Regular Meeting No. 5

The Citizens Oversight Committee met for Regular Meeting No. 5 on Thursday, December 8, 2005, in Conference Room B-204 of the Hayden Library at Citrus College, 1000 West Foothill Boulevard, Glendora, California 91741-1899.

**Members Present**
Alejandro Hernandez  
David “Dean” Kays  
Sharon Lewis  
Bobbie Wenrick  
John Serpa  
Phyllis Fritz  
Bill Bird

**Support Staff**
Carol Horton  
Judy Rojas  
Michael J. Viera

**Guests**
Bob Bradshaw  
Paula Green  
Ariane Lehew

**Members Absent**

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I. CALL TO ORDER  
Mrs. Lewis called the meeting to order at 3:30p.m.

II. INTRODUCTIONS  
Mrs. Lewis called the roll of the committee members. All members were present. Mrs. Lewis introduced Alejandro Hernandez for those who had not met him previously.
III. APPROVAL OF MINUTES OF SEPTEMBER 22, 2005 MEETING
Mrs. Lewis asked if everyone had been able to review the September 22, 2005 minutes and if there were any changes or questions. Mr. Kays moved that the minutes be approved as presented. Alejandro Hernandez seconded the motion and the minutes were unanimously approved.

IV. PUBLIC COMMENT
No public comments were presented.

V. IMPLEMENTATION PLAN UPDATE
Mrs. Lewis introduced Mr. Bob Bradshaw and asked him to give the Implementation Plan Update. Mr. Bradshaw provided the committee with an implementation plan update report.

Mr. Bradshaw reported the Center for Innovation project is still in DSA. He noted that he has a meeting scheduled for December 13, 2005 with DSA and the architect regarding this project and hopefully they will get approval to go forward at that meeting. The first advertisement for bid is scheduled for January 3, 2006 and will receive bids the first week of February. Current estimated cost is $10.5 million. Mr. Bradshaw reported that we have had cost escalations in the last year. Mrs. Horton clarified that the escalation in construction costs has actually slowed down in the last six to eight months. The escalation occurred heavily about 18 months ago in the midst of the Math/Science Building. Mrs. Horton stated that our commitment to our Board of Trustees is that we will use state standards to build the bond funded buildings. The legislature approved a 30% increase in state funded projects when the state budget was passed in the summer of 2005. There are also indexes that the state uses for annual increases to projects. We have also applied that index to the Center for Innovation. We are allowing ourselves the same cost estimates that the state would use. Since we are using those guidelines, if the bid comes in over 20% of what we have estimated we will do value engineering to see what we can do to reduce bid costs.

The Stadium Lighting project is complete except for fine tuning of the timing of the emergency lighting system.

The Stadium Field and Track is near completion. Sod and irrigation systems are currently being installed and should be complete by the end of December. The fields are complete and are in use by the football team.

The Field House/Main Gym meeting took place on December 7, 2005 to discuss schematic design and programming with Jody Wise the Athletic Director and the architect. Construction should begin in November of 2006.
The Concession Building will be in the same time frame as the Field House/Gym project. The Concession Building will be designed so that it can be rented as well as our Food Services Staff using it.

The Central Plant design will be submitted to DSA on December 14th for approval. DSA’s time frame for review is 4 to 6 months. Hopefully we can break ground in April or May of 2006. The project will take approximately one year of construction. We are looking at thermal energy storage which allows us to operate the Central Plant at night and store chilled water and use it during the day to cool the campus. This will level off our energy costs. Mr. Bradshaw reported that he is going with the architect and the engineers to DSA to emphasize to DSA that we want our projects expedited through the review process.

The Vocational Technology Building is in design development with preliminary plans. This is a state funded project that is not part of the bond projects. This project should be submitted to DSA for approval in summer of 2006.

