



# City College of San Francisco

50 PHELAN AVENUE • SAN FRANCISCO, CA 94112 • (415) 239-3000

## CITIZENS' BOND OVERSIGHT COMMITTEE

### MINUTES

**FRIDAY, NOVEMBER 17, 2017**

**OCEAN CAMPUS**

**MULTI-USE BUILDING, ROOM 140**

**50 PHELAN AVENUE, SAN FRANCISCO**

**Members Present:** Anni Chung, Christine Hanson, Rafael Musni, Karen Waltz, Daniel Weaver

**Members Absent:** Kenneth Laslavic

**Staff:** David Martin

1. **Call to order and Roll Call:** Rafael Musni, Chair called the meeting to order at 9:30 AM. Committee Chair Musni noted that Bradley Hook is not in attendance and can no longer fulfill his duties. The student member will need to be reviewed.
2. **Approval of November 17, 2017 Agenda** – Approved.
3. **Chancellor's Comments** – None. Chancellor not in attendance.
4. **Review and Approve Minutes for Prior Meetings** – Motion to review at the next meeting carried (Hanson/Weaver).

Public Comment: Harry Bernstein had comments on typos and corrections that he would like to share to be incorporated into minutes.

5. **Draft 2017 Annual Report Postcard** – Motion to approve draft postcard as amended approved (Weaver/Waltz).
  - a. The Committee reviewed and provided comments on the draft postcard. Discussion that occurred:
    - i. Committee Member Chung noted to caption photos with the name of the building. Committee Chair Musni suggested adding the name of the building or location: Multi-Use Building Ocean Campus, Chinatown North Beach Center, Mission Center.
    - ii. Committee Member Weaver inquired if the photo of the Multi-Use Building is an artist rendering. Committee Chair Musni confirmed it is a photo of the actual building noting that the landscaping had been cropped out of the photo.

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- iii. Committee Member Weaver noted that the landscaping for this project has not been dealt with. Committee Chair noted that if Committee has interest in the landscaping it can be agendaized for discussion at a future meeting.
- iv. It was confirmed the Finance and Administration 33 Gough Street is still the official address.
- v. Committee Chair Musni inquired about the timeline for distribution of the postcard. Marian Lam commented that it was her understanding that the postcard will be sent out in December once approved.
- vi. Committee Chair Musni inquired if the cost of sending out the postcard is \$35,000 or \$70,000. David Martin noted the cost is approximately \$30,000 or \$35,000, and \$75,000 was the cost for a full pamphlet of the full report.

b. Public Comments:

- i. Harry Bernstein commented that Ca in the return address should be written as capital C and capital A.
- ii. Harry Bernstein provided comments on the three statements on the postcard.

**6. CBOC Draft 2017 Annual Report for Fiscal Year 2015-16 – Motion to approve draft report as amended approved (Weaver/Waltz).**

- a. The Committee reviewed and provided comments on the draft report. Discussion that occurred:
  - i. Page 1 - Committee Chair Musni suggested adding an asterisk next to Bradley Hook's name to indicate his term through October 13, 2017. It was suggested to add Todd Suchevid's name with asterisk noting his term through the last meeting that he attended.
  - ii. Cover Page - Committee Member Weaver noted to caption the photo. It was suggested to caption the photo with Science Hall, Ocean Campus, Architect Timothy Pflueger, and the year it was dedicated 1940.
  - iii. Committee Member Chung inquired what is the legal name of the District as it is referred to both the San Francisco Community College District and City College and noted it should be consistent throughout report. David Martin responded that the legal name of the District is San Francisco Community College District.
  - iv. Page 2 - It was noted that PAEC should be spelled out as Performing Arts Education Center with the Prop A General Obligation Bond's project name "Performing Arts Center" in parentheses and strike "currently located in the Multi-Use Building" in the last sentence.
  - v. Page 3 – Corrected typo change from "are" to "is". Committee Member Hanson noted as discussed in the sub-committee's meeting to include a reconciliation report in this section regarding expenditures compliance to be added between Page 3 and Page 4. Committee Member Hanson requested a short descriptive sentence in the bond audit reconciliation with projects indicated by categories. David Martin noted that the report is a detailed expenditure total by specific project. Committee members discussed and agreed to change "sequestered" to "uncommitted" in the CBOC Statement to the Community and add the sentence

“We recommend that the Board of Trustees and the administration expedite a solution to this.”

