Jim Walker, Dexter Dawes, Sarah Wiehe, Carol Johnson

The following staff and others were also present:

Staff: Charles Allen, Penny Patz, Mike Brandy, Hector Quinonez, Claudette Brero-Gow, Fred Sherman, Ken Horowitz, Tonette Torres, Martha Kanter, Jim Zavagno, Brian Murphy

Gilbane/MAAS: Ann Kennedy, Henry Amigable, Jim Klingensmith

Others: David Casnocha

WELCOME AND INTRODUCTIONS

Chancellor Kanter welcomed the committee and expressed her appreciation for their service. She stated that she and Mike Brandy, Vice Chancellor, Business Services, have no formal role on the COC committee but they are available to assist and provide information to the committee. Chancellor Kanter also stated that their responsibility to oversee a public trust is taken very seriously.

Member Walker requested the minutes reflect all those in attendance.

Appointment of Committee Chair

Chancellor Kanter appointed Jim Walker for a one-year term as committee chair after which a new committee chair would be elected.

Election of Vice-Chair

M/S/C: Wiehe/Sandstrom

Committee Vote: Unanimous

Action: Elected Member Bismanovsky to serve as vice-chair

It was discussed and agreed that among the remaining committee members, terms would be staggered in one- and two- year terms so all would not exit simultaneously. Chancellor Kanter then drew names to determine term limits. Results were as follows:

One-year terms: Ralph Adams, Phyllis Bismanovsky, Dexter Dawes

Two-year terms: Carol Johnson, Jim Sandstrom, Sarah Wiehe

M/S/C: Sandstrom/Adams

Committee Vote: Unanimous

Action: Accepted the term limits as drawn

Public Hearing

None

Program Introduction

MAAS representative Ann Kennedy distributed a handout explaining the differences between Measure E (Prior Law Bond) and Measure C (Prop 39 Bond). Vice Chancellor Brandy gave a brief project update on the wrap up of Measure E.

Roles and Responsibilities

Bond Counsel Casnocha gave an overview of Prop 39 background, followed in greater detail by Prior Law vs. Prop 39, and explained how and why Prop 39 was established. He then guided the committee through the COC ByLaws and explained the committee roles and responsibilities. Casnocha stressed sections 3.2 and, secondarily, section 3.1. He also pointed out that no Bond proceeds could go to support the committee. Staff member Ken Horowitz asked to speak. He stated that he had three hopes for the COC: 1) That it would be a proactive committee, not a rubber stamp committee, 2) That it would make meetings at a time of day that would encourage public comment and that agendas would be widely publicized, and 3) that they would try to hold to the highest standard possible. Committee members asked to see the Attorney General's opinion regarding use of bond dollars for "administrative salaries" as referenced by Mr. Casnocha.

Bond Cost Summary

Vice Chancellor Brandy explained the February 21, 2006 Bond Cost Summary binder and reviewed the Measure C items that will be presented to the Board of Trustees on March 5, 2007.

Bond Finance and Series A Issuance

Vice Chancellor Brandy presented an update on the status of the lawsuit and the status of the first bond sale. The district plans to sell bonds at the end of March or beginning of April. Brandy also mentioned the District underwriters are Morgan Stanley and UBS and the Bond Counsel is David Casnocha of Stradling, Yocca, Carlson and Rauth. Brandy explained the 3-year and 5-year arbitrage requirements of the law. He also reviewed the Reimbursement Resolution adopted by the Board of Trustees in June 2006.

Program Management and Executions

Gilbane representative Henry Amigable presented a brief update on the Measure C start up activities currently in progress.

Financial and Performance Audit Report

Controller Hector Quinonez distributed the March 5, 2007 board item which will be presented to the Board of Trustees to approve Perry Smith, LLP as the auditors for the Bond. Vice Chancellor Brandy stated that Perry Smith's findings would be reported directly to the COC and. Quinonez discussed the types of audit the COC could expect.

Other Business

It was concurred that the next meeting of the COC would be held on Tuesday, June 12, 2007 at 5 p.m. It was requested that draft minutes be circulated to the COC members shortly after each meeting. It was also requested that the COC member's email address be distributed.

Items for the next agenda:

1. Discussion regarding how, when and where the COC will communicate to the community
2. Use and design of the website and meeting conduct

It was requested that URLs from other districts' COC websites be provided as well as an annual calendar be brought to the next meeting indicating the financial closing dates and audit report timeline.

Adjournment

M/S/C: Bismanovsky/Johnson

Committee Vote: Unanimous

Action: Meeting adjournment at 7:00 p.m.