



MEETING MINUTES #6

LOCATION: San Diego Community College District, Room 245
MEETING DATE: April 12, 2004
MEETING TIME: 4:00 pm

Attendees / Distribution:

Committee Members:

Thomas N. Fat
Rev. George Walker Smith
Barry I. Newman
Vincent Nicholais
Roberta Spoon
Jim Ryan
Christopher Pearson
Walter Heiberg
Evonne Schulze
Federico Castro
Ronald Saathoff
Catherine Clarke Stoll
Kimbrally Zillgitt Gibbens
Bobby Glaser

SDCCD Staff:

Damon Schamu
Raylan Bulow
Constance Carroll
Bryan Adams
Bob Garber
Richard Burkhart

Gafcon - COC Consultant:

Rhonda Lockwood
Bryan Benso

Parsons – Prop S Program Manager:

Jim Clark

Board of Trustees

Peter Zschiesche

NOTE: Names **in bold** indicate those present at meeting.

PREPARED BY: Rhonda Lockwood, Gafcon, Inc.
619.231.6100, ext. 258

The recipients of these notes are asked to inform the writer of any errors and/or omissions. Otherwise, these notes will be presumed correct as written. All participants at the meeting are asked to take down notes and take action on items discussed at the meeting.

Information received regarding meeting minutes corrections will be filed with meeting minutes and will be considered record documents.

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<p>1. Roll Call and Introductions</p> <p>Meeting commenced at 4:00 p.m. Roll was taken and recorded by Rhonda Lockwood. Rev. George Walker Smith and Walter Heiberg had informed the Chair they would be unable to attend the meeting and were excused.</p> <p>Evonne Schulze congratulated Dr. Constance Carroll on her appointment to Chancellor for Mesa College, San Diego Community College District.</p>	
<p>2. Approval of COC Meeting Minutes #5, February 9, 2004</p> <p>Evonne Schulze moved to approve meeting minutes. Minutes were approved.</p>	
<p>3. Review and approval of Joint Use facilities:</p> <p>Damon Schamu, Assistant Chancellor, Facilities Management, San Diego Community College District Jim Clark, Construction Manager, Parsons Commercial Technology Group, Inc. (attachment)</p> <p>Schamu: We sent out to you about a week and a half ago a draft of a joint use implementation procedure and let me just go back a little bit. As you may recall in the resolution that the board passed to put Prop "S" on the ballot included on the third page of the resolution a quite detailed at least minimum requirement for joint use investigation. This procedure fulfills that we think and actually flushes it out. If you'd like I can walk through what we think some of the major elements are. I presume everybody has had a chance to review. What we've done essentially is define the objective in the very beginning and that is if possible, joint use with other public or perhaps private organizations some of these buildings we are building to maximize not only the utilization but the taxpayers dollars. To do that as we thought through the process we thought the best approach would be to first define the project and as you all know, we have a one-sentence description of the project with an approximate square footage. When we initiate a project we flush that out into a page long description. Frankly that's still not enough to determine if there is a shared use opportunity. You can imagine with that one page if we then called at least at a minimum these public agencies that are shared [refer to page 2 of Joint Use Implementation Procedures] these are again at minimum. Back to when we were going to do this for each project. Remember, this is a project specific process so once we've established the project and we've embarked on it we have asked and suggested that our Architect and construction manager would as they meet with campus and as they are developing the process, what we call preliminary schematic and preliminary plans only then will they start to get the scope of the project. They'll start to know roughly how many classrooms, how many labs, how many offices, the footprint of the building, the adjacency of other buildings, is it on the perimeter of the campus, is it in the center of the campus? All those kinds of details that really any other public or private agency would need to know if they were going to make a decision as to its shared use. Does that make sense? It's then and</p>	



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<p>only then that we would send out a letter initially to these agencies and actually contact them by phone. You'll see that we have offices and phone numbers where we would contact them to discuss a building to see if there was any further interest. And again, I'm just giving you the highlights. There is a lot more detail that goes into this. If there is interest we, the community college staff, will sit down with that organization to start flushing that out. And at that point before we've done the working drawings of the building we'll decide and bring to you, the Citizens Oversight Committee, a report that suggests that kind of shared use. If there isn't, if we go through all of these let's say a Science Building, in the middle of the campus and nobody wants to share it, we would finish the report and bring that back to you at that time. So, in any case before we embark on working drawings for the building we would bring to you a shared use report. You see on the back of this (handout) what the attachment would look like. There are several forms that need to be filled out as to what the common areas might be and those kinds of issues. We'd bring back to you a report that would say these following agencies have expressed an interest and we're going to be working with them and we think it is a 50/50 share use or a 20% or whatever it is. Now in all cases for the most part, we would be expecting these agencies to bring their dollars to build bigger buildings unless there was some unique compatibility and shared use of the facility that we were building. In that case we may enter into a lease or some other creative way to amortize and collect if you will what we think the value of that lease is. But in most cases if we are going to be doing this shared use and let's say we're just sharing the building, but there are separate areas we would be asking these public agencies to bring dollars to the table.</p> <p><u>Discussions/Questions/Concerns from the COC:</u></p> <p>Schamu: It is certainly a draft. Any suggestions you might have we'd be glad to incorporate.</p> <p>Fat: These are your recommendations at this point? And you'd said...Can we ask questions?</p> <p>Schulze: Absolutely.</p> <p>Schamu: Certainly</p> <p>Fat: You're suggesting that it would come through the staff to see if it's feasible, etc, etc?</p> <p>Schamu: Correct.</p> <p>Fat: Now I'm just going to be a devil's advocate. As a taxpayer, I like to see more joint uses. Then again just going through, just being around bureaucracy sets in. People protect their turf. I'm talking about staff. In a way they create their own obstacles to why they can't be joint use. My idea, and I don't know if it's even feasible is to have an independent commission and as a project comes up, maybe it's even too late, that</p>	



