



Citizens Oversight Committee 2004 Annual Report to the Board of Trustees January 25, 2005

It is the charge of the Citizens Oversight Committee (COC) to monitor the expenditures of the Measure E Bond funds and report to the public on the Long Beach Community College District's compliance with Proposition 39. It is the committee's role to: 1.) Receive and review the annual independent performance audit; 2.) Receive and review the annual independent financial audit as it relates to Bond funds; 3.) Review the Bond expenditures and ensure that Bond proceeds are spent on qualified projects and not on administrator or teacher salaries; 4.) Inspect college facilities and grounds where Bond proceeds are being spent; 5.) Receive and review deferred maintenance plans; 6.) Review district efforts to implement cost efficiency; and 7.) Prepare an annual report to the Board of Trustees. The following is a summary of the actions taken by the COC during the 2004 calendar year to meet its obligations.

Receive and Review the Annual Independent Performance Audit

At its January 12, 2004 meeting, the COC authorized its Performance Audit Subcommittee to interview and select a performance audit firm to conduct the 2004 Performance Audit. The subcommittee was comprised of J. C. Squires and Debra Williamson, representing the COC; and Eloy Oakley, representing the District. The subcommittee put out a Request for Proposal (RFP) for Performance Audit Services.

The performance audit firm of Moss Adams was selected to conduct the 2004 Performance Audit Report. The committee reviewed and received the report at its December 6, 2004 meeting. The COC instructed the audit firm to highlight key points of concern in the Executive Summary so that appropriate attention is given to matters of concern that need to be addressed.

Receive and Review the Annual Independent Financial Audit as it relates to Bond Funds

The financial audit firm of Vavrinek, Trine, Day & Co., LLP conducted the Long Beach Community College District's 2003/2004 Fiscal Year Financial Report that included the Measure E Bond Program. A draft of the audit was received by the COC at its January 10, 2005 meeting.

Review Bond Expenditures and Ensure that Bond Proceeds are Spent on Qualified Projects and not on Administrator or Teacher Salaries

The Bond Management Team submitted itemized expenditures for all projects as part of the Quarterly Expenditure Report. To date, all Quarterly Expenditure Reports received by the COC do not suggest inappropriate expenditures were made.

The Long Beach Community College District's Fiscal Year 2003/2004 Financial Report was received by the COC at its January 10, 2005 meeting wherein it reported all expenditures. The Financial Report noted no matters involving internal control over compliance and its operation that are considered to be material weakness.

Inspect College Facilities and Grounds Where Bond Proceeds are being Spent

Members of the COC received a tour of the Los Coyotes property on November 4, 2004, where plans for a Measure E funded Culinary Arts facility will be built.

Receive and Review Deferred Maintenance Plans

Due to the lack of Deferred Maintenance funding from the State, for 2003/2004 Fiscal Year no Deferred Maintenance Plans were submitted to the COC.

Review District Efforts to Implement Cost Efficiency

- The District employed legal services for the purpose of standardizing all consultant contracts and language in contracts. The practice of using standardized contracts and fine tuning the language in contracts may reduce the risk of legal disputes and claims against the District.
- The District's Measure E Bond Management Team reported on its efforts to prepare a Program Management Plan/Procedures Manual for the purposes of ensuring that policies and procedures are established in managing the Measure E Bond Program projects, and are in accordance with the Performance and Financial Audits mandates. The Program Management Plan/Procedures Manual ensures that practical and efficient policies and practices are administered.
- The District's Measure E Bond Management Team reported on the measures it has taken to mitigate escalating construction costs. The Team reported that as part of its mitigation measures, Saylor Consulting has been contracted to provide independent estimates on all architects' estimates during design as well as to monitor escalating construction costs in the market place.
- The Bond Management Team reported on its efforts to establish a Prequalification Program to ensure that contractors are qualified to bid on projects. The Team reported that pre-qualifying contractors streamlines the bid process, facilitates competitive bid prices, and attracts highly qualified contractors.
- The District scheduled construction of the Interim Facilities Warehouse Complex for the purpose of using the warehouse complex for interim use by other programs during construction. By not having to lease off-site property for interim use, an estimated \$1.5 million dollars savings was credited to the Bond Program.
- The Bond Management Team implemented the paid Student Intern Program to conduct as-built CAD drawings. The program allowed Long Beach City College drafting students to gain experience in their field while earning course credit. While providing students with valuable experience, the Student Intern Program mitigated costs on labor services.

- The Bond Management Team instituted a construction safety practices program. Addressing construction safety is vital in providing a safe environment as well as preventing costly legal claims against the District.
- The Bond Management Team implemented the Bond Program website as a communication venue to the community at-large. The website provides regular updates on the progress of construction/modernization projects while mitigating costs on community-wide newsletter mailings.
- At the request of the COC, the Bond Implementation Team is preparing itemized expenditures for all projects as part the Quarterly Expenditure Report.

Prepare an Annual Report to the Board of Trustees

The COC herewith submits its 2004 Annual Report to the Board of Trustees. The COC is pleased to report that to date the Long Beach Community District is in compliance with Proposition 39.

2004 Meeting Schedule

January 12, 2004

April 5, 2004

July 12, 2004

October 11, 2004

December 6, 2004 Special Meeting

2004 Citizens Oversight Committee

Committee Member

W. Gary Westling, Chairperson

J. C. Squires, Vice-Chairperson

Angel J. Perea, Secretary

Michael Brignac

Gary J. Cooper

Patricia L. Lofland

William H. Marmion

Sherri Ortman

Brian K. Tran

Ken Velten

Debra A. Williamson

Representing

Additional Recommended Member

Community At Large

Community At Large

Associated Student Body

Senior Citizens Organization

Support Organization for the College

Additional Recommended Member

Bona-Fide Tax Payers Association

Additional Recommended Member

Additional Recommended Member

Local Business Community

Respectfully Submitted by:

W. Gary Westling, Chairperson

to the Board of Trustees on January 25, 2005