MEETING MINUTES

A Regular Meeting of the Measure M Citizens’ Oversight Committee of the Coast Community College District was held on Tuesday, February 10, 2015 at the District Office Board Conference Room.

I. Call to Order

Committee Chair, Evelyn Hart, called the meeting to order at 10:00 a.m.

Vice Chancellor Dunn introduced and welcomed David Casnocha, Bond Counsel who drafted the COC Bylaws, and Tanya Tran, External Audit Representative from Vicenti, Lloyd & Stutzman LLP.

II. Roll Call

Members Present: Evelyn Hart, Gene Farrell, Ira Toibin, Robert Dettloff, and Frances Nguyen

Member(s) Absent: Charles Thompson, John Flynn, Carolyn Cavecche, and Trung Ta

Others Present: Andy Dunn, Richard Pagel, Jerry Marchbank, Dennis Reid, Andreea Serban, Christine Nguyen, Janet Houlihan, James Farrow, Daniela Thompson, Randy Flint, Tanya Tran, David Casnocha, and Frank Fonseca, Jr.

III. Approval of Minutes

On a motion by Member Dettloff and seconded by Member Farrell, the Committee approved the October 21, 2014 meeting minutes.

IV. Opportunity for Public Comment

There were no requests to address the Committee during Public Comment.

The committee unanimously agreed to move item V “Election of Officers” to the end of the agenda.
V. Bond Counsel

Vice Chancellor Dunn introduced David Casnocha, who has served as Bond Counsel for both Measure C and Measure M. Mr. Casnocha distributed the Amended and Restated COC Bylaws and the Resolution No. 12-27, Resolution to the Board of Trustees of the Coast Community College District Ordering an Election, and Establishing Specifications of the Election Order to the members and noted the following:

- **Section 1 – Committee Established**
  - Measure C was successfully passed in November 2002 and an oversight committee was established to fulfill the accountability requirements of Proposition 39.
  - In November 2013, Measure M was successfully passed. At the passage of Measure M, it was discussed whether a new oversight committee should be instituted or the existing committee should remain and be charged with oversight responsibility over both Measure C and Measure M. Coast’s Board of Trustees voted for the latter and the Citizens’ Bond Oversight Committee has been charged with the duties and rights set forth in the stated Bylaws over both Measures.

- **Section 2 – Purposes**
  - The Citizens’ Oversight Committee (COC) is to conduct its meetings in accordance to the Ralph M. Brown Public Meetings Act.
  - The Committee assumes the oversight responsibility specifically of bonds proceeds generated by both Measures.

- **Section 3 – Duties**
  - The COC Chair, on behalf of the committee, is responsible for informing Coast’s Board or the public regarding the District’s expenditure of bonds proceeds.
  - The COC is also responsible for reviewing expenditure reports provided by the District staff to ensure its compliance with the purposes set forth in both Measures.
  - Exhibit A of the Resolution No. 12-27 is the 75-word statement of the Measure M ballot. It was further noted that “acquiring, constructing, repairing facilities, sites, equipment” are primary operative words of the statement.
  - Exhibit B of the Resolution No. 12-27 is a full text ballot detailing the projects for each of the three campuses, as outlined in both the District’s Vision 2020 Educational Master Plan and in the Vision 2020 Facilities Master Plan.
  - An annual report, prepared by the District staff, is to be presented to the District’s Board of Trustees by the COC Chair. It is recommended the annual report be presented to the Board upon receipt of the findings from external auditor.

- **Section 4 – Authorized Activities**
  - List of activities that the COC is authorized to perform.

- **Section 5 – Membership**
  - It is important to remember that COC is an oversight, not advisory, committee.
• Members serve 2-year term with no more than two consecutive terms. An exception of two members serving a 1-year term is in place to ensure the staggered rotation of old and new members would provide continuous oversight of bond proceeds.

• The oversight committee will be dissolved upon submission of its final Annual Report reflecting the final accounting of the expenditure of all the proceeds of both Measures.

• Sections 6 through 11 –
  • These are standard processes.
  • It is important to note that no District employees can serve on the oversight committee in accordance to the Ethics Policy Statement (conflicts of interest).

