



CITIZENS' BOND OVERSIGHT COMMITTEE		
MINUTES FOR: December 5, 2016	3:30-5:00PM	CSSC- Multi-Purpose Room
Members Present:	Members: Vern Kozlen (Chair and College Support); Andrew Harker Ed.D (Vice Chair, and Member-At-Large, West Valley); Vicki Shepard (Taxpayers' Association); Eileen Packer (Business Representative); Margie Eklund (Senior Citizen Group Representative); Liam Withrow (Student Representative)	
Members not Present:	Steven Bayard (Member-At-Large, East Valley), Fred Jandt (Trustee)	
Guest(s):	Matthew Peich (Vavrinek, Trine, Day & Co. LLP) Adam Bauer (Fieldman, Rolapp & Associates), Mac McGinnis (MAAS Companies, Bond Management Office)	
Guest(s) not Present:	N/A	
Recorder:	Courtney Kerrigan (MAAS Companies, Bond Management Office)	

AGENDA

1. Call to Order/Roll Call		
	The meeting was called to order at 3:34 p.m. The Committee had a quorum.	
1.1 Comments From The Public		
	There were no comments from the public.	
2. Action Items(s)		
2.1 Approval of October 18, 2016 Meeting Minutes		
DISCUSSION	Meeting Minutes – October 18, 2016: A motion was made by V. Kozlen to approve the October 18, 2016 meeting minutes, Seconded by V. Shepard. All in favor. No opposed. No abstained. Motion passed unanimously.	
CONCLUSION	1. Meeting Minutes from October 18, 2016 were approved.	
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
1. Finalize and publish October 18, 2016 meeting minutes.	Courtney Kerrigan	12/12/16
2.2 Measure CC – Voters Approval of Bond Measure		
DISCUSSION	<p>L. Howell informed the Committee that the Districts' Measure CC bond passed on November 8, 2016, with voter approval of over 70%. Final voting results will be certified by the County of Riverside, Voter Registrar. 90 days after certification a Bond Policy and COC committee is required to be put in place.</p> <p>L. Howell shared the District is currently in the process of updating both their Educational and Facility Master Plans. These plans will be produced with the assistance of third party consultants with the various college constituent groups and are updated approximately every 5 years. The data pulled from state and county census bureaus will show anticipated population growth, expected enrollment numbers, future curriculum trends and needs, building assessments and anticipated facility requirements for long term planning.</p> <p>L. Howell stated the District will attempt to set a blueprint and plan the next 20-30 years of projects and facility needs for the community. The new Bond Policy is required and will attempt to memorialize the thoughts and vision of our current Board Members for future District officials to use as a guide. This policy will be shared with this Committee for their review.</p> <p>Measure CC bond language was requested and furnished to the committee members at this meeting.</p>	

CONCLUSION	<ol style="list-style-type: none"> Bond Measure CC passed on November 8, 2016. Educational and Facility Master Plans will be completed by spring of 2017. A Bond Policy will be put in place to memorialize the plan and vision of Measure CC. 		
ACTION ITEMS		PERSON RESPONSIBLE	DEADLINE
1. Bond Policy will be furnished to COC members for their review.		L. Howell	March 14, 2017
2.3. Accept the Role for the Citizens' Oversight Committee – Measure CC Bond			
DISCUSSION	<p>On behalf of the District, L. Howell formally asked if the Committee would provide Citizen Oversight for the new \$577,860 M Measure CC bond. It was clarified that future meetings held would cover both Measure B and Measure CC bond programs, but information relating to each would be delivered, discussed and voted on separately.</p> <p>Legal council will furnish examples of other Committees that are providing oversight to multiple bond measure programs for Districts.</p>		
CONCLUSION	<ol style="list-style-type: none"> A motion was made by V. Kozlen to formally accept the Districts' invitation and assume dual COC roles for both Measure B and Measure CC Bond Programs. Seconded by V. Shepard. All in favor. No opposed. No abstained. Motion passed unanimously. 		
ACTION ITEMS		PERSON RESPONSIBLE	DEADLINE
1. Furnish examples of structuring meetings and providing oversight of multiple bond measures to committee members.		L. Howell	March 14, 2017
3. Follow up Items			
3.1 Revise Budget Tables – Bond Project Financial Report			
DISCUSSION	<p>M. McGinnis, Bond Program Manager, addressed an inquiry made by the Committee members in the last October 18th meeting. The inquiry was to revise the budget tables within the Bond Project Financial Report to include information whether a project came in under or over budget. M. McGinnis furnished an example template to illustrate how this information could be delivered in future reports. Feedback was requested. Committee confirmed the sample template provided the data they were seeking.</p>		
CONCLUSION	<ol style="list-style-type: none"> Committee confirmed that the new budget table examples were acceptable and would look forward to receiving the tables when they are completed. . 		
ACTION ITEMS		PERSON RESPONSIBLE	DEADLINE
None			
4. Presentations			
4.1 2015-2016: Financial & Performance Audit Report			
DISCUSSION	<p>Matthew Peich, an auditor from Vavrinek, Trine, Day & Co, presented their Annual Financial and Performance Audits for the Districts' Measure B General Obligation Bonds. M. Peich reported the audit went well, without issues or findings. The District has \$74M leftover in the restricted fund balance from Measure B that can be used for future projects. Performance reports were conducted and show no issues found relating to internal controls, and bid documentation, all allowable according to the bond language.</p> <p>Q: A. Harker - The non-capitalizing items listed such as supplies and materials spent under Measure B, were items used only for the bond building program, and not used for other functions for the college correct?</p> <p>A: M. Peich - Correct, non-capitalizing items listed were used for the building program only.</p> <p>Q: V. Shepard - How unusual is it not to find issues with a bond audit?</p> <p>A: M. Peich - It's not unusual, most Districts don't have issues found. One problem typically found are Districts without a complete committee to provide oversight for the Districts bond program.</p>		

