



City College of San Francisco

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SAN FRANCISCO COMMUNITY COLLEGE DISTRICT CITIZENS' BOND OVERSIGHT COMMITTEE PROP A 2001 / PROP A 2005 / PROP A 2020

MINUTES

WEDNESDAY, November 10, 2021

Via Zoom Video Conference

1. **Call to Order:** A.J. Thomas (Chair), called to order the meeting of the Citizens' Bond Oversight Committee (CBOC) at 2:03 PM on November 10, 2021. In response to the COVID-19 shelter-in-place order, the meeting was held via video conference.
2. **Roll Call:** A quorum was established via roll call.
Members present: A.J. Thomas (Chair), Dennis Kelly (Vice Chair), Orlando Galvez, Christine Hanson, Shannon Lampkins-Jones, Steven Tang, Han Zou, Thomas Havey (2:09 PM)
Members excused: Linda Fadeke Richardson, Peter Gallegos
Members not present: Rafael Musni
3. **Approval of November 10, 2021, Agenda:** There was motion to adopt the agenda (Kelly/Tang). The agenda was approved by all members present. There were no objections or abstentions.
4. **Resolution Permitting Online Meeting (AB 361):** There was a motion to adopt the Resolution continuing the Committee's authority to hold virtual meeting pursuant to AB 361 (Kelly/Hanson). The resolution was unanimously approved via roll call.
5. **Welcome New Member:** Chair Thomas welcomed the CBOC's newest member, Orlando Galvez, and asked Member Galvez to introduce himself to the Committee. Chair Thomas also reflected on the importance of the Student Representative seat on the Committee and thanked staff for their outreach efforts in filling the seat. Member Galvez is a current student and member of student government at City College. As a Student Representative of the CBOC, Member Galvez is here to see what he can contribute for the community. Chair Thomas reminded the Committee that there is one vacant seat left to fill; a member active in a support organization for the District, such as a foundation or advisory council.
6. **Approval of the Meeting Minutes:**
 - a. July 1, 2020: There was a motion to approve the minutes (Kelly/Hanson). Roll call was conducted, and the minutes were approved with 3 Abstentions: Galvez, Zou, Havey.
 - b. August 2, 2021: There was a motion to approve the minutes (Kelly/Zou).

Prior to taking a roll call vote to approve the minutes, a public comment request was received. In light

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of the comments made by the member of the public, there was a substitute motion to table the approval of the meeting minutes from the August 2, 2021, meeting to the next CBOC meeting (Hanson/Galvez).

Further discussion ensued.

- Vice Chair Kelly didn't see a reference in the minutes to monthly meetings. He feels that the minutes accurately reflect what the Committee said and did, and he would like to move forward with accepting the minutes.
- Chair Thomas recollected that the Committee was encouraged to explore the option to meet monthly, but he also doesn't remember a statement in the minutes that the Committee had met monthly.
- Member Lampkins-Jones commented that the minutes on Page 12 (Section 13, last paragraph) noted that the Committee will be allowed to have meetings once a month. It does not state that the Committee did meet monthly.

The substitute motion was denied via roll call vote.

Ayes: Galvez, Hanson (2)

Nays: Tang, Zou, Kelly, Thomas (4)

Abstentions: Lampkins-Jones, Havey (2)

The August 2, 2021, meeting minutes were approved by roll call vote.

Ayes: Galvez, Tang, Zou, Kelly, Thomas (5)

Nay: Hanson (1)

Abstentions: Lampkins-Jones, Havey (2)

- 7. Public Comment on Non-Agenda items:** Chair Thomas opened the Public Comment for a period of 30 minutes and each speaker was allocated two minutes to speak. One member of the public spoke. No other request for public comment was received. There was a motion to close the public comment period and move to the next item on the agenda (Kelly/Lampkins-Jones).