- vi. Committee Member Hanson expressed concern that the Campus Police and Dean’s Office, Gough Street Relocation, and Facility Master Plan are not on the projects list and not in compliance with the parameters of the Bond. David Martin presented a brief financial summary and supporting documents previously sent to the Committee to provide information on the District's justification for the Bond expenditures for 2015/16 including 16/17 and 17/18 for comparison. There was discussion on the Campus Police and Dean's move, Civic Center relocation and lease cost, Gough Street Relocation, and Facility Master Plan projects as allowable per the ballot language and update status for each project.
- vii. Committee Member Weaver inquired if the documents were included in the voter's handbook. David Martin believes that it was included in the 115-page Proposition packet but not included in the quick fact sheet voter summaries.
- viii. Committee Member Hanson referenced a 2013 letter to the community that Special Trustee Robert Agrella wrote regarding consulting with Bond counsel on use of Bond funds for renovation projects not on the project list. She commented that a copy of the referenced legal opinion is not on file with the District. It was noted that in 2006, the District had obtained legal opinion that it was acceptable to transfer money between projects. David Martin commented that a legal opinion can be obtained and that the annual external independent audit serves as checks and balances.
- ix. Committee Member Hanson commented on the Gough Street relocation that even though there's a seismic element to the project, the actual need to move staff from that location was due to a deal with a private developer and does not fall under Renovation/Remodeling/ADA. David Martin noted that the lease was still in negotiations at the time of the expenditure but the lease since has been signed with no subsequent bond expenditures used for the Gough Street relocation and any cost associated with the move is now being paid out of the revenue stream. Committee Chair Musni inquired if money from the lease is going back to the Bond Fund. David Martin indicated that is something that can be done if direction from the Board was received.
- x. Committee Member Hanson noted that *some of the* expenses *for non-bid purchase orders* were invoiced and started several years ago. David Martin clarified that some invoices were for work that was done in 2014/15 but were not received by the District and paid until 2015/16.
- xi. Committee Member Weaver disagreed on the need to include in the report the point about the behavior or activities back in 2015/16 and suggested adding a statement that the College to the maximum extent possible follow its project list for its bonds. Committee Member Hanson commented that the project list is not a fluid thing as far as voters are concerned. David Martin believed that the hurdle is the interpretation of modernization and renovation and at the time the District’s understanding is that these projects were renovating and modernizing the District's facilities.
- xii. Committee Member Chung commented looking at priorities which seems to be the Performing Arts Education Center as top priority for the remaining bonds.

She suggested a simple statement saying that back in the fiscal year the report is done that certain amount was spent on projects that were not on the list and urge the Board of Trustees to use the remaining funds expeditiously on the full plan which is building the Performing Arts Education Center.

- xiii. Committee Member Hanson inquired if the items expensed under renovation and remodeling came out of the PAEC money or other uncommitted funds. David Martin will check specifically where the funds came from ~~noting that there is approximately \$10-\$12 million Bond funds for miscellaneous projects.~~
- xiv. Committee Chair Musni requested photos for the Police Relocation project. David Martin will try to locate.
- xv. Committee Member Hanson inquired about the non-bid purchase orders if they are in the 19% that the auditors had not reviewed. David Martin clarified that the process for non-bid purchase orders are expenses under a certain threshold and Public Contract Code requires formal bid process for expenses exceeding \$80,000 for consulting. David Martin clarified that in regards to the audit it is a random sample.
- xvi. Page 8 – Add a box around the photos and quote, caption photos with “Artist Renderings”, add parentheses “out of the 50 million uncommitted” after \$41 million, and change “Arts Education Center” to “Performing Arts Education Center”.
- xvii. Page 7 - Change “Theater” to “Theatre”, in Kit Dai’s quote change “allows” to “allow”, and add parentheses “Unity Plaza” after “Land Acquisition & Improvements for Parcel Adjacent to Ocean”. Committee Weaver to provide a photo of the Unity Plaza for inclusion in report.
- xviii. Committee Member Weaver commented that naming only three projects awaiting funding does not recognize the current campus master plan development. Committee Member Hanson commented that naming what is on the project list fulfills the Committee’s obligation as buildings planned with the Facility Master Plan may not be paid from this bond money.
- xix. Committee Member Weaver commented on the subject of how important a timely campus master plan is for maintaining a campus and planning for the future and expressed interest in exploring this more in the future.
- xx. ***Committee Member Hanson commented that there should be a poll of the Committee whether the school is or isn’t in compliance. The majority of the Committee voted that they believe the school is in compliance. (Ayes: Chung, Musni, Waltz, Weaver; Nays: Hanson; Abstention: None)***
- xxi. ***Motion to approve the report with changes carried. (Ayes: Chung, Musni, Waltz, Weaver; Nays: None; Abstention: Hanson) (Weaver/Hanson)***

b. Public Comments:

- i. Harry Bernstein commented that a hyphen should be added to vice-chair on Page 1. He commented on the need to provide clarity on the reference to the bond measure, the CBOC’s other reporting activities, and the subterranean infrastructure of the PAEC on Page 2. He commented the need to provide clarity on the Prop 39 reference on Page 4. He provided comments on the CBOC Statement to the Community on Page 3. He commented that there is a

discrepancy of divergent estimates of balances in the Bond fund on Page 3 and Page 8. David Martin clarified that the \$50M on Page 3 is the total uncommitted funds and the \$41M noted on Page 8 is currently the available budget for the PAEC.

- ii. Harry Bernstein commented on the Board of Trustees' authorization for a project manager for the Balboa Reservoir project for \$87,000. Committee Member Hanson inquired if the contract for the project manager will be paid with Bond funds which David Martin noted that decision has yet to be made.
- iii. Harry Bernstein commented on the possibility of reviewing the 19 percent of expenditures not reviewed by the auditor for independent review for informational purposes.
- iv. Harry Bernstein inquired about the fees for the bond refinancing referenced on Page 6. David Martin responded that he will look into how much the District paid for legal services for assisting with the refinancing and the underwriter's fees.
- v. Harry Bernstein provided spelling and grammar suggestions on Page 7.
- vi. Harry Bernstein noted that Linda DaSilva was to add the Hoover Institute report as a resource for the CBOC Web site and noted that it has not been done. He has a copy of the report and the URL link and can provide to someone for posting.

**7. Public Comment** – None

**8. Calendar Upcoming Meetings** – February 1, 2018, 9:30 AM.

**9. Adjournment** - Meeting adjourned at 11:41 AM.