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SOLANO
COMMUNITY COLLEGE

July 29, 2015

Honorable E. Bradley Nelson
Judge of the Superior Court
Hall of Justice
Department 4, Room 306
600 Union Avenue
Fairfield, CA 94533

Re: Grand Jury Report Regarding Citizens Monitoring Measure Q

Dear Hon. E. Bradley Nelson:

As requested by the Solano County Grand Jury, below please find the Solano Community College District ("District") governing board's ("Board") response to the above referenced Grand Jury report ("Report").

The Board strongly disagrees with the Report. The Report's characterization of the relationship between the District and Citizens' Bond Oversight Committee ("CBOC") is incorrect and ignores the constitutional role of the Board and the defined statutory role of the CBOC.

The Board has established and supported a citizens' oversight committee for Measure Q as required by law. The Board cannot cede its authority over bond expenditures to an unelected body, but has, and will continue to work with the CBOC to allow it to perform functions which supplement – without supplanting – the role of the elected Board. The CBOC's role is necessarily retrospective, as it could not "inform" or "receive and review" decisions or actions (as required by the Education Code) until after they have taken place. The Board and District have, and will continue to, work with the CBOC to help it perform this role.

Specifically, the Board disagrees with the Report as follows:

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Grand Jury Finding & Recommendation 1

Grand Jury Finding:

There is little interaction and sharing of information between the CBOC and the Board of Trustees.

Grand Jury Recommendation:

CBOC send a liaison member to the Board of Trustees meetings to get more current information as well as (and conversely) have the Board of Trustee member who is the liaison to the CBOC attend the CBOC meetings.

Board Response:

The Board, directly and through District staff, has responded to the level of interaction and sharing of information as requested by the CBOC and as provided by the CBOC Bylaws. Therefore, the Board disagrees with this finding.

The Board and District have taken steps to keep open channels of communication. CBOC members are always welcome at Board meetings. The CBOC may request an agenda item on Board agendas.¹ The District provides appropriate staff support for the CBOC pursuant to the Education Code.

The Board will implement the recommendation by requesting that the CBOC send a representative to all Board meetings. Currently, designated District staff acts as the liaison between the Board and the CBOC; however, within the next six months, the Board will investigate whether it would be possible and/or helpful to designate a member of the Board to act as a liaison to the CBOC and attend CBOC meetings.

Grand Jury Finding & Recommendation 2

Grand Jury Finding:

CBOC members have not participated in any form of orientation or training to explain their roles, duties, and responsibilities.

Grand Jury Recommendation:

Members of the CBOC attend the CaLBOC training sessions held annually in Sacramento. The expense is minimal and should be borne by SCC. A presentation can be made at subsequent CBOC meeting for those members who were not able to attend. The information conveyed at the CaLBOC seminar regarding the roles,

¹ The CBOC made only one request since July 2013. The CBOC chair recently made a request to present to the Board and that presentation has been added to the August Board agenda.

duties and responsibilities of the CBOC should also be presented at a Board of Trustees meeting.

Board Response:

CBOC members have received District training and CaLBOC training. Therefore, the Board disagrees with this finding.

Many of the CBOC members have in fact received training from various sources regarding their roles, duties, and responsibilities. Since July 2013, and according to approved agendas and meeting minutes of the CBOC, the group has been trained three times, once by Bond Counsel, once by the Executive Bond Manager, and once by Construction Counsel. (Attached hereto are copies of the CBOC minutes reflecting the trainings and the training presentation provided to the CBOC on June 16, 2015 by Construction Counsel.) The current chair of the CBOC attended all three trainings, as did the Vice-Chair and others. In addition, at the invitation of the vice-chair, the new chair attended training at CaLBOC.

Although CBOC members have already received some training, the recommendation will be implemented by providing additional in-house training and where warranted, approving external training for CBOC members upon request.

Grand Jury Finding & Recommendation 3

Grand Jury Finding:

The "Board" or the "Bond Team" creates the agenda for the CBOC meetings and control and run these meetings.

Grand Jury Recommendation:

The CBOC create its own agenda for its meetings. The Board and/or the Bond Team would still be able to request items be put on the agenda at the discretion of the CBOC Chairperson. The CBOC Chairperson should also facilitate the flow of the meeting.

Board Response:

The CBOC controls its own meeting agenda. Therefore, the Board disagrees with this finding.

Neither the "Bond Team" nor the Board creates the agenda for CBOC meetings, or otherwise runs these meetings. The CBOC chair directly sets the content and agenda of those meetings and runs said meetings. District staff has always provided administrative support to assist the CBOC chair in the production and distribution of the agenda.

This recommendation has been, and will continue to be implemented.

Grand Jury Finding & Recommendation 4

Grand Jury Finding:

The Board of Trustees created and wrote the Bylaws of the CBOC and the CBOC was told those Bylaws could not be changed.

Grand Jury Recommendation:

CBOC Bylaws be re-evaluated and written by the CBOC itself to properly represent their functions, duties and responsibilities. The new Bylaws should then be presented to the Board of Trustees.

Board Response:

The Board of Trustees was required to establish the CBOC by statute. Therefore, the Board disagrees with this finding.

The Board is entrusted with "establishing" the CBOC and generally has the authority to establish rules or regulations necessary to carry out any responsibilities imposed on it by statute. (Ed. Code, §§ 15278 & 70902.²) As such, the Board adopted the current CBOC bylaws and can amend those Bylaws on its own initiative or upon request by the CBOC. Recently, the CBOC chair has submitted proposed amendments to the current Bylaws that are currently being reviewed by the Board and District staff. The Board expects that it and the CBOC can work together to identify Bylaw amendments that can be approved by the Board in the near future.