Prior to the roll call vote, Member Hanson asked if it was appropriate to respond to the member of the public under the Brown Act. Chair Thomas responded that it is not agendaized to have dialogue and discussion during public comment, even if it was permissible under Brown Act it's currently not agendaized. Member Hanson had thoughts on two of the items that the member of the public raised. Chair Thomas also took notes, and he hopes to get a response to some of the concerns either through the life of the meeting or offline.

The motion to close the public comment period and move to the next item on the agenda was unanimously passed via roll call vote.

- 8. Communications from Staff:** Vice Chancellor al-Amin shared that things are moving with some difficulty on campus in regard to the District's budget situation. It's not going to impact any of the District's deferred maintenance or other plans, nor any of the District's current construction projects which are proposed. The District is currently looking at a resolution to the Diego Rivera Theater proposal. Vice Chancellor al-Amin expressed his appreciation to the CBOC members for their active participation in meetings. He reminded the members that District staff are here to provide the CBOC with support and information that's required to help them with their recommendations and discussions. Vice Chancellor al-Amin wished the CBOC members a good meeting. He also wished any members who served in the military an early Happy Veteran's Day, and any Marines a Happy Birthday.

Member Hanson asked if Vice Chancellor al-Amin will be present during the discussion of Program Financial Reports (Agenda Item 12). Vice Chancellor confirmed that he will be in attendance. Per Member Hanson, it's been a long time since the CBOC has had the Vice Chancellor of Finance in the meeting to respond to members'

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questions, so she has questions stacked up. Vice Chancellor al-Amin was open to answering her questions during that part of the agenda.

Member Hanson requested that the CBOC receive non-bid purchase orders as a regular list. She found the non-bid purchase orders helpful because it gave a view to vendors and how certain bond projects were progressing. Although the Board receives a non-bid purchase order on a monthly basis, it's hard to identify the purchase orders specific to the bond. Chair Thomas asked Member Hanson to email him with her document requests, so he can issue the request to staff prior to developing the next CBOC Agenda.

- 9. Bylaw Amendments Requested by Committee:** Associate Vice Chancellor Alberto Vasquez provided a status update. On October 25th, the Bylaw Amendments were presented at the Board of Trustees Facilities Sub-Committee - Facilities Master Planning Oversight Committee Meeting. The two sections to be amended were Section 5.4 (to confirm the two-year terms from the date of appointment) and Section 5.8 (to allow the committee to establish sub-committees). The item, however, was pulled from the agenda. Facilities is waiting to post the two amendments at the next meeting.

Vice Chancellor al-Amin: Per code, each term is a two-year term with a maximum of three terms, for a total of six years. After three terms, a break in service is needed. The member can come back if they choose, and the Board reappoints them for their service. There were questions regarding some of the language for the code, we're following back up with Board of Trustees so we can formally bring this to them for their recommendation and approval. As Associate Vice Chancellor Vasquez mentioned, we're waiting for the next meeting to be scheduled.

Associate Vice Chancellor Vasquez: The next Facilities Master Planning Oversight Committee meeting is anticipated to be scheduled in January. If a meeting is scheduled between now and the end of the calendar year, Facilities will post the same amended document again to get approval.

Chair Thomas: Do you see any challenges or foresee any issues with having this approved at their next meeting? Or are there any other steps that you're seeing between it and approval?

Vice Chancellor al-Amin: I don't anticipate that there would be any issues with approval. We wanted to make sure that we were compliant with state law, and the Board Members just wanted more time in order to review the code and the statutes as it pertains to CBOC terms. They've been given that information, so we're just waiting for the next meeting to come up so we can have the discussion and have it resolved.

Member Hanson: Along the lines of complying with state code, there's a statement in Section 1 that doesn't seem to comply with state code. It says the committee doesn't have the legal capacity, independent from the District. And yet, if you read the Prop 39 legislation, it says the governing board of the school district or community college shall establish and appoint members to an independent Citizens' Oversight Committee, and then it gives our purpose as shall advise the public as to whether a school district or community college is in compliance. This statement doesn't seem consistent with Prop 39 legislation, so I'd like to flag that.