The Fine Arts and Communication Building is in the schematics phase, which means we are working out a footprint of the building as well as spatial relationships. Meetings are continuing in this process. DSA submittal should be in the fall of 2006 with construction starting in spring of 2007. Mrs. Horton added that the Vocational Technology Building was so much farther along and the schematics were done and have been approved by the Board of Trustees. Even though the two buildings were planned to be constructed together, a four to six month lag between them will be fine. Mr. Serpa questioned whether there will Bond funds used for equipment with this building as was the Math/Science Building. Mrs. Horton responded that bond funds will be used for equipment for the Voc Tech Building. This building has a large budget for equipment because of the type of funding. The Math/Science Building was funded as a replacement project and had a smaller allotment for equipment. We will report any bond expenditures related to purchases of equipment.

Mr. Bradshaw stated that as construction proceeds we continue to identify materials and construction that we want to standardize such as hardware, HVAC controls.

Mr. Bradshaw also continues to work on cost containment. He reported that Citrus is a member of a statewide partnership program with the utility companies including San Diego Gas and Electric, Southern California Edison and Pacific Gas and Electric with approximately $36 million for community colleges. We have submitted 5 or 6 projects for funding, including the Central Plant. There are other programs outside of this partnership which give us opportunities for funding. One of them for the thermal storage unit is called Demand Response. The cost of the tank can be submitted for assistance in funding or total funding from Southern California Edison. Mr. Kays wanted to clarify that we are getting the utility
companies to participate in the cost of the plant and also to get a break on the rates. Mr. Bradshaw agreed and stated that what we are looking for is long term sustainable savings. Simple processes like changing the lights in the “EXIT” signs to LED lights in the buildings which uses less power can save energy costs. Mr. Kays asked if SCE is participating in the thermal energy storage tank. Mr. Bradshaw stated that we have applied for funding for both the Central Plant and the thermal energy storage tank in two separate utility programs. Mrs. Horton noted that we also applied for funding on the existing Central Plant and we received almost 1/3 of the original cost of that construction from programs through Southern California Edison and we are doing it again with the new Central Plant. Mr. Bradshaw also noted that the partnership is trying to get 100% participation from community colleges in California. The partnership is a three year program right now and is a first of its kind with community colleges. The first year will be easy projects like changing lights and ballast. The long term will be central plants and retrofitting replacement of HVAC units. Mrs. Horton acknowledged that out of 109 community college campuses and 72 districts only 4 are represented on the oversight committee and Citrus is one of them with Mr. Bradshaw being appointed to that committee.

Mr. Serpa asked if the Child Development Center was part of the Educational Development Center. Mrs. Horton reported that the CDC play yard is complete but there was some bond money spent on it. It was mostly funded from a state grant but a little bit of it was bond funds.

VI. BOND REPORT – REVENUE AND EXPENDITURES
Mrs. Horton noted that in the packets that were sent out prior to the meeting were the final Financial and Performance Audit Reports. Also included were the revised financial statements to match the cut off dates of the audit reports. The annual report will include the highlights of the audit which states that all the expenditures were determined to be appropriate and that nothing was spent that shouldn’t have been on salaries for district employees. The performance audit also stated that all the projects that have been done were also concurrent with the language of the bond election. Mr. Kays questioned the opening statement of the auditors that they were reviewing everything for the fiscal year ending June 30, 2005, but noted that there was activity prior to the beginning of the fiscal year. Mrs. Horton explained that prior to the district going out for an election of the bond the Board of Trustees passed a Reimbursement Resolution that was provided to us by David Casnocha who is the bond council determining those expenditures that are on the audit report this time. The law allows 63 days prior to passing the reimbursement resolution. The audit report did encompass all expenditures appropriate for the reimbursement resolution and the first six months before the fiscal year ending June 30, 2005. The audit incorporates everything that has been expended so far. The first annual report will report the additional months. Subsequently the audit report and annual report will be for the fiscal year only. Mr. Kays also noted that he appreciated the change in the new sort on the expenditure report and with the correction of the fiscal year end on
the report. Mr. Kays also requested an explanation on the Financial Audit Note 4 excess of expenditures over appropriations. Mrs. Horton explained that this note is a budget requirement. When the auditors look at the budget that was adopted by the Board of Trustees in fund 42 and compare the expenditures to the budget amount they must note the differences. In this case it shows that we under budgeted for salaries. The auditors are following guidelines instituted by the Chancellor's Office. One reason for the difference is the salaries of the DSA inspector and the project supervisor on the Math/Science Building. We were appropriated only so much money from the state for them and since the project went beyond the time limit and they are bond approved, we were able to transfer those costs from the state project to the bond project and the budget was not increased for it. We have not processed any budget revisions for the 10 funds in the district including the general fund which is over $50 million. For total amount of appropriations the excess in expenditures over budget is usually under ½ of 1% across the district and we keep a watch on that. Mrs. Horton also noted that we may see at some point in time that we may recoup those costs. Mr. Bradshaw has sent letters to Perrera Construction requesting reimbursement for those salaries because of the delays on the project caused by them.