The recommendation will be implemented to the extent the CBOC has (and may in the future) propose amendments and the Board will work with the CBOC to determine what amendments the Board can approve.

Grand Jury Finding & Recommendation 5

Grand Jury Finding:

The mandated CBOC annual report to the Board of Trustees and to the public is developed by the company serving as Program Manager.

Grand Jury Recommendation:

The CBOC annual report be developed and written by the CBOC members. The SCC Administration provide the proper clerical staff to finalize the report.

Board Response:

² It does not appear that any of the statutory provisions outlining the role of the CBOC provide the CBOC with authority to adopt or amend bylaws.

The annual report was prepared at the CBOC's direction. Therefore, the Board disagrees with this finding.

The previous CBOC chair requested that District staff draft the prior report. Then, the CBOC chair edited the draft to his satisfaction and the final draft was distributed to every member of the CBOC for his or her input and comment. No additional comments were received, so the document was finalized. This annual report was presented to the Board by the new CBOC chair.

This recommendation has been, and will continue to be implemented, the CBOC annual report can be prepared by the CBOC.

The Board is pleased to provide this information and response to the Grand Jury. Please feel free to contact me with any additional questions.

Sincerely,



Stan Arterberry
Interim Superintendent/President/Governing Board Secretary
Solano Community College District

cc: Cheryl D. Clower, Grand Jury Administrative Assistant (via email)

Attachments: Measure Q Update August 5, 2015; Measure Q CBOC Minutes May 5, 2014; Measure Q CBOC Minutes August 11, 2014; DWK the Role of the CBOC June 16, 2015

Measure Q Update



PRESENTED TO:

**SOLANO COMMUNITY COLLEGE DISTRICT
GOVERNING BOARD**

AUGUST 5, 2015

Agenda



**1. PRELIMINARY RESPONSE TO JUNE 25
CIVIL GRAND JURY REPORT (DRAFT)**

2. RECENT ACTIVITY

Grand Jury Report Summary



- Grand Jury report #1, dated June 24, 2015. “We Have Your Money, Now What?”
 - Four findings
 - Four recommendations
 - Preliminary response was presented on July 15, 2015
 - Final response before September 23, 2015
- Grand Jury report #2, dated June 25, 2015. “Citizens Monitoring Measure Q”
 - Five findings
 - Five recommendations
 - Preliminary response on August 5, 2015
 - Final response before September 25, 2015

Findings & Preliminary Response



**MEASURE Q
GRAND JURY REPORT # 2
DATED JUNE 25, 2015**

Grand Jury Findings



- **Finding 1:**
 - There is little interaction and Sharing of information between the CBOC and the Board of Trustees.

- **Recommendation 1:**
 - CBOC send a liaison member to the Board of Trustees meetings to get more current information as well as (and conversely) have the Board of Trustee member who is the liaison to the CBOC attend the CBOC meetings.

Preliminary Response to Finding 1



- The Board, directly and through District staff, has responded to the level of interaction and sharing of information as requested by the CBOC and as provided by the CBOC bylaws.
- Therefore, the Board disagrees with this finding.

Preliminary Response to Finding 1



- The Board and District have taken steps to keep open channels of communication.
 - CBOC members are always welcome at Board meetings
 - The CBOC chair may request an agenda item be placed on a Board meeting
 - The District provides appropriate staff support for the CBOC, pursuant to the Education Code.
- The Board will implement the recommendation by requesting that the CBOC send a representative to all Board meetings.
- The Board will investigate whether it will be helpful to send a Board member to CBOC meetings

Grand Jury Findings



- **Finding 2:**
 - CBOC members have not participated in any form of orientation or training to explain their roles, duties and responsibilities.

- **Recommendation:**
 - Members of the CBOC attend the CaLBOC training sessions held annually in Sacramento. The expense is minimal and should be borne by SCC. A presentation can be made at subsequent CBOC meeting for those members who were not able to attend. The information conveyed at the CaLBOC seminar regarding the roles, duties and responsibilities of the CBOC should also be presented at a Board of Trustees meeting.

Preliminary Response to Finding 2



- CBOC members have received District training and CaLBOC training on the following dates:
 - May 5, 2014 – Executive Bonds Manager
 - August 11, 2014 – District Bond Counsel
 - May 19, 2015 - CaLBOC
 - June 16, 2015 – District Construction Counsel
- Therefore, the Board disagrees with this finding.

Preliminary Response to Finding 2



- CBOC members have received training from various sources regarding their roles, duties and responsibilities.
- Since July 2013, and according to approved meeting minutes of the CBOC, the group has been trained three times, once by Bond Counsel, once by the Executive Bonds Manager, and once by Construction Counsel.
- At the invitation of last year's vice chair, the incoming chair also attended the CaLBOC training session.
- The recommendation will be implemented by providing additional in-house training and where warranted, approving external training.

Grand Jury Findings



- **Finding 3:**
 - The “Board” or the “Bond Team” creates the agenda for the CBOC meetings and control and run these meetings.

- **Recommendation:**
 - The CBOC create its own agenda for its meetings. The Board and/or the Bond Team would still be able to request items be put on the agenda at the discretion of the CBOC Chairperson. The CBOC Chairperson should also facilitate the flow of the meeting.

Preliminary Response to Finding 3



- The CBOC controls its own meeting agenda.
- Therefore, the Board disagrees with this finding.

Preliminary Response to Finding 3



- Neither the “Bond Team” nor the Board creates the agenda for CBOC meetings or otherwise runs these meetings.
- The CBOC chair directly sets the content and agenda of those meetings and runs the meetings.
- District staff has always provided administrative support to assist the CBOC chair in the production and distribution of the agenda.
- This recommendation has been, and will continue to be implemented.