Chair Thomas asked Member Hanson if this can be discussed at a later date to give Staff time to review the statement. Member Hanson shared her concern that the Board will approve the Bylaw amendments, and she would like it corrected before it gets to the Board. Chair Thomas reminded Member Hanson that the language is already part of the Bylaws and that today's agenda item was specifically to discuss the amendments discussed during the last meeting: terms (Section 5.4) and subcommittees (Section 5.8). Chair Thomas noted Member Hanson's concerns regarding legal capacity independent from the District and that he will work with Staff to have this discussion item agendaized.

There was one public comment for Agenda Item 9.

- 10. 2001/2005 Financial & Performance Audits Results Follow-up:** Vice Chancellor al-Amin provided an update. There were a couple different audit findings related to the bond, which the District was required to

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respond to. Specifically, there were issues in regard to salaries that were charged against the bond. The District needed to repay the bond for those specific salaries. That transfer has already occurred, and the error has been corrected.

Chair Thomas shared his appreciation to Staff for providing the information and for following up. Member Zou also expressed his appreciation that the District corrected the error.

Member Hanson would like to ask the auditor their intent regarding a paragraph in their letter. Specifically, she would like to know if their intent was to highlight that the District didn't have a way to track significant issues or is it that the auditors didn't find a significant issue. Vice Chancellor al-Amin informed Member Hanson that the auditors are not at the meeting. Chair Thomas reminded Member Hanson that if she's referring to a specific document in the packet, to provide the page number indication so that members can follow along. Member Hanson informed the Committee that the letter she is referring to is not included in the packet.

Ms. Kennedy reminded Member Hanson that the letter she's referring to is the one that was received by the Committee through the BoardDocs link that Ms. Lam sent with the audits. The date on the particular letter was May 27, 2021. The letter was not included because the question for this agenda item was what happened with the \$142,000 which is on page 20 of the performance audit material that you received at your last meeting. Ms. Kennedy reminded Ms. Hanson that if she wants to ask additional questions, she can forward them to Chair Thomas for a future item.

Chair Thomas brought the Committee's attention to the document that was being shared on the screen. Vice Chancellor al-Amin confirmed that the document on the screen is the audit finding that is being discussed. The question was about individuals whose positions were not substantially supporting the bond program. As part of their response, the District reviewed all of the positions and assignments which are related to the Bond program and confirmed they were included within the bond expenditures, and those positions which are not have been excluded. The actual finding was that there were about \$142,000 of salaries of administrators and other individuals whose work was not related to the bond program that were included. We have since made that adjustment and cleaned it up so that this should no longer be an issue.

Member Hanson said that the document being shared on the screen is not what she is referring to. It was a descriptive letter that was sent along with the audit. It's not within the audit itself. She asked that the auditor's clarification be presented at the next meeting. Member Hanson would like to put it in the record that she has questions specific to this audit for the auditor. When you look at the procedures, they tested 99% of the salaries. The year before there was a much greater number of salaries that came through on the audit, and they only tested 57% of the salaries. I was wondering why that is so, and if it's possible, to go back and double check those, especially after this finding from this year's audit.

Chair Thomas said that the auditors can be invited to our next meeting but reminded Member Hanson that this agenda item is specifically responding to the inquiry made by Member Zou and other members regarding the \$142,000.

Member Hanson shared her recollection that they had very little time with the auditor. They had a finding that the Committee didn't get a chance to really discuss. We thought that we were going to have a meeting where we would be able to discuss the audit and the findings and the implications with the auditor, so that's where the question is coming from. And it does specifically address the difference between the 99% of salaries that were tested in this audit, and found a problem, and then the previous year were only 57% of salaries were tested, and no problems were identified.

