



Proposition R



At Work!

**SOUTHWESTERN COMMUNITY COLLEGE DISTRICT
PROPOSITION R CITIZENS' BOND OVERSIGHT COMMITTEE**

Thursday, January 21, 2010

Members: Peter Mabrey (Chair), Dave Adams (Vice Chair), Joe David Casillas, Rebecca Kelley, David Krogh, Kenia Lopez, Michael Rahm

Staff: Raj Chopra (Superintendent/President), Nicholas Alioto (Vice President for Business & Financial Affairs), John Wilson, Patti Larkin (Acting Director of Facilities)

Date: Thursday, January 21, 2010

Time: 5:30 p.m.

Place: Southwestern College
900 Otay Lakes Road
Chula Vista, CA 91910
Learning Resource Center, Room L246

Persons wishing to address the Committee should complete a Request for Public Comment card (available at the reception table) and indicate on the card if they wish to speak under Public Comment, or when a specific agenda item is considered. Cards should be submitted to the secretary prior to the start of the meeting. An oral presentation to the Committee does *not* constitute an open discussion on the presentation topic, unless that topic is on the posted agenda. Pursuant to the Brown Act (Government Code Section 54954.2(a)): "No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may *briefly* respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3."

A G E N D A

ITEM	
1. CALL TO ORDER – ROLL CALL	Mabrey
2. APPROVAL OF MINUTES, OCTOBER 22, 2009 (ENCLOSURE)	Mabrey
3. PUBLIC COMMENT	Mabrey
4. WELCOME AND INTRODUCTIONS	Alioto
5. INTRODUCTION OF PROP R – PROGRAM MANAGER	Alioto
6. STATUS OF PROPOSITION R	Amigable
7. BEST PRACTICES (ENCLOSURE)	Mabrey
8. REVIEW MEETING SCHEDULE	Mabrey
9. COMMITTEE COMMENTS/REQUESTS	Mabrey
10. ADJOURNMENT	Mabrey



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Southwestern Community College District

Proposition R Citizen's Bond Oversight Committee October 22, 2009

MINUTES

1. CALL TO ORDER

Members arriving after the meeting commences will be noted as "present" at the point in this suggested order of business at which they arrive.

The meeting was called to order at 5:35 p.m. and a roll call was taken.

Members Present: *Dave Adams, Nicholas Alioto, Joe David Casillas, David Krogh, Kenia Lopez, Michael Rahm*

Members Absent: *Peter Mabrey, Rebecca Kelley*

Staff Present: *Nicholas Alioto (Vice President for Business & Financial Affairs), John Wilson (Senior Director, Business Operations & Facilities Planning), Dr. Raj Chopra (Superintendent/President)*

Vice Chair Dave Adams chaired the meeting in Chair Peter Mabrey's absence.

2. APPROVAL OF MINUTES, JUNE 18, 2009 (ENCLOSURE)

On motion by Casillas, seconded by Lopez, the minutes of the June 18, 2009 meeting were unanimously approved.

3. WELCOME AND INTRODUCTIONS

Nicholas Alioto, Vice President for Business & Financial Affairs, was introduced.

4. PUBLIC COMMENT

Mitch Thompson addressed concerns regarding class cuts and questioned whether this is the right time to build facilities.

Rebecca Kelly arrived.

5. BOND RATING PRESENTATION (ENCLOSURE) (Alioto)

▪ Bond Finance and Series A Issuance

The Bond Rating Agency Presentation was reviewed and discussed. The presentation included district overview, district finances, tax base and economic factors, facilities plan and plan of finance.

Dr. Chopra arrived.

6. STATUS OF PROPOSITION R

▪ **Phasing Schedule (ENCLOSURE)**

John Wilson provided an overview of the New Bond Project and Phasing Schedule. He noted that the phasing schedule can change in the future. Discussion included bond rates, modernization, deferred maintenance and remodeling project plans, the Corner Lot project, and green elements using energy efficient designs for these plans.

Peter Mabrey arrived.

Nick Alioto stated that interest rates we obtained are probably as low as we could possibly achieve at this time.

▪ **RFP Program Management Services**

Wilson provided a status on the search for a Program Manager to manage the bond. He reported that 50 firms have replied to the RFP and interviews would be held. There will be an hourly fee paid to the Program Manager with a guaranteed maximum hourly rate. The Program Manager will also work with the committee to develop the annual report.

▪ **Oversight Committee Website**

Wilson reported that the web site should be developed within a couple of weeks, and the Program Manager will be responsible for the updating of the website.

7. TENTATIVE MEETING SCHEDULE

- **January 21, 2010**
- **April 22, 2010**

The tentative meeting schedule was approved by consensus.

8. COMMITTEE MEMBER COMMENTS

It was requested that Best Practices of the San Diego County Taxpayers' Association and the Oversight Committee be placed on the January agenda for review.

9. **ADJOURNMENT**

The meeting was adjourned at 7:16 pm.



San Diego County
**Taxpayers
Association**

Targeting Waste • Promoting Efficiency

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Oversight Committee Best Practices

April 2007

The following list of observed best practices reflect the experience of the San Diego County Taxpayers Association's participation in over fifteen oversight committees during the past ten years. One of these committees preceded the passage of Proposition 39 that mandated oversight for bond-funded projects in K-12 and community colleges. That change led to rapid expansion of oversight and affected similar types of ballot measures such as the four-year extension of the TransNet sales tax, public safety facilities and hospital projects. From years of observation and direct participation in all the oversight committees in San Diego County, SDCTA has derived a list of practices that enhance the effectiveness of the oversight that voters rely upon when making decisions at the ballot box.