Grand Jury Findings



- **Finding 4:**
 - The Board of Trustees created and wrote the Bylaws of the CBOC and the CBOC was told those Bylaws could not be changed.

- **Recommendation:**
 - The CBOC Bylaws be re-evaluated and written by the CBOC itself to properly represent their functions, duties and responsibilities. The new Bylaws should then be presented to the Board of Trustees.

Preliminary Response to Finding 4



- The Board of Trustees was required to establish the CBOC by statute.
- Therefore, the Board disagrees with this finding.

Preliminary Response to Finding 4



- The Board is entrusted with establishing the CBOC & generally has the authority to establish rules or regulations necessary to carry out responsibilities imposed on it by statute (Ed Code 70902).
- The Board adopted the current CBOC bylaws and can amend those bylaws on its own initiative or upon request by the CBOC.
- The CBOC chair has submitted proposed amendments approved by the CBOC, which are being reviewed by the Board and District Staff.

Preliminary Response to Finding 4



- The Board expects that it and the CBOC can work together to identify bylaw amendments that can be approved by the Board in the near future.
- The recommendation will be implemented to the extent the CBOC has proposed amendments that the Board believes that it can approve.

Grand Jury Findings



- **Finding 5:**
 - The mandated CBOC annual report to the Board of Trustees and to the public is developed by the company serving as Program Manager.

- **Recommendation:**
 - The CBOC annual report be developed and written by the CBOC members. The SCC Administration provide the proper clerical staff to finalize the report.

Preliminary Response to Finding 5



- The annual report was prepared at the CBOC's direction.
- Therefore, the Board disagrees with this finding.

Preliminary Response to Finding 5



- The previous CBOC chair requested that District draft the prior report. The previous chair edited the draft to his satisfaction and the final version was distributed to every member of the CBOC for input and comment.
- No additional comments were received, so the document was finalized.
- This annual report was presented to the Board by the new CBOC chair.
- This recommendation has been and will continue to be implemented, and the CBOC can continue to prepare the annual report.

Study Session Material



- 1. TREE MAINTENANCE PLAN**
- 2. FIXTURES, FITTINGS & EQUIPMENT (FFE) – STRATEGIC SOURCING PROTOCOL**
- 3. FAIRFIELD SCIENCE BUILDING – DESIGN UPDATE**

Questions?



LEIGH SATA, EXECUTIVE BONDS MANAGER

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Solano Community College District

MEASURE Q CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC) MEETING

Fairfield Campus (Swing Space) – Conference Room 234
Solano Community College, 360 Campus Lane, Suite 201, Fairfield, California
Monday, May 5, 2014
5:00 p.m. – 6:00pm

ADOPTED MINUTES

Members Present

1. Mr. Melvin Jordan, Chairman CBOC
2. Mr. Robert Charboneau
3. Mr. Gary Bertagnolli
4. Mr. Lyman Dennis
5. Dr. Walter Quinn
6. Mr. Hermie Sunga

Members Absent

1. Mr. Gabriel Johnson
2. Mr. Eric Francismon

Others Present

1. Dr. Lowell Laguerre, President/ Superintendent, SCC
2. Mr. Deigh Sata, Executive Bond Manager, SCC
3. Ms. Ines Zildzic, Program Manager, Kitchell CEM
4. Terri Montgomery, Partner, Vavrinek, Trine, Day & Co, LLP
5. Ms. Camille James, Interim Business Operations Coordinator, SCC

Chairman Jordan called the meeting to order at 5:15pm and led those present in the Pledge of Allegiance to the Flag of the United States of America.

Members present at time the meeting was gaveled into order were Members Sunga and Dennis. A quorum was established by 5:20pm with the arrival of Member Quinn and Bertagnolli. The full committee was constituted with the arrival of Member Charboneau.

CBOC Meeting – Fairfield Campus, Administrative Swing Space
Minutes, May 5, 2014
Page 2 of 6

I. May 5, 2014, Agenda: *Approved*

A motion to approve the agenda was made, seconded and unanimously carried.

II. March 17, 2014, Minutes: *Stricken*

Due to lack of prior notification of this meeting it has been stricken from the record as a meeting of the committee.

III. November 18, 2013, Minutes: *Approved*

A motion to approve the minutes from November 18, 2013 was made, seconded, and unanimously carried.

IV. PUBLIC COMMENTS:

No public comments were made at this meeting.

V. INFORMATION ITEMS:

A. Review of CBOC Rules and Responsibilities

Presenter – Leigh Sata, Executive Bond Manager, SCC

1. Mr. Sata, utilizing the *Duties and Authorities of the Citizens' Bond Oversight Committee as Specified by the Independent Citizens' Bond Oversight Committee Amended and Restated Bylaws – Executive Summary* handout, clarified the authorities and responsibilities of the committee.
 - a. A copy of this handout and the bylaws can be provided upon request to those members who wish an additional copy.
2. Mr. Sata addressed the issues that members are allowed only two (2) consecutive unexcused absences before that member can be replaced.
 - a. Member Charboneau asked for clarification on what is considered an excused absence. Chairman Jordan response was that from the date of this meeting going forward that an excused absence would be an absence in which the member provides the committee and committee staff with prior notification that they will not be able to attend the scheduled meeting.
3. Mr. Sata addressed the issues the committee has had in achieving a quorum noting that by law the committee is required to have only seven (7) members and that reaching a quorum may be made easier if the committee was reduced from nine (9) to seven (7) members. Mr. Sata will address this recommendation with the Board of Trustees Subcommittee on the Citizens' Bond Oversight Committee when it next convenes.

