



City College of San Francisco

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MEETING MINUTES

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

Thursday April 13, 2023

3:00 PM – 5:00 PM

**City College of San Francisco
Ocean Campus, Multi-Use Building Room 357**

[Video Recording](#)

1. Call to Order – Han Zou (chair) 1:23 PM

Roll Call

Dennis Kelly –present

A.J. Thomas – not present

Christine Hanson – not present

Thomas Havey –present

Shanon Lampkins-Jones – present on Zoom

Rafael Musni – present

Linda Fadeke Richardson – present

Han Zou – present

Chinesman Lai – Present

Steven Tang – not present

There is a quorum.

Presenters:

Alberto Vasquez, Associate Vice-Chancellor of Facilities & Capital Planning, CCSF

Jeff Scoggin, Ann Kenedy Group (AKG)

Alicia Herrera, CPA, Eide Bailly LLP

Support Staff:

Marian Lam, Administrative Analyst, Office of Facilities & Capital Planning, CCSF

Eric Birnbaum, Sr. Management Assistant, Office of Facilities & Capital Planning, CCSF

2. Approval of the Agenda

a. A motion to approve the agenda was made by Vice-Chair Kelly and seconded by Member Fadeke Richardson

b. Roll Call Vote

i. Ayes: Zou, Fadeke Richardson, Lampkins-Jones, Havey, Musni, Kelly, Lai (7)

ii. Nays: 0

iii. Abstentions:0

iv. Motion passes

3. Approval of the Meeting Minutes

- a. Member Havey proposed various spelling and grammatical item corrections:

10/7/22 Minutes:

- i. Page 4 - change spelling to “counsel” in lieu of “council”
- ii. Page 8 item 11 - “Division of the State Architect” in lieu of “Architecture”
- iii. Page 7, subsection 8 - correct spelling to CEQA instead of SEQA
- iv. Page 7, Subsection xii Add “Contract Manager” to the phrase “at Risk Process”

1/12/23 Minutes:

- v. Pg 11 item b, subsection ix correction to the spelling of the name from Hansen to Hanson
 - vi. Member Havey also suggested capitalization of the words “city”, “state” and “board” throughout both documents, which Member Kelly opposed, citing that it is not grammatically correct to do so unless they are used as proper nouns. Chair Zou deferred to Member Kelly given his expertise on this matter, stating that corrections to capitalization will only be made as appropriate.
- b. Motion to approve the changes to minutes as submitted by Member Havey made by Member Fadeke Richardson and seconded by Member Kelly.
- c. Roll Call Vote on the amendment
- i. Ayes: Fadeke Richardson, Musni, Kelly, Zou, Havey, Lai, Lampkins-Jones(7)
 - ii. Nays: 0
 - iii. Abstentions: 0
 - iv. Motion passes
- d. Motion to approve the minutes on both meeting minutes as amended made by Member Fadeke Richardson and seconded by Member Musni
- e. Roll Call Vote on the approval of the amended minutes
- i. Ayes: Fadeke Richardson, Musni, Kelly, Zou, Havey, Lampkins-Jones (6)
 - ii. Nays: 0
 - iii. Abstentions: Lai (1)
 - iv. Motion passes

4. Updates from the Chair

- a. There were no communications received via email.
- b. Chair Zou extended a welcome to new Member, Chineseman Lai, our new Student Representative.
- c. There are a couple of members whose terms are expiring. Thank you to those members for your work over the years.
- d. Welcome to everyone to our first in-person meeting since the emergency order is over. All meeting will now be in person.

5. Public Comment on Items not on the Agenda

- a. Public Comment was made by Harry Bernstein regarding hybrid meetings. Chair Zou responded the committee will not have hybrid meetings. All meetings will be in person moving forward.

6. Financial and Performance Audit Fiscal Year 2021-22 on Election 2005 and Election 2020 Bonds – Alicia Herrera CPA, Eide Bailly LLP

- a. 2021-22 Financial and Performance Audit

- i. These numbers are as of 6/30/22, so they a little more dated than the numbers that Jeff Scoggin will share later in the meeting. This report was issued in January and presented to the District Board of Trustees as well.