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<p>independent commission would say, yes that's joint use and you guys have to figure out how to make it joint use versus coming from you saying that we can't do it. You see what I'm trying to drive at? I feel that there is just a lot of waste in government in general. I say it and you've been seeing it in the newspaper, ways where the decision makers are a part of the process.</p> <p>Schamu: To tell you the truth, that's why we had our outside consultant who's not a staff person. Our outside construction manager who we think can act as that third party, may be not quite as independent as you're suggesting Tom, but we think those folks as they build these projects hearing from the campus can contact these other agencies initially and talk with them about the program. I wanted to mention one other thing. We already almost fully utilize all the facilities from 7:30 in the morning to 10:00 at night Monday through Friday and half a day on Saturday. So there's not a lot of time in the week when we don't use them. Now again, if another agency builds some square footage as part of a building and occupies it compatible with our program, then we can both occupy the space and do that collaboration.</p> <p>Fat: Well, I'm just talking about it as a concept. The same argument applies to let's say something from the City of San Diego. I have my own building. It goes both ways. I feel there is a weakness in this joint use procedure because of that because it can come sometimes to not have this self-serving.</p> <p>Newman: I thought there was a great weakness in it until the last comment. We who have been pushing, taxpayers who have been pushing for joint use were not focusing on you building a building and then figuring out how to let somebody else use it. While that has some efficiencies in it, it wasn't what we were looking for. And it was the reason that I reacted so strongly when Dr. Carroll's predecessor made the comment that we were going to have a computer lab then let others sit in that room at different times. That was never our intention. Our intention was always to take two or more capital needs whether it was parks and recreation, whether it was whatever it was, each of which was going to build a building so that you have 1+1=2 and our hope always was we could, for exactly what Tom was talking about. Everybody has capital needs right now. If we take 1+1 and in some way coordinate the design, the structure, the parking, etc, etc. and make that 1+1= 2 1/2 or 3. So, it was always our thought that what we were talking about was to find people who were going to be doing some building in that general area and try and figure out how we could coordinate those two needs or three needs even as little as policing the facilities where they build neighborhood police facilities and so forth. I read this entire thing. I wasn't sure there was anything in it that was offensive to my concept. I also wasn't very comfortable that you meant the same thing I meant by it. And so I can't argue with what's there although at least the District was talking more about joint use rather than joint construction or coordinated.</p> <p>Schamu: That's exactly what I meant Barry when I said they would bring their dollars to the Project.</p> <p>Newman: The second comment that you made that suddenly diffused my...</p>	



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<p>Schamu: Which was?</p> <p>Newman: That was if they're both going to build and if they are going to have additional square footage. That's when I almost raised my hand but I lowered my hand because that's what we're looking for.</p> <p>Glaser: My idea was kind of a blend of both of these. It seems to me that the list you've got here, of course these are important people to contract, in this type of joint use, where we are trying to find someone who can use a Sunday or a part of a Saturday, we need to be shooting much lower as far as the organizations we are going after. We need to be contacting all the churches in a five-mile radius of a project. We need to be contacting the foundations for charitable groups that might be building animal shelters or whatever. Whatever might work as a joint use. But, the types of places we are going to find someone to partner for just a Sunday or for just the types of hours that we have left is probably not going to be the City of San Diego trying build a whole new Parks and Recreation Department. It seems like the list of contracts needs to be flushed out so that we're going to the smaller elements in these really large jurisdictions and then we're developing a list of private organizations that we're contacting to find out are you building a collection site for something? Can we build you into this project? Can we take your money and reduce your overall costs?</p> <p>Schulze: I think you mean it when we talk about joint use, which we've done for years. There is such a little span of time that's really available on these campuses that either they come to us and say we need something on Sunday such and such a day or there are areas within the colleges like the science lab where really the liabilities would be outrageous and when could they use it? Sunday afternoon for two hours? I don't know, but I like the idea of the shared with the money building. I hadn't really heard that before.</p> <p>Schamu: This is just a start and if you look at one of the attachments [checklist] you will see more if you will, lower level people, names, titles, different departments, than we intended to do that same thing and it's grouped for projects. It's really project specific. You first have to determine what kind of a project you are building and who might that be attractive to. Certain projects are more attractive to certain organizations than others. For instance, churches want a theater or large open area where they can have their congregational meetings, so if you're just building a classroom building and labs that won't lend itself to a church on the other hand a building like an LRC might have a large open area that might have a Sunday that might be used. That kind of opportunity is already available. Civic Center law allows us to enter into those kinds of organizations for that casual use on a Sunday it can be continuous Sundays. We've done it at City College, we do it all over the district for emerging churches and other organizations on a first come first serve type of situation. We rent out our parking lots. We are looking at possibilities with Petco Park at City College.</p> <p>Dr. Carroll: I was going to say something. By the way, my caveat is that I'm not</p>	