B. CBOC Monthly Newsletter

Presenter – Camille James, Interim Business Operations Coordinator, SCC

1. On May 2, 2014 the inaugural issue of the CBOC monthly newsletter was distributed.
 - a. This publication will be distributed on a monthly basis on the first Friday of each month.
 - b. Submissions for the newsletter by members of the committee are welcomed and encouraged. Dates for article or comment submissions will be e-mailed to the committee no less than two weeks before the next issue is to be released.
2. Chairman Jordan noted that this newsletter is a good method of keeping the committee connected to what is going on at the college and with the bond in-between committee meetings.

C. 2014-2015 Committee Meeting Schedule

Presenter – Leigh Sata, Executive Bonds Manager, SCC

1. Recursion schedule

- a. The committee unanimously agreed to continue to meet quarterly.
- b. Meetings days will be the second (2nd) Monday of each quarter. The next scheduled meeting dates are:
 - Monday, August 11, 2014
 - Monday, November 10, 2014
 - Monday, February 9, 2015
- c. Meetings will be at 5:30pm and run for no less than one (1) hour.
- d. All meeting will be held at the Fairfield Campus, Administrative Swing Space (360 Campus Lane, Fairfield, CA 94534) with the exception of the February 9th meeting which will be held on the Fairfield Campus in Building 600.

D. Update of Committee Members Contact Information

Presenter – Camille James, Interim Business Operations Coordinator, SCC

1. All committee members were given a contact information sheet in their packets to be completed and returned to committee staff at the conclusion of the meeting.
 - a. Any member that did not complete or return the contact information sheet provided may request a copy and return it to Camille.James@solano.edu or 360 Campus Lane, Office 238, Fairfield, CA 94533

VI. ITEMS FOR COMMITTEE CONCURRENCE

A. Measure G and O General Obligation Bonds, Financial and Performance Audit

Presenter – Terri Montgomery, Partner, Yavrinek, Trine, Day & Co, LLP

1. Measure G – Financial

a. Financial Audit: *Presents Fairly*

- *In our opinion, the financial statements referred to present fairly, in all material respects, the financial position of the Measure G Building Fund General Obligation Bonds of Solano Community College District at June 30, 2013, and the changes in financial position for the period then ended in conformity with accounting principles generally accepted in the United States of America.*

b. Member Charboneau asked of the auditor why the specificity of “in the United States of America”.

- The auditor response was that the inclusion of “in the United States of America” is to specify that the bond is in compliance with the accounting principles of the United States as other countries have different standards. The auditor went on to note that new reporting language standards were instituted in 2013 and that “unqualified” is now reported as “unmodified”.

c. Financial Statement Findings

- *None noted*

2. Measure G – Performance

- a. *The results of our tests indicated that the District expended Measure G funds only for the specific projects approved by the voters, in accordance with Proposition 39, and outlined in Article XIII A Section 1(b)(3)(C) of the California Constitution.*

3. Measure Q – Financial

a. Financial Audit: *Presents Fairly*

- *In our opinion, the financial statements referred to present fairly, in all material respects, the financial position of the Measure Q Building Fund General Obligation Bonds of Solano Community College District at June 30, 2013, and the changes in financial position for the period then ended in conformity with accounting principles generally accepted in the United States of America.*

b. Financial Statement of Findings

- *One Finding*
 - See page 14 of the Measure Q General Obligation Bonds Financial Audit.

4. Measure Q – Performance

- The results of our tests indicated that the District expended Measure Q funds only for the specific projects approved by the voters in accordance with Proposition 39, and outlined in Article XIII A Section 1(b)(3)(C) of the California Constitution.*
- Member Charboneau asked of the auditor why if there were no funds spent on projects why the report language reads, “expended Measure Q funds only for the specific projects approved by the voters in accordance with Proposition 39.”
 - The auditor’s response was that the language used is general used in all audit reporting but agreed that the report would read better with the statement, “meets language of the bond”.
- Member Charboneau posed his question, for comment, to Mr. Sata as the Executive Bond Manager.
 - Mr. Sata’s response was that that question would be better addressed by Bond Counsel and that he would invite counsel to the next meeting to respond.
 - a. Chairman Jordan concurred with this decision.
- Member Quinn asked Member Charboneau to further clarify his question, on if his inquiry was meant to bring clarity on a specific concern he had that would be of benefit for the entire committee to have knowledge of.
 - Chairman Jordan further clarified Member Quinn’s question for Member Charboneau who response was, no. Member Charboneau was just request further clarification on the use of the identified language.

B. Measure G Quarterly Report

Presenter – Ines Zildzic, Program Manager, Kitchell CEM

- This Quarterly Report covers financials through the end of second quarter (12/31/13). It includes projects in progress, a note about future planned projects, a financial summary, completed projects and a master program schedule section. The following is a summary of report highlights made to the Committee regarding projects in progress:
- Building 600
 - The drawings for this building’s renovations were approved by the Division of the State Architect (DSA) in April 2014.
 - Board approval of DPR’s contract is scheduled for May 21, 2014.
 - This building is scheduled to be completed by December 2014.
- Vacaville Center Parking Lot Extension
 - This project construction is complete and the new parking lot opened to public first week in April. This project was coordinated with District Photovoltaic Project and all of the solar panels are also complete.

4. Building 202/200 Child Development Center
 - a. This project is currently being evaluated for department needs related to their kitchen facility. The expansion of the program will be part of a project under Measure Q Bond program.
5. Building 1100 Portables Demolition
 - a. There is no update for this project. It remains connected to State funded Library Building Renovation project.
6. Building 1200 Theater Building Renovation
 - a. This is a State funded project and is current in schematic design. Preliminary plans were submitted to the State Chancellor's office first week of April and the District is anticipating release of next phase funded by the end of June. This renovation project will address all of structural, ADA and seismic upgrades necessary and also renovate the existing theater.
7. Financial Summary was reviewed to cover three major categories:
 - a. Expenditures for projects completed and projects in progress were reconciled with the Audit Report for fiscal year 12/13. In addition, projects that have been deemed complete were reviewed for any fund balances. The Committee was briefed on the Methodology and Variance Analysis applied to reallocate any fund balances from projects that are now complete.

