



## Citizens' Bond Oversight Committee

Meeting Minutes

March 23, 2021 – 6:00 p.m.

Zoom Conference Call

<b>Present:</b>	John Gould Gordon Machado Jim Rogers John Flaherty Judi Johnson Elvira Robinson	Community At-Large Business Community Senior Citizens' Organization Community At-Large Taxpayers Association Support Organization
<b>Absent:</b>	Natalie Rusterholz	Student Representative
<b>Staff:</b>	Dr. Kathleen Rose Denee Pescarmona Jan Bernstein-Chargin Ann Kennedy Matt Kennedy Mike Chegini Carol Anderson Damon Felice  Ryan Milligan	Superintendent/President Vice President of Academic Affairs Public Information Officer Financial Manager, AKG Program Manager, AKG Communications Manager, AKG Program Support, AKG SBCC Project Manager, Felice Consulting Services Auditor, Eide Bailly

### A. CALL TO ORDER

The meeting was called to order at 6:00 PM with a quorum by John Gould.

### B. ROLL CALL

Roll call attendance was taken.

### C. APPROVAL OF AGENDA

Judi Johnson made a motion to approve the agenda, seconded by Elvira Robinson. The agenda was approved as presented by a roll call vote.

### D. APPROVAL OF OCTOBER 22, 2020 MINUTES

Judi Johnson made a motion to approve the minutes, seconded by Elvira Robinson. The minutes were approved as presented by a roll call vote.

### E. COMMENTS FROM THE PUBLIC

There were no comments from the public.

### F. COMMUNICATIONS RECEIVED BY COMMITTEE MEMBERS

No communications received by committee members

### G. STAFF REPORTS

Dr. Rose provided the committee with the following updates:

- a. The college has been operating in a remote environment for one year. The college never closed and all classes were offered online. The District established a QR code program to access the campus and proved contact tracing and was able to trace all campus cases. The past year has been one of many lessons and challenges. It has been traumatic for our students and the District has continued to serve all students.

- b. Summer classes will be online and there will be an increase in Fall classes offered in person at the main campus as well as the Briggs Bldg. in Hollister, the San Martin site and police and fire classes at the Coyote Valley site.
- c. The Emergency Operations Center (EOC) is currently meeting twice a week and are working on re-entry protocols for a return to campus.
- d. The District has been holding high school forums and outreach for all high school students in the district for the past five years. Last year we were unable to do so but will again host these forums virtually this year.
- e. This year's graduation will be a virtual event providing students the opportunity to drive through and receive their diplomas.
- f. The Presidents Circle Legacy Award was established three years ago to recognize community heroes that volunteer and support the mission, values, and principles of the Gavilan community. The 2021 recipient of the Presidents Circle Legacy Award is Elvira Robinson.

Denee Pescarmona provided the following updates:

- a. Student athletes have returned to campus with social distancing protocols and a rigorous check-in process with their athletic trainers. This model is being tested for the eventual return to campus.
- b. The Children's Theater class met in person and performed Aesop's Fables, with masks on. The show was recorded and sent to all local elementary schools and is available on YouTube.
- c. The annual performance of "Bach to Blues" will virtually return this spring.
- d. The District was able to help 40 homeless and housing insecure students with its Housing Insecurity Grant. Students are receiving temporary housing at local hotels moving towards a more permanent placement through Catholic Charities in Santa Clara County and Youth Alliance in San Benito County.

#### H. MEASURE X FINANCIAL AND PERFORMANCE AUDIT REPORTS

Ryan Milligan, Senior Audit Manager with Eide Bailly, reviewed the FY19-20 draft Measure X audit reports noting that all content contained in the reports have been finalized and will not change in the final report.

- a. Financial Audit – Received an unmodified opinion which is the highest opinion an auditor can give. Ryan noted that a blank page in an audit report is a great thing and signifies no findings. The blank page is where any findings would be noted.
- b. Performance Audit – The auditors sampled 53% of total expenditures for FY19-20 and returned an unmodified opinion, the highest opinion possible.

Gordon Machado asked how the auditors choose the 53%.

Ryan noted that Auditors must follow professional sampling guidelines established by the American Institute of Certified Public Accountants (AICPA), which sets the standards for all audits. Random vendors and transaction amounts were selected and it is the auditor's discretion on how many to sample. Over 35 transactions were pulled for this audit.

Judi Johnson asked, via email, the following questions:

- 1) What do the two highlighted areas in yellow on page 16 of the meeting packet mean?

Ryan answered that once the audit reports are finalized these dates will be updated to reflect the finalization date. The space between the last sentence and Rancho Cucamonga will be Eide Bailly's signature and Rancho Cucamonga is the office location for Eide Bailly.

- 2) What does the following sentence (page 18 of the meeting packet, last sentence of the last paragraph) mean?

*Expenditures cannot legally exceed appropriations by major object code.*

Ryan answered that this section of the report is a summary of the District's accounting policies. All expenditures in the major object accounts must be budgeted and approved by the Board of Trustees and cannot exceed the budgeted amounts. The BOT can amend budgets throughout the year.

Ryan gave a summary of the Major Object codes:

5000 – Services, rentals, maintenance, repairs, utilities, etc. A catchall for non-capital expenditures

6000 – Capital Expenditures including contractors, builders, architects, technology etc.