Chair Thomas noted the request for the auditor Eide Bailly to attend the next meeting, specifically to discuss this item. There were no other members that wished to comment on this item. Chair Thomas asked Vice Chancellor al-Amin if there was any other information that he would like to share on this agenda item. Vice

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Chancellor al-Amin confirmed that there was no additional information.

11. Prop A-2001/2005 & 2020 Current Project Update: Associate Vice Chancellor Vasquez provided a Power Point update of the District's 2020 projects.

OC-001 – Diego Rivera Theater with Mural:

- District is still looking for clarification on the Diego Rivera Theater Mural
- Request for Proposal process for a design builder entity is almost complete, finalizing items related to cost
- Next steps include meeting with the Board of Trustees Facilities Master Planning and Oversight Committee, which will help Facilities make an informed selection to move forward

OC-002 STEAM Center

- General Contractor: Rudolph & Sletten / Architectural Firm: SmithGroup
- Completed several focus groups and stakeholder meetings
- Submitted 50% Construction Documents (CDs) and cost estimates, in October, which are being reviewed
- Reconciliation efforts will proceed if the cost estimates fall outside of the project's budget range
- CDs should be completed in early spring, which will allow the District to submit to Division of the State Architect (DSA) for review and approval

OC-003 Student Success Center

- General Contractor: XL Construction / Architectural Firm: Gensler
- Project will consolidate over 30 student development programs into one building
- 50% CD cost estimate is under review
- Project is in DSA for approval (10 – 12-month review process)
- Review the documents with Facilities and Buildings & Grounds to make sure all item specifications are accurate

OC-009 Ocean Campus Utility Infrastructure Replacement

- Mostly a state funded project with a small local match
- Once completed, this will have a major impact to the college
- DSA approved and ready
- District is looking to complete and close the books on the legacy project, before this project can move forward
- Central plant
 - Relocated to another part of the campus due to bad soils
 - Soils in the new location are still being evaluated
 - Cost estimates are being finalized before the project goes out to bid
 - Plans will be submitted to the state in the spring for review and funding approval

Chair Thomas asked for clarification on DSA. Associate Vice Chancellor Vasquez explained that the acronym stands for the Division of the State Architect. The District submits all construction activities and plans to this state agency, and the District can't move forward without their approval. DSA also requires the District to assign inspectors and testing agencies to all projects.

OC-011 Rush Stadium Turf Field Replacement

- Project started in May
- Turf installation was completed in August, in time for the first home game
- Finalizing project closeout and financial closeout
- Project was under budget, the District is waiting for all payments to be processed before the final budget number is presented

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CC-001 750 Eddy Street Seismic and Code Upgrade

- Architectural Firm: Hamilton+Aiken
- Site shut down several years back for seismic upgrade requirements
- A couple of structural design requirements were required for this older brick building
- Next steps include revising the shear wall design and preparing DSA-Plan Check Responses; requesting SFPUC/PG&E review of primary electrical service; developing the furniture procurement schedule to match up with the interior spaces

EC-001 Evans Center Renovation

- Architectural Firm: Gelfand Architects
- A seismic retrofit is planned for the green building
- Sprung Structure (tent like structure) will be used as Swing Space for the college when construction begins in the green building
- CEQA Initial Study and Mitigated Negative Declaration was completed and published
- Public comment period was extended until November 18
- The District's lease expired at the airport for the Aircraft Maintenance Technology (AMT) program, and the Evans Center is being considered to house the program
- Next steps include complete electrical and low voltage in the Sprung Structure; modernization is on hold, until a decision is made about the AMT program and whether it will move into the Main Building

DW-001 Subproject: John Adams Fire Academy Project

- District needed to provide a Fire Tower for accreditation purposes
- Currently in final punch list, cleaning up the site
- Looking to complete project and financial closeout of the project with the contractor

DW-001 Subproject: Downtown Fire Pump

- Downtown Fire Pump, generator replacement, and emergency backup
- Started in August scheduled to be completed in January
- District is working with the Fire Department to complete this work

Ms. Kennedy informed the Committee that a list of Helpful Links is provided at the end of Associate Vice Chancellor Vasquez's presentation to address the members concerns with finding information. Chair Thomas thanked Ms. Kennedy for providing the links that will be helpful not only to the Committee but also to members of the public.