VI. External Auditor

Vice Chancellor Dunn introduced Tanya Tran, an external audit representative from Vicenti, Lloyd & Stutzman LLP (VLS). Regarding Coast’s 2014 audit results of the Measure M audit, Ms. Tran indicated the following:

• VLS was engaged to perform the financial audit of Measure M bonds project funds and the bonds proceeds. Both audits were satisfactorily accepted in accordance to the Government Auditing Standards.

• The audit process began with a pre-audit conference with Coast’s management to discuss audit plans and responsibilities as well as to ensure that the external auditor remains independent.

• Coast’s financial audit received an un-modifying opinion, the best possible opinion given to any audit.

• Within the financial report, the balance sheet reflects the ending asset liabilities and fund balance for the bonds program ending June 30, 2014.

• The balance sheet shows the restricted capital projects approved through the passage of Measure M, and the income statements reflecting earnings of interests, expenditures incurred, and detailed expenditures by projects.

• Budget actuals statement reflects revenues for the year.

• No changes to the existing accounting policies for 2013-14.

• Funds unaccounted for of debts associated with the bonds were disclosed to inform the public of the amount issued to date ($200M), how much was paid during the year, and how much the future debt service payments will be.

• In the 2014 financial report, one finding was disclosed regarding an expenditure incurred in the previous year with a payment made in 2013-14 year. The liability for this expenditure was not adjusted. Coast’s management has since put a procedure in place to avoid future recurrence of this issue.

• The performance audit was to ensure the expenditures are expended in accordance to the voters’ approved list.

• In 2014, Coast incurred $26.7M in expenditures, with 66% of those expenditures were tested by VLS to ensure the District remains in compliance and that no salaries for
administrators and faculty were charged to the funds. It was determined that Coast remains fully in compliance.

- It was noted that both financial and performance reports are available on Coast’s website for review.

VII. November 10, 2014 Memorandum from Chancellor Dunn to COC Members

Vice Chancellor Dunn briefly noted that the November 4, 2014 written response from the District staff is to address the inquiries from the COC members on October 21, 2014. Similarly, the members’ inquiries received at today’s meeting will be addressed with a written response at the next COC meeting.

No questions or concerns were raised regarding the November 10, 2014 response from Chancellor Dunn to the COC members.

VIII. Measure M Funding Report

Vice Chancellor Dunn presented the financial quarterly report for the period of October 1, 2014 through December 31, 2014.

IX. Measure M Quarterly Report (October 1, 2014 – December 31, 2014)

This report, in similar format as from previous meetings, provided the Committee with the overall G.O. Bond Project Status as of December 31, 2014, and the campus quarterly reports from the Vice Presidents of Administrative Services. Additionally, a list of District Information Technology projects was presented by Dr. Serban, Vice Chancellor of Educational Services and Technology.

To clarify the status of completed and closed projects, Vice Chancellor Dunn noted the following:

- “Completed” – when construction activities have been concluded
- “Closed” – upon completion of a project, it typically requires several months to allow for DSA closeout, final billings, and necessary contract adjustments. Once these activities have taken place, the project is considered “closed”.

A summary of the G.O. Bond Projects Status as of September 30, 2014 was presented, as follows:

Closed:
- DIST TECH – App Software for Int’l Stdts
- DIST TECH – Helpdesk Software
- OCC SF – Music Modernization
- OCC SF – Gym Acoustic Retrofit
- OCC SF – Large Lecture Hall Seating
- OCC Astronomy Renovation
- OCC SF – EMS Upgrades
- GWC Rehab Center Remodel
Vice Chancellor Serban noted that the District Active Directory Consolidation project has not yet been completed. Its status needs to be corrected as “ongoing”.