The Financial and Performance Audit will be presented for approval to the Board of Trustees by this committee.

Mrs. Horton also presented the new financial report sorted by project rather than by major object code. She hopes that the committee will find it more useful. One of the items listed on the report is the Enterprise System which is not discussed much in this meeting because it is not construction but is part of the bond fund expenditures. The Enterprise System is a new computer system for student services and educational services. Mrs. Horton asked Dr. Viera to speak on this project. Dr. Viera announced that the project kick off for the Enterprise System was just the prior day. A few months ago we signed an agreement with SCT Banner Sunguard, a major provider of software systems and about 1/3 of the community colleges in California use this software. For the last 30 years or so we have used a home grown system that we have outgrown and is not sophisticated enough to run the types of reports that we need for internal operations or to submit to the state of California. For the last several years our financial system has been run through the county of Los Angeles using a software program called PeopleSoft. All other operations such as human resources, student services which includes registration, grade reporting and MIS reporting to the state required a new system which is SCT Banner. The implementation process will take about 18 months. The first attempt to register students and to operate under the new system will be fall of 2007.

Mrs. Horton stated that we currently have a balance of $16 million in bond funds and will look at a second issuance in the fall of next year of about $20 million or higher. The assessed valuation went up last year. There are a lot of large
projects coming up and we may need to issue more. Cost estimates will be done prior to issuance.

VII. CITIZENS’ OVERSIGHT COMMITTEE WEBSITE UPDATE
Mrs. Lehew reported that the website is current with the agendas and minutes. We need to make some updates with the new committee members and a letter from the new President of the Board of Trustees. Also the reimbursement resolution that was mentioned earlier can be found on the website. The purpose of the website is a reference not only for the committee but also as a cost effective means for the communities served by the district to find out about all of the committee’s activity and information.

The work done by this Citizens’ Oversight Committee was recognized as a good model and Mrs. Horton, Dr. Viera and Mrs. Lehew were invited to do a presentation at the Community Colleges Facilities Coalition Conference in November.

The Board of Trustees meeting is scheduled for January 17, 2005 at 4:15. Sharon Lewis as the chair of this committee will present a summary of the findings including the fact that you have reviewed the annual financial and performance audit and to answer any questions that the board may have. We would like to invite all members to attend the Board of Trustees Meeting. Please let Judy Rojas know if you will attend the meeting so that an agenda can be posted.