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<p>Chancellor yet. I'm not sure when the transition will be taking place. In some cases an opportunity may exist to provide joint use opportunities with another college such as California State University. In some cases classroom functions can be split. My recommendation is that the Citizen's Oversight Committee add to the list of agencies and use a check off procedure for agencies that are approached.</p> <p>Newman: Decades ago when it was 1st introduced, joint use was aimed at high schools and elementary schools. Here it is less clear.</p> <p>Schamu: There are two options here for joint use and adjacent space built by another organization or share San Diego Community College space.</p> <p>Saathoff: Adding additional space will need to be done in design. The phrasing will need to be clear and options will need to be given.</p> <p>Schamu: Staff works with all agencies on a continuous basis. They will approach an organization if they know someone is interested.</p> <p>Newman: This is a good idea if the Community College District can build and get 1+1 =2.5 or 3.</p> <p>Schulze: This is good. We need to think outside of the box and get names to Damon for the list.</p> <p>Fat: How can it be tighter for the use of the tax money?</p> <p>Schulze: I've always been for joint use since the sixties when I did community schools. So I'm a strong advocate of it. But the point is that Proposition "S" was passed for Community College facilities. So, anything that would deter or slow down the process I don't think people would be happy with. But, there may be another way with out forming another commission to do that. I think there's another way. I think there may be a way between the two.</p> <p>Newman: I agree except Proposition "S" was created within a framework, which included joint use. So, when joint use is an integral part of the enabling legislation that led to Proposition "S".</p> <p>Schulze: Barry, but most of the time with joint use...this is the first time I've had a concept of an agency coming in and building a third floor. I think it's a great idea, but that to me wasn't what joint use was. Joint use was a facility that's shared but not built for that sharing which is a different idea.</p> <p>Newman: That's where we differ. Originally both in the legislature where we were active and here and again as I say it's much easier where you are not community colleges because in a joint use what's happened is here. We'll build a building and then look around for somebody not offensive to our use and that was why Dr. Gallegos said</p>	



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<p>I'm not going to let them into my computer labs. The whole concept of joint use was to take different uses and try to tie them together.</p> <p>Schulze: Yes, we did that at Miramar. I understand, I never thought a physical third story so to speak and I think it's a great idea.</p> <p>Newman: For the use of a parking lot all you do is avoid the space needed for a parking lot for the other facility. You've saved an enormous amount of land costs where the costs are high there.</p> <p>Schulze: I think we really need to, all of us, need to think out of the box too. I think it doesn't have to be just a bureaucratic thing. To get to your point Tom, I think we can put it to the community too. There are different ways to do it without having to put up another commission. That's just my opinion. Okay, if there is no further...</p> <p>Saathoff: Just one quick question. You can do this with either a public or a private entity?</p> <p>Schamu: It is a little more difficult, but yes. The answer is with private agencies we have to go through some extra steps with the board than the public because you can't just pick a private agency. You have to do a competitive process, give like agencies a chance to bid.</p> <p>Saathoff: That's what my thought process is. How do we engage those folks? Absent doing some sort of advertising?</p> <p>Schamu: You have to do an RFP.</p> <p>Saathoff: Absent the RFP we won't know if they're interested.</p> <p>Schamu: We may start getting some interest from one or two and then if that's the case go out with the RFP to see if there are others.</p> <p>Saathoff: Okay, but we've got to approach them? There is no one in the private sector that's even going to consider that option unless some body brings it to their attention. That, in fact is an available option to them. Otherwise why would you even consider it? What would be the point?</p> <p>Schamu: Biotech industry for instance, we are seriously discussing with that organization, those companies up in the Mira Mesa area/ Sorrento Valley that exact possibility using some Proposition "S" money and building the lab for them. We can train their technicians and they can operate. So, it's already happening.</p> <p>Saathoff: Something to consider is not a full-blown RFP, but in the city we do what we call RFI - Request for Information. We'll put out a document that gives a basic overview and perimeter and then people can respond with interest and then based on the interest</p>	



