



City College of San Francisco

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

CITIZENS' BOND OVERSIGHT COMMITTEE

MINUTES

THURSDAY, APRIL 5, 2018

OCEAN CAMPUS

MULTI-USE BUILDING, ROOM 140
50 PHELAN AVENUE, SAN FRANCISCO

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

Members Absent: Kenneth Laslavic, Karen Waltz

Staff: Dr. Rueben Smith

Presenter: Brandon Harrison (Vavrinek, Trine, Day)

1. **Call to order and Roll Call:** Rafael Musni, Chair called the meeting to order at 10:30 AM.
2. **Approval of April 5, 2018 Agenda** – Approved.
3. **Chancellor's Comments** – None.
4. **Review and Approve Minutes for Prior Meetings**
 - a. April 21, 2017 – Minutes approved as amended (Weaver/Hanson). Addition on page 4 (Item 3.c.ii.2): “There may be some non-Bond capital funds available to do this.” Correction on page 6 (Item 3.g.ii): Replace “David Martin responded that it is not funded by Bond funds” with “David Martin responded that the FMP is being funded by Bond Funds, contract going to the Board acknowledges Bond money spent on this”.
 - b. July 20, 2017 – Minutes approved (Hanson/Chung).
 - c. October 13, 2017 – Minutes approved as amended (Weaver/Hanson). Addition on Page 1 (Item 3.a.i.): “The figures in the chart were authored by David Martin”. Public Comment: Harry Bernstein commented if the reconciliation to the audit made it into the report (Page 1 – Item 3.a.i.) and would expenditures for the Gough Street Relocation project be returned to the Bond Fund (Page 3 – Item 3.b.iii.). Committee Chair Musni requested that these questions be added to a future agenda for a staff response.
 - d. November 17, 2017 – Tabled. Committee Member Hanson commented that discussion about the compliance opinion and vote to pass the report was not in the minutes. Committee Chair Musni requested that staff send transcripts to the CBOC.
 - e. February 1, 2018 – No action.

BOARD OF TRUSTEES

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5. CBOC Reports

- a. Review the Bond Audit Report ending June 30, 2017. Brandon Harrison of Vavrinek, Trine, Day reported to the Committee on the Bond Audit Report consisting of a Financial Statement Report and the Performance Audit Report of the 2001 and 2005 bond funds. He provided a synopsis of the two reports. The Bond Auditor issued an unmodified opinion of the financial statements with no findings. The Performance Audit indicated that the District expended the Bond Funds only for the specific projects approved by the voters in accordance with Proposition 39.
 - i. Committee Member Hanson inquired about the correlation between the \$50M uncategorized balance and the actual fund balance. Brandon Harrison explained that the fund balance is the fair value of investments and accounts receivables, less out liabilities. The accounts payable detail can be obtained from management.
 - ii. Committee Member Hanson inquired about the percentage of what was tested. Brandon Harrison detailed in his report that 44 percent of all expenditures were included and tested.
 - iii. Committee Member Hanson inquired about the compliance opinion on the Facilities Master Plan and how it fits into the project list. Brandon Harrison noted that he has seen these expenses with other Districts where the facilities master plans included bond funded projects. ***Committee Member Hanson referenced the auditor's statement on page 1 of their performance audit asking if that applied to the Facilities Master Plan. Brandon Harrison responded that the bid process for the Facilities Master Plan was tested and verified and that material expenditures may be tested in subsequent year. He noted that they can be tasked next fiscal year by college administration to see if Facilities Master Plan expenditures are in compliance with the actual language of the Bond.***
 - iv. Committee Member Hanson inquired about the remaining numbers for the PAC as it seems different than last year's numbers. Brandon Harrison explained that the variance is the actual remaining amount of what is left. The possible difference may be due to amended project budget or actual expenses in the current year that would lower the remaining amount.
 - v. Brandon Harrison noted that Terri Montgomery is the partner overseeing the District's bond audit and will be available to answer questions from the Committee.
- b. Project Status Report. Dr. Smith provided a brief update on the Performing Arts Center. He noted that the expected future project expenses will go up due to delay and escalation. At the last Board meeting, Kitchell was approved as the District's Program Manager. Dr. Smith introduced Arturo Taboada and Patricia Nguyen of Kitchell to the Committee.
 - i. Committee Member Hanson inquired if Kitchell will be attending the weekly meetings with City agencies such as the Mayor's Office, OEWD, SFMTA. Dr. Smith noted that Kitchell has attended the monthly Facilities Committee planning meetings and that Charmaine Curtis is the project manager attending meetings with the City.

- ii. Committee Member Weaver inquired about the status of the master plan. Dr. Smith responded that the Chancellor called for a reboot in August of 2017. The Facilities Committee is currently reviewing and providing comments on the draft preference plan and looking at alternatives.
 - iii. Committee Member Weaver inquired what is the relationship between the master plan and the bond expenditure program and to achieve the plan, will there be a need to repurpose bond money to use on other programs. Dr. Smith responded that master plan fund expenditures go to the Board for approval. He noted that recommendations are made for projects that fit the spirit of the Bond as intended by the community. Some projects that were de-scoped will be reviewed to look at funding options as well as capital funds to leverage Bond funds.
 - iv. Committee Chair Musni inquired about the status of the Chinatown/North Beach Center (CNB) and the Child Development Center (CDC). Dr. Smith noted that the claim is complete for the CDC and the Board approved at its February meeting a final negotiation. CNB negotiations are still ongoing. The CNB asset is currently being used. For the flooring repair, there will be a need for swing space to complete the work. Dr. Smith will reserve comments on structural assessment pending further engineer reports.
 - v. Committee Member Hanson inquired about the proposed 300 to 500 housing units mentioned by the Chancellor at the last meeting and will construction utilize any Bond money. Dr. Smith noted the Board's resolution for the Reservoir project that parking needs are taken care of, that the project does not impact the PAC, and affordable housing is afforded to faculty and students. The District will work with the developers to meet the Board's expectations.
 - vi. Committee Member Hanson inquired if Bond funds will be utilized for the proposed school building on Evans. Dr. Smith noted that the District has submitted on the RFP but no recommendations have been made on the funding source for that project.
- c. Review the 2017 CBOC Annual Report for Fiscal Year July 2015 to June 2016.
- i. Committee Member Hanson motioned and seconded by Committee Member Weaver to correct the chart on page 4 of a reconciliation to the audit provided by David Martin to a format that was submitted by Committee Member Hanson and approved by the Committee. Committee Member Chung inquired if the Committee or Chair was notified of changes to the report. Committee Chair Musni requested that a copy of the revised report be sent to the Committee.
 - ii. Committee Member Weaver commented that he did not receive the postcard. Staff confirmed that the postcard did not go out due to funding. Dr. Smith will look further into the funding issue. Committee Chair Musni requested that the resolution of the funding issue be added to a future agenda.
- d. Call for Subcommittee Members for 2018 Annual Report to the Community for Fiscal Year July 2016 to June 2017
- i. Committee Chair Musni and Committee Member Hanson expressed interest. The District will reach out to absent Committee Members Waltz and Laslavic to inquire if they are interested in joining the Subcommittee.

6. Public Comment

- a. Jennifer Heggie from Sunnyside commented on the Performing Arts Education Center expressing interest for construction of a PAC education center and theater.
- b. Committee Chair Musni noted that there are CBOC vacancies to fill for a student and Foundation member.

7. Calendar Meeting Schedule for Remainder of 2018

Proposed dates:

- June 1, 2018
- September 6, 2018
- November 8, 2018

8. Adjournment - Meeting adjourned at 11:56 AM.