

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

January 20, 2010  
3:00 p.m. – 5:00 p.m.

**Library Community Room, Los Medanos College**

Present: Brandon Amargo, Ed Best, Manuel Bustos, James Clay, J. Dale Hudson,  
Vernon Jones, Jerry Okendo, Francisco Hinojosa, Justine Morrison, Jack Weir

Absent: Ed Balico, Gary Craft, Scott Hanin, Ludmyrna Lopez, Steve Van Wart

Staff: Ben Azarnoush, Helen Benjamin, Jackie Flaggs, Peter Garcia, Chris Leivas,  
Tim Leong, Mariles Magalong, Kindred Murillo, Ray Pyle, Ernesto Ramirez,  
Burl Toler

Guests: Harpal Ahluwall

**I. CALL MEETING TO ORDER**

J. Dale Hudson called the meeting to order at 3:00 p.m.

**II. PRESENTATIONS FROM THE PUBLIC**

There were no presentations from the public.

**III. WELCOME AND INTRODUCTIONS – COMMITTEE AND GUESTS**

The members of the committee introduced themselves. Mr. Pyle introduced the new members of his staff - Ernesto Ramirez, Project Manager at Los Medanos College, Ben Azarnoush, Capital Projects Manager at the District Office, Burl Toler, Project Manager at Contra Costa College. Mr. Pyle said that there was another new project manager at Diablo Valley College, Bruce Wilke.

Mr. Hudson welcomed the new project managers.

**IV. ACTION ITEMS**

A. Review and approve January 20, 2010, agenda

Agenda approved, moved by James Clay and seconded by Vernon Jones.  
MSC, unanimous.

B. Review and approve October 14, 2009, minutes

Minutes approved, moved by Jack Weir and seconded by Vernon Jones.  
MSC, unanimous.

Mr. Dale thanked Dr. Benjamin for her presentation of her trip to South Africa to his Rotary Club.

## V. INFORMATION

### A. Measure A 2002 update

Mr. Pyle stated that there were no discrepancies in the report.

Mr. Weir asked for an update on our approach on the 2002 interest funds. Mr. Pyle said that the funds have been applied to the Contra Costa College (CCC) projects allocations. He said that the 2006 interest funds will also be rolled into the CCC projects allocations. Mr. Weir said that having these additional funds will stretch out the use of bond funds. Mr. Pyle said it would. Mr. Weir stated that in the annual report they stated that the 2002 projects were virtually completed. Mr. Pyle said that they tried to soften that language.

CCC - Mr. Pyle gave an update of the projects that are still in progress.

DVC – Mr. Pyle reported that they will be doing a budget modification to close the Planetarium project, because the work is almost complete.

LMC – Mr. Pyle reported that since the swing space for the Art Area remodel was not funded by the State and there was a need for this space, the college decided to use some contingency funds that the college had to buy new furniture. They were under budget by \$1 million. On page 13 there was a minor variance that will be adjusted using campus contingency funds.

### B. Measure A 2006 update

Mr. Pyle stated that there are no discrepancies in the report, but they do not have an up-to-date interest figure.

All programs are on track.

CCC –Mr. Pyle reported that everything is on track with the Athletic field. In 2008 the State decided not to do a General Obligation Bond in 2010. The PEAR is on the 2010 list.

DVC – Mr. Pyle reported that the Soccer field project should be completed by the summer of 2010.

LMC –Mr. Weir asked for an update on the Brentwood Center. Mr. Garcia said that they have negotiated for two parcels of land. One was the Vintage project of Brentwood. The Board has been updated. The city has to work with them on switching the titles to the properties involved (Black Hawk property.) The plan is to present a packet to the City of Brentwood with all

agreements and to be in escrow by June 2010. Mr. Weir asked what the plan would look like. Mr. Pyle stated that it would be an 84,000 sq ft. to be built in two phases. It is wrapped in a “U” shape around a city park. The park will become a green space. A copy of the plan will be available at the next meeting. Mr. Murillo said that we are working on this being a Center with the State, causing us to receive more funding from the State.

## **VI. REPORTS**

### **A. Chancellor**

Dr. Benjamin reported that seven investment banking firms had just been interviewed. The District is about to begin drawing down between \$70-80 million. The details for the use of those funds will be available at the next meeting. Our bond counsel, K&N indicates that even though the economy is in the state it is this is still a good time to do the draw down. We’ve spent approximately \$50 million of the \$73 million from our last drawn down.

Ms. Murillo stated that the bond fund is invested per our investment policy in LAIF via the State Treasurer’s Office. We are getting hit hard on our interest rates (1.91% dropped to .24%). We have to be very careful. We do not take a lot of risk, because we do have an investment policy and are investing taxpayers’ funds. We are continuing to hold where we are presently. On the 2002 bond interest income we have received \$9.5 million as of October 2009. On the 2006 interest we received \$2.6 million. Last year we received \$1 million on the 2006 and anticipate only \$400,000 for 2010.

Mr. Best asked, when we draw down the money does the interest start. Ms. Murillo said yes. Mr. Best also asked if we are netting out. Ms. Murillo stated that we have done very well, because one of the things we do is a cash flow and project how much we will use in a two to three year period. We must use all of the funds that we draw down within three years or you will have to pay taxes based on arbitrage. We time everything accurately, so that we do not have to pay the taxes on arbitrage. We do not want to take out any more money than we need.

Mr. Weir stated that we have plenty of projects that we can fund without having to go into investing to gain arbitrage.

Mr. Bustos asked what arbitrage was. Ms. Murillo said that it is the taking of money and investing money to make money. We are to use the money for projects, not invest it. Mr. Weir stated that the tax payers start paying it as soon as we drawn it down.

