



REGULAR MEETING OF THE CITIZENS OVERSIGHT COMMITTEE

Tuesday, November 23, 2004

MINUTES

Prior to the regular meeting, Gary Nellesen, Director, Facilities Planning & Management; Randy Hartman, Vice President, Bovis Lend Lease; Caryn Cowin, Senior Project Manager, Bovis Lend Lease; John Heneise, Dean, Technology & Health; Linda Baldwin, Director, Fiscal Services; Karen Saldana, Director, Risk Management; and Committee members Marlen Garcia, Lina Ledford, Armando Macedo, Barbara Price, Don Sachs, and Roy Test took a tour of the Welding & Air Conditioning Building.

CALL TO ORDER

The regular meeting of the Mt. San Antonio College Citizens Oversight Committee was called to order at 6:00 p.m., on Tuesday, November 23, 2004.

CITIZENS OVERSIGHT COMMITTEE MEMBERS PRESENT

Marlen Garcia	Lina Ledford
Armando Macedo	Richard Malooly
Laurie Marshall	Barbara Price
Don Sachs	Roy Test

CITIZENS OVERSIGHT COMMITTEE MEMBERS ABSENT

Edward Lo
Becky Meza
Mike Spence

STAFF PRESENT

Christopher C. O'Hearn, President/CEO
Gary Nellesen, Director, Facilities Planning & Management
Linda Baldwin, Director, Fiscal Services
Randy Hartman, Vice President, Bovis Construction
Diana Casteel, Executive Assistant to the President and Board of Trustees

GUESTS PRESENT

Fred Chyr, President, Board of Trustees
Renee Graves, Partner, Vicenti, Lloyd, Stutzman
Gema Ptasinski, Vicenti, Lloyd, Stutzman

1. APPROVAL OF MINUTES

It was moved by Don Sachs, seconded by Lina Ledford, to approve the minutes of the August 17, 2004, meeting. Motion unanimously carried.

2. PUBLIC COMMENTS

None.

3. COMMENTS FROM THE PRESIDENT

Dr. O'Hearn informed Committee members that the College's reputation as an excellent manager of its bond program is spreading across the State. Earlier today, Phil Hartley, President of West Valley College, Frank Chong, President of Mission College, and Brigit Espinosa, Director of General Services for the West Valley-Mission Community College District, visited the College to talk about our bond program and the structure, controls, and oversight that have been implemented. President O'Hearn thanked Committee members for the very important role they play in ensuring that the College is on track.

President O'Hearn shared the following with Committee members:

- The Spring Schedule of Classes. The last page of the schedule has a copy of the bond report to the community, and lists the members of the Citizens Oversight Committee. Dr. O'Hearn said this publication is being delivered to 220,000 homes within the District.
- The fall edition of the *Community Connection*. A construction progress report, listing the Citizens Oversight Committee members, is featured on the second page.

Dr. O'Hearn also shared an original copy of the College's Report to the Community ad, which ran in the *San Gabriel Valley Tribune*, *Whittier News*, and the *Pasadena Star-News* in August.

The College is preparing a second edition of its e-business card. This one is geared toward students. It is expected to be an excellent tool for student recruiting. Once the card has been produced, copies will be shared with Committee members.

Committee Chair Barbara Price commended Clarence (CB) Brown for the new look of the *Community Connection*. She said it is a quick, easy read with lots of good information about the College.

4. FINANCIAL & PERFORMANCE AUDIT REPORTS

Linda Baldwin, Director of Fiscal Services, introduced Renee Graves and Gema Ptasinski from the audit firm of Vicenti, Lloyd, Stutzman who provided a review of the third performance and fiscal audits of the bond projects. The reports were for the year ending June 30, 2004.

In presenting the performance audit, Ms. Graves noted that the opinion was an "unqualified opinion," which is the best an organization can receive. She said there were no reportable conditions or material weaknesses noted related to compliance or internal controls over financial reporting.