Ongoing
- DIST TECH – Active Dir Consolidation
- DIST TECH – Banner Server Upgrade
- OCC SL – Landscape Improvements
- GWC CI – Classroom Seating
- GWC CI – Classroom Refurbishment
- GWC TECH – IT Infrastructure Improvement
- GWC TECH – Classroom Technology Improvement
- CCC TECH – Stdnt Kiosks, Wayfinding and Signage
- CCC TECH – IT Infrastructure Improvement
- CCC TECH – Classroom Technology Upgrades

In Construction
- OCC IDC Phase I (Business, Math, Computing)
- GWC Elevator Repair/Replacement
- CCC College Center Restroom Renovations

Pre-Construction/Bidding
- GWC Campus Safety/Community Education Building
- GWC Criminal Justice Training Center

In Design
- OCC Recycling Center
- OCC Planetarium
- GWC Student Services Center
- GWC Security & Access Infrastructure
- CCC Le-Jao student Resource Center

In Queue
- OCC Chemistry Expansion/Renovation
- GWC Language Arts Complex

Criteria Development
- OCC Maritime Academy
- OCC IDC Phase II (Language/Social Science)
- OCC Adaptive PE, Gym, and Pool
- OCC Solar PV/Adams Parking Lot Improvements
- OCC Student Union/Student Services/Utility House
- OCC Business Ed. & Computer Ctr. Re-Use
- OCC C&L Bldg Remodel

Planned
- OCC Watson Renovation
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- OCC Parking Structure
- OCC Skill Center Renovation
- OCC Lit & Lang Re-Use
- OCC Bursar's Office Re-Use (Public Safety)
- OCC Dance
- GWC Math/Science
- GWC Campus-wide Signage
- GWC Technology Building
- GWC Business/Social Science
- GWC Cosmetology
- GWC Central Warehouse Renovation
- CCC College Center Student Support Center
- CCC Garden Grove Center Renovation
- CCC Newport Student Support Center
- CCC Newport Parking Expansion
- CCC Le-Jao Parking Expansion
- CCC Garden Grove Joint-Use Learning Center

A. Christine Nguyen, CCC’s Vice President of Administrative Services, provided the following updates for CCC:

- **College Center Restroom Renovation**: this project is to renovate the existing 40-year-old restroom facility located in the Administration building at the College Center in Fountain Valley. Due to technical error with the reporting system, the DSA approval date for this project is to be corrected to Feb 2015 – July 2015. The total project cost is $219,000.
- **Le-Jao Student Resource Center Renovation**: this project is to provide an additional 2000 square feet to the existing student center to further promote student life. Upon consultation with student and faculty groups, additional needs for an entry Plaza and Seating, Café Lounge, and enlarge existing student lounge space were considered and Board approved in December 2014. Also due to technical error, a correction for the design phase is November 2014 – May 2015 and DSA approval is May 2015 – November 2015. It’s anticipated to open in fall 2016. With the stated additional needs, the estimated total cost for this project is approximately $2.9M. It was noted that other projects in queue will be reconsidered to downscale to meet the additional financial needs.
- **Technology Projects**: of the $3.6M allocation, the actuals are approximately $1M with a remaining balance of $2.6M.
- **Garden Grove Center Renovation**: similar concept to the Le-Jao Student Resource Center renovation, this project is to promote student life by creating a student gathering facility. This project is allocated an approximately $2.4M.

B. On behalf of Janet Houlihan, GWC’s Vice President of Administrative Services, Randy Flint, Measure M Project Manager, provided the following updates for GWC:

- **Math/Science Building Improvements**: this project was completed in October 2014 with a remaining balance of $46,520. The renovations were provided in an effort to accommodate faculty until the completion of the new Math/Science building.
• Elevator Repairs/Replacement: 5 elevators on campus were identified for machinery, fire alarm devices, and electrical upgrades. Final inspection is scheduled to be on February 11.

• Campus Safety/Community Education Building: construction phase for this project is scheduled to begin in March. A minor delay in start date is due to some addendums earlier in the year. It’s anticipated to complete in September 2015.

• Criminal Justice Training Center: this is the first Design/Build project at Coast. It’s currently in the RFP phase with construction to begin in August 2017. A comment was made regarding an increase of 25% in total cost for this specific project compared to the assessments in the Vision 20/20. Recognizing that the Vision 20/20 was adopted in 2010, inflation and other additional costs have contributed to the current estimation.

• Student Services Center: the design phase is in April 2015 with an estimated completion timeline of summer 2017.

• Security & Access Infrastructure: construction for this project is scheduled to begin in fall 2015.

