

MARIN COMMUNITY COLLEGE DISTRICT
MEASURE B 2016 and MEASURE C 2004

MEETING MINUTES
CITIZENS' BOND OVERSIGHT COMMITTEE MEETING
JANUARY 29, 2020

LOCATION:
KENTFIELD CAMPUS
ACADEMIC CENTER, ROOM 229, 835 COLLEGE AVENUE
KENTFIELD, CA 94904

CITIZENS' BOND OVERSIGHT COMMITTEE, MEMBERS PRESENT

Margaret De Somma	CBOC Chair and Representative, At Large
Eric D. Sitzenstatter, Jr.	Representative, Senior Citizens' Organization
Jeff Gunderson	Representative, At Large
Paul Premo	Representative, Taxpayers Association

CITIZENS' BOND OVERSIGHT COMMITTEE, MEMBERS ABSENT

Mark Dawson	Representative, Business Organization
Janelle LaChaux	Representative, Student Organization
Jason Lau	Representative, Support Organization

MARIN COMMUNITY COLLEGE DISTRICT, STAFF PRESENT

Greg Nelson	Assistant Superintendent/VP of Admin. Svcs.
Isidro Farias	Director of Capital Projects
Katy Bauer	Executive Assistant

CONSULTANTS

Ann Kennedy	A Kennedy Group, Financial Manager
Mike Chegini	A Kennedy Group, Communications Manager
Ellen Clements	Gilbane Building Company, Program Manager

GUESTS

Mark B. Wittenkeller	Community Member
Helen	Community Member
Oliver	Community Member

I. CALL TO ORDER

The Citizens' Bond Oversight Committee (CBOC) meeting was called to order by Chair, Margaret De Somma, at approximately 4:31 PM. Committee Chair, Margaret De Somma, Committee Members, Eric Sitzenstatter, Paul Premo, and Jeff Gunderson were present, establishing a quorum. Committee Members, Mark Dawson, Jason Lau, and Janelle LaChaux were absent.

II. APPROVAL OF AGENDA

Committee Member, Paul Premo, made a motion to approve the agenda with no changes. Committee Member, Eric Sitzenstatter, seconded the motion. The motion was unanimously carried by the Committee Members present (4 approvals, 3 absent).

III. APPROVAL OF THE MEETING MINUTES FOR SEPTEMBER 18, 2019

Committee Chair, Margaret De Somma, made a motion to approve the September 18, 2019 meeting minutes with no changes. Committee Member, Paul Premo, seconded the motion. The motion was unanimously carried by the Committee Members present (4 approvals, 3 absent).

IV. PUBLIC COMMENT

Three members of the public provided comments to the CBOC. Helen, addressed the Committee and asked who received the contracts for the jobs, and which companies did the work. Executive Assistant, Katy Bauer, clarified that the District would need to know which jobs she was referring to in order to determine whether the District has the specified records, and can produce the records under a public records act request. Oliver, addressed the committee and wanted to know the costs for the bids. Committee Chair, Margaret De Somma, noted that much of the project information is available online and directed them to the Measure B [Website](#) project list, as well as [Board Docs](#). Mark Wittenkeller, a resident and Measure B supporter, provided a handout. He thanked and acknowledged the Committee for its work, highlighted the responsibility of the CBOC to publish an annual report, thanked the District's auditor for their role in reviewing expenditures, and referenced the Board's responsibilities, and the importance of open governance. He made a recommendation that Vice President, Greg Nelson, recuse himself from the Kentfield Planning Advisory Board (KPAB) to avoid a potential conflict of interest. Committee Chair, Margaret De Somma, clarified that this is not in the purview of the Committee.

V. COMMUNICATIONS RECEIVED BY COMMITTEE MEMBERS

No communications were received by Committee Members.

VI. COMMUNICATIONS FROM STAFF

- a. Vice President, Greg Nelson, stated that the District is working to resolve the Kentfield School District litigation related to the Maintenance & Operations building out of court. Committee Chair, Margaret De Somma, asked how the legal bills will be paid. Vice President, Greg Nelson, replied that the District has insurance through the Statewide Association of Community Colleges (SWACC) JPA, to be used when it is served with a lawsuit that will cover up to \$100 Thousand of legal costs. Committee Member, Jeff Gunderson, asked how the District plans to move forward with Capital Projects to ensure local community accord, and asked the District to track attendance at events. Vice President, Greg Nelson, disclosed that the District is working on a Maintenance & Operations project timeline that will soon be made public, showing that the District has made many communications and outreach to the community, local businesses, agencies and constituencies. It was noted that the Town Hall meeting regarding the Learning Resources Center project only received about 40 attendees, despite several District staff walking door to door in the community to hand out flyers, a Nextdoor social media posting, and 5,500 emails sent through Supervisor Katie Rice's office. The District also plans to increase its social media presence for communications going forward, in an effort to increase attendance at community forums. Vice President, Greg Nelson, gave an update on the Fine Arts and Performing Arts litigation; it is currently in the California supreme court. He hopes to close the case within the next 6 months, as Measure C funds have been exhausted so additional funds would need to come from the general fund.
- b. Vice President, Greg Nelson, explained that the District has a newly created committee that meets weekly to address communications around current and upcoming projects. Committee topics are talking points for staff, a FAQ for the general public, and adjustments to the Measure B website to include pre-planning, planning, design, and construction phases so additional documents can be added and easily retrieved by the public. An extensive communication plan for the Learning Resources Center is in the works, and there will be additional Town Hall meetings, as well as a 3-month and 6-month look-ahead. Vice President, Greg Nelson, also noted that while many residents have been critical of the temporary trailers placed on the Kentfield campus, there is no other space where they can be placed due to soil suitability, since much of the campus is marshland. A green