C. Measure G Annual Report

Presenter – Ines Zildzic, Program Manager, Mitchell CEM

1. Ms. Zildzic reported that the purpose of the Annual Report is for the CBOC Committee to report that, to the best of their knowledge, Solano CCD has complied with the requirements of the state law in its accounting for an expending of Bond Funds. The Annual Report includes seven sections of which two major sections are contained within section 4 - Letter from the Chair and a summary of meetings held in fiscal year 12/13 as required by Proposition 39 language regarding CBOC. It also includes a financial report for fiscal year end 12/13.
 2. Chairman Jordan motioned for the committee to accept the annual report. The motion was moved by Member Bertagnolli and seconded by Member Sunga. The motion carried unanimously.
- Member Bertagnolli asked for clarification on what was a "lease-leaseback" and what is its intended end result.
 - Ms. Zildzic response was that a *lease-leaseback* is an alternative construction/project bid delivery method. A contractor is selected early on in the process based on their qualifications as well as their price point. The intent is to ensure that the end product is of quality and the project is completed with fewer change orders.
 - Member Sunga asked if the lease-leaseback incurred any additional financial cost then other delivery methods
 - Mr. Sata response was that there is not much difference in price from the traditional delivery methods.
 - Mr. Sata asked Ms. Zildzic to provide the committee with a status update on Building 1200.
 - Building 1200 renovation is being paid for out of state funding. The renovations have been approved by the state and the estimated start date for construction is summer 2015.

- Member Bertagnolli suggested that a “dashboard” be created so that the committee could see “trouble spots” quickly.
 - Mr. Sata agreed to develop a few ideas for consideration by the committee for the next CBOC meeting.
- Member Bertagnolli asked for the definition of *defeasance*.
 - Ms. Zildzic responded that she will follow up with a more thorough definition. According to Investopedia online dictionary, the definition is “*when the borrower sets aside cash to pay off bonds, the outstanding debt and cash offset each other on the balance sheet and don't need to be recorded.*”
- Mr. Sata clarified the reporting periods of the two reports and noted that due to the different cut off dates for each of the two reports presented by Ms. Zildzic, the total fund amount remaining as reported in the quarterly report is *lower* than the total reported in the annual report. The annual report is reporting activity from July 1, 2012 until June 30, 2013, whereas the quarterly report period begins on October 1, 2013 and ends on December 31, 2013. The next quarterly report will cover the period from January 1, 2014 through March 31, 2014.
- Chairman Jordan asked if there were contingencies for unforeseen expenses posted after a project has been closed out.
 - Mr. Sata responded that there are multiple close-out processes: DSA, internal and financial. After DSA closes a project, the District still has training, operations manuals and other documents that must be reviewed. As part of the financial close-out process, vendors are contacted and all open Purchase Orders are reviewed and closed. Once the outstanding financial issues are resolved, the project can be considered closed. By this time, no further contingencies are required. However, the “lag time” for this due-diligence process is why a project can remain “un-closed” after construction is completed.
- Member Dennis asked if an Outlook invite for all the next scheduled meetings could be sent out to each member.
 - Ms. James responded that invitations for all the meetings will be sent out no later than Wednesday, May 7, 2014.
- Member Bertagnolli asked if the committee could receive future reports requiring their review or acceptance be sent out when they are completed.
 - Mr. Sata response was yes. The committee support staff would do its best to get reports to the committee in a timelier manner.

VII. FUTURE MEETINGS:

A. The next schedule meeting will be Monday, August 11, 2014

1. Bond Counsel will be present at this meeting to address the question posed by Member Charboneau.

VIII. ADJOURNMENT

Chairman Jordan adjourned the meeting at 6:43 pm.



Solano Community College District

MEASURE Q CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC) MEETING

Fairfield Campus (Swing Space) – Conference Room 234
Solano Community College, 360 Campus Lane, Suite 201, Fairfield, California
Monday, August 11, 2014
5:30 p.m. – 6:30pm

ADOPTED MINUTES

Members Present

1. Mr. Melvin Jordan, Chairman CBOC
2. Mr. Robert Charboneau
3. Mr. Gary Bertagnolli
4. Mr. Lyman Dennis
5. Dr. Walter Quinn
6. Mr. Hermie Sunga
7. Mr. Neil Ferguson
8. Mr. Angelo Cellini

Members Absent

1. VACANT, Student Association, SCCD

Members of the Public

1. Ms. Janet Roberts

Others Present

1. Dr. Jowel Laguerre, President/Superintendent, SCCD
2. Mr. Leigh Sata, Executive Bond Manager, SCCD
3. Ms. Ines Zildzic, Program Manager, Kitchell CEM
4. David Casnocha, Bond Counsel, Stradling, Yocca, Carlson & Ruth (by phone)
5. Ms. Camille James, Interim (Bond) Business Operations Coordinator, SCCD

Chairman Jordan called the meeting to order at 5:35pm and led those present in the Pledge of Allegiance to the Flag of the United States of America.

I. August 11, 2014, Agenda: *Approved*

A motion to approve the agenda was made by Chairman Jordan. The motions was seconded and unanimously carried.

II. May 5, 2014, Minutes: *Approved*

A motion to approve the minutes from May 5, 2014 was made by Member Bertagnolli. The motion was seconded and unanimously carried.

III. PUBLIC COMMENTS:

No public comments were made at this meeting.