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<p>level you get to make a decision whether or not there is anything worth pursuing. Then you need to go to the next step, but at least that RFI puts it into the public domain. It's out there, everybody can take a look at it, they understand the project and if there is any interest you can't remember or even know whom to call who may be interested or not, but through an RFI or a process similar to that I think you can get a greater response.</p> <p>Schulze: That would be great.</p> <p>Schamu: What we'll do, we'll gather more information from you. We'll put our best thinking and add organizations to this list and then we'll bring it back in June for a final approval.</p> <p>Schulze: Okay, great thanks. Jim did you have anything to add to that item?</p> <p>Schamu: Jim is the author; I should give him full credit.</p>	
<p>4. Presentation regarding Process to amend Proposition "S" project list: Damon Schamu, Assistant Chancellor, Facilities Management, San Diego Community College District (attachment)</p> <p>This is also in your packet. We sent this out ahead of time so you'd get a chance to look at it. It is essentially a work docket that was received and approved on March 9. We had mentioned to you at your previous meeting the concept of the process. The board wanted to do this. We had legal council opinion and on the last page is the actual process. A four-step process to amend the list. So we bring it to you for your information.</p> <p><u>Discussions/Questions/Concerns from the COC:</u></p> <p>Schulze: And this was approved by them? Well on this same vein, I haven't been able to contact the entire commission, but would like to bring up the fact that last week the board approved by a 3-1-1 vote which means 3-yes, 1-no, 1-abstention, an action item that concerns me quite a bit. I called Barry and faxed it over to him to ask him to look at it and what it did is, it's an action item where the board approved that the cost and funding for supplemental staff support for backfill on a contract for a new software application and everything using a new firm called Datatel which I have no idea about that at all. My deep concern is, that the question is, how did the board get the information that Proposition "S" funds could be spent for this project? Two million for district supplemental staff support and backfill needs and a possible \$1.5 million for ancillary software needs. So, I really question that and the board also did this with a modification and one of the modifications, (there were three) one of them was they wanted something about the staffing plan for the backfill of employees. Now my concern about this is that I think we have talked long and hard about we cannot pay for staff. And as an oversight committee for the money I think we have to be very, very strict about how that money is changed if it is changed at all. So, my understanding is there was a verbal approval by the District's bond council that this was okay. I</p>	



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<p>personally do not believe that this commission can be working with verbal anything when it comes to how this money is spent. I'm very concerned we see it over and over every time you pick up the paper. There is some commission somewhere that is in trouble because of that kind of stuff. I would like to ask that the committee think about this possibility and I don't know where the money comes from, but Damon, you are going to have to figure it out. I would like to ask that we have a bond council that is an internationally known bond council's opinion if in fact this is a legitimate expense. Now, my understanding is that the board is asking for some plan of the staffing of this and where the money is coming from. But I can't do anything about what the board does. We're concerned about this commission and the grand jury and the taxpayers and the people who voted for this so I know you don't know anything more about this than I do, but I've tried to tell you. Maybe Barry could elucidate a bit on some legal point of view about what we're talking about and possibly then if we could ask you Damon to get that. Is that out of our purview to ask that?</p> <p>Schamu: I don't think it is out of your purview at all. It certainly relates directly to the use of Proposition "S" funds. What you are asking for is a legal written opinion from some expert as to the appropriateness.</p> <p>Schulze: Not from the District's bond council because I understand that was a verbal from him.</p> <p>Newman: I think you expressed it well. I think our concern was simply not only does Proposition "S" specifically preclude the use of Proposition "S" dollars for salary, but we really addressed the question to whether or not this is appropriate in light of the bricks and mortar needs coming out of a finite pool when we know there's significantly greater needs and we're going to find that out as we start juggling budgets. So I very energetically support the request that we ought to get an opinion to make sure that what we are doing is right.</p> <p>Saathoff: Can I ask a question? Is this something we've already approved? I guess my question is, I fully support the concept of an outside bond council. I think we have that obligation and I think If we need staff support and questions answered then we certainly need to be supported in fulfilling that obligation. But if the question is Proposition "S" is as specific as you outlined, and I agree with you. Isn't it more a question of if we want to approve it or not and the answer is no. Then we don't need to spend money for a bond council to find out whether we can.</p> <p>Schulze: We don't have anything to do about approving. The board approves it. They approved it.</p> <p>Saathoff: They approve spending Proposition "S" funds?</p> <p>Schulze: Yes they do.</p> <p>Saathoff: Where are we in the process? Has the board suggested that this committee</p>	



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<p>has to agree to or can the board independently spend funds without this committee's approval? I'm a little confused.</p> <p>Newman: I'll give you a quasi-legal opinion not in violation of Proposition "S". I think what Damon is going to say, correctly is that and I'm quoting now from the actual board, "That the Proposition "S" project list did list hardware as one of the requirements. The question is here certainly with the two million. It is clearly salary coverage. Now that's just enough tension between the two. That's why I think the chair was correctly looking for a legal opinion.</p> <p>Saathoff: I understand that and I agree.</p> <p>Schulze: The thing is, if this hadn't been brought to my attention we wouldn't have known it. They have not told us this. They have not asked us this. I mean, not that they have to. Now in David Casnocha's thing here, about a qualified bond project, which is something else, I love the final sentence, which said, "With respect to the Citizen's Oversight Committee, they have a review role over the bond expenditures only." That is a bond expenditure. So, we definitely have a review role.</p> <p>Saathoff: A review is after the fact. Review is not authority to prevent.</p> <p>Schulze: We can prevent if we go to the board and we explain to them that it would be illegal, if that's what we find, we don't know that. But if we find that it would be illegal then we, I think we have a right as this Oversight Committee to go to them and say, "Look, you have to find the funds somewhere else because we can't." Even though we don't have to review it. We don't have to approve it. We're telling you it's illegal. We don't know that but I think that's what I think our role is.</p> <p>Saathoff: Evonne, I agree with you and I guess my concern is and Damon maybe you can shed some light on this. If the board makes a decision to spend money and thinks it's appropriate because they've got legal counsel approval or what have you, but at least in the plain language of Proposition "S" my concern is the board would allocate funds for that purpose without the committee having a role in approving that prior to.</p> <p>Schamu: I think, if I may, this comes down to perhaps a policy issue and decision. First of all what Evonne is referring to is a board docket that awarded a contract to a company through a competitive bid process for that portion of that project which is an approved Proposition "S" project, so the software, hardware replacement project is on the list. The issue is the \$2 million that's identified from Proposition "S" funds for the backfill and overtime of current employees that may be assigned to that software transition. Now, I'm no legal expert but I've read Proposition 39 and our Proposition "S" resolution and what it actually says is no Proposition "S" funds or those kinds of funds through Proposition "S" authorized bond issue can be used for administrator or teacher salaries. So the question is, and that's why I say it may end up being a policy issue, these are not administrators and these are not teachers. They're clerical office technical people and that's what you have to decide and that's where I think the board</p>	