Ms. Ptasinski reviewed the fiscal audit. In performing the audit, the objective was to document that the College is in compliance with spending of bond proceeds appropriately. While doing that, they look for any weaknesses in the system. Finally, their objective is to provide the Citizens Oversight Committee with a report so that it can fulfill its obligation to provide a report to the community. 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.

Committee member Ledford asked if future audit reports could be provided to Committee members prior to the meeting so members can be prepared to ask questions of the auditors.

President O'Hearn asked Ms. Graves to provide Committee members with an update on the fraud training being implemented on campus. Ms. Graves said that SAS 99 (Statement on Auditing Standards 99 – *Consideration of Fraud in a Financial Statement Audit*) will improve the likelihood that auditors will detect material misstatements due to fraud in a financial statement audit. In August 2004, Ms. Graves provided training to the College's managers. As part of the SAS 99 requirements, the auditors have interviewed a larger number of employees from various areas on campus in order to assure that the College has an effective anti-fraud program in place.

5. UPDATE ON PROJECTS

Gary Nellesen provided the following update on the six major projects in Phase 1 – five of which are either finished or nearly finished:

- *Science Laboratories – Project 1.* This project is both State and locally funded. The estimated project cost is \$28,500,000. The 12th construction contract for this project had to be re-bid and the latest bid came in almost \$800,000 less than the original bid last April. There have been some delays with this project because an electrical contractor was unable to perform and had to be replaced. Construction is expected to be completed in February or March 2006.
- *Energy Conservation – Project 3.* This project was completed in Spring 2004. The Plant became fully operational in August 2004. Total project cost was \$12,089,000. This project allows the College to generate energy at a lower cost than we can buy it, although we don't have the capacity to generate enough energy to run the whole campus.
- *Physical Education – Project 11.* The athletic fields will be ready for use in January 2005. The total project cost was \$7,020,000.

- *Welding & Air Conditioning – Project 14.* This building will be ready for occupancy in the Spring semester. Mr. Nellesen said there is about two more weeks of contractor work. The total project cost was \$5,345,000.
- *Language Center – Project 15, and Health Careers Center – Project 16.* Occupancy into these buildings is being phased in and began in October. Total project cost was \$18,030,000.

Mr. Nellesen also reported on the following projects:

- The improvements and repair to the swimming pool have been completed. The College is currently conducting a study to determine the feasibility of having a second pool on campus.
- Seismic retrofit and renovations are being done on four buildings.
- Music Expansion. Plans have gone to the Department of State Architecture (DSA). It is anticipated that the College will be able to bid this project after the first of the year.
- Auxiliary Services Remodel. This is the conversion of a temporary building into a permanent building. Construction on this project is starting right away.
- Asbestos Abatement. Human Resources and Community & Noncredit Education will be moving out of the Administration Building on November 29, so asbestos can be removed from the ceiling.

Projects that are currently in the design stage include:

- Classroom Renovation (\$18 million)
- Student Services Renovation (\$4 million)
- Agricultural Sciences (\$18 million)
- Gym Renovation and Addition (\$8.1 million)
- Child Development Center (\$6.4 million)
- Math & Science Classrooms (\$15 million)
- Field House Seismic and Remodel (\$3 million)
- Pool Planning Study
- Heritage Hall Planning Study
- Master Plan Update

Committee Chair Barbara Price said Committee members can be proud of the work the College has managed to accomplish related to the bond construction. She said the audit report reinforces that everything is being done appropriately. She congratulated the College staff for outstanding work.

6. NEXT MEETING

The next meeting will be held on Tuesday, February 15, 2005, at 5:30 p.m. A tour will be scheduled at 4:30 p.m., for those interested in attending.

7. ADJOURNMENT

It was moved by Don Sachs, seconded by Lina Ledford, to adjourn the meeting at 6:55 p.m.
Motion unanimously carried.

CCO:dc