### **B. Contra Costa College (President McKinley Williams represented by Mariles Magalong)**

No report

C. Diablo Valley College (President Judy Walters)

Mr. Leivas reported on the planetarium project. He state that the noise has gone to zero, and they have created a good student learning environment. Mr. Weir asked if Mr. Leivas had been in that building. Mr. Leivas said yes.

Dr. Benjamin said that we can have our next meeting there.

Mr. Leivas reported on the soccer field project – the coach has changed her mind and agreed that the football field can accommodate all of the league games that are to take place at the college. All other games will take place at a local high school. So, the plan is to plant grass and let it grow until next spring, because it takes so much time to take root.

D. Los Medanos College (President Peter Garcia)

Mr. Garcia offered a tour of the new LMC facilities to anyone who is interested. He thanked Mr. Pyle for bringing in Mr. Ramirez, who has been a wonderful asset to the college. They are moving departments around during the remodel.

E. Committee chair (J. Dale Hudson)

Mr. Hudson did not have a report.

## **VII. COMMENTS FROM COMMITTEE MEMBERS**

A. Annual Report

Mr. Leong distributed the English version of the 2009 Annual Report. Both the English and Spanish versions will be sent out later. He thanked everyone who worked on the sub-committee. The report was reduced from 10 to 8 pages. Emphasis was put on future projects.

Mr. Hudson will present this report to the January 27 Governing Board meeting, then it will be sent to the homes of Contra Costa County. They can call a phone number to request a hard copy. He will send 10 copies of the English version and 8 copies of the Spanish version to each member of this committee. Copies will also be sent to all libraries in the County.

Mr. Weir asked that Mr. Leong send Bill Baker a copy. Dr. Benjamin said that she will send a thank you letter to him also.

Mr. Leong thanked Mr. Pyle's staff for their assistance with the photographs.

Mr. Weir requested 20 additional copies to share with the John Swett School District's Bond Committee.

Dr. Benjamin thanked the Committee, the sub-committee and the District Office staff for their work on this report. She also thanked the entire Bond Oversight committee for all of their work for the community. She said that the Committee can call her or Ms. Murillo any time. It is our job to keep the concern of the community in the forefront. She stated that everyone may wonder how the District is doing financially. She stated that our heads are above water. It is very challenging and they are trying to act prudently and keep people informed, and trying at the same time to keep things balanced for students and employees. It is very challenging. They are becoming accustomed to the up and down time, because they have to. They have to try to keep everyone inspired.

Mr. Weir – when we submitted the 2002 measure to the voters we were not asking for everything that we needed. Dr. Benjamin said that is true.

Mr. Weir was concerned about our ability to plan for the future, and stated that the community colleges are the best bang for the buck. He asked Dr. Benjamin what was her thinking about the plans for the future regarding another Bond measure.

Dr. Benjamin said that they are not talking about that right now, because of the economy and people losing homes. We still have over \$200 million left. We will not even start talking about it for at least another five years. She said that the Board is not even thinking about another bond right now. She asked Mr. Weir what he thought about it.

Mr. Weir said the UCs and CSUs are becoming more restricted with their admissions.

Dr. Benjamin said that the State is emphasizing work-load reductions. They have down sized us. We have more students than we are being paid for by the State. We cannot give in to the demand of students and stay whole. So, we are offering a retirement incentive that does not cost us anything, in order to downsize without having to go through a layoff. We are trying to be very careful, so that we do not get into any trouble. So, a lot of people are locked out of higher education due to this situation.

Mr. Weir asked about two years out. Dr. Benjamin said that they will not get much from the State. Nonetheless, they can continue with their construction, because the community has supported a Bond. The State is going out for a bond in 2012.

Mr. Garcia stated that the good bids they have received enables them to get more value out of the bonds that they have.

Mr. Pyle stated that they came in \$1 million under budget due to the bid climate. They are getting more facility for their money than they did three to five years ago. It is very hard to quantify, because they don't know what the bids are going to be until the bids come in.

Mr. Weir stated that the District was doing a great job. Maybe they should focus on getting the most out of their facilities construction rather than buying new furniture.

Dr. Benjamin stated that they are so much better off even without all of the projects being completed than they were before they started this. The upgrades have been incredible considering where other districts are.

Mr. Okendo stated that the District is trying to do the best for its students now, but by offering retirement, would that cause there to be a shortage of teachers.

Dr. Benjamin said that the classes would still have teachers, because they are going to work to that capacity number to which the State funds them. The State is cutting categorical programs, so this year they are using some of their reserve funds to fund those programs, and then they are mandated to continue certain disabled student programs no matter what.

Mr. Hudson thanked Mr. Leong, the sub-committee and the full committee for a job well done. He stated that he will make a brief presentation to the Board next week. He asked is anyone has any comments that they would like him to make to the Board, to let him know at the end of this meeting.

#### B. Future agenda items

There were no future agenda items.

### **VIII. COMMITTEE INFORMATION**

#### A. Committee membership list

Ms. Murillo said that at the next meeting they will talk about replacing outgoing members, who are all be at the end of their second terms. Those members are Ed Best, Jack Weir, Vernon Jones and Jerry Okendo.

#### B. Meeting dates for 2010:

April 20, 2010 – Contra Costa College  
July 20, 2010 – back to DVC to tour the Planetarium

### **IX. ADJOURN**

There being no further business to come before the Measure A Bond Oversight Committee, Mr. Hudson adjourned the meeting at 4:05 p.m.

Respectfully submitted,

Jackie Flaggs

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