screen will be placed between the trailers and the sidewalk to provide a visual and sound barrier. Committee Member, Jeff Gunderson, restated his support of the bond, but is worried about buy in for new construction, and reinforced the need for open communication around upcoming projects. Committee Member, Eric Sitzenstatter, expressed appreciation for transparency of the current College administrators, and commended Vice President, Greg Nelson, and President, David Wain Coon, for their openness at the bond planning meetings he has attended. Committee Chair, Margaret De Somma, attended the Kentfield community forum and felt that President Coon went over and above in trying to address the community's concerns, stressed the importance of social media for communications, and the need to quickly mitigate parents' concerns regarding the Maintenance & Operations project. Vice President, Greg Nelson, noted that the District addressed the construction concerns within 24 hours, and will provide President Coon's full letter dated January 6, 2020, excerpts of which were included in one of the Marin IJ articles related to the Maintenance & Operations project, to the Committee.

VII. MEASURE B 2016 AND MEASURE C 2004 FINANCIAL AND PERFORMANCE AUDITS FOR FY 2018/2019

Manager, Colleen Goeser, with Crowe, LLP, presented the Measure B General Obligation Bonds Performance Audit report, which tests for compliance utilizing a review of expenditures. Manager, Colleen Goeser, gave a brief overview of the performance audit, including legislative history, Proposition 39 requirements, and testing to ensure the District has expended funds in accordance with projects the Board and voters have approved. The District spent approximately \$34.7 Million in fiscal year 2018/2019; of that, 27 expenditures were selected, totaling \$14.8 Million, or 43% coverage of expenditures. The results indicated the District is in compliance with stated requirements. Committee Member, Paul Premo, inquired as to how the expenditures are selected. Manager, Colleen Goeser, replied that the selection was random, and unbiased. Manager, Colleen Goeser, discussed the Measure B Financial Statements, and stated there was an unmodified audit opinion, which is the best result. It was noted that the 2019 financial statement compared to 2018, would have a significant increase in assets, which was due to the January 2019 \$167.5 Million Series B and B-1 bond issuance. The Measure C Performance Audit report was discussed; \$321 Thousand was expended during fiscal year 2018/2019; of that, 9 expenditures were selected, totaling \$300 Thousand, or 93% coverage. The audit found that the District spent funds in compliance with stated requirements. Lastly, the Measure C Financial Statements were discussed, and received an unmodified audit opinion; it was noted that Measure C is now expended as of June 30, 2019. Manager, Colleen Goeser, thanked Director of Fiscal Services, Peggy Isozaki, and the Fiscal Services team for their preparation and work each year. Committee Chair, Margaret De Somma, and Committee Member, Jeff Gunderson, thanked Colleen and the team at Crowe, LLP for their diligent work.

VIII. MEASURE B 2016 AND MEASURE C 2004 DRAFT ANNUAL REPORT FOR FY 2018/2019

Communications Manager, Mike Chegini, thanked Committee Chair, Margaret De Somma, and Committee Member, Jason Lau, for helping with the draft report. The final Annual Report will be presented at the February 18, 2020 Board of Trustees Meeting. The Committee reviewed the draft Annual Report, and requested the following revisions: add link to project list as of June 30, 2019 in the letter from Chair, change ERP to Enterprise Resource Planning (if applicable), and add an updated picture of Building 27 in the highlighted project section. Committee Chair, Margaret De Somma, asked for clarification between Miwok Center vs Aquatic Center in the expenditures. Financial Manager, Ann Kennedy, stated that the Project list includes consolidated/deferred/cancelled projects as well as active projects for tracking purposes and compliance. Committee Chair, Margaret De Somma, motioned to approve the Measure B 2016 Annual Report for fiscal year 2018/2019 with the requested revisions. Committee Member, Eric Sitzenstatter, seconded the motion. The motion was unanimously carried by the Committee Members present (4 approvals, 3 absent). Communications Manager, Mike Chegini, presented the Measure C 2004 draft report. The Committee reviewed the draft Annual Report, and requested the following revisions: change ERP to Enterprise Resource Planning in the project list. Committee Chair, Margaret De Somma motioned to approve the Measure C 2004 Annual Report for fiscal year 2018/2019 with the requested

revision. Committee Member, Paul Premo, seconded the motion. The motion was unanimously carried by the Committee Members present (4 approvals, 3 absent).