• Classroom Improvements Projects: with a $200,000 allocation, this project is to provide new carpets and paints to classrooms that are not being replaced.

• Upcoming projects: in addition to the Cosmetology project, the Math & Science is included in this list and is scheduled to be considered before the Cosmetology project.

C. Dr. Rich Pagel, OCC’s Vice President of Administrative Services, provided the following updates for OCC:

• Dr. Pagel introduced and acknowledged the team effort of the OCC construction crew – Frank Fonseca, James Farrow, and Dennis Reid. A change in staffing was also noted with Mr. Fonseca joining the GWC team and a search for a new project manager for OCC will be underway.

• Math, Business, and Computing Center: this project is under budget and is on time with a completion timeline of summer 2015. It will be open for classes in fall 2015. Of the remaining balance of $18.5M, a saving of a few million dollars is anticipated that will be dedicated toward other projects on campus. A task force is in place to focus on re-prioritizing all remaining projects to meet the budgetary needs.

• Recycling Center: this project requires completion of CEQA. Four concerns were raised – (1) traffic along Adams and Fairview, (2) parking structure at the Fairgrounds, (3) OCC Village, and (4) historical buildings specifically during 1952 – 1956. Consultants were hired to further address these four concerns, which will help to alleviate the CEQA process. The OCC Associated Students will be providing $1.5M in matching fund for this project.

• Planetarium: this project is also pending CEQA.

• Securitization Fund Projects: OCC carries a series of unspent funds under Measure C that are now recreated as securitization fund with a balance of approximate $4.7M.

• Sustainability Landscape Projects: this project is to reduce the level of water consumption on campus and replace it with reclaimed water.

• Technology Projects: classroom technology upgrades with a budget of $562,094.
• Status of OCC upcoming projects: the total project budget is currently being refined to ensure funding is sufficient. Hence, the budget for each project will fluctuate over time.

D. Dr. Serban, Vice Chancellor of Educational Services and Technology, reported on the following District Information Technology Projects:

- **Active Directory Consolidation**: the project is to improve operational and efficiencies through consolidation of email and calendar systems from all four sites for staff, faculty, and students. This is to provide a single sign-on and ensure the security of the log-in infrastructure. This first component has been completed. The Sharepoint component for the District-site has been completed with the second phase moving to the campuses.
- **Application Software for International Students**: this project to increase the District's international student enrollment is currently in final stage with an anticipated completion in March 2015.
- **Banner Server Upgrade**: to improve and develop new infrastructure for the existing HR, Students, and Fiscal components in Banner.
- **Helpdesk Software**: to implement an online District-wide system for requesting IT services, and has been completed.
- **Upcoming Projects**: GWC will be first for the phone migration project to replace the current analog phone system. OCC will be first to implement the virtual desktop infrastructure technology.

E. Andy Dunn, Vice Chancellor of Finance & Administrative Services, presented the following financial reports:

- **Measure M Bond Expenditures** report the second quarter from October 1, 2014 through December 31, 2014 with a total of $10,105,572.96.
- **Measure M Bond Expenditures from inception** (May 2013) through December 31, 2014 with a total of $43,543,323.64.

X. **Election of Officers**

The committee unanimously approved the election of Evelyn Hart as Committee Chair and Frances Nguyen as Vice Chair.

XI. **Annual Report**

Vice Chancellor Dunn presented a draft 2013-14 Measure M Annual Report in a tri-fold brochure format. The content provided in the draft copy was accepted by the committee. District staff will be preparing the final version to be presented to Coast’s Board of Trustees by the COC Chair at the upcoming Board of Trustees meeting.

XII. **Future Meeting Date**

The Committee approved the next COC meeting to take place on Tuesday, May 12, 2015, at 10:00 a.m., in the Board Office Conference Room.
Chair Hart, on behalf of the COC members, acknowledged Dr. Parham for her service and dedication to the committee during her tenure at Coast.

XIII. Membership Matrix Review

Vice Chancellor Dunn provided the members with the COC membership matrix reflecting both current and proposed terms of service for all members.

XIV. Adjournment

There being no further business, Chair Hart adjourned the meeting at 12:00 p.m.

Prepared by T. Nguyen