

MARIN COMMUNITY COLLEGE DISTRICT
MEASURE B 2016 and MEASURE C 2004

MEETING MINUTES
CITIZENS' BOND OVERSIGHT COMMITTEE MEETING
JANUARY 22, 2019

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

CITIZENS' BOND OVERSIGHT COMMITTEE, MEMBERS PRESENT

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| Ross Millerick | CBOC Chair and Representative, Support Organization |
| Eric D. Sitzenstatter, Jr. | Representative, Senior Citizens' Organization |
| Margaret DeSomma | Representative, At Large |
| Jeff Gunderson | Representative, At Large |

CITIZENS' BOND OVERSIGHT COMMITTEE, MEMBERS ABSENT

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| Paul Premo | Representative, Taxpayers Association |
| Janelle LaChaux | Representative, Student Organization |
| Nancy McCarthy | Representative, Business Organization |

MARIN COMMUNITY COLLEGE DISTRICT, STAFF PRESENT

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

CONSULTANTS

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| Ann Kennedy | A Kennedy Group, Financial Manager |
| Mike Chegini | A Kennedy Group, Communications Manager |
| Ellen Clements | Gilbane Building Company, Program Manager |
| Arthur Ngo | Crowe LLP |

GUESTS

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| Jeff Cady | Faculty Senate |
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I. CALL TO ORDER

The Citizens' Bond Oversight Committee (CBOC) meeting was called to order by Chair, Ross Millerick, at approximately 4:32 PM. Committee Chair, Ross Millerick, Committee Members, Eric Sitzenstatter, Jeff Gunderson and Margaret DeSomma were present, establishing a quorum. Committee Members, Paul Premo, Nancy McCarthy and Janelle LaChaux were absent.

II. APPROVAL OF AGENDA

Committee Member, Margaret DeSomma, 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 25, 2018

Committee Member, Margaret DeSomma, made a motion to approve the September 25, 2018 meeting minutes with no changes. Committee Member, Jeff Gunderson, seconded the motion. The motion was carried by the Committee Members present (4 approvals, 3 absent).

IV. PUBLIC COMMENT

No comments were received from the public.

V. COMMUNICATIONS RECEIVED BY COMMITTEE MEMBERS

Committee Chair, Ross Millerick received feedback from Trustee, Suzanne Brown Crow, and Committee Member, Margaret DeSomma received feedback from user groups related to a design issue with water polo cages at the pool. Assistant Superintendent, Greg Nelson asked the Committee members to email Director of Capital Projects, Isidro Farias; Mr. Farias will set up a meeting with Gilbane staff and concerned users to address the design issues.

VI. COMMUNICATIONS FROM STAFF

Assistant Superintendent, Greg Nelson provided information on enrollment numbers which are currently flat. There will be a census in 3 weeks, when the final numbers will be available. Committee Member, Margaret DeSomma asked why enrollment is down at other Community Colleges. Assistant Superintendent, Greg Nelson stated that repeatability of courses is an issue. Unemployment is also down, so less students are taking courses; Assistant Superintendent, Greg Nelson also provided an update on the Bolinas Marine Lab which is currently the subject of user group meetings. A project plan will be submitted to the County in April. At that time, the County Planning Department will decide whether the project plan meets the requirements to move forward. Committee Member, Eric Sitzenstatter asked whether the Bolinas Marine Lab project is part of Measure B. Assistant Superintendent, Greg Nelson confirmed that the bond language supports inclusion of the project. Financial Manager, Ann Kennedy stated that if the project is to move forward, the Board of Trustees would approve the project in the form of a Bond List Revision.

VII. FINANCIAL AND PERFORMANCE AUDITS FOR FY 2017/2018

Arthur Ngo from Crowe LLP (District Auditor) presented the Measure B Financial Statements, which included the balance sheet and total expenditures, for fiscal year ended June 30, 2018. There were no misstatements identified as a result of the audit. Committee Chair, Ross Millerick asked if the \$70M asset is bonds that have been executed and converted to cash. Out of total of \$265M, \$60M and \$37.5M were issued in December 2016. Confirmation that bond funds have been spent in a reasonable amount of time is not within the scope of this audit. It is, however, an IRS compliance issue. The Measure B Performance Audit determines whether the District spent the funds in accordance with the ballot language for the year ended June 30, 2018. Crowe LLP selected 100 expenditures totaling \$8.3M representing approximately 31% of total expenditures and there were no findings to report. Arthur Ngo then presented the Measure C Financial Statements for fiscal year ended June 30, 2018. There were no findings to report to the Committee. For the Measure C Performance Audit for fiscal year ended June 30, 2018, Crowe LLP selected all expenditures, a total of 49 transactions (100%) and there were no findings to report to the Committee. Committee Chair, Ross Millerick asked what the negative amount for Dannis Woliver Kelly represented. Assistant Superintendent, Greg Nelson answered that the amount was a credit for a legal retainer as the District changed firms.

