

CITIZENS' BOND OVERSIGHT COMMITTEE

MINUTES

MARCH 10, 2015

3:30PM-5:00PM

CRAVENS STUDENT SERVICES, MPR

ATTENDEES	<p>Members: Mr. Lawrence M. Cohen (Business Representative); Mr. Kenneth Eklund, (Senior Citizen Group Representative), Mr. Chris Escobedo, (Taxpayers' Association Representative); Mr. Fred Jandt, (Members At-Large- West Valley); Mr. Geoffrey Kiehl, (Members At-Large – East Valley); Ms. Patricia "Tish" Lacy, (Student Representative; Mr. Larry Spicer (College Support Organization)</p> <p>Lisa Howell, College of the Desert's Vice President, Administrative Services; Mr. Mac McGinnis, Bond Program Manager from Maas Companies; Jennifer Mergl, Maas Companies</p>
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Agenda topics

1. CALL MEETING TO ORDER

LARRY SPICER

DISCUSSION			
<p>L. Spicer called the meeting to order at 3:35PM</p> <p>L. Spicer asked that Jennifer Mergl call roll:</p> <p>Present:</p> <ul style="list-style-type: none"> Larry Cohen Ken Eklund Fred Jandt Geoffrey Kiehl Tish Lacy Larry Spicer <p>Not Present:</p> <ul style="list-style-type: none"> Chris Escobedo 			
CONCLUSIONS	The committee had a quorum.		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE	
1. None			

2. COMMENTS FROM THE PUBLIC

LARRY SPICER

DISCUSSION			
There were no public comments.			
CONCLUSIONS			
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE	
1. None			

3. APPROVAL OF MEETING MINUTES

LARRY SPICER

DISCUSSION		
<ul style="list-style-type: none"> December 9, 2014- A motion was made by L. Cohen to approve the December 9, 2014 meeting minutes, Seconded by L. Spicer. All in favor. No opposed. No abstained. Motion passed unanimously. 		
CONCLUSIONS		
Meeting minutes from the December 9, 2014 meeting were approved.		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
1. None		

4. FINANCIAL AND PERFORMANCE AUDITS

BRANDON HARRISON

DISCUSSION		
<p>Brandon Harrison, an auditor from Vavrinek, Trine, Day & Co., LLP, presented his findings for fiscal year end June 20, 2014 Audit Report. VTD audited the financial statements of the Desert Community College District's (DCCD) Measure B General Obligation Bond Fund. It is the opinion of VTD that the financial statements present fairly, in all material respects, the financial position of the Measure B General Obligation Bond Fund and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.</p> <p>B. Harrison stated that of the \$18MM tested in the audit, VTD concluded that there were no findings and no misstatements noted in completing the audit.</p> <p>L. Spicer asked for confirmation of Board of Trustee (BOT) approval. L. Howell confirmed BOT approval of the audit at the December 18, 2014 Board Meeting.</p> <p>L. Cohen asked if there are any DCCD Employees whose salary is split between the Bond and the District. B. Harrison added that the Bond pays for the Program Management group MAAS Companies (formerly EISPro), who are contracted and not employees of the Desert Community College District. L. Howell provided clarification on select Facilities staff that receive salary and have supplies purchased with RDA funds but that Bond funds are never used to pay a District Employee's salary.</p> <p>L. Howell explained how Riverside County approaches Fund 41 which until 2015, comingled Bond and RDA Funds. In 2015, all Bond Funds will be transferred to Fund 42. This will create a separation of Bond Funds and RDA thus providing clearer separation of the two funding sources.</p> <p>L. Cohen asked B. Harrison where the Desert Community College District would rank in terms of performance and accuracy. B. Harrison stated that DCCD would rates high when compared to other community college districts.</p> <p>L. Spicer asked B. Harrison to provide clarification on the wording found in the letter presented composed by VTD, specifically under <i>Corrected and Uncorrected Misstatements</i>. B. Harrison confirmed that the letter uses boiler plate language and that VTD maintains that no misstatements were noted in completing their audit.</p> <p>A motion was made by G. Kiehl moved to receive the Financial and Performance Audit as presented, Seconded by K. Eklund. All in favor. No opposed. No abstained. Motion passed unanimously.</p>		
CONCLUSIONS		
Financial and Performance Audits were accepted as presented. No findings were identified.		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
None		