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<p>frankly had some issues as well with it and I know the Chancellor is currently getting a legal opinion to back up the verbal opinion that he received.</p> <p>Glaser: Why didn't it come here first?</p> <p>Schamu: The project did Bobby. The project came here first.</p> <p>Glaser: Was staffing brought up like this?</p> <p>Schamu: No, again, I can't speak to that. I wish Augie were here. I know Constance hasn't been involved in that piece either. He's the one who is leading and coordinating that project directly. Each project, as we rule a project out, for instance, once I bring the project here just on a regular project, like a building I go out and hire an architect and their team and a construction manager and their team and get that all approved by the board. I don't come here to you because that's not part of your purview. You watch as the project is designed and built. There are certain milestones that we bring you. We bring you shared use reports. You will be able to see the costs on the website some time this month. We're going to go live with that. We bring you the final design of the project. There are certain milestones that you get to see. If you feel either on your own or through an independent auditor that any of those expenses are inappropriate you raise the flag and say so.</p> <p>Schulze: That's just what we're doing. That was not brought up about staffing Bobby.</p> <p>Ryan: How do we raise a flag?</p> <p>Schamu: I think you already have.</p> <p>Schulze: I think we have.</p> <p>Schamu: If you all agree then I will go and we will get that independent (review).</p> <p>Schulze: The other thing we could possibly do...I've not talked to any board members. I thought it was not appropriate. I didn't even tell Damon, because I didn't want him to be in any situation. Barry and I and some outside help or someone not in the district at all and I just feel that either we ask for that or we ask the board to ask for that, but we don't have any jurisdiction to ask the board for anything. I mean we have business ourselves. If they approve this expenditure and indeed it's illegal.</p> <p>Saathoff: The cost that we approve for the project, we approved for this project?</p> <p>Schamu: You've approved the project. You've not seen total costs for the project because we're not ready with a cost. Remember we're in that preliminary schematic where we are putting it together.</p> <p>Saathoff: But when you give us that cost...</p>	



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<p>Schamu: It will include all the elements unless they're deemed to be illegal and then they won't.</p> <p>Saathoff: Do we have approval rights over that cost?</p> <p>Schamu: No.</p> <p>Saathoff: So, we can only approve the project. The dollars that go into the project or the expense of the project we have no authority over?</p> <p>Schulze: Well, we do have authority to...</p> <p>Schamu: You can certainly question certain elements of it. I'm not trying to be black and white here.</p> <p>Ryan: Our leverage here is to raise a stink about this. That's our leverage. I don't remember that anyone voted for these types of salaries to be included in this. I think we all know that.</p> <p>Schulze: There is a very fine line there.</p> <p>Ryan: How do we create that stink? Pass a motion and pass it to the board? I'm really uncomfortable if they're starting this early in the process to start sneaking things in.</p> <p>Saathoff: You (to Damon) can argue your salary, the reporting of it, staff support, everything else, you can make the argument if they're spending time on that project.</p> <p>Schamu: No, because I'm an administrator and it specifically says and administrator's salary cannot.</p> <p>Saathoff: You personally yes, but there are a zillion staff people that are involved in trying to implement any one of these projects. Absent any specific exclusion that you describe, potentially I'm not suggesting it would happen. Any and all of those staff expenses could be included as a cost to any project.</p> <p>Schulze: Forget the bond here. Would it be more comfortable for us to write a formal letter to the board about our concerns and suggest that they get an independent bond council? Is that the way to do it? What do you think?</p> <p>Newman: I think the request we have on the table, which has been accepted at least preliminarily by staff is exactly and I think they are going to know. I would be shocked if staff did not let them know that we had asked for a legal opinion. That's why the chair made the motion and I seconded it. I think that it's a little lack of clarity because, and Jim, I'm going to give you my what we I think approved, was what Proposition "S" and I'm stealing a little from the action item in front of the board, which was the purchase of</p>	



