

**CONTRA COSTA COMMUNITY COLLEGE DISTRICT
MEASURE A BOND OVERSIGHT COMMITTEE MINUTES**

April 23, 2008

6:00 p.m. – 8:00 p.m.

Board Room, District Office

Present: Gary Craft, Ed Best, John DuBois, Barry Gordon, Francisco Hinojosa, Jeanelle Hope, J. Dale Hudson, Vernon Jones, Colin Nelson, Jerry Okendo, Jack Weir

Absent: Maria Alegria, Leonard McNeil

Staff: Helen Benjamin, Jackie Flaggs, Peter Garcia, Ray Pyle, Judy Walters, McKinley Williams, Mark Zacovic

I. CALL MEETING TO ORDER

The meeting was called to order at 6:15 p.m.

II. PRESENTATIONS FROM THE PUBLIC

There were no presentations from the public.

III. WELCOME AND INTRODUCTIONS – COMMITTEE AND GUESTS

Committee members and staff introduced themselves.

IV. ACTION ITEMS

1. Review and approve April 23, 2008, agenda.

The agenda was approved with one addition - Mark Zacovic announced that photographs will be taken of the committee at the end of the meeting.

2. Review and approve January 23, 2008, minutes.

The January 23, 2008, minutes were approved.

3. Review and recommend for approval to the Governing Board the bond audits for year ended June 30, 2007.

Mark Zacovic gave a summary of the 2002 Bond activity, and informed the committee that he will bring to a future meeting the 2006 Bond Audit. He reported that this is a clean audit and a qualified audit and there was only one recommendation that dealt with the year end closing. They recommended that reconciliation occur on a regular basis in the year-end closing to insure accurate financial reporting. Our response is that we agree and we have already begun preparing a closing calendar with specific tasks assigned to address the deficiencies found in the 2006-07 audit. This is the final year of

the three year contract with Gilbert and Associates to do the audit. The District has contracted with Vavrinek, Trine, Day & Company in Pleasant Hill to be our new auditors. They will begin this month working on the audit.

Gary Craft stated that this is good financial information in terms of how the Bond money is spent. He asked what sort of report was being made available to the public regarding how the funds are used. Dr. Zacovic informed him that we provide an annual report to the community and the college presidents are present at these meetings to report on the progress at their colleges. Helen Benjamin added that the annual report is sent to every household in the county and there is a link on our website that gives more information.

Jerry Okendo noted that the bond measure is for 25 years, but he read that it will run until 2032, which is over 25 years. Dr. Zacovic explained that the 25 year time starts when each bond issue is sold, which in one case was in 2007.

Mr. Okendo asked if the county was taxing the bond money based on the market value. Dr. Zacovic explained that it is not based on the market value but the assessed value. Francisco asked what the difference was. Dr. Zacovic explained the difference between assessed value and market value.

Jack Weir further commented on the differences, and stated that it might have an impact on college revenue.

This item was approved unanimously.

V. INFORMATION

4. Measure A 2002 update (Attachment
 - a. Budget update
 - b. Project reports
 - c. Quarterly report

Ray Pyle, Chief Facilities Planner, gave an update on the budget.

Jerry Okendo asked if there was a restriction on the interest earned. Dr. Zacovic responded that the interest follows the Bond money. Helen said it goes into the bond projects. Mr. Pyle reported that there have been no changes in the budget.

Mr. Pyle gave a summary of the projects by college.

Contra Costa College Project Report

Mr. Pyle explained that on the project reports the color “green” was used to indicate that everything was going as planned. The color “red” indicates the problem areas.

Gary Craft asked if they were having problems with the general contractor on the Library project. Mr. Pyle reported that the general contractor had a problem with a mechanical sub-contractor. The project was 94% complete and it has been taken over by another company and is underway to completion by June, 2008. Gary Bell asked Mr. Pyle how he was able to bring the project in on budget with the problems that occurred. Mr. Pyle stated that on a performance bond the insurance provides that if the general contractor fails then they will step in and provide services for completion at the same rate of pay.

Colin Nelson asked why the Art Building Seismic project on page 5 of the Contra Costa College report was in “green,” since the State has cancelled further funding on it. Mr. Pyle responded that the color is not applicable on this project. Mr. Nelson asked if this building was in use. Mr. Pyle responded that it is in use.

Mr. Pyle reported that there are contingency funds that are being used that have enabled them to start a couple of new projects. One of the new projects is the athletic field resurfacing that is being funded by some of the 2002 bond funds.

