



REGULAR MEETING OF THE CITIZENS OVERSIGHT COMMITTEE

Tuesday, February 18, 2003

MINUTES

Prior to the regular meeting, Becky Mitchell, Interim Director, Facilities Planning & Management, presented those committee and staff members present with a one-page project schedule. Randy Hartman, of Bovis Lend Lease, presented the Gantt chart showing the schedule for all construction projects. It was explained that as projects develop, schedules have changed accordingly. Once projects are bid, a firm schedule can be developed. During construction, the schedule will show how well the college keeps to the benchmarks of the schedule.

CALL TO ORDER

The regular meeting of the Citizens Oversight Committee of Mt. San Antonio College was called to order at 6:30 p.m., on Tuesday, February 18, 2003.

CITIZENS OVERSIGHT COMMITTEE MEMBERS PRESENT

Ron Everett
Edward Lo
Roy Test
Peter Peng

Lina Ledford
Richard Malooly
Mike Spence

Barbara Price
Forest Tennant
Dan Marostica

CITIZENS OVERSIGHT COMMITTEE MEMBERS ABSENT

Marina Montenegro

STAFF PRESENT

Christopher C. O'Hearn, President
Nancy M. Rice, Vice President, Administrative Services
Randy Hartman, Assistant Vice President, Bovis Construction
Becky Mitchell, Interim Director, Facilities Planning & Management
Diana Casteel, Executive Assistant to the President and Board of Trustees

GUESTS PRESENT

Gayle E. Pacheco, President, Board of Trustees
Manuel Baca, Member, Board of Trustees

1. APPROVAL OF MINUTES

It was moved by Dan Marostica, seconded by Edward Lo, to approve the minutes of the November 19, 2002, meeting. Motion unanimously carried.

2. PUBLIC COMMENTS

None.

3. INTRODUCTIONS

Chairman Tennant introduced Peter Peng, the newest member of the Citizens Oversight Committee representing students. Peter explained that he was very active in the Measure R campaign and was interested in serving on this committee. He is a mechanical engineering student currently in his sixth semester at Mt. SAC.

President O'Hearn introduced Trustee Gayle Pacheco, now serving as the Board of Trustees President, and Becky Mitchell, Interim Director, Facilities, Planning & Management. He commented that Ms. Mitchell has done an excellent job filling in following the untimely death of Jeff Holstien in November.

Chairman Tennant recognized the fine work done by Jeff Holstien, saying he was one of the driving force behind getting the bond passed and then getting the projects started. He asked committee members to think about ways the College could recognize Jeff Holstien and former president Bill Feddersen for their work. He asked that this item be put on the next Citizens Oversight Committee meeting agenda for further discussion. President O'Hearn said that the Board policy states that all suggestions of this type should be forwarded to the President's Office for consideration.

4. UPDATE ON PROJECTS

Becky Mitchell gave an update on current active projects:

- *Project 1 – Science Building.* Currently at the Division of the State Architect (DSA). Plan to go to bid in May with project scheduled to begin construction in October 2003.
- *Project 2 – Workforce Training.* Will begin developing working drawings soon. Scheduled for bid and construction in 2004.
- *Project 3 – Campus-wide Energy Conservation.* Construction begins this week and is scheduled to be complete by the end of the year.
- *Project 5 – Agriculture (Beef Unit & Equipment Shed).* Currently under construction. Scheduled to be complete next month. The rest of the farm project will begin development in January 2005.
- *Project 11 – Athletic Fields.* Currently at DSA. Will go to bid in March 2003 with construction beginning in July 2003.
- *Project 13 – Student Services Center Renovation.* Currently doing preliminary plans. Project construction will begin in 2004.

- *Project 14 – Welding/Air Conditioning.* Currently at DSA. Scheduled to go to bid in March 2003 with construction beginning in July 2003.
- *Project 15 – ESL and Project 16 – Health Careers.* These two projects are tied together. Currently at DSA. Scheduled for bid in March 2003 with construction beginning in June 2003.
- *Project 17g – Music Expansion.* Just sent plans to DSA. Scheduled to bid in June 2003 with construction scheduled to begin in August 2003.
- *Project 17h – Building 23 Renovation.* Currently out to bid. Construction scheduled to begin in May 2003.

Chairman Tennant thanked staff for the *Measure R Bond Projects* booklet saying it was very informational.

5. AUDITOR PRESENTATION

Renee Graves and Gema Ptasinski from the audit firm of Vicenti, Lloyd, Stutzman LLC distributed and reviewed the first performance and fiscal audits of the bond projects. The reports were for the year ending June 30, 2002.

In presenting the fiscal audit, Ms. Graves noted that the opinion was “in compliance” with no findings or recommendations.

Ms. Ptasinski reviewed the performance audit. In performing the audit, the objective was to document the expenditures charged to the voter-approved 2001 Series A General Obligation Bonds and determine whether all expenditures charged to the Building Fund were done in accordance with project budgets and guidelines. Based on the audit, it was determined that the College has properly accounted for the expenditures of the Proposition 39/Measure R General Obligation Bonds.

Ms. Ptasinski noted the following management comment and recommendations:

- They experienced some difficulty in associating specific expenditures with specific projects identified in the various sub-projects included in Project 17. Because Project 17, The “Campus-Wide Improvement Project is a rather broad-based project, it was recommended that the list be revised as specific projects are identified and approved for use with bond funding. This will then accurately report to the public all projects that will be undertaken. In addition, in the case of construction support costs for project accounting, the District should consider allocating these costs to each of the various projects.

Because of reports across the country related to unethical audit firms, Chairman Tennant asked about Vicenti, Lloyd & Stutzman’s ethics and the Citizens Oversight Committee’s role and responsibilities should there be a problem with an audit. Chairman Tennant asked that the minutes reflect his concern that should there be an irregularity down the line, it is clear that the auditor know that the oversight body wants to be informed of the problem.

President O'Hearn said that, from the perspective of the Board of Trustees and administration, this oversight body an integral part of the College's accountability to the public. The College will bring to this body whatever information relates to these bond projects.

Committee member Ledford requested a copy of the audit firm's peer review letter. Members also requested that in the future, copies of the audit be sent to them prior to the meeting where it is to be reviewed.

In order to inform the public of the results of the audit, it was suggested that the College put an executive summary on the web and also publish a press release.

6. MISCELLANEOUS ITEMS

- Committee member Spence commented on the Board of Trustees' action in November to revise the bond issuance by reducing the number of issuances from five to four and re-distributing the series amounts. He voiced concern about the potential that taxpayers might have to pay an additional \$22 million over the entire duration of the bond repayments and asked how much the College will be saving. Vice President Rice said that that scenario is highly unlikely due to significant projections of population increases, and increases in assessed valuation. For example, for the projection, the increase in assessed valuation used was 2% per year, and it has been significantly higher than that in the past. Also, we stand to benefit by being able to combine projects and be more efficient in the use of our resources.

7. NEXT MEETING

The next meeting will be held on Tuesday, May 20, 2003. For anyone interested, at 5:00 p.m., a tour will be given of the beef unit and tractor shed. Dinner will be served at 6:00 p.m., with the regular meeting to begin at 6:30 p.m.

8. ADJOURNMENT

The meeting adjourned at 7:40 p.m.

CCO:dc