Member Zou had a question on the Evans Center Renovation. The Master Project List Report the budget for the renovation is \$25,000,000 but in the presentation it's over \$31,844,792. He would like to get clarification on the \$6.8 million variance. Ms. Kennedy explained that Mr. Jeff Scogin will explain this when he reviews the Financial Reports. In future presentations, we will note if a project's budget is multi-funded.

Member Hanson: Is there a clarification on which projects are crossover projects from 2005 bond to the 2020 bond? If so, which projects are those? Are they prioritized in any way?

Associate Vice Chancellor Vasquez informed Member Hanson that Mr. Scogin will cover this when he reviews the Program Financial Reports.

Member Hanson: When was the last time we had the Turf replaced on Rush Stadium?

Associate Vice Chancellor Vasquez: 10-12 years ago.

Member Hanson: Is that a semi-regular thing that must happen?

Vice Chancellor al-Amin: Most fields normally have a lifespan of anywhere from 8-10 years and depending

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upon how much use you put on it, it could fail, closer to the 7–8-year mark. This field had exceeded that time frame, so it was time for a replacement.

Member Hanson: Will this go on to the deferred maintenance in the future? In case we don't have a bond and it needs to be redone again in 8 years?

Vice Chancellor: Typically, we will set aside funding, each and every year either through the deferred maintenance allocation, or general fund in order to accommodate it, but we also try, within the bond program to ensure that we do at some point have sufficient funding available to supplement that if required.

Member Hanson: Are those Sprung Structures rentals? Or does the District own them? What is the time frame for keeping them in place?

Associate Vice Chancellor Vasquez: It started out as a lease. We're currently making monthly payments, and we'll own them in three years. It's temporary, but it was less expensive to buy than rent for a certain period of time. We are going to have to tear them down, soon once the work is done.

Member Hanson: Is there a plan for recycling them somewhere else?

Associate Vice Chancellor Vasquez: We haven't had any discussion to where we can reuse that material somewhere else. It might be something we can sell or find other use. We haven't gotten that far in our process as we're still trying to make sure we know what we're doing with the Evans modernization.

Chair Thomas: With regards to the Evans Center Renovation, could you describe in a little more detail about the CEQA study and the extended period? Is that regarding the Sprung Structure or the Main Building itself?

Associate Vice Chancellor Vasquez: The 40-year lease at the SFO Airport expired for the Aircraft Maintenance Technology (AMT) program. The annual rent to lease a space within the City and County of San Francisco ranges from \$300,000 to \$500,000, which is cost prohibitive for the District. The District owns the Evans Building and is considering housing the AMT program there. This Initial Study Mitigated Negative Declaration is looking at all the potential hazards and issues that are coming into play related to the AMT program and the construction activities occurring at the project. They found two items that were mitigatable. First, the testing of the engines can be loud but the structure that will need to be built can mitigate the engine noise level. Second, were the impact to the birds and trees. We've received a lot of public comments from the community, so we extended the public comment period through November 18. The District is required to fully address all those questions, and we're doing that with the help of a consultant.

Chair Thomas: The next question has to do with the Aircraft Maintenance Technology (AMT) program, are those all done in the Sprung Structures, or are they in the Main Building?

Associate Vice Chancellor Vasquez: The AMT is not an active program. It will be part of the new modernization. If the public comment information doesn't come up with any additional red flags, we'll package the document and the Board of Trustees will need to approve it, and we'll be able to move forward with the design geared towards having the AMT program. We're currently looking at two options: (1) The AMT program moving into the Evans Center and (2) Evans Center without AMT program. We're waiting for the final decision before moving forward with the architect firm.