5. INFORMATION

LISA HOWELL

DISCUSSION		
<p>1. DCCD Combined GO Refunding Analysis – At the March Board of Trustees Meeting (03.20.2015), the DCCD will be seeking approval for the refunding of the 2005 series of Measure B Bonds. L. Howell confirmed that this is not a cash-out refinance and the District will not be refunding any Bond that requires a refunding premium. This refunding will save tax payers approximately 16%. The District will continue to monitor the interest rates for possibly refunding of the remaining two (2) Bond series. L. Howell confirmed that David from the Bond council has been involved in this process. L. Spicer inquired into whether the District’s assessed valuation is up. L. Howell confirmed that the bonding capacity is up by approximately 6% this year.</p> <p>2. Nexus- A Data Company- Nexus has an existing agreement with the District to provide training and engineering services to the District. This agreement will occur via a change order to include infrastructure upgrades to EVC-Mecca/Thermal Campus. This change order will go before the Board for approval. Due to the fact that this contract is funded by Bond dollars, L. Howell wanted to ensure that the COC was aware of the change.</p> <p>3. Close Out of Bond Funds/Citizens’ Bond Oversight Committee- L. Howell reached out to legal counsel and colleagues to inquire about the period of time in which the COC must remain intact. L. Howell confirmed that the COC must remain intact until the financial and performance audit is completed following the expenditure of the last Bond dollar. Once the final report is complete, it is submitted to the Board of Trustees for approval and upon that approval the COC can be closed-out.</p>		
CONCLUSIONS		
<p>1. DCCD will move forward with refunding of the 2005 series Bonds. This will save the tax payers approximately 16%.</p> <p>2. There will be a change in the Professional Services Agreement with Nexus. This change will come in the form of a change order.</p> <p>3. The Citizens’ Bond Oversight Committee must remain intact until the financial audit is performed and approved by the Board for the year following the expenditure of the final Bond dollar.</p>		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
1. Forward the presentation of the Bond Refunding to all committee members.	L. Howell	3/13/2015

6. BOND PROJECTS UPDATE & BOND PROJECT FINANCIAL REPORTS

MAC MCGINNIS

DISCUSSION		
<p>M. McGinnis reviewed all project and financial updates found on the Bond Citizens’ Oversight Committee Report dated March 2015.</p>		
CONCLUSIONS		
<p>L. Spicer posed the following question to M. McGinnis; “Are you aware of any Bond proceeds that were expended for purposes other than those set forth in Measure B?” Mc. McGinnis responded, “No.”</p> <p>L. Spicer posed the following question to M. McGinnis; “Are you aware of any Bond proceeds that were expended for any teacher or administrative salaries of the college or for the operating expense?” M. McGinnis responded, “No.”</p>		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
1. Reach out to Jeane Hilb regarding the HILB Building Renovation.	Lisa Howell	03.31.2015

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7. 2013-2014 ANNUAL REPORT

MAC MCGINNIS

DISCUSSION		
M. McGinnis delivered the 2014-2015 Annual Report to Committee Members.		
CONCLUSIONS		
Committee Members accepted the report as delivered.		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
None		

8. SCHEDULE OF FUTURE MEETINGS

LARRY SPICER

DISCUSSION		
Future meeting dates are set June 9, 2015 & September 8, 2015.		
CONCLUSIONS		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
1. None		

9. FUTURE AGENDA ITEMS

LARRY SPICER

DISCUSSION		
<ul style="list-style-type: none"> Bring Official Statement of Bond Language 		
CONCLUSIONS		
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
1. Add Agenda items to the June 9, 2015 agenda.	Jennifer Mergl	06.09.2015
Meeting adjourned at 5:10PM		