IX. PROGRAM/PROJECT UPDATE REPORT

Director of Capital Projects, Isidro Farias, presented the Measure B 2019 program highlights, which was provided to staff, and faculty, at Spring 2020 convocation. Vice President, Greg Nelson, suggested the Committee tour the Maintenance & Operations building and Fusselman Hall at the June 17, 2020 meeting. Committee Member, Eric Sitzenstatter asked for the status of IVC student services (Building 12). Vice President, Greg Nelson, responded that the building has been abated, as well as roof and window replacements; however, estimates to renovate the interior were high. The District needs to ensure it is utilizing the kitchen at the Organic Farm before it moves forward with a new kitchen at Building 12. The District is using Building 12 for storage in the interim, instead of renting storage offsite. Vice President, Greg Nelson, asked Gilbane Program Manager, Ellen Clements, to coordinate a tour of the Jonas construction site for the Committee at the March 18, 2020 meeting; the Committee agreed to shorten the meeting to one hour (4:30 – 5:30 PM) in order to tour the site during daylight in lieu of the full program/project report. Director of Capital Projects, Isidro Farias, presented a draft Learning Resources Center project board including outreach efforts, Environmental Impact Report (EIR) process, and demolition timeline; once finalized, it will be published on the District's website and as a flyer. Vice President, Greg Nelson, informed the Committee that Bolinas plans were submitted to the County Planning Division in December 2019; the District has since received notice from the County of 19 issues related to the site; the architect is looking to see if they can mitigate the issues, and the District should have an idea by the end of this fiscal year whether we will receive a permit to rebuild the facility. Vice President, Greg Nelson, said there is no local opposition, but the site itself has many issues, e.g., seismic, biological, tidal zone, so it is unclear whether the District will be able to renovate the facility.

X. FINANCIAL AND COMPLIANCE ITEMS

- a. Financial Manager, Ann Kennedy, gave an overview of the Measure B 2016 Program Financial Reports for the period ending September 30, 2019. It was noted that pie charts have been added to incorporate other funding, including the Novato Rotary contribution, Certificates of Participation, and the anonymous donation for the Miwok Center dive tower. Reporting will now include the Bond only, or the full Program including all funds. There is also unallocated interest in the total budget column which is reporting all funding sources. The interest is coming from the Bond and Certificates of Participation. The first quarter of the year always reports less spending due to accruals from the previous fiscal year which are cleared. Credit numbers in the Project Summary Report are accruals being cleared from last fiscal year due to pending invoices expected by Fiscal Services, or work completed for which invoices have not yet been received. Projects with the most amount spent in the first quarter were highlighted, and it was noted that all projects are on schedule. Committee Chair, Margaret De Somma motioned to accept the Measure B 2016 Program Financial Reports for the period ending September 30, 2019. Committee Member, Eric Sitzenstatter seconded the motion. The motion was unanimously carried by Committee Members present (4 approvals, 3 absent).
- b. Financial Manager, Ann Kennedy, explained to the Committee that Measure B Bond List Revision #9, was approved by the Board of Trustees on October 15, 2019, and acknowledged interest earnings from Quarters 3 and 4; additionally, it allocated interest earnings directly to the Performing Arts project. The \$1.4 Million Proposed Revision is total interest acknowledged. Financial Manager, Ann Kennedy, and Vice President, Greg Nelson, briefly explained that Certificates of Participation are a way for the District to borrow funds; with a District building being held as collateral. The District must present a Business plan tied to either a revenue stream (fee) or staff/faculty housing (rent). In this case, rent from workforce housing will cover debt service and operational costs. There is no burden to taxpayers with this model. Bond counsel had

advised the District that Measure B funds may be spent for property acquisition, but not for development of the workforce housing.

- c. Vice President, Greg Nelson, presented the Measure C 2004 Program Financial Report for the period ending June 30, 2019. It was noted that the fund has been expended as of June 30, 2019, but due to a clerical error in September 2019, the report required revision. The only expenditures were legal (Fine Arts/Performing Arts litigation) and Enterprise Resources Planning (Banner) related; however, there was a small residual amount of funding that was used for Building 7 roofing at the Indian Valley Campus to finish Measure C. This report corrects the error and replaces the report that was provided at the September 18, 2019 meeting. At the next meeting, Measure C will be removed from the Bylaws, then the Board of Trustees will be asked to approve the revised Bylaws.
- d. No questions were sent to Bond Counsel in the last quarter.

XI. NEXT MEETING DATES

The next meeting is Wednesday, March 18, 2020, at 4:30 PM at the Indian Valley Campus.

XII. TOPICS FOR NEXT MEETING

The Committee will tour the Jonas Center and Organic Farm construction site and shorten the meeting to 1 hour (4:30 - 5:30 PM). The Committee requested updates on the Maintenance & Operations project, and the Learning Resources Center communications plan upon approval by the Board of Trustees.

XIII. ADJOURNMENT

The meeting was adjourned at approximately 6:07 PM.