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<p>hardware and software to upgrade. And that was what was before the house. What we're now finding out is that part of \$16 plus million at least \$2 million and maybe more again it's hard to figure out how those figures play out is for staff costs. So, the issue has now been raised because I think we are charged with ensuring that there is compliance.</p> <p>Saathoff: What seems to me, Evonne touched on it, is or I think Damon said it's a policy question. If it is and I believe it is a policy question for us to consider. We should be looking at a policy recommendation for us to adopt as appropriate to ensure that the oversight is there and that scrutiny of review does take place if it's appropriate to do so. I'm concerned about that. You say software and hardware that has ancillary costs and I at least I understand what you're saying Damon. You read the fine print and it says this name and that name and what have you but the public perception. At the sale of this bond, the intent to the public in my opinion was there be no staff costs undertaken by the bond proceeds. The public simply doesn't want to raise taxes to pay for salaries. They want to get Capital projects. They thought that's what they were buying. I believe that's a reasonable person's interpretation of what the intent of the initiative was. I think we have to be clear in our oversight of that to make sure we are to the extent that we reasonably hold the district accountable for that. I realize what budget constraints you are under. Anybody who's in government right now knows we are robbing Peter to pay Paul to keep the doors open. But, that doesn't change our charge as fiduciaries here with regard to see how this money is expended. I think it's important that we get a handle on this very quickly from a legal point of view and make sure they are controlling the cost.</p> <p>Schulze: Should we do this more formally? I don't think the Chair should move.</p> <p>Saathoff: If you don't think the Chair should move, if you (to Barry) want to move I'll second.</p> <p>Newman: I'll move.</p> <p>Saathoff: I'll second.</p> <p>Spoon: Are we going to wait until they read the minutes to know we care?</p> <p>Schamu: No, I'll bring it to them.</p> <p>Spoon: You will?</p> <p>Schulze: It has been moved and seconded. The Citizen's Oversight Committee is formally asking for an outside bond council opinion as to the expenditure of supplemental staff support is basically the question for any project. All those in favor say "I".</p> <p>All: I</p>	



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<p>Schulze: Opposed? (None)</p> <p>Saathoff: Just for clarity Madame Chair. By outside you mean not affiliated with this bond issuance or currently working with the district.</p> <p>Schulze: Yes, an outside, nationally known bond council that has no ties with the district. They just read it as a legal thing.</p> <p>Saathoff: Damon, this is difficult to do and I realize I'm splitting hairs here, but we've done this on other boards and commissions I sit on. When you ask for an independent counsel the question immediately becomes who hires them. If the district hires them, then the client is the district. So, right off the bat the independence of who hired the council and who the council works with is an issue. Generally speaking and I don't know if it's appropriate or if we have the authority to do it, but when you hire an independent council the board makes a decision. The board hires them. Understand what I mean? Because it's going to be, I know they'll follow through, they'll do what we ask them to do, but just understand the council will be hired and paid for and the client will be the District.</p> <p>Newman: Except for only one thing. I've received a couple of legal opinions on other ICOC that said that expenses of this couldn't be done under Proposition "S" funds. So, we can't pay for it. They can retain it or then can name us as the client.</p> <p>Saathoff: I'm suggesting for absolute clarity in the process that if you have two or three suggested bond councils they establish something you brought back and asked for.</p> <p>Schulze: I was going to suggest if I any, on that same point that since we have three attorney's here I don't know if we have more. Maybe what you could do is give a list, if the four of you would be willing to just fax a list if you have any yes or no's. Would need to be a bond council.</p> <p>Saathoff: Madame Chair, it's what we call Ad Hoc, the other thing that's going to be important obviously is what's the question that gets asked? The specificity of the question and nature of the question is what they're going to answer. You're suggesting the same people you just ask to review that take a look at the scope of work.</p> <p>Schulze: Could I ask maybe, Barry would you take the lead? I'd be glad to sit in on it. Anybody can sit in on it but if you four would be willing to be the Ad Hoc committee. I think we'd all feel good about that.</p> <p>Fat: Could it be the same bond counsel that approved the bonds?</p> <p>Schulze: No, we're saying we don't want that. No, because my understanding is that Augie had a verbal with the guy. I'm assuming he'll get a written. I mean if I were on the board he'd have a written before I'd even approve it, but I'm not on the board. We</p>	



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<p>want a written. Thank you Barry and you can meet with the four of you and anybody else that would like to. Moving along to #5 the presentation of the annual report, which you received under separate cover.</p>	
<p>5. Presentation regarding Draft of Proposition "S" annual report: Damon Schamu, Assistant Chancellor, Facilities Management, San Diego Community College District (attachment)</p> <p><u>Discussions/Questions/Concerns from the COC:</u></p>	
<p>6. Presentation regarding Proposition "S" annual audit: Damon Schamu, Assistant Chancellor, Facilities Management, San Diego Community College District (attachment)</p> <p>Labeled Annual Audit, I would turn your attention, you certainly can look at this at your leisure. This is a requirement of the law. Each year we must conduct with an outside independent firm an annual audit. If you will turn to page 19. I believe that is the bottom line so to speak. There were no findings or questioned costs related to performance or to the bond fund for the year ended June 30, 2003. So that is the cleanest bill of health one can get and we are very proud of that. It took a huge effort on staff's behalf. It wasn't just my office. It was facilities and business services. We've set up the program to collect these costs and monitor them and the outside independent auditor came in and spent about two weeks with us, and poured through the books and just grabbed different purchase orders to track them to see if we'd done it correctly and gave us a sterling bill of health so we are very, very proud of that.</p> <p><u>Discussions/Questions/Concerns from the COC:</u></p> <p>Fat: Damon, the funds are somewhere. The \$75 million or whatever. Is the cash making money while it sits there?</p> <p>Schamu: Sure.</p> <p>Fat: Where is it here?</p> <p>Schamu: I'll have to ask.</p> <p>Fat: Would the interest be sown as part of revenue?</p> <p>Schamu: I don't know Tom to tell you the truth. I know it is making some.</p> <p>Schulze: Only in increments. Remember, we don't get the whole \$685 Million.</p> <p>Saathoff: If you look at page five under revenues it says none. It just says Cash and Treasury.</p>	