Diablo Valley College Project Report

Mr. Pyle reported that most of the work on this campus has been completed. There are parts of projects that are being added due to the funds left over from projects that came in under budget. Jack Weir asked Mr. Pyle if he has looked at why some projects came in under or over budget. Mr. Pyle responded that it was difficult to determine how budgets were developed and modified several years ago. Some of these projects were planned and completed years before his arrival. Mr. Weir noted that we should know why, because we will be going back to the public for additional bonds in the future and we want to be accountable.

Mr. Pyle indicated that he has implemented a budget modification form that will show where you started from and how did you get to where you are. It shows in detail why we did a budget modification and what the funds were actually applied to. This will allow us to have accurate records on each project in the future.

Los Medanos College Project Report

Mr. Pyle reported that the Information Resource Center, which is the new library, and the math building, have come on line. Mr. Weir noted that the project schedule is green for the science building, but the building is not operational until it is furnished. He asked how “project completion date” is defined. Mr. Pyle defined “project completion date” and “contract completion date” as two different milestones, and that we will apply a consistent milestone in the future. Peter Garcia noted that the proposed expected use date is Summer 2008, which is consistent with their needs.

Gary Craft complimented Mr. Pyle on the format of the report. He pointed out that the variances on pages 7 and 17 are formatted differently, one is positive and one is negative. It looks like one is over budget and one is under budget. Mr. Pyle said that he would review them and make sure that they are also consistent.

Mr. Nelson stated that the Science building would be completed this summer, but he took a class in a smart classroom and the instructor did not know how to use the technology. He asked if this would be the case in the Math building. Mr. Garcia said they would be moving in before final completion so that they would not have to cancel the Math Institute this summer, but he was not sure they would not have the same problem.

Francisco Hinojosa stated that as a student he would appreciate his instructors knowing how to use the equipment in their classrooms. Dr. Benjamin assured Mr. Hinojosa that they would make a note of this and that it would be addressed through staff development.

Jerry Okendo asked how many class rooms are in the Science building. Mr. Garcia responded that there are six labs in the Science building. The labs have been increased by five, along with a large lecture room, storage, and lab prep room.

Mr. Weir asked if there was any change in status regarding the Delta Science Center on page 19. Dr. Benjamin informed him that she and the vice president of the college met with the Director of East Bay Parks and they have a difference of opinion and will discuss it again in the Fall. She stated that she was concerned about what the District would get, and that we would have to stay within the confines of how we use Bond money. There are some things that we have to work out and we have decided to put this on hold for now.

Mr. Okendo asked if this project would be funded from the 2002 Bond. Dr. Benjamin informed him that it would be funded out of the 2006 Bond. Mr. Weir asked if we had expended all of the 2002 Bond money on this project. Mr. Pyle stated that we had not and that we have just allocated it to other projects.

5. Measure A 2006 update (Attachment)
 - a. Budget update
 - b. Project reports
 - i. Solar project
 - ii. Energy efficiency rebate check
 - iii. Athletic fields

Mr. Pyle summarized the 2006 Bond Program. He stated that the Presidents met and decided how they would allocate funds for projects on their campuses. Dr. Benjamin explained that they used the list that was attached to the Bond that went to the voters, and decided how to allocate the funds.

Mr. Weir asked the Presidents if they felt they had enough funds to get the job done. The Presidents commented that there are several items on the Bond list that they will not get funding for. Dr. Benjamin added that they have done a rough estimate of how much money would be needed to complete all the projects.

Mr. Craft asked if the same kind of spreadsheet was going to be prepared for 2006. Dr. Zacovic replied that the report would be more streamlined.

Dr. Benjamin said that it would be a more improved format.

Mr. Weir stated that he liked the current format, because it gives the kind of data they need and he encouraged them to keep it.

Mr. Craft agreed with Mr. Weir and stated that he felt he was getting the data he needed.

Mr. Okendo reported that he was able to attend the Solar Project program at Contra Costa College. He asked how difficult it would be to add electrical hook-ups for electric cars. Mr. Pyle explained that it would be difficult, because they would have to transform the power from AC to DC and vice versa. Dr. Benjamin informed the Committee that a new Director of facilities had just been hired and one of his projects would be sustainability. Each college has a sustainability committee. Dr. Zacovic informed the Committee that it is a matter of the gift of public funds. He stated that we could not allow students or employees to hook-up their personal vehicles, because this would be use of public funds.