- ii. Financial Audit

1. All of the numbers are the responsibility of management; they provide the information. We only provide our opinions (page 1).
 2. We gave an “unmodified” opinion. That is referred to as a “clean opinion” and is the highest level of assurance that can be given by an auditor. It states that the financial statements are free of material misstatement, free of material noncompliance and are in accordance with the accounting standards in the US.
 3. Financial statements (page 4) are broken out by Bond 2005 and 2020 separately. At 6/30/22 the district has approximately \$264 million in assets associated with the bond and \$4 million in liabilities due to vendors. A remainder \$260 million is left to spend.
 4. The income statements for each of the bond measures were reviewed.
 5. \$25 million was spent collectively between the two bonds for the year.
 6. Notes to the financial statements are provided in the report.
- iii. Compliance Audit (page 14)
1. The Compliance Audit is dictated by the state under Prop 39. The college is required by the state annually to show that expenditures are in accordance with the ballot measure and the state requirements.
 2. Expenses are sampled to ensure they are in line with state regulations and the ballot measures.
 3. \$24.4 million in non-payroll costs were incurred. We sampled 72% and found no items out of compliance.
 4. 71% of Payroll costs were sampled. No compliance issues were found.
 5. Bids (3) were tested, with no issues found with the contract code or board approval.
 6. Testing of change orders and purchase order amendments was also performed. We found all were properly approved by the board.
 7. The project contract budgets schedule was presented.
- iv. Blank Pages
1. If there were recommendations or findings they would appear here, but they have none so there are blank pages.
 2. In conclusion there are 2 clean, unmodified opinions and no findings or recommendations associated with the bond. This is a clean report.
- v. Member Linda Fadeke Richardson referred to page 39 and asked if the listed project as outlined are the final budget projections for the projects. Ms. Herrera replied that those are the budgeted amounts as of 6/30/23. There could be changes after that which would be in the next audit cycle.
- vi. Member Fadeke Richardson asked if there is a way to project when the 2005 bond items will be completed. Ms. Herrera stated that is outside of the scope of this audit and would be a management question. Chair Zou said we may get more information on this on agenda item 7.
- vii. Chair Han Zou asked about the page 47 section that is headed “significant risks identified”. Ms. Herrera replied that is a new item this year. There was a change in the auditing standards that were effective for the June 30, 2022, audit. This is a letter directed towards governance and are our required communications to the board. The portion associated with significant risks is new. We do the audit based on a risks approach and apply more procedures to areas that have risks. We have always documented this internally, but now are asked to disclose this. The two risks noted in the letter are management override controls and revenue recognition. These are standardized regardless of organization; it is nothing unique or significant to City College. It is not indicative of any problems in these areas. If we did identify any issue that would have been noted in the findings.

- viii. Member Musni asked about page 39, which shows the Child Development Center with an original budget of \$3 million and an amended budget and expenses of \$4.1 million and nothing for variance. Ms. Herrera clarified that the variance is amended project budget and actual project column of the report.
- ix. Member Havey mentioned the word “bonds” does not show up on the address block, and asked if we can update this. Also, we use the word compliance audit, is that synonymous with performance audit? Ms. Herrera replied that it is.
- x. Member Havey noted that on one of the reports the basis of accounting is modified accrual, and asked if that is a standard that is used for community colleges. Ms. Herrera responded that is the standard basis of accounting for a singular fund. Every other school district presents it in this way. If you want to look at actual debt, you’d have to look at the full district audit report.
- xi. Member Havey questioned the \$31 million of construction commitments and the reduction in value of investment, and wondered if there could be a liquidity issue without selling securities. Ms. Herrera responded that the commitments are not recorded in the financial statements because they do not meet the recognition basis. We disclose the commitments but until the costs are incurred, they won’t be recognized at year end. The fair market adjustment is a little tricky. The district is required to maintain their bond cash with the City and County Treasurer’s Office. They hold that in an investment pool with other county entities. When the district withdraws money, it is at cost. The only way this loss would be recognized is if every entity in the city took out their money at once.
- xii. Member Lai noted that in the initial package, on page 21, the overall balance sheet is showing \$264 million in liabilities. On Page 39, it is showing \$810 million in expenses. He asked why there is a discrepancy. Ms. Herrera replied that the financial statement only includes bonds that have been issued to date. The district has a lot of bonds that have not been issued. In the report on page 34 there is a synopsis of the 2 measures and what has been issued.
- xiii. Public comment was made by Harry Bernstein regarding expenses related to the closing of the Ft. Mason facility. Ms. Herrera noted that this is outside of the scope of this year’s audit, and she does not have any information at hand about that item. She would be happy to review the item at the request of management.

7. Fiscal Year 2021-22 Project update and Financial Report –
Associate Vice-Chancellor Alberto Vasquez and Jeff Scogin of AKG

a. Projects

- i. Alberto Vasquez and Jeff Scoggin reviewed the 2005 and 2020 bonds projects and expenditures.
- ii. In reference to Member Fadeke Richardson’s earlier question, this shows project and funding specifics. AVC Vasquez reviewed the document, which is in the packet.
- iii. Chair Han Zou asked if the Ft. Mason design services for \$86k are the item that Mr. Bernstein mentioned. AVC Vasquez replied it was.
- iv. Member Havey stated he didn’t see the Ft. Mason project on the page 39 project list. AVC Vasquez said that it doesn’t stand out as a stand-alone. It might be part of the Renovation/ADA line item. He will clarify this and report back to the committee. He noted that Renovation/ADA is a broad categorization item.
- v. Member Fadeke Richardson mentioned that on the page 39 list of projects she did not see the Chinatown and Mission projects listed in the 2021/2022 report and asked if they were ongoing. AVC Vasquez replied that those are essentially closed, but since they are part of the 2005 project list they remain there until the bond is closed. AVC Vasquez said we could add notations to make this clearer.