VIII. ANNUAL REPORT
Mrs. Lehew informed the committee that the annual report is a work in progress. The committee received the text content in their packets and that of course will look much different in the actual report. Also we are providing a recap list of all the bond construction projects that will be in the annual report. Also presented is the first draft of the layout of the annual report. The entire annual report will be included in the website upon completion. Mrs. Lehew introduced Paula Green and asked her to talk about the vision for the annual report. Mrs. Green stated that what the committee is seeing is a first pass of the report and how it should look. She noted that as she is looking at it also for the first time, she is seeing changes already that need to be made and has a picture of how it should flow. Mrs. Green wanted the committee to see where their section would fall in the complete annual report. She informed the committee that this report will cover a period of 16 months because it has been a while since we have done a report to the community. The objective is to cover the entire academic year 2004-05 plus the first four months of this academic year. This allows us to cover some milestones such as the 90th anniversary of the college and the opening of the Math/Science Building. The report will be broken down into three sections including, the college, the foundation and the Citizens’ Oversight Committee Report. As far as content please concentrate on the last four pages of the draft
that refer to the COC. There will definitely be shifting around of the content location. Mrs. Green noted that she is very excited about combining the three components because it really tells the community what the college is all about and allows the community to see Citrus in its entirety. Mrs. Lehew recapped the required information that will be included in the annual report, the identification of the COC members, including the reference to the required positions they fulfill, the years covered by the report which is more than a calendar year in this case, the purpose and responsibilities of the COC, the statement of findings, based on COC review, of independent financial and performance audits and COC contact information, including website address, regular meeting schedule, Brown Act/public meeting requirement. Mrs. Lehew distributed the section from the California Constitution that is frequently referenced and will be referenced in the summary section. The additional content will include a letter from the committee chair, a history of Measure G which includes bond expenditure and project progress reports, an explanation of Proposition 39 Bond Measure, COC activities, photos of projects and members and a disclaimer informing the community that bond funds were not used to prepare, print or distribute the annual report.

Mrs. Lehew asked for suggestions and comments. Mr. Serpa asked if we would be including a report of the issuance of bonds and the expended amount to date and if we are spending the funds in the right place. Mr. Bird noted that the construction update list will be helpful in that regard. The committee agreed that a recap of issuance and expenditures would helpful. Mr. Kays had a question on the text section of the “Statement of purpose/responsibilities of the COC”. Mr. Kays would like to see stated somewhere in the report that the committee has a lot of latitude to move things around as we identify needs as long as they tie into the Facilities Master Plan and also that the plan can be changed and is flexible to make the plan most effective over the years. Mrs. Horton added that she would like to get the words “Facilities Master Plan” out of the language completely. The committee does not have oversight over the master plan. It was determined that “Measure G Approved Projects” will replace “Facilities Master Plan” in this section. Mrs. Lehew will take all comments and suggestions and create a new draft. Mrs. Lewis also noted a typing error on a date and a spelling error which will be corrected. Mr. Kays also questioned a line in the letter from Mrs. Lewis in the annual report. Mrs. Lewis and Mrs. Lehew will review the letter but felt it was just an interpretation issue. Mr. Bird and Mr. Serpa felt the letter was good as is. Mrs. Lehew stated that we will try to get an updated report out to you before the holiday break and then another in January before the meeting on the 17th. Mrs. Lehew stated that we need approval from the committee on the summary of findings and the proposed content of the annual report. Mrs. Lewis asked for a motion. Mr. Bird made a motion to approve the summary of findings and the proposed content of the annual report as presented, Mr. Kays seconded the motion and it was passed unanimously. Mrs. Lehew noted that it is unclear yet how may reports will be mailed but there will be plenty of extra copies for each committee member to take to their other community activities.
IX. QUESTIONS AND ANSWERS
None at this time.

X. REQUESTS OF STAFF/ITEMS FOR FUTURE MEETINGS
The next meeting is scheduled for March 23, 2006 at 3:00pm in the Hayden Library, Conference Room B-204. The March meeting will include a campus tour. Mrs. Lewis reminded the committee that the January 17, 2006 meeting is a Board of Trustees Meeting. At that meeting the annual report will be presented to the Board of Trustees and we hope that you will able to attend.

XI. ADJOURNMENT
Mrs. Lewis thanked the committee and the staff for their reports and involvement and wished everyone a happy holiday season. Mrs. Horton also expressed her thanks to the committee for their hard work and support. The meeting was adjourned at 4:50pm.

Respectfully submitted,
Judy Rojas
Administrative Assistant
Office of the Vice President of Finance and Administrative Services