

**Measure E Bond
Citizens' Oversight Committee**

MINUTES

Long Beach City College
4901 East Carson Street
Long Beach, CA 90808

"Approved"

**January 25, 2016
Liberal Arts Campus
Building T-1100 (Board Room)**

Members Present: Dalziel Arambula, representing the Associated Student Body; Jon Gotz, representing the Support Organization for the College; William Marmion, representing the Senior Citizens Organization; Elaine McDaniel, representing the Community at Large; and Stella Ursua, representing the Community at Large.

Members Absent: Phil Bond, representing the Local Business Community; and David See, representing the Bona-Fide Tax Payers Association.

LBCCD/Bond Program Staff Present: Ann-Marie Gabel – Vice President, Administrative Services; Tim Wootton – Director, District Facilities; Medhanie Ephrem – Deputy Director, Planning & Construction; Michael Boomsma – Program Director & Lexi Donovan, BMT; Stacey Toda – Associate Director, Communications & College Advancement; John Thompson – Director, Fiscal Services; and Bob Rapoza, Internal Audit Manager.

PUBLIC COMMENTS

- None

OLD BUSINESS

- None

NEW BUSINESS

- **Approval of August 17, 2015 Minutes**
 - Motion by Dr. Marmion and seconded by Mr. Jon Gotz to approve the August 17, 2015 Minutes as presented; the motion carried unanimously.
- **Performance and Financial Audits**
 - Mr. Bob Rapoza introduced Heather Decauwer and Renee Graves from the firm of Vicenti Lloyd & Stutzman, LLP.

NEW BUSINESS (continued)

- **Performance and Financial Audits (continued)**

- Vicenti, Lloyd & Stutzman (VLS) – 2008 Measure E Financial Audit (Heather Decauwer)
(Refer to “Long Beach Community College District Proposition 39, General Obligation Bonds Measure E, February 2008 Financial Audit June 30, 2015” handout)
 - It was reported that the financial statements are fairly presented and follow generally accepted accounting principles, with an **unmodified opinion or “clean” opinion** (the best opinion you can receive).
 - Ms. Decauwer drew attention to Note 4 – Bonded Debt. This note is regarding the debt service requirements of the District for bonds which mature annually through fiscal year 2049. This bonded debt is not shown as a liability on the Proposition 39 fund as these bonds are repaid by the taxpayers.
 - Report on Internal Controls states there was no identification of any deficiencies in internal control over Bond Construction Fund (Measure E, February 2008) financial reporting that the auditors consider to be material weaknesses.
 - There were **no audit adjustments and no findings** related to Bond Construction Fund (Measure E, February 2008) financial statements for fiscal year ended June 30, 2015. There have been no findings related to this audit for several years.
- Dr. Marmion asked for a definition of “material”? – Mrs. Decauwer responded the definition is a number that would be large enough to change the reader’s opinion of the financial statements.
- 2008 Measure E Performance Audit (Renee Graves)
(Refer to “Long Beach Community College District 2008 Measure E Construction Bond Performance Audit Report Fiscal Year Ended June 30, 2015” handout)
 - Audit is performed as a requirement of Proposition 39. The audit is looking to see if the expenditures were on projects that the voters approved as well as compliance items such as the Citizens’ Oversight Committee, updating of the website, annual report, etc.
 - They conducted the audit in accordance with the Government Auditing Standards (GAS).
 - The performance audit procedures applied provided reasonable assurance that the Fiscal Year ending June 30, 2015 bond proceeds were expended only on the projects listed within the District’s 2008 Measure E ballot language which authorized the sale of the bonds.
 - As a result of the audit, there were **no findings**. This is the 7th year in a row with no findings.
- Dr. Marmion asked for clarification of “generally expended”. Ms. Graves replied these are considered normal expenditures associated with running the bond program.
- Dr. Marmion inquired how long VLS has been involved with the LBCC bond program. They have conducted our Performance Audit for the past two years and have been associated with the District since 2005/06 overseeing the Financial Audits. In accordance with the District’s guidelines, a Request for Proposal (RFP) has been published to evaluate different vendors for the Financial Audit services.
- Ms. Graves announced the audit included a sample of expenditures totaling \$36,314,977 which is 77% of the total amount spent. Ms. Ursua asked how they arrived at that conclusion to test 77%. Ms. Graves responded by saying it varies from year to year but they do try to obtain a high percentage each year.

NEW BUSINESS (continued)

- **Performance and Financial Audits (continued)**

- Motion by Mr. Jon Gotz and seconded by Ms. Ursua to receive and file both reports as submitted; the motion carried unanimously.

- **Annual Report (Elaine McDaniel)**

(Refer to “Citizens Oversight Committee Annual Report for Year Ending December 2015 to the Board of Trustees” handout)

- Mrs. McDaniel presented the COC Annual Report for Year Ending 2015. The report will be presented to the Board of Trustees at their January 26, 2016 meeting.