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<p>Fat: It just says cash and treasury.</p> <p>Schamu: Remember this. This is as of June 30, 2003. We had just sold the bonds so there probably wasn't time to record. The next year you will see that. There are rules as you now about arbitrage and public agencies selling huge amounts of bonds and making money off the interest.</p> <p>Fat: Just for FYI. Where do you guys put (the money)?</p> <p>Schamu: I believe it's with the County of San Diego.</p> <p>Newman: Treasurer's pool. I'm Chair of the Treasurer's Pool Oversight Committee. Caparicci & Lawson understood that's a gray zone. So, the request we are making is founded even by their own document. Or they would have addressed it differently. It appears that the auditor made the same judgment regarding staff.</p> <p>Schulze: There has been a motion to approve the audit. Do I hear a second?</p> <p>Stoll: Second.</p> <p>Schulze: Any discussion? All in favor?</p> <p>All: I</p> <p>Schulze: Opposed? It is unanimous. We've approved the audit. Now before we go on to the approval of that schedule for the college campuses Tom wanted a minute to talk about energy.</p> <p>Fat: I found it very interesting, I sit on the SDG& E Community Advisory Board along with Augie Gallegos. We're both on the board, which meets quarterly. We are kind of the bridge between SDG&E and the community. What they were talking about the last meeting we had was the 20-year visionary plan and how we can have power for the San Diego Community. Things like the need to pay for new power plants, distribution lines, renewable energy and so forth. But one thing that caught the attention of Augie, I wish he had been here because he could support what I'm saying, was energy efficiency which they have allocated X amount of millions of dollars to create energy efficiency that's through a program. On the slide presentation they were saying who could use energy efficiency. One was educational facilities. Augie actually raised the issue when he said, "Well who do we contact?" This is your own Chancellor making that point and anyway they responded the staff responded saying there is a program. There are people in staff in this energy efficiency. It's being discussed actually in Sacramento today with the Governor. Evidently the EPA in the State of California is very interested in this thing. In general, I'd like to see if we could put on record here our committee to encourage this energy efficiency on these new buildings. Have we had that discussion with the green...</p>	



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<p>Saathoff: Yes, we did. Remember that?</p> <p>Fat: What I'd like to do before we do anything is just to get some information, is for Augie and me to follow up on this. I hope it's not, I don't think it's too late, we are talking about a long program. All these buildings that we'll be building through Proposition "S" to have a presentation from SDG&E on what they're talking about. Here again we are talking about the future. We're talking about the buildings that may last 50 years and we like to get the maximum return and the program I think, the program they're talking about is called LEED and the program gets certified.</p> <p>Schamu: I'd at least like to respond. It is a part of our board-approved policy for design of all buildings. Proposition "S" or otherwise.</p> <p>Fat: So you have to get certified?</p> <p>Schamu: Well it's a goal that we have. We had to do this for years because we didn't have the dollars to pay enormous utility prices. In fact I would hold this up against any public agency and I mean that. Compute the cost of our utilities per square foot and I'll bet you we are better than anybody. We had to do that because we had so few operating funds. In fact, when the folks who are promoting LEED certification, which is just one way to get to green buildings, a lot of other buildings are going to sustainability and other standards. Whatever you do it's all in the same direction. When they came to us and they evaluated what we're already doing, they found out we were already 80% of the way there. Which they were shocked about. They said, "You're the only public agency we've ever talked to that's been that close to it without formally doing it". We investigated it. We developed a procedure. In fact, Darrell Rogers wrote the procedure. In fact, he's our guru in this area. It has become part of our design process in addition; we have always sent our plans, especially the electrical and mechanical to SDG& E. We are on of the top five account users in San Diego. We have our own account executive. We send the plans to them for their input. They can tell us not only when we might be eligible for rebates, but how we can better design the systems to operate. So I hear what you are saying and I can assure you we are already there. It's part of our process and it is a goal to get LEED certification on all of our buildings.</p> <p>Fat: This is all new to me.</p> <p>Schamu: The Chancellor doesn't know this.</p> <p>Fat: I'm really close to this. Madame Chair is there a chance that, at least it would educate us all and more, to invite somebody from SDG&E to speak about this? I think it would be really helpful.</p> <p>Schulze: We can do that, but we're already doing it. If you want to be elucidated on it. We'll be glad to do that.</p>	



