

MEETING MINUTES #16

Issue Date: February 16, 2006

MEETING DATE: Monday, January 9, 2006
 MEETING TIME: 4:00 P.M.
 MEETING LOCATION: San Diego Community College District
 3375 Camino Del Rio South, Board Room #245
 San Diego, CA 92108-3883

Attendees / Distribution:	*Indicates those present at this meeting
Committee Members:	S.D.C.C.D. Staff:
Castro, Honorable Federico (excused)	Backensto, David*
Drake, Kerry *	Burkhart, Richard*
Fat, Thomas N *	Carroll, Constance*
Gibbens, Kim (excused)	Davis, Terry*
Glaser, Bobby * (Chair)	Dexheimer, Carol ²⁾*
Heiberg, Walter	Garron, Barry *
Newman, Barry *	Hsieth, Patricia*
Pearson, Christopher *	Kastelic, Rudy*
Ryan, Jim *	Parker, Bob *
Schulze, Evonne (excused)	Perez, Ron ¹⁾
Smith, Rev. George Walker *	Rogers, Darrell*
Spoon, Roberta (excused)	Schamu, Damon*
Stoll, Catherine Clarke *	
Board of Trustees:	Parsons-Proposition "S" Program Staff:
Zschiesche, Peter *	Clark, Jim *
	Pollard, Bran *

Representing:

- 1) Cepeda, Rita, Mesa College
- 2) Burgess, Terry, City College
- 3) Hsieh, Patricia, Miramar College

Prepared by: Jim Clark, Parsons Phone (619) 687-0400

Note: Please inform the writer of any errors or omissions to these minutes; otherwise, they will be presumed correct as written. Meeting participants are asked to take notes and take applicable action on items discussed at the meeting.

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AGENDA ITEM / MINUTES	❖ ACTION
The meeting was called to order by Bobby Glaser at 4:00 P.M.	
1. Roll Call and Introductions	
Clark: Took roll call. A quorum was present.	
2. Approval of Minutes, Citizens Oversight Committee Meeting #15, November 14, 2005 (Ref. Doc. COC-010906-02).	
Glaser: Asked if there were any additions or corrections to the minutes? Hearing none, he asked for a motion for approval of the minutes. (Pearson moved, Ryan seconded) Unanimous approval.	
3. Response to Question regarding “True Interest Cost” of General Obligation Bonds (Ref. Doc. COC-010906-03)	<u>Terry Davis,</u> <u>Vice Chancellor</u> <u>Business Services</u>
Davis: Memo written to Chancellor on November 15, 2005 regarding True Interest Cost. Spread sheet attached indicated 4.622 percent TIC. Also shows all-in TIC provided as response to question at last meeting.	
4. Response to question regarding “Insured General Obligation Bonds” (Ref. Doc. COC-010906-04)	<u>Terry Davis</u> <u>Vice Chancellor,</u> <u>Business Services</u>
Davis: Attached memo addresses impact of insuring the bonds. Insured bonds are sold as AAA. Underwriters looked at cost to insure bonds and what they thought interest rates would be vs. the interest rate for uninsured bonds. Results were that the savings to the taxpayer was greater by insuring the bonds. Impact of District’s high rating is obviously the higher rating you get, the lower the cost of insurance. Newman: Question was not what Davis described, but it was that our rating in an insured issue might well have been critical to the pricing of the insurance, but did not cover the rating of the bond issue. With an insured bond issue, the bond would carry the rating of the insurance company.	