Chair Thomas: If the program were to be moving into the building, would it be displacing any existing programs or is there vacant space for them to move into?

Associate Vice Chancellor Vasquez: We've had to vacate a fashion program that we're relocating to the Chinatown North Beach Center. There would be some consolidation of spaces. It's not been an easy decision and discussion with the current occupants. But we are working with them, the end users, to make sure that they have similar and efficient space. If it doesn't move forward, they'll be able to gain more space and spread a little bit more, but we're also trying to be more efficient with the current utilization rate of our spaces.

12. Program Financial Reports, Fiscal Year 2020-2021: Mr. Jeff Scogin (AKG), provided a review of the Proposition A Bond Programs financial reports.

- a. Prop A-2020 Board Approved Project List: This list fully allocates the complete authorization of the Proposition A-2020 Bond Program, all \$845 million. The CBOC packet includes the Board Item that

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went to the Board of Trustees in September 2020, along with the proposed project list for the Proposition A Bond Program. The master bond project list is a key tracking document for bond programs. It's a best practice in the industry to be fully transparent not only with the committee but all stakeholders on the bond program. Each project has a budget, project name, project number, and a brief project scope. One of the charges of this committee is to track expenditures related to the bond program. Scope for each of these projects should tie back to the ballot language that the voters approved back in March 2020.

Mr. Scogin informed the Committee that the Master Bond Project List is not set in stone. Any time there will be a change to a project's name, project's budget, and a project's scope, the Board of Trustees is the entity that would approve any changes related to the Bond Program. In addition to that, any time interest is recognized on a bond program, it will be brought into the program at the appropriate time and be allocated to a project. And again, the Board of Trustees is the only group that can alter a project budget within the master bond project list or a bond list revision process that we're outlining and implementing within this program.

There was a question earlier related to the Evans project budget being \$25 million. Mr. Scogin explained that this project list only represents the allocation within the Proposition A 2020 Bond. In the next report, Item 12b, we do show other funding that addresses Member Hansen's question related to crossover projects: projects that are multi-funded (Prop A-2001, Prop A-2005, Prop A-2020, and State Funding).

Mr. Scogin informed the Committee that at the request of the District, this project, EC-002 Education Center at 1550 Evans was intentionally brought to the Board with a Pending status. It was discussed at the Board and this project was approved to be officially part of the project list at the September 2020 meeting. Lastly, Mr. Scogin reminded the Committee that any revisions to this project list would go to the Board of Trustees for approval, and then that revision will be brought to this Committee at their next regular meeting.

Member Hanson: On the 1550 Evans, could you speak a little bit about the San Francisco Unified School District (SFUSD) participation in that? I've spoken to somebody in their bond committee, and that project isn't on their radar. What is the SFUSD partnership in that project?

Associate Vice Chancellor Vasquez: It's a Workforce Education Center, but we've not heard much from the city on that option, just yet. If we receive any additional information regarding the collaborative effort with the PUC/SFUSD, we'll report it to this Committee.

Member Hanson: Who did the RFQ for the 1550 Evans project?

Associate Vice Chancellor Vasquez: I don't have a lot of information on the 1550 Evans project.

Member Hanson: Please keep us posted.

Associate Vice Chancellor Vasquez: If something comes up, I will share the information with the CBOC.

Chair Thomas: The 1550 Evans Education Center and the Evans Center Renovation, can you clarify for our new members, whether this is the same project site?

Vice Chancellor al-Amin: These are two separate projects. The Evans Center Renovation is the project with the two portable structures (Sprung Structures). The \$25 million is to do the renovations on the main building. The \$30 million project, Education Center at 1550 Evans, is a collaboration between the PUC/College District/SFUSD, but we don't have any information regarding SFUSD's participation. We just know that they're within the educational complex that the PUC wishes to build, and that a portion of it will be designated for community college classes, programs, and services.