7000 – Debt Service payments and Interfund transfers

- 3) Please explain the last sentence on page 29 of the meeting packet:

*This report is intended solely for the information and use of the District, and is not intended to be and should not used by anyone other than this specified party.*

Ryan explained that the report is tailored to the District and is not intended to be used to base decisions on. For example, a lender should not use this report to base a lending decision on and law enforcement should not use it to determine if anything illegal is happening at the District. It is not the intention of the audit to be used by 3<sup>rd</sup> parties.

Ann Kennedy noted that the BOT has already received the audit report and accepted and approved the report.

Elvira Robinson made a motion to accept the Measure X Financial and Performance Audit Reports, seconded by John Flaherty. The Audit Reports were accepted by a roll call vote.

I. REVIEW AND APPROVAL OF THE 2019-2020 ANNUAL REPORT

Mike Chegini reviewed the 2019-2020 Annual Report, noting that it is a web report in the same format as last years Annual Report.

John Gould wanted clarification on Program Management, Planning and Support. Per Ann Kennedy, the following expenses are part of the Program Management, Planning and Support project: AKG program management work (does not include CBOC fees), legal services, architect fees, master planning components that impact all projects, cost of issuance and underwriter fees. As projects get underway, these project expenses will be reviewed with the auditors and any costs that are associated with a particular project (direct costs) will be transferred, with the exception of cost of issuance fees and underwriter fees which are not capitalizable and cannot be spread.

Elvira Robinson asked if we are on pace with our spending? Are we spending too much or not enough? Ann stated that we are doing well in terms of the pace of spend. If the committee would like an analysis of the overall budget pace, once we know the project path and confirm the schedule, we can bring it back to the committee.

Judi Johnson asked if the CBOC will receive a contract breakout moving forward showing who is providing the service and how much has been spent. Judi also stated that she would like to meet with Ann Kennedy to discuss the record keeping. Ann noted that the contracts can be shown in the program review but would not include amounts. If the committee would like to see that detail per contract it would need to be a committee decision. A discussion among the committee members was had and some felt that the CBOC does not need that level of detail and would cost the District money. It was also stated that the committee needs to work as a committee and a motion can be made recommending this information be brought to a future meeting, but that one member of the committee should not be meeting with Ann, it should be the whole committee or not at all.

John Flaherty asked the Annual Report working group if they saw any problems that were not addressed. Elvira Robinson and John Gould confirmed that they had no issues or edits of the Annual Report.

A community member asked how the community gets a copy of the Annual Report. Per Mike Chegini, John Gould will present the Annual Report to the Board of Trustees on April 13<sup>th</sup>. Following the BOT presentation, the report will be on the Measure X website (<http://gavilanmeasurex.org/>)

Elvira Robinson made a motion to approve the 2019-2020 Annual Report, seconded by Jim Rogers. The 2019-2020 Annual report was approved with a vote of: Ayes-5, Abstention-1, Absent- 1 by a roll call vote.

J. PROGRAM OVERVIEW AND PROJECT UPDATES

Matt Kennedy gave a Measure X program overview and project update.

Elvira Robinson asked what the Mayock House is being used for? Do the faculty still use it? Matt answered that the Mayock House is not being used at all right now and cannot be used. The Mayock House has a chance for modification but the chances for Chapel are not as good. We will have more information at a future meeting.

Judi Johnson asked why DSA is asking for additional soil testing for the Pedestrian Bridge? Is it because of earthquakes or slippage? Matt explained that an earth sample, obtained by a drill rig, is sent for testing for compressive strength and soil composition to provide to the structural engineer to use in his/her design. DSA tends to err on being conservative and requested more samples.

John Flaherty asked if DSA is slow in responding or hard to reach? Matt stated that it takes DSA awhile to review and respond. The time varies from submittal date to response date. We have found that the response time has extended during the pandemic, partially due to not being able to go to the site and physically inspect.

K. PROGRAM FINANCIAL UPDATES

Ann Kennedy reviewed the 2020-2021 2<sup>nd</sup> quarter Project Summary Report and Whole Program Report with the committee. These reports are from inception of the bond program through the 2<sup>nd</sup> quarter of 2020-2021.

Judi Johnson made a motion that the 2020-2021 2<sup>nd</sup> Quarter Project Summary Report and Whole Program Report be received and accepted by the committee as presented. Gordon Machado seconded the motion. Approved by roll call vote, the motion carried.

L. MEMBER TERM CHART

Ann reviewed the term chart, noting that we will bring the chart to every meeting to ensure that we are tracking term end dates.

Elvira Robinson would like to continue on the CBOC when her term expires in October and would like to use her current application that is on file.

M. FUTURE MEETING DATES

The following CBOC meeting dates were agreed upon:

- July 20, 2021, Zoom
- October 19, 2021, TBD
- January 18, 2022, TBD

N. TOPICS FOR NEXT MEETING

In addition to the standing agenda topics, the following items will be included on the next agenda:

- Damon Felice will provide an update on the SBCC
- Kyle Billups, Director of Information Technology, will provide an IT update
- Election of Chair and Vice Chair

O. ADJOURNMENT

A motion was made by John Flaherty to adjourn the meeting. The motion was seconded by Gordon Machado. The meeting was adjourned at 7:47 p.m.

Note: Dr. Rose noted that if any member still has questions regarding the financial reporting or feel your questions were not satisfactorily answered, please send Dr. Rose your questions via email for inclusion on a future agenda.