- **Quarterly Expenditure Reports (Ann-Marie Gabel)**

(Refer to “letter addressed to Mrs. Elaine McDaniel Citizens’ Oversight Committee, dated October 13, 2015, and letter addressed to Mrs. Elaine McDaniel Citizens’ Oversight Committee, dated January 15, 2016 RE: Measure E Expenditure Summary Update from Michael Boomsma, PC, CCM, LEED AP Bond Management Team,” and “LBCC 2008 Measure E Bond – Fund 46 Report – Thru Date: 9/30/2015 and 12/31/2015” handouts). These documents are on file with the Minutes.

- **Measure E 2008**

- o Mrs. Gabel reminded the Committee that the Measure E Expenditure Summary Update and the LBCC 2008 Measure E Bond-Fund 46 Report through September 30, 2015 were emailed to the Committee on October 30, 2015. The results of reports for September 30, 2015 and December 31, 2015 were reported as follows:

Budget Overview	9/30/15	12/31/15
▪ Total Current Budget	\$440,000,000	\$440,000,000
➤ Measure E Series A Bonds	\$48,373,981	\$48,373,981
➤ Measure E Series B Bonds	\$253,538,026	\$253,538,026
➤ Bond Anticipation Notes	\$180,480,000	\$180,480,000
➤ Interest Earnings	\$6,084,356	\$6,084,356
▪ Total Committed Amount	\$469,563,856	\$472,645,061
▪ Total Expenditures to Date	\$449,854,197	\$455,284,388
▪ Total Expenditures Quarter Ending	\$2,196,801	\$5,430,191

- Motion by Ms. Ursua and seconded by Dr. Marmion to accept the reports as presented; the motion carried unanimously.

- **Bond Program Update (Tim Wootton)**

(Refer to “Bond Construction Update Citizen’s Oversight Committee-January 25, 2016” PowerPoint presentation handout). These documents are on file with the Minutes.

- Mr. Wootton reviewed the construction projects.

NEW BUSINESS (continued)

- **Bond Program Update (continued)**

Scheduled Maintenance Projects

- Fiscal Year 2014/15 \$2,628,690 (State Funds Only)
 - .. Roofing contract awarded to Tecta America
 - .. Complete roof replacement Building K – Complete
 - .. Complete roof replacement Building G – Complete
 - .. Complete roof replacement Building Z – Complete
 - .. Complete roof replacement Building O-1 – Complete
 - .. Complete roof replacement Building O-2 – 75% Complete; should be done in February
 - .. Paint exterior of Buildings LL & HH – Complete
- Fiscal Year 2015/16 \$2,313,000 (One Time Mandated Cost)
 - .. Complete roof replacement Buildings JJ, HH, H, J
 - .. Tile roof replacement Building K
 - .. Interior door replacement Building D
 - .. Paint exterior of O-1 & O-2
 - .. Building Z HVAC replacement
 - .. Building D gutter replacement

Current Construction Projects (Measure E 2008)

- **LAC Building D 1st Floor Renovation**
 - .. MSP Architects – public bid to determine contractor
 - .. Renovate 16,000 square feet of 1st & parts of 2nd floor for new Science Labs
 - .. Physiology, Diagnostic Medical Imaging and Allied Health
 - .. Design documents underway, construction start Winter 2016
 - .. Two phased project. Currently in phase 1 – Demolition
 - .. 90-95% complete with demolition

Upcoming Construction Projects (Measure E 2008)

- **PCC Building QQ & RR**
 - .. HPI Architects – Public bid to determine contractor
 - .. New 24,000 GSF Building will be built for Electrical labs, classrooms, offices and Lifetime Learning Center
 - .. 6,000 GSF Building RR to be renovated for the Electrical program's robotics labs
 - .. DSA approved plans October 2015
 - .. Currently in bid process. Bids due February 2016
 - .. Estimated construction start Spring 2016
- **LAC Building J Renovation**
 - .. SVA Architects – public bid to determine contractor
 - .. User group meetings are ongoing
 - .. Structural, ADA, mechanical systems and program enhancements
 - .. Submit design documents to DSA for *preliminary* review January 2016
 - .. Scheduled to start construction Spring 2017 and complete Fall 2018

NEW BUSINESS (continued)

- **Bond Program Update (continued)**

Upcoming Construction Projects (Measure E 2008) (continued)

LAC Building P Renovation

- .. Steinberg Architects – public bid to determine contractor
- .. Occupants will be moved to swing space in Buildings M & N
- .. Project will address ADA, classrooms, offices and mechanical systems
- .. Submit design documents to DSA for review January 2016
- .. Estimated construction start Fall 2016, completion Spring 2018

District Wide Security Monitoring System

- .. P2S Engineering is designing the system
- .. Design documents are expected Spring 2016, public bid to follow
- .. Initial plan covers all exterior, building entrances and outside restrooms
- .. Design documents will be submitted with Subject Matter Experts to DSA for determination if DSA will need to approve the project