Associate Vice Chancellor Vasquez: They are not at the same site. Evans Center Renovation is located at 1400 Evans, and the Education Center at 1550 Evans.

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- b. Prop A-2001/2005 & 2020 Project Summary Report: Mr. Scogin reviewed the report format with the Committee. He explained that the data we are looking at is as of the end of Quarter 1 of the current fiscal year. The District runs on a fiscal year and the first quarter begins on July 1 and ends June 30. So, Quarter 1, would be any activity that took place between July 1, 2021 and September 30, 2021. The report that we're looking at shows all funding sources related to the Proposition A project list. There are a total of four funding sources: Proposition A-2020, Proposition A-2001, Proposition A-2005, as well as state funding that's being brought into this program.

Mr. Scogin noted that although the Proposition A-2020 funding is the complete authorization of the bond totaling \$845 million, for Prop A-2001 and Prop A-2005 we have a budget that was the remaining balance of the 2001 and 2005 bond programs as of July 1, 2018.

Mr. Scogin reviewed the budget and how the report provides budget details for a multi-funded project. He also reviewed the Bond Expenditures to Date as of September 30, 2021. He reminded the Committee that this data is reconciled pending the final closure of the District's Fiscal Year 20-21 audit. When we produce financial reports, especially when they have year-end numbers, we want to be very transparent with this committee that until the books are finalized, there may be some movement in the prior fiscal year so the fiscal year ending June 30, 2021. He explained that the expenditure data is pulled directly from the District's financial system, Banner. Banner is the system record, and that is the data that has been audited by the auditors, so we're tying directly to that data. Next, he reviewed the Quarter Bond Expense column and the Budget Remaining column, which is just the simple math of bond budget minus the bond expenditures to date.

Next, Mr. Scogin explained that Start Date is noted at the bottom of the report in the footer. This is not the start date of construction. This is the date of first the expenditure or the date we anticipate the first expenditure activity for the project. The End Date represents the date of occupancy or intended use of the project. Typically, after the project is available for its intended use, there's a period of closeout in which the District is in the process of closing out contracts, and there are still dollars trickling in.

Mr. Scogin reviewed the next two columns: Cost Status and Schedule Status. The indicators are your typical green light, yellow light, red light type indicators. A green check means we feel that the budgets as well as the schedule is on target, and we see no concerns. Mr. Scogin informed the Committee that the Diego Rivera Theater has two caution icons. This means that there is an identified issue with the project, but the project team does have an intended solution to solve the issue. If there was a red icon, it would indicate that there's a problem on the project, and the project team does not have an identified solution, as of yet.

Mr. Scogin responded to Member Zou's question, re: Evans Center Renovation budget. This is how we're getting to the \$31.8 million. There is an additional \$6.8 million of Prop A-2005 funding that is currently allocated to that project.

Mr. Scogin reviewed the Unallocated Interest Earnings section of the report. Interest follows principal on a bond program. As interest comes into the program it is reflected as unallocated earnings until the Board recognizes the interest and allocates it to a project via the Bond List Revision process. The last part of the report shows Totals by Funding Source, Total Expenditures, as well as the Total Quarterly Expenses, and the Total Balance.

Member Hanson: Why are there no checks or triangles associated with the 1550 Evans project?

Mr. Scogin: That project has yet to be kicked off. We don't have a full program scope, as Associate Vice Chancellor Vasquez indicated. The board has allocated \$30 million of Prop A-2020 and as of this report, no expenditures have been booked against the bond program.

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Member Hanson: Is the Evans Center Renovation a crossover project? Is that what it's showing here?
Mr. Scogin: The Evans Center Renovation does in fact have 2020 funding and 2005 funding going towards it.
Member Hanson: I'm actually thinking about the project list from the 2005 bond, and I think Evans is on that project list.