- vi. Jeff Scoggin stated that part of the confusion may be due to the difference in the old way the projects were grouped and the way they are shown now. This was discussed in some detail at the last meeting.

8. Annual Report 2021-2022 – Member Shanon Lampkins-Jones

a. Committee’s Opinion Statement

- i. In preparing the 2021/2022 draft report presented today, the working group maintained a similar design to the previous report.
- ii. General public comments have been reflected in this report.
- iii. There was a clerical error in Ocean General Campus-wide improvements item detailed breakout. The total for the project was correct. The district was aware of this, and the clerical error was corrected prior to the January 26, 2023 Board of Trustees meeting.
- iv. Committee Opinion Statement (page 22 of the packet)– the district was in compliance with article 13 A, Section 1B3 of the California Constitution.
- v. Chair Zou had one recommendation for amendment related to the significant risk subsections, that we should call out in the report this is new and the description of what that means as explained by the auditor (that this item is standard/common to all reports).
- vi. A motion was made by Chair Zou for amendment to page 2 of the Governance Letter – the auditors added a section of “significant risks identified”. The motion was seconded by member Fadeke Richardson. There was no further discussion.
- vii. Roll Call Vote:
 - 1. Ayes: Fadeke Richardson, Musni, Kelly, Zou, Havey, Lai, Lampkins-Jones
 - 2. Nays: 0
 - 3. Abstentions: 0
 - 4. Motion passes

b. Annual Report Review & Approval

- i. Chair Zou suggested to table the vote on the Annual Report to a second special meeting, to occur before May 20, 2023, which is the end of terms of service of several committee members. The purpose of tabling the item is to give the other members more time to review the documents. A motion to table was made by Member Fadeke Richardson and seconded by Member Musni.
- ii. Discussion
- iii. Roll Call Vote:
 - 1. Ayes: Fadeke Richardson, Musni, Kelly, Zou, Havey, Lai, Lampkins-Jones
 - 2. Nays: 0
 - 3. Abstentions: 0
 - 4. Motion passes

9. Fiscal Year 2022-23 Quarter 2 Prop A 2005 & 2020

a. Current Project Update - presented by AVC Alberto Vasquez. This report is included in the packet.

- i. Diego Rivera Theater is finishing up design development in a few weeks. We continue to do reconciliation estimates between the architect and the third-party estimator.
- ii. Science, Technology, Engineering, Arts and Mathematics Building (STEAM) physical construction started in January. Steel structure construction is underway.
- iii. Student Success Center (SSC) – we will be moving departments out of Conlan in May to swing space, with demolition scheduled for June.
- iv. Ocean Infrastructure Project – we are awaiting DSA approval and the completion of a legacy project to close before we can get approval from the state for construction funding.
- v. 750 Eddy – we have requested release of construction funding from the state. After funding is released, we will start bidding and award the project.

- vi. Evans Center Renovation – we are in the process of finalizing an open plumbing issue. We are also trying to finalize construction documents pending a final decision on the AMT program.
- vii. Chair Zou asked if there have there been any significant impacts to the projects with the heavy winter storms. AVC Vasquez responded that we did have a lot more drains cleared this year. There are some roof repairs scheduled and underway as well as heating projects.
- viii. Member Havey referenced the DRT prequalifying Contract Manager at Risk firm, asking if there was there an advantage with his approach. AVC Vasques replied that we tried design/build but couldn't get enough interest, so CMAR was a better option.
- ix. Member Fadeke Richardson expressed support for the AMT project to be located at Evans Center. All these projects really showcase that we can be significant to the community and the city.
- x. Member Lai asked if moving funds to DRT impacted other projects. AVC Vasquez replied that it does not have an impact in the design phase, but it is hard to know if there may be impacts down the line.
- xi. Member Lai asked why DRT has a bigger budget than STEAM. AVC Vasquez replied that the DRT has a higher per square foot cost due to the uniqueness of the space. STEAM is more traditional classroom construction, so the cost is less. Jeff Scogin reviewed report starting on page 82 of packet to help answer Member Lai's question.

b. Financial Reports

- i. Jeff Scogin reviewed in detail the report, which is available starting page pg. 82 of packet.
- ii. STEAM is starting to show activity related to the construction that is underway.
- iii. Program administration costs reflect costs that occurred in Q1 as well. The uptick in Q2 is normal with this type of accounting.

10. Review of Member Team Chart

- a. Most of the members' terms end on 5/20/23
- b. Chair Zou proposed 5/4/23 at 1:00 PM for special meeting to vote on annual report.
 - i. All members present except Member Lai indicated they are available for that date. It is expected to be a short meeting.
 - ii. A general comment was made by Member Havey suggesting that having the meetings a different time of day might generate more participation by the public.
- c. We have 2 vacant seats. If you know someone, please encourage them to apply.
- d. Chair Zou will not be returning as chair.

11. Next Meeting's Agenda Topics

- a. Vote on Fiscal Year Annual Report (8a, 8b)
- b. Discussion

12. Adjournment motion made by Chair Zou, seconded by Member Musni

- a. Adjournment 3:06 PM