LAC Building E Renovation

- .. Design awarded to TBP Architects – public bid to determine contractor
- .. Renovate 50,276 GSF building, originally built in 1968
- .. Project will address ADA, Food Services, ASB, mechanical & electrical systems
- .. Started the design process and meeting with the user groups Fall 2015
- .. Estimated construction start Spring 2018, completion Summer 2019

Completed Construction Projects (Measure E 2008)

- LAC Building C Retrofit

- .. BCA Architects – Construct One, Construction Contractor
- .. Complete renovation of 31,567 GSF Nursing Building C
- .. 10 classrooms, 6 simulation labs, 12 Faculty offices and computer labs
- .. Project substantially completed October 2015
- .. Move in completed Winter 2016, classes beginning Spring 2016

- PCC Building GG

- .. RNT Architects - Balfour Beatty, Construction Contractor
- .. New 38,855 GSF Student Services Building with 2 additional classrooms
- .. Project substantially completed August 2015
- .. Audio Visual equipment and furniture were installed November/December 2015. Opened January 2016.

- Mrs. McDaniel asked if we anticipate DSA may not approve the Security Camera project. Mr. Wootton answered the District is submitting the project to DSA for their review. DSA will determine if the project needs to have DSA approval. If it requires DSA approval, it will add approximately 6 months to the project.
- Mrs. McDaniel commented the new nursing building is beautiful.
- Ms. Ursua inquired if anything regarding the Security Camera project changed after tragedy in San Bernardino. Mr. Wootton responded it was always our intent to cover the entire campus; however, the tragedy escalated the project's timeline.

NEW BUSINESS (continued)

- **Potential 2016 Bond Measure (Ann-Marie Gabel)**
 - Mrs. Gabel discussed the potential 2016 Bond Measure. The Board of Trustees is reviewing the information for the June 2016 ballot. The District has had Measure E for 2002 and 2008. In 2008 we were hoping to get State matching funds for some of the projects; however, there hasn't been a State wide bond measure since 2006, meaning that we have lost out on State matching funds.
 - The District is currently looking at the Facilities Master Plan and facility needs of the college moving forward.
 - We have hired a Community Survey Pollster. They have completed a community survey and the results look promising. The District will be sending a recommendation to the Board for consideration in February.
 - Mrs. McDaniel asked if an inflation factor is built into the Master Plan. Mrs. Gabel stated a minor inflation factor was built into the plans; however, not enough. The new Bond Measure will have inflation factored into the equation as well as costs for the entire building square footage. The original budgets in the past did not account for the changes in technology, gross square footage, or escalation costs. The new budget will address those issues.
 - Mrs. McDaniel inquired how much of a percentage we did not have due to the ongoing changes over the years. Mrs. Gabel responded there are at least 14 projects that have been cut out entirely or de-scoped based on the funds available from the current bond.
 - Dr. Marmion asked Mrs. Gabel to explain why the 2008 Measure E Bond for \$440 million turned into a Current Adjusted Budget of \$643 million. She responded by saying the majority of the difference was the short-term Bond Anticipation Notes the District had to acquire to give us cash flow when the assessed value dropped. Mrs. Gabel referred to the Expenditure Reports for individual projects and the decreased budgets because of the changes over the years. Those 14 projects will be included on the new Master Plan.

- **Scheduled Maintenance 5-Year Plan (Tim Wootton)**
(Refer to "FUSION" handout)
 - Mr. Wootton reviewed the Scheduled Maintenance Plan in the Bond Program Update.

- **Project Prioritization List (Ann-Marie Gabel)**
(Refer to "Project Prioritization List" dated November 2015 handout)
 - Mrs. Gabel reviewed the Project Prioritization List.
 - The list was developed from our 2020 Master Plan. As the projects have been addressed, the list is re-prioritized as needed. The Facilities Advisory Committee reviews and approves the list.

- **Committee Members Acknowledgement (Ann-Marie Gabel)**
 - Mrs. Gabel acknowledged Mr. Phil Bond, Dr. William Marmion, and Ms. Stella Ursua for their service. Mr. Bond has served 2 two-year terms and will be terming out completely. Dr. Marmion and Ms. Ursua have finished their two year term. Ms. Ursua is willing to extend her service for another two years with the Board of Trustees' approval.

OTHER

- Motion by Mr. Gotz and seconded by Ms. Ursua to move the August 22, 2016 meeting date to August 29, 2016; the motion carried unanimously.

FUTURE AGENDA ITEMS

- Bond Program Update
- Quarterly Expenditure Report
- New Appointments
- Officer Elections

NEXT MEETING

- August 29, 2016
T-1100 (Board Room) at LAC

ADJOURNMENT

- Motion by Mr. Gotz and seconded by Ms. Ursua to adjourn the meeting at 6:43 pm; the motion carried unanimously.

Respectfully Submitted by:
William H. Marmion, Secretary
January 25, 2016