Member Hanson: Does this mean that the entire 2020 bond is essentially committed? At this point, how much of it has been encumbered? Is that a valid question?
Mr. Scogin: Yes, that's a valid question. A very small percentage of the program has been committed to date. There are multiple definitions of the term "committed". The board has allocated all \$845 million, but very little has been committed via contractual obligations.

Vice Chair Kelly: Program Contingency for Prop A-2020, you have identified \$46 million. What is the methodology for establishing that contingency?
Mr. Scogin: The project team reviewed the scope and delivery methods of the proposed project list to review risk and timing associated with the delivery of the projects. The team also evaluated the potential unforeseen conditions related to renovation projects and any infrastructure scope.
Vice Chair Kelly: How did you arrive at a number of \$46 million to being the contingency on this?
Mr. Scogin: I believe it's 5% of the total program. We looked at the total authorization, industry best practices, as well as the scope and delivery methods of the project list. At the time of the development of the project list in September 2020, the team felt that \$46 million was a number that could be used to help mitigate any risk in the implementation of the project list.

Ms. Kennedy: Jeff, would you please explain to the committee the three layers of contingency that we would typically see on a bond program?
Mr. Scogin: At this District, you have project contingency which is contained within each project's budget and Program Contingency at the District level. The third layer of contingency that we often see on multi-campus bond programs is catastrophic contingency. If the project's scope exceeds its budget, the team will make a recommendation to the Board to allocate additional budget out of the Program Contingency project via the Bond List Revision process.

Ms. Kennedy: We also recommend that in terms of contingency that we're mindful when it's drawn down out of these higher layer contingencies. The contingency built into the project is there for the project team to use during construction. But the next layer of contingency, in this case, DW-099, we always encourage the District to watch that contingency relative to risk left on the program. So as dollars go out, in other words as things get built, then it would be appropriate for the District to begin to move those contingency dollars into projects. But early on, it is best to manage risk. So as Mr. Scogin said, we started with a percentage of whole program, and as you get down to the end of the program, and when we're on our last three years of spend, that bucket will ultimately go to zero.

Vice Chair Kelly: But for planning initially you used 5%?
Ms. Kennedy: I believe we did by just looking at the number.

Member Hanson: Was this the point where Associate Vice Chancellor Vasquez was going to explain what's going on with the Diego Rivera Theater project? Or is that something that was already explained sufficiently at this point?
Chair Thomas: We can try to get more supplemental information from staff later, if that's alright with you Member Hanson?
Member Hanson: Okay.

There was one public comment for Agenda Item 12.

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Roll call acknowledging receipt of the Program Financial Reports.

Ayes: Galvez, Lampkins-Jones, Tang, Zou, Kelly, Thomas, Havey (7)

Abstention: Hanson (1)

- 13. Future Meeting Schedule:** Chair Thomas mentioned that several members reached out to him after the agenda was published and expressed their concern over scheduling a meeting in January and stated an interest in scheduling a meeting in February.

Chair Thomas: In the interest of time, Doodle will be the best way to schedule this next meeting.

There were no objections from the Committee to scheduling the meeting offline.

14. Next Meeting Agenda Topics:

- a. Introduction/Welcome of New Chancellor
- b. Bylaw Amendments Requested by Committee – Status Update
- c. Fiscal Year 2019-2020 Project Report
- d. Fiscal Year 2019-2020 Financial Report
- e. Fiscal Year 2019-2020 Annual Report Preparations
- f. Non-bid purchase order list
- g. Independent legal capacity from the District and how that pertains to our bylaws
- h. Discussion with auditors, re: salaries sample size
- i. How does the public give information to CBOC members?
- j. Education Center at 1550 Evans
- k. More info on DRT project

- 15. Adjournment:** Chair Thomas thanked the members of the public, Staff, AKG, and CBOC members for all their hard work. There was a motion to adjourn (Tang/Zou). Meeting adjourned at 4:04 PM.

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