IV. INFORMATION ITEMS:

A. Introduction of New Committee Members

1. Chairman Jordan introduced Member Cellini, Trade/Construction, and Member Ferguson, Trade/Construction.

- a. Resumes for each new member were provided in the handout packet to each member.

B. Review of Measure Q Bond, Performance Audit Language

1. Member Charboneau had several questions regarding the language used by the auditors in the 2014 financial and performance bond audit.
2. Member Charboneau noted that the Facilities Master Plan was not available until *recently* yet the resolution states a Facilities Master Plan was available in August 2013.
 - a. Member Charboneau requests a copy of the 2012 Facilities Master Plan in order to confirm its existence.
 - Mr. Sata will check the bond program files for a copy of the 2012 Facilities Master Plan to provide to Member Charboneau.
 - b. Mr. Casnocha stated that the 2012 Facilities Master Plan is not relevant to the CBOC responsibilities prime responsibility, which is to review bond expenditures to confirm that they match the bond language.

C. Roles and Responsibilities of the Committee

1. Review Bond Expenditures

- a. Mr. Casnocha stated that per the State legislature the primary function of a bond oversight committee is to review bond expenditures in a non-advisory capacity.
 - When reviewing salaries the committee should employ the “but for” test. (Ex. “But for” the bond an employee would not be employed)
 - Salaries are not prohibited as a bond expenditure

2. Inform Public About Expenditures of Bond Proceeds

- a. After annual audit the committee is to produce a written report.
 - Report is posted on Bond Measure website
 - A letter to the editor for the local newspapers about the publication of the report should be produced.
 - The bylaws state that committee chair is the voice of the committee and should publically represent the majority opinion of the committee.
 - b. Distribution of the Annual Report
 - SCCD can elect to use general fund money to distribute the annual report to a wider public. The CBOC committee can request this.
 - Posting the annual report to the website is option for public distribution.
 - Member Jordan asked is notification of the reports publication could be satisfied through use of the Bond Report newsletter.

- o Mr. Sata replied that yes, this option can be used to satisfy public notification.
- Member Jordan suggested that a full copy of the annual report be posted to the District website and that hard copies be made available in local libraries.
- c. Member Attendance Requirements
 - Mr. Casnocha stated that Section 5.6 of the State requirements states the absences are permitted with “reasonable excuse.”
 - Mr. Sata made note that the District chose to have a nine (9) member committee, while the State requires a committee only have seven (7) members.
 - o Mr. Casnocha stated the there are five (5) core members – two (2) or four (4) at-large members and one student member.
 - o The Governing Board sub-committee added two (2) Construction and Trade members
 - Mr. Casnocha noted that, per the vacant position on the committee, as long as a “good faith” effort is being made to fill the vacancies (i.e. posting a notice, newspaper/newsletter advertisement, etc.) then the District is in compliance.
 - Member Jordan asked about efforts being made to fill the Associated Solano Student Council position on the committee. He suggested that a notice be included in the Bond Report Newsletter.
 - o Mr. Sata stated that students are invited to meetings but have not attended.
 - o Mr. Charboneau stated that a notice should be included in the campus student paper.
 - o Member Sunga suggested that an inquiry should be made of the Board of Trustees Student Representative on what actions could be taken to encourage student interest/participation in the committee.
 - o Member Jordan requested that the CBOC Member sign-in sheet reflect that the student member position is vacant.
 - o Member Ferguson noted that the Student Government member may have interest.

V. ITEMS FOR COMMITTEE CONCURRENCE

A. Measure G Quarterly Report

Presenter – Ines Zildzic, Program Manager, Kitchell CEM

1. This Quarterly Report covers financials through the end of third quarter (03/31/14). It includes projects in progress, a note about future planned projects, a financial summary, completed projects and a master program schedule section. The following is a summary of report highlights made to the Committee regarding projects in progress:
2. Building 600
 - a. Project Status
 - This building is scheduled to be completed by December 2014.
 - 90 Days FF&E Selection
 - January move-in
 - b. Member Ferguson asked if Building 600 is on budget.
 - Ms. Zildzic replied that, yes the project is on budget and continues to move forward.
3. Vacaville Center Parking Lot Extension

4. Building 202/200 Child Development Center
5. Building 1100 Portables Demolition
 - a. There is no update for this project. It remains connected to State-funded Library Building Renovation project.
6. Building 1200 Theater Building Renovation
7. Comments:
 - a. Member Sunga asked what the remaining balance of the Measure G fund.
 - Ms. Zildzic stated that Mr. Sata has projects in mind for the remaining balance of Measure G funds.
 - Mr. Sata states that building 600 will likely deplete the fund, but if not, the surplus would be spent on small projects – with the approval of the Governing Board.
 - b. Member Jordan asked how much of Measure G expenditures the committee needs to be aware of per their oversight responsibilities.
 - Ms. Zildzic stated that the Swing Space (360 Campus Lane) soft cost (i.e. fees, etc.) and the 5-7% construction cost.
 - Mr. Sata stated that the Quarterly Report (31March) reflects the current numbers.
 - Ms. Zildzic added that the next Quarterly Report would show larger expenditures.
 - c. Member Jordan asked if the District required any input from the committee.
 - Mr. Sata requested that the committee ask questions regarding the expenditure of Measure G funds.

B. Measure Q Quarterly Report

Presenter– Ines Zildzic, Program Manager, Kitchell CEM

1. Comments:
 - a. Mr. Sata noted that the State-funding is an effective way to “leverage” District bond funds and a win for the District.
 - b. Member Jordan requested that a USB drive for member with reports on them be provided ahead of each meeting instead of printed copies.
 - Mr. Sata suggested posting the reports on the webpage.
 - c. Member Charboneau requested to receive an e-mailed copy of the reports and a printed copy without pictures.
 - d. Member Jordan asked that no hard copies of the reports be provided to the committee and that they only be produced for placement in public areas for distribution.
 - Mr. Sata suggested that for the next meeting the reports be presented electronically, in a Power Point presentation. A draft copy of the presentation can be provided to the committee if requested.

