# GLENDALE COMMUNITY COLLEGE DISTRICT MEASURE G CITIZENS' OVERSIGHT COMMITTEE

Student Center, SC 212-A February 11, 2013 4:30 p.m.

#### **AGENDA**

- 1. Call to Order
- 2. Approval of the Minutes of August 20, 2012.
- 3. Measure G Status Report:
  - a. Lab/College Services Building
  - b. IT Server Room
- 4. 2011-12 Bond Audit
- 5. Go Bond Issue
- 6. Tour of Server Room
- 7. Next Meeting Date: Monday, August 5, 2013 (First Monday of the month)
- 8. Adjournment

Glendale Community College District Measure G Citizens' Oversight Committee Student Center, SC 212-A February 11, 2013 4:30 p.m.

### **Meeting Minutes**

Present: Rick Barnes, Chair; Michael Davitt; Robert Gabon; Robert W. Hall; Albert

Hofmann; Farshid Khosravi; Ron Nakasone, Administration

Representative

Absent: Toni Das Gupta; Mike Davitt; Robert Hall

 Rick Barnes, Chair of the committee called the meeting to order, welcoming all members.

- 2. The minutes of August 20, 2012 were moved, seconded and carried.
- 3. <u>Measure G Status Report</u>: At the January 14, 2013 board meeting, a summary of Measure G projects was provided as of December 31, 2012.
  - Three projects are outstanding:
    - a. Technology:
      - Completed: Remaining funds allocated were used for PeopleSoft project consultants.
    - b. Lab/College Services Building:
      - The State has provided \$41m in funding for this project. This is a shared funding project, with Measure G providing \$1 for every \$3 of state funding. After this project is completed, it is hoped that any residual funds can be reallocated for additional improvement projects.
      - A construction management company will be selected in Spring. The general contractor is planned to be selected by Summer.
      - Secondary Effects (\$2m allocated): For reallocation and renovation of vacated spaces left by departments moving into the Lab/College Services Building.
      - \$2m was saved by using a retaining wall instead of the building wall to support the hillside. The budget was not reduced. It funds remain in the budget until we get the quotes back on construction costs. When we know how much the building will cost, we will probably move the excess into a reserve account for future allocation.

# c. IT Server Room:

- The up-grade of the server room was needed to preserve data, as noted by the last Accreditation Team report of the college's status.
- Original cost of the project up-grade was \$1m, final cost was \$1.5m, approved by the Board from the Lab/College Services budget. The additional amount was due to improvements required by DSA, the State's architect's office.
- Projected completion date: February 2013.

### Cafeteria Remodel:

- a. Funded by Secondary Effects. (Project completed)
- b. Purpose: To provide facilities for the Culinary Arts classes after the demolition of the Los Robles building (required for the construction of the Lab/College Services Building).

#### Garfield Project:

- a. Over drafted by \$53,000.
- b. Funded by interest earnings from bond proceeds deposited with the County Treasurer.

### 4. **2011-12 