Mr. Weir encouraged the District to do more projects like the solar program at Contra Costa College. He asked if the pros and cons of the solar project had been reviewed. Mr. Weir asked if we had gotten a lot of publicity on this project, e.g. Emails questioning the economical viability of this type of solar project, and costs vs. payback. He asked what we had to do in order to get a return on our investment. Dr. Zacovic said that the solar project was conceived five years ago. At that time consideration was given to the return on this project and we moved forward on this project based on the information collected at that time. The information we have shows that it is a good return on our investment. Mr. Weir stated that he would like to be able to answer these types of questions when people ask him about it. Dr. Benjamin informed Mr. Weir that we would email information regarding this to him.

Mr. Craft stated that he thought they could get a lot of good publicity by having a fact sheet showing the solar project savings. Mr. Pyle explained that this plan went through scrutiny with PG&E and the State. He said he would pull that information and share it with the Committee.

Dr. Zacovic pointed out the displays around the room and the \$287,374 rebate check that was received from PG&E. This money will go back into the Bond budget.

Mr. Pyle reported that this is just the energy efficiency measure that we are using prior to the solar project implementation. The District recently received an email stating that due to the solar projects we will get \$6.8 million. It will also go back into the bond.

Mr. Weir stated that we could be spending those funds to reduce operating costs. Dr. Benjamin informed him that they checked with the Bond Council and were informed that it was okay to put these funds back into the bond budget. She commented that we would not have these funds if it were not for the bond. Dr. Zacovic added that the District is being conservative by putting these funds back into the bond. Mr. Weir stated that he believes the District could use the \$287,374 to pay teacher's salaries instead of putting it back into the bond fund. Dr. Benjamin informed him that they use only continuing funds to pay teachers' salaries.

Mr. Pyle reported they hoped to get started on the athletic fields using 2006 bond funds. Dr. Benjamin said they would be receiving information on this.

Ed Best asked if all of the projects for 2006 had been defined. Dr. Benjamin stated that they have not.

Vernon Jones asked if there had been any consideration given to the types of fields that would be installed. Dr. Zacovic remarked that USA Today News had an article about toxic vapors that were emitted from materials used to build some fields. So, we are going to make sure that the contractors we use address these concerns. Mr. Pyle reported that he has done some research on this and found that the lead came from grass made from nylon and we will be using polyethylene which does not emit lead vapors.

Gary Bell asked if we were tracking whether we are keeping the bond money local by making sure that minority and small businesses are being given the opportunity to bid on our projects. Dr. Benjamin reported that due to the loss of our Director of Purchasing we have stayed on top of that. We have just hired a new Director and will continue to make that commitment. We are limited in what we can do. Les Littman set up a system so that minority businesses would be notified and have the opportunity to bid on our projects. Valerie Gale, San Ramon Unified School District, will be our new Director of Purchasing, and she will begin on May 5. She has extensive experience in this area. We will continue to do this to the best of our abilities. It is hard and we try to advertise where we think we would reach minority businesses. We must also look at the businesses having cultural competencies. We are committed to hiring people of diverse backgrounds throughout our district.

Mr. Bell asked if we are focusing on local people, because we want people who are committed to our area. Dr. Benjamin stated that we are hiring local real estate people to help us. Mr. Nelson asked if this covered in our PLA (project labor agreement). Dr. Benjamin said they have not completed the PLA, but are moving ahead. Jake Sloan is the negotiator. She stated that they

were not in agreement with our unions and now we want to start over. The first meeting is next week. There is a local hiring section in our PLA.

VI. REPORTS

6. Chancellor (Helen Benjamin)

Dr. Benjamin thanked the out-going members for their service on the Committee: Maria Alegria, John DuBois, and Gary Bell.

Dr. Benjamin reported that all three colleges have submitted plans regarding how they will use the 2006 Bond funds - \$80 million – Contra Costa College; \$65 million – Diablo Valley College; and \$65 million – Los Medanos College. Next, the colleges have an educational master plan – they are prioritizing the use of the Bond funds using the projects listed under the Bond

Dr. Benjamin explained how the State budget would impact our district. She stated that we went into this year with 19% reserve and we are now down to 9%, the State requires a 12% reserve. \$2.17 million will be our portion of the State's property tax shortfall. Since we have the reserves we will be able to make-up those funds. Even with that reduction we are still at a 9% reserve. We do not know what is going to happen for 2008-09. We may have another deficit. Our enrollment is up 3%. We have an agreement with our unions that any salary increases we give them will be based on enrollment growth. .01% enrollment growth is planned for next year. There will be some cuts to disadvantage programs (categorical programs). We are okay for 2007-08.