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<p>Fat: Yeah, I would.</p> <p>Rogers: Green building certifications are done by someone else. SDG&E gives incentive money when you raise your level. There are several levels. You start at certified. You go to silver, gold, and platinum. Each of those levels is a different incentive for you to reach them if you go 20% above.</p> <p>Schamu: But also a cost to reach that. What you have to look at...</p> <p>Fat: Here's what I'd like to do, it's educational because we're getting an education ourselves on this advisory board. This is a visionary plan for SDG&E and I think it would be nice because they are our only right now, unless you do you own. They are a player here whether you like it or not or the only player in our town. Unless you make private contracts with outsiders. With energy being a big, big issue the next 20 years. I think it'd be great to have somebody from SDG&E to give us a short presentation.</p> <p>Schamu: If I could, why don't I put together an agenda item and maybe a person from SDG&E and some others as well so you can get the whole picture.</p> <p>Fat: The reason why I'm coming in from SDG&E is because we work again with Augie. Somehow they are a part of this big process that through PUC and so forth. I can't explain everything it's really complex. But maybe we get SDG&E and somebody.</p> <p>Schulze: What is the pleasure of the committee? Okay, we'll do that. That will be good.</p>	
<p>7. Approval of schedule for COC tour of the college campuses: Richard Burkhart, Construction Manager, San Diego Community College District (attachment)</p> <p>Schulze: We'd like to know how many people are going to be able to go on the college tour April 29.</p> <p><u>Discussions/Questions/Concerns from the COC:</u></p> <p>Newman: My only question is will that terminal date be held? Will we be back here? I've got a 2:00 meeting.</p> <p>Schamu: We can be back sooner if you want to not do lunch.</p> <p>Newman: No, if we are back at 1:00 that's fine.</p> <p>Schamu: Richard has the list Madame Chair. Would you like for him to read the list of those that responded that they could make that date? Because there are quite a few who aren't here.</p> <p>Burkhart: I have everyone that you guys submitted. I think there were nine who could</p>	



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<p>come on that day.</p> <p>Newman: Point of information is that the original memo on which you gave three dates. Frankly, there was such a lag between that memo and our finally finding out. It is possible people said that date was good and then forgot about it completely.</p> <p>Schamu: Do you want to do another date? It's your pleasure. We want it to be meaningful.</p> <p>Fat: I feel guilty that I can't make it because in a way I was pushing for it.</p> <p>Schulze: I think we all wanted to be there. I think that's exactly what happened.</p> <p>Schamu: The problem is one of logistics. It's a matter of poling everyone. Frankly, they dribbled in. We got a few then we didn't get any. It was like 3 weeks and we didn't get all of them.</p> <p>Newman: I can do it, but we have such key players who can't do it not because of lack of interest. Then I'd like a different date.</p> <p>Schulze: Barry, Katherine and I know the campuses inside out and backwards. Others know the campuses. Tom is the one who really needs to see the campuses because he doesn't know them. What is the pleasure of the committee?</p> <p>Schamu: I hate to even suggest it, but is a Saturday morning better? We won't necessarily need staff if we can have the Presidents or their reps there. We're not really going in we aren't going to have time. We won't go in any of the buildings if we can arrange Saturday mornings. There are students. It's just an option.</p> <p>Newman: It's the same discussion we had the first time around. That's should there be two because it's almost impossible to get everyone.</p> <p>Schulze: You know what, why don't we do the 29th because there will be at least six people and then we'll do another one? For the ones that couldn't make it we'll sit right here and pick the date together.</p> <p>Stoll: Are there six that can go?</p> <p>Burkhart: I think there are seven now. Our Chancellor elect Dr. Carroll is going to join us for the whole tour and Damon and I were going to be there.</p> <p>Schulze: The last piece of housekeeping is we will do the 29th and those of us that did not make it will sit down with our calendars at the next meeting and pick a date. The last piece of business is on our next agenda we are going to discuss the terms of this board. Daman & I were looking at this. There are supposed to be some people with one-year terms and some people have two-year terms. Then there are re-ups so we</p>	



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<p>don't want to lose anybody. I guess legitimately we need to...</p> <p>Schamu: It needs to be staggered. Two need to have an initial term of one year so that it's staggered.</p> <p>Schulze: Then next, they can have a term of two years, but I need you to think about if you want to be, if you don't want to be on the board anymore. Do you want to be re-pped or what? It means if you are on a one-year term you can still be reappointed to a two-year term.</p> <p>Newman: Why do we need two?</p> <p>Schamu: That's what the bi-laws say.</p> <p>Schulze: We'll get it out to everybody, but just think about it. We have no idea why two.</p> <p>Newman: If you are looking for people who'd be willing to do a year, if you are looking for two to line up as the one year, I'll line up as the one-year and take my chances on being re-appointed.</p> <p>Schulze: So, we will discuss that at the next meeting. I think we really did a great job. Is there any public testimony?</p>	
<p>8. Next meeting: June 14, 2004, 4:00pm at the offices of San Diego Community College District.</p>	
<p>8 Public Testimony: No public testimony</p> <p>Evonne Schulze adjourned the meeting at 5:16 pm</p>	