VI. MEMBER COMMENTS

- A. Member Charboneau recommended that the committee meet more than quarterly.
 1. Mr. Sata stated that this item was previously discussed at the 5 May meeting and the committee recommended continuing to meet quarterly.
- B. Mr. Sata stated that tours of the center sights can be arranged for the Committee Members.
 1. Member Ferguson asked how to set up the facility tours
 - a. Mr. Sata replied that all the committee members have to do is let the committee staff know ahead of time and a tour can be arranged. Request should be made to Camille James.

- C. Member Quinn asked if Kitchell is tracking the bond expenditures appropriately.
 - a. Ms. Zildzic replied the Kitchell does real time tracking of all expenditures. It is tradition that the Committee review expenditures on a quarterly basis.
- D. Mr. Quinn asked if Kitchell would feel comfortable reporting to the committee on “up-to-date” issues.
 - a. Ms. Zildzic replied that Kitchell will change the reports to reflect current issues. A new format will be unveiled in the next bond report.
- E. Mr. Sata suggested that a “study session” be held on the “real time” project budgets for the committee members.
 - a. Member Bertagnolli reminded the committee of his request to have a “dash board” for any issues per project.
 - b. Mr. Sata stated that the request was not forgotten and will be included in the revised format of the next report.
- F. Member Charboneau requested to see the total expenditure on any one particular project.
 - a. Ms. Zildzic replied that Kitchell supply a report with the total expenditure of any particular project, as requested.
- G. Member Sunga asked what the District is considering for the Vallejo properties it purchased.
 - a. Mr. Sata replied that there will be a “green zone” buffer, a possible physical education facility, and two (2) buildings.
- H. Member Ferguson asked about the Vacaville airport project.
 - a. Mr. Sata replied that the airport project is the Jimmy Doolittle Project
- I. Member Sunga asked if the aerospace program would relocate to IKON facility.
 - a. Mr. Sata replied that is not in the plans at this time.
- J. Member Jordan asked of the \$348 million for Measure Q, how much, if any, was spent professional service costs, including bond set up?
 - a. The professional services category is where those numbers can be found and a separate break out can be provided for specific costs.
- K. Member Ferguson asked for the number of projects starting in the near future.
 - a. Mr. Sata replied that five (5) projects: Automotive Technology building, Biotechnology building, Vacaville Annex, Fairfield Science Building, and the Building 1300 Theater Renovation are all starting or have started design.
- L. Member Ferguson asked when these projects will commence.
 - a. Ms. Zildzic stated that the architect pools were completed on 10 August, so the projects will begin to move forward in the next couple of months.
- M. Member Charboneau asked about the depreciation of furniture – minimum life.
 - a. Mr. Sata stated that this is addressed in the District’s design standards and a FFE consultant is being hired to assist the District in management of FFE procurement and design.
- N. Ms. Zildzic stated that Kitchell works closely with Roger Clague, Chief Technology Officer on performance specification and to ensure funds are spent wisely.
- O. Member Jordan requested clarification on the parameters of the next Governing Board meeting.
 - a. Mr. Sata stated that next meeting will be a “study session.”
 - b. Ms. Zildzic stated that the Quarterly Reports can be presented in a Power Point presentation format if requested.
- P. Member Charboneau requested that he be provided with a copy of the Facilities Master Plan (FMP) that was referred to in August 2012.
- Q. Member Charboneau also requested that during the next meeting there be time to discuss on what the committee’s real purpose is.

VII. FUTURE MEETINGS:

- A. The next scheduled meeting will be on Monday, November 11, 2014 [revised to December 1, 2014 due to lack of quorum on November 11]

VIII. ADJOURNMENT

Member Charboneau motioned for adjournment, motion was seconded. Chairman Jordan gaveled the meeting adjournment at 7:15 pm.

IX. ATTACHMENTS

1. FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT, Plaintiff,
Cross-defendant and Respondent, v. MELVIN L. EMERICH et al., Defendants,
Cross-complainants and Appellants.



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THE ROLE OF THE CITIZENS' BOND OVERSIGHT COMMITTEE

SOLANO COMMUNITY COLLEGE DISTRICT

June 16, 2015

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CALIFORNIA'S THOUGHT LEADERS
IN EDUCATION LAW



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The Role Of The Citizens' Bond Oversight Committee

Solano Community College District

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DEDICATION
WISDOM
KNOWLEDGE

SAN FRANCISCO

LONG BEACH

SAN DIEGO

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Proposition 39 Requirements

➤ Establish a Citizens' Bond Oversight Committee ("CBOC") that will:

- Review and Report on Uses of Bond Proceeds
- Conduct Open and Public Proceedings
- Issue Reports on the results of its activities.

(Education Code section 15278 et seq.)



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Purposes of the CBOC

- To inform the public concerning the expenditure of bond revenues.
- Review and report on expenditure of taxpayers' money for school construction.
 - Issue regular reports - at least once a year



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CBOC's Scope of Authority

- Ensuring bond revenues are expended only for construction, reconstruction, rehabilitation, or replacement of school facilities.
(Article XIII A, Section 1(b)(3) of the California Constitution.)
- Ensuring no funds are used for any teacher and administrative salaries or other school operating expenses.
(Article XIII A, Section 1(b)(3)(A) of the California Constitution.)