Mr. Weir asked what was happening with the CSUEB Concord campus offering lower division courses. Dr. Benjamin stated that CSUEB has to meet CPEC's requirements. One of those requirements is that they must have the support of the local community colleges and they have to prove that their plans will have no impact on enrollment. They have been to our Board, but our Board has not made a decision. They will return in May to request our Board's support to allow them to offer lower division courses in Fall 2009.

Mr. Weir stated that when the State starts to make cuts to community colleges one of the first things they look at is how much of a reserve the college has. He commended the District for using their operating funds to increase their reserves.

7. Contra Costa College (President McKinley Williams)

President McKinley gave an update on the 2006 Bond plans. In 30 days they will complete their new student services center. It is a one stop center that will house Registration, DSPS, Financial Aid, and Transfer Center. On June 10, they will have a ribbon cutting ceremony to open the building. Invitations will be sent to the Committee. This will be their signature building on campus. It will be on the plaza area – the main gateway to the campus.

Mr. Okendo asked about the progress on the request to purchase the military property adjacent to the campus. President McKinley reported that they were looking for a real estate agent to help assess the actual value of that property (around \$2 million), but the military was thinking it would be around \$11 million.

8. Diablo Valley College (President Judy Walters)

President Walters reported that their master plan was presented to the Board in October, 2007. They are beginning with their quad project that includes two buildings and the quad area. They will be building a student services building and a culinary arts/food service building.

Mr. Weir asked about signs for directions around the campus. President Walters reported that they are working on signage and are planning to put an electronic sign near the stairway. Dr. Benjamin asked about their redevelopment money. President Walters said they did not have enough to cover the signage.

Mr. Weir said that taxpayers agreed to pay millions of dollars for a bond, and he thinks if there is a note-worthy sign that calls the public's attention to the fact that this is the campus they are supporting, then the District could ask for an additional \$4-5 million, which he thinks is reasonable. President Walters reported that Contra Costa Transit Authority wants to build a transit center on the campus and there may be a different type of entrance to the campus.

9. Los Medanos College (President Peter Garcia)

President Garcia reported that they are working on closing out the 2002 projects. The library is two to three weeks from opening. He reported that they do not have the problems of signage that their sister colleges have, because their new buildings face one main street, Leland Road. People are noticing the new buildings. The core building remodel bid is underway. They will receive some State funding for the nursing remodel. The 2006 projects are the Student Services (DSPS, Counseling, EOPS, Financial Aid, etc.) that will all be together; and the Physical Education facility. The student union is being funded by student fees. They are doing a 75% build-up of the campus.

Dr. Benjamin stated that a tremendous amount of work has been done and they are very pleased to have these funds.

10. Committee chair (J. Dale Hudson)

Mr. Hudson stated that he appreciates these reports and feels that they are very beneficial to this committee. He thanked Dr. Benjamin and the staff. He announced that the City of Antioch is going for a Bond measure.

VII. COMMENTS FROM COMMITTEE MEMBERS

Mr. Craft asked if we are doing any leverage to go out and get grants. Dr. Zacovic stated that we get points and are competing with other community colleges throughout the State. He asked if getting grants would be a function of this committee.

Mr. Bell asked if we could look at Gateway to get computers. Mr. Weir cautioned that we need to be careful how we do that, because the State is looking for any way to cut funds to community colleges. He said that he did not think we should try to attract capital money, but foundation money would be okay. Mr. Craft stated that as chair of Diablo Valley College's foundation he would like to look into that.

Dr. Benjamin announced that she would like to hold an orientation for the new members of the committee between now and the July meeting.

Mr. Okendo commended the presidents for working to make their campuses student friendly.

John DuBois thanked Dr. Benjamin for her kind words about his being associated with the District for 25 years. He said that it was really amazing to see what has been accomplished in this district and he has enjoyed being a part of it.

VIII. COMMITTEE INFORMATION

11. Committee membership list

Mr. Hudson thanked all of the out-going members and he welcomed the new members. He asked the committee members to give Jackie Flaggs any corrections to their addresses.

12. Next meeting

He announced that the next meeting would be on July 23, 2008, and he would like to start at 6:00 p.m.

IX. ADJOURN – 8:20 p.m.

There being no further business to come before the Measure A Bond Oversight Committee, Mr. Hudson adjourned the meeting at 8:20 p.m. Group and individual pictures were taken.

Respectfully submitted,

Jackie Flaggs

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