Recruitment, selection and appointment

The district or agency shall make a good faith effort to inform the public of vacancies on the oversight committee by all available means for at least 30 days in order to recruit qualified, motivated committee member prospects. These announcements shall include a description of the oversight committee duties and scope of authority. Eligibility requirements and selection criteria shall be available. Appointments shall be made at a regularly scheduled publicly noticed meeting of the district or agency.

Orientation

Before a new oversight committee begins work, a comprehensive orientation is essential. It is very important that newly appointed oversight committee members receive a thorough briefing including copies of relevant codes, bond resolutions, project descriptions, budgets and schedules, financial reports and minutes of recent meetings. It is highly desirable that new appointees tour all the facilities included in or affected by the bond funded program.

Access to information

Access to critical benchmarking data in a timely and easily comprehensible manner is essential. This frequently takes the form of a so-called "dash board" which summarizes critical metrics in graphic form. Whenever bond revenues are combined or used in conjunction with other sources of funding the oversight committee shall be kept informed of the status of all funds. Reports shall summarize the original funds budgeted and allocated, amounts expended and obligated to date and the percent of completion as of the close of the most recent accounting quarter. A regularly updated PERT chart or equal with milestones for each project in the program is necessary to allow oversight committee members to track progress.

Public disclosure

Transparency is achieved by promptly displaying on the oversight committee website detailed information about the progress of each project included in the ballot measure and resolution, the committee's minutes and materials it has received.

Meetings

The oversight committee must meet with sufficient frequency to insure that members remain fully informed about all relevant current conditions. This may also be accomplished, at the committee's discretion, by the creation of subcommittees that for instance monitor the audit process, construction progress and prepare the annual report to the elected board and public. Subcommittees may permit the full oversight committee to meet less frequently. They should report their activities at each regular oversight committee meeting.

Budget

The oversight committee may submit a request for the funding of outside expertise to the governing board if dictated by necessity. This would occur only after the committee has exhausted all other available resources and remedies. The governing board shall make special efforts to treat such requests in a fair and objective manner.

Financial auditors

The oversight committee is assured participation in the process of screening independent auditors of the bond-funded program, recognizing that the governing board has the sole authority to make such appointments. The oversight committee shall review and comment upon the annual audit report prior to its presentation to the elected board. It is desirable to have the independent auditors meet with the oversight committee audit subcommittee and/or the full committee at a regularly scheduled meeting.

Performance assessment

In addition to the compliance audit usually prepared by the financial auditors, the oversight committee shall participate in a comprehensive annual performance assessment conducted by qualified independent professionals who have demonstrated knowledge in the fields of project management and construction industry best practices.

Access to the governing board and chief administrative officer

The oversight committee shall periodically meet with the chief administrative officer of the district or agency and at least annually with the governing board.

Significant program changes

The governing board shall provide the oversight committee with the opportunity to review and comment upon major changes in each bond-funded program, allocation and project prior to final action being taken. A major change is one that affects the lesser of 10% of a specific project budget allocation or \$1 million.

Annual report

The oversight committee shall be the principal author, with staff assistance as may be requested, of its required annual report to the public. The district or agency shall provide technical, production and distribution support. The report shall appear on the oversight committee web site and be available at principal offices of the district or agency.

Bond issuance

The district or agency shall inform the oversight committee concerning the full details of the selection of bond counsel, underwriters and the issuance of bonds. The oversight committee shall be fully informed before each new series of bonds is issued.

Bylaws

Although not required by law it is customary practice for governing boards to adopt administrative regulations outlining fundamental aspects of committee operations and activities. While this may take the form of bylaws it is a best practice for the committee to be granted the opportunity of prior review and proposing changes since these bylaws will circumscribe the manner in which the committee carries out its responsibilities.

Joint use

The oversight committee shall assure that the agency or district has demonstrated that best efforts have been applied to maximize opportunities for bond-funded projects to be used in conjunction with other local agencies in a manner that benefits the public and reduces costs.

Deferred maintenance

Part of the oversight committee's responsibility is to review the status of district or agency deferred maintenance program and the progress toward the elimination and prevention of deferred maintenance of facilities by the application of bond revenues and annual operating. The oversight committee shall request staff to prepare and present life cycle maintenance schedules and budgets for each project funded by bond revenues.

Certification of expenditures

The district or agency shall periodically present to the oversight committee written certification that all bond revenues currently expended have been in conformity with the bond resolution and applicable statutes.

Prevailing wage requirements

Most if not all publicly funded projects fall under the prevailing wage requirements of the law. The oversight committee shall request and receive an annual compliance report from the agency or district detailing related compliance issues of importance. Problems involving prevailing wage compliance directly affect the efficient cost effective execution of the bond-funded program.

Liability

Committee members may be concerned about personal liability arising from serving. While this does not appear to be a problem, if requested, the governing board could elect to provide hold harmless agreements.

Final report

Upon final completion of the entire bond fund program the oversight committee shall prepare and distribute a complete detailed analysis of all expenditures, noting significant variances from the original stated expenditure plan, why they occurred and how they were mitigated.

Adopted by the SDCTA Board of Directors 4/20/07