VIII. FY 2017/2018 ANNUAL REPORT DRAFT FOR COMMITTEE REVIEW/APPROVAL

Communications Manager, Mike Chegini thanked Committee Chair, Ross Millerick and Committee Member, Margaret DeSomma for their cooperation in drafting the FY 2017/2018 Annual Report. The Committee reviewed the report and made the following revision requests: clarification that expenditures include Jonas Center Endowment of \$5M. The next step is for the Committee Chair to present the Annual Report to the Board of Trustees at the February 12, 2019 Board Meeting. Communications Manager, Mike Chegini will ask Arthur Ngo of Crowe LLP to re-approve or revise the Annual Performance and Financial Audits language. The Committee approved the draft annual report with changes. Committee Member, Jeff Gunderson made a motion to approve the draft Measure B Annual Report with noted changes, Committee Member, Margaret DeSomma seconded the motion. The motion was carried by the Committee Members present (4 approvals, 3 absent). Committee Member, Jeff Gunderson made a motion to approve the draft Measure C Annual Report with noted changes, Committee Member, Margaret DeSomma seconded the motion. The motion was carried by the Committee Members present (4 approvals, 3 absent).

IX. PROGRAM/PROJECT UPDATE REPORT

Director of Capital Projects, Isidro Farias gave an overview of Measure B 2016 projects for both campuses. The Committee requested that the updated Master Plan be presented at the next meeting. Community members interested in the LRC project plans may subscribe to the Measure B newsletter as Community Forums will be published in the newsletter.

X. FINANCIAL AND COMPLIANCE ITEMS

- a. Financial Manager, Ann Kennedy presented the Measure B 2016 Program Financial Reports through the period ending September 30, 2018. Projects moving from a yellow to green status were discussed and Financial Manager, Ann Kennedy stated that generally the issues are either cost or schedule-related and the project team comes up with solutions to solve the issues. If budget adjustments are required, the Board of Trustees must approve the revisions, but they typically do not in the case of a schedule change. Committee Member, Margaret DeSomma motioned to approve the Measure B 2016 Program Financial Reports for the period ending September 30, 2018, Committee Member Jeff Gunderson seconded the motion. The motion was carried by the Committee Members present (4 approvals, 3 absent).
- b. Assistant Superintendent, Greg Nelson presented the Measure C 2004 Program Financial Report for the period ending September 30, 2018. Committee Member, Margaret DeSomma motioned to approve the Measure C 2004 Program Financial Report for the period ending September 30, 2018, Committee Member Jeff Gunderson seconded the motion. The motion was carried by the Committee Members present (4 approvals, 3 absent).
- c. Financial Manager, Ann Kennedy told the Committee that one question was sent to bond counsel in the last quarter related to bringing on staff to support capital improvement projects. Bond counsel reviewed and approved that process.

XI. BOND SALE UPDATE

Assistant Superintendent, Greg Nelson gave an overview of the upcoming bond sale. The District's credit rating of AAA from Moody's and Standard and Poor's was reinstated. The District will sell \$70M in tax-exempt (Series B) and \$97.5M in taxable (Series B-1) bonds on February 7, 2019. Tax-exempt bonds have a 3-year spend down requirement in which funds must be expended and will be used for existing projects. Taxable bonds don't have a time limit and will be used for the remainder of the bond, including the LRC project which will be approximately \$97-100M. Additionally, the taxable bonds can earn interest until expended. After the closing of Series B and B-1, all bonds for Measure B 2016 will be issued.

XII. NEXT MEETING DATES

The next meeting is scheduled for March 26, 2019 from 4:30-6:00 PM at the Indian Valley Campus, Building 10, Room 140. Executive Assistant, Katy Bauer will send out an email notification to establish a quorum.

XIII. TOPICS FOR NEXT MEETING

As the current term of Committee Members ends April 17, 2019, Members should consider whether they wish to continue to serve on the Committee

XIV. ADJOURNMENT

The meeting was adjourned at approximately 6:01 PM.