	<p>Q: A.Harker - Does the District have a Bond Covenants document that is signed every year attesting to their knowledge that each bond covenant is being met? My specific concern is unrelated business income (use tax) received from District owned retail space?</p> <p>A: L. Howell - To my knowledge a Bond Covenant document is currently not in use; but deems relevant at this time. The business use tax inquiry will be addressed and answered at our next COC meeting in March by the Districts' Bond Council and Auditors.</p>	
CONCLUSION	<p>1. 2015-2016 Financial & Performance Audit was shared and understood by the Committee Members. No findings or issues were found.</p>	
ACTION ITEMS	PERSON RESPONSIBLE	DEADLINE
1. Bond Covenant Document	L. Howell	3/14/2017
4.2 Measure B & Measure CC – District Financial Advisor Presentation		
DISCUSSION	<p>Adam Bauer of Fieldman, Rolapp, and Associates provided a financial and audit presentation regarding the Districts bonds. The District is considering refinancing Measure B bonds to save approximately \$200 million in interest over a 20 year period of time; this is a readily identifiable savings for the community, and this approach will be presented to the Board as an Action Item.</p> <p>A. Bauer PowerPoint presentation included graphs showing current and projected tax rates, bond maturity dates and the projected Measure CC bond issuance schedule. The Districts' approved legal tax rate is \$25.00 per 100,000.00 or for the 2 bonds \$50.00 per 100,000.00 for each property owner. The Districts approach for this is to increase the tax rate by \$5.00 on Measure B and agreeing not to use \$5.00 on Measure CC; so the tax payer doesn't pay any more than \$40.00 for both; going below the \$50.00 maximum tax rate.</p> <p>Q: A. Harker - When does the taxpayer start paying for bonds? A: A. Bauer - Not until the bonds are sold.</p> <p>Q: A. Harker - What message is the board going to release to the community explaining the refinance and course of actions? A: L. Howell - The District will convey the message by Press Release. It was confirmed that the Press Release should be done in a clear, concise and accurate format.</p> <p>L. Howell confirmed that for Measure CC, the District will not sell off all of the bonds at the same time, as was done with Measure B; since that created tax implications for the District.</p>	
CONCLUSION	<p>1. The Committee were briefed on the Districts annual financial audit and refinancing plans.</p>	
ACTION ITEM	PERSON RESPONSIBLE	DEADLINE
1. Furnish Committee with Press Release and/or Talking Points regarding refinance and bond strategy.	L. Howell	Feb 2017
4.3 2015 – 2016: COC Annual Newsletter/Report		

DISCUSSION	<p>M. McGinnis provided DRAFT copies of the 2015-2016 Citizens' Oversight Annual Newsletter. This report is required to be posted each year by the Committee, for the local community. The report contains information regarding the past years' projects, updated photos, and efforts made in completing the projects. Bond financial information is also included showing updated expenditures and information relating to the independent financial audit. The Committee were asked to review any possible edits before finalization. Distribution of the Newsletter will be late January 2017.</p> <p>Q: V. Shepard - Where does the Newsletter get published? A: L. Howell - The Newsletter will be posted on the Bond website and hard copies will be delivered to various cities and agencies as information for their constituents.</p> <p>Q: V. Kozlen - When do you need to form a COC committee for the new Measure CC bond? A: D. Adams - The COC is formed 60 days after the election results have been certified.</p> <p>Q: A. Harker - Within the financial section of the Newsletter Measure B bond total is \$418 million, when the original voted amount was \$365 million, can you explain where the extra money came from to increase the bond total? A: L. Howell - Part of it is from refinancing and interest from the bond; a formal answer will be provided to you within the next meeting. .</p>		
CONCLUSION	1. The Committee reviewed and provided feedback on the 2015 – 2016 COC Annual Newsletter Report.		
ACTION ITEMS		PERSON RESPONSIBLE	DEADLINE
1. Correct spelling of V. Shepard's name in Annual Newsletter		C. Kerrigan	12/6/2016
2. Explanation of increase in Measure B totals; \$365M to \$418M.		L. Howell	3/14/2017
3. Obtain former Chair Ken Eklund's signature of approval on Newsletter.		M. McGinnis	ASAP (done)
4.4. Bond Projects Update & Bond Project Financial Report			
DISCUSSION	M. McGinnis reviewed all project and financial updates found on the Bond Citizens' Oversight Committee Report dated Dec. 5, 2016.		
CONCLUSION	<p>1. Committee were briefed on current project and financials under the Measure B bond program.</p> <p>2. V. Kozlen 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?" M. McGinnis responded, "No".</p> <p>3. V. Kozlen posed the next 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
None			
5. Future Agenda Items			
DISCUSSION	<p>V. Kozlen suggested the following agenda items for the next March 14, 2017 meeting:</p> <ol style="list-style-type: none"> 1. Measure CC election vote certification information 2. Final COC Annual Newsletter 3. Action Items: Bond Covenants, Press Release/Talking Points regarding refinancing. 4. Bond Council presentation to address the roles, covenants and bond total inquiries. 		
CONCLUSION	C. Kerrigan to add future discussion items to the March 14, 2017 meeting agenda.		
6. Adjournment: 4:52PM			

NEXT MEETING:

March 14, 2017 at 3:30PM – 5:00PM
Craven's Student Services Center-
Multi-Purpose Room