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<p>5. Discussion regarding result of “Independent Auditor’s Report – For year ended June 30, 2005 (Ref. Doc. COC-010906-05)</p>	<p><u>Terry Davis</u> <u>Vice Chancellor,</u> <u>Business Services</u></p>
<p>Davis: Each year the District is legally required to do an audit on the Proposition “S” program. See attached information package for a copy of the audit which provides an explanation of the Proposition process including information on passage of the Proposition on November 5, 2002 for \$685 million; the initial series of sales of \$105 million (in three different segments); how the money was partially used to pay off the debts of the District; and how about \$77 million was deposited into the capital construction account.</p> <p>The report explains accountability measures required by Prop 39, including requirements for audits and creation of the Citizen’s Oversight Committee. The conclusion of the audit (page 14/15) explains the objective of the audit and indicates in the last paragraph that the District complied with the compliance requirements of the Proposition. There were no exception findings.</p> <p>Carroll: Underscored the findings of this audit and indicated that the Citizen’s Oversight Committee would be presented with the findings of audits in future.</p> <p>Newman: Indicated presentation of audit findings was required by statute.</p>	
<p>6. Response to question regarding LEED parking capacity at West City Center / Point Loma campus and Miramar College Health Education Science & Physical Conditioning Facility (Ref. Doc. COC-010906-06)</p>	<p><u>Richard Burkhart</u> <u>Construction Manager</u></p>
<p>Burkhart: Response to Mr. Newman’s question regarding 5% of car spaces set aside for car pooling. Explanations have been provided by the two architects. Mr. Newman’s question was whether it has to do with different locations and availability of public transportation. In reality it does.</p>	

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<p>At Miramar College, we will probably receive the LEED points, but we will do the design in accordance with the master plan. Point Loma is a very different case with a very small site and small footprint for parking. We do have the public transportation available. We are still looking at the parking situation.</p>	
<p>7. Miramar College Project VI-1, Arts Village (Ref. Doc. 010906-07)</p>	<p><u>Richard Burkhart</u> <u>Construction Manager</u> <u>Facilities Management</u></p>
<p>Burkhart: On December 8, 2005, we took a project to the Board for approval of the Arts Village at Miramar College. Modular buildings are in the way of construction for the Field House. This project involves moving modular buildings out of the way of construction and relocating the modular buildings into a complex for the Arts program.</p> <p>Pearson: Do you envision a time when we can just get rid of all the temporary building spread all over the campuses.</p> <p>Schamu: We would certainly hope so. They are very useful, in part because of their moveability. But at some point we do hope that Miramar College will be a fully developed campus with little or no temporary buildings.</p>	
<p>8. City College Projects II-1 Child Development Center and IV-2, Renovate “P” Building (Ref. Doc. 010906-08)</p>	<p><u>Richard Burkhart</u> <u>Construction Manager</u> <u>Facilities Management</u></p>
<p>Burkhart: On November 10, 2005 we took another two projects to the Board for approval. City College Child Development Center, about 18,000 ASF which is larger than the current Center, but will have an additional instructional lab as well as some general purpose classrooms. We also took the City College “P” Building Renovation forward for approval. With the completion of the Harry West Gym, it is now a perfect opportunity to renovate the old gym. Both projects were approved to proceed and both were on the ballot resolution. The architect has not yet been selected for the Child Development Project. There is an on-going operation and maintenance cost of \$ 157,162 on the Child Development Project which has been set aside in the District’s budget for those costs.</p>	

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<p>Newman: With these new projects, one of the things we have been concerned about is increased costs. As we go forward, we need to see the relationship between the new projects and the increased costs on the existing projects so this committee can get a sense as to whether or not those new projects are appropriate in light of the increased costs on the existing projects. We are seeing a wide range of increased costs ranging from 10% to 35% or more, and I am not sure of the basis for the variance. We have had astonishing reports on these projects and it would be helpful to me to see that relationship.</p>	
<p>9. Open Forum</p>	
<p>Newman: One of the things that intrigues me on performance audits is that it contains language about “ensuring” that expenditures were not made on salaries, etc. And yet, in the cover letter it says “audit would not necessarily disclose all instances of non-compliance”. Note: Discussion was deferred.</p>	
<p>10. Adjournment</p>	
<p>Glaser: Announced the next meetings will be on March 13, 2006 at 4:00 p.m. and May 8, 2006 at 4:00 p.m. The meeting was adjourned at 4:25 p.m.</p>	