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CBOC Activities

- ✓ Review annual, independent financial and performance audits performed by an independent consultant.
- ✓ Inspect school facilities and grounds to ensure that bond revenues are expended in compliance with law.
- ✓ Review any deferred maintenance proposals or plans.



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CBOC Activities (continued)

- ✓ Review District efforts to maximize bond revenues through implementation of cost-saving measures:
 - ▣ Professional fees
 - ▣ Site preparation
 - ▣ Joint use of facilities
 - ▣ School site design efficiencies
 - ▣ Reusable facility plans



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Purposes of the CBOC

(continued)

Powers not granted to the CBOC:

- Determining how bond funds may be spent
- Acting in advisory capacity to the District Board



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Technical Assistance to CBOC

- District's Board to provide technical and administrative assistance to CBOC, such as:
 - ✓ Website information posting.
 - ✓ Brown Act agendas and minutes.
 - ✓ Financial and progress reports.
 - ✓ Submit independent financial and performance audits at same time as to District, no later than March 31st.
 - ✓ Respond to findings, recommendations and concerns addressed in audits within 3 months.



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Permissible Uses of Bond Proceeds

- Construction, reconstruction, rehabilitation or replacement of school facilities
- Furnishing and equipping of school facilities
- Acquisition or lease of real property

Note: All projects must be within scope of project list adopted by Board as part of the measure



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Operating vs. Capital Expenses

- Despite general prohibition on use for school operating expenses, bond funds may pay:
 - ✓ District employee salaries to the extent employees are engaged in construction-related services for bond-funded projects.
 - ✓ Overseeing construction progress.
 - ✓ Performing overall project management.
 - ✓ Accounting that facilitates timely completion of the construction project.
 - ✓ Costs incidental, but directly related, to bond-funded projects.



Operating vs. Capital Expenses

Other permissible expenditures:

- Construction labor and materials costs;
- Professional fees (e.g. architects, construction managers, attorneys) and
- Other costs directly connected to real property acquisition and improvement (e.g. environmental review, relocation costs, temporary moves)



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Legal Causes of Action

- May be brought by any citizen liable to pay the tax:
 - To restrain and prevent expenditure of funds
 - For failure to comply with Prop. 39 expenditure limits or to appoint a CBOC



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CBOC Legal Compliance

- ✓ The Brown Act
(Government Code section 54950 et seq.)
- ✓ Conflicts of Interest



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Intent of The Brown Act

- To keep the public informed of the actions, debates and views of locally elected representatives.
- To provide the procedural framework for local legislators to meet, debate, act and listen collectively to their constituents.



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The Brown Act: "Legislative Body"

- Governing body or other body created by state or federal statute, including:
 - Commission
 - Committee
 - Board
- Whether:
 - Permanent or temporary
 - Decision-making or advisory
 - Established by charter, ordinance, resolution, or formal action of the Board (Gov. Code, sec. 54952.)

CBOC is subject to the Brown Act.
(Ed. Code, sec. 15280.)



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The Brown Act: "Meetings"

- Definition:

Any congregation of a **majority** of members of a legislative body at the **same time and place**, including teleconference locations, **to hear, discuss, or deliberate** upon any item within the subject matter jurisdiction of the legislative body.



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The Brown Act: "Meetings" (continued)

- A majority of the members of a Brown Act body shall not, outside a noticed meeting, use a **series of communications** of any kind, directly or through **intermediaries** or **technological devices**, to discuss, deliberate, or take action on any item of business that is within the Board's jurisdiction.

(Gov. Code, sec. 54952.2.)

- "Direct communication, personal intermediaries, or technological devices" include:
 - Telephone, e-mail, facsimile, internet, instant messaging, texts
 - Social media, blogs
 - Communication through an intermediary



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The Brown Act: "Meetings" (continued)

- Definition of meeting specifically excludes:

Individual contacts, communications or telephone conversations between a Committee member and "any other person" (including another Committee member) that do not constitute discussion, deliberation or taking action on district business.



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The Brown Act: "Meetings"

(continued)

- Meetings are open to the public with a posted agenda and minutes
 - 72 hours' notice
 - Teleconferencing must be from a publicly accessible location.
 - At least a quorum must be within District boundaries.
 - Agenda must be posted and public able to address CBOC at each location.
- (Gov. Code, sec. 54953(b)(3).)



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The Brown Act: Public's Rights

- Any person attending may videotape unless disruptive.
- Agenda must allow comment on agenda items before or during consideration of that item.
- Time must be set aside for public comment on any other matters under the CBOC's jurisdiction.
- The CBOC may place reasonable time limitations on particular topics or speakers.



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Conflicts of Interest

- Laws that control conflicts of interest of California public officials:
 - Section 1090 (Gov. Code, section 1090, et seq.)
 - PRA (The Political Reform Act of 1974; Gov. Code, sec. 87100, et seq.)
 - Incompatible Offices (Gov. Code, sec. 1125, et seq.)
 - Common Law Conflict of Interest
- Section 1090 and Incompatible Offices statutes are made applicable to CBOC members by Education Code section 15282(b).



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Conflicts of Interest: Section 1090

- Prohibits public officials/employees from participating in the process by which a contract is developed, negotiated, or executed if the official or employee has a financial interest in the contract.
- These contracts are void and cannot be enforced. (Gov. Code, § 1092.)



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Conflicts of Interest: Incompatible Offices

- Prohibits public officials/employees from engaging in any employment, activity or enterprise for compensation that is inconsistent, incompatible, in conflict with or inimical to their duties as public officials/employees.



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Conflicts of Interest: Form 700

- In order to identify and avoid potential conflicts of interest, the PRA requires that designated public officials disclose interests on "Form 700" that could impact their decision-making.
- Do CBOC members need to file Form 700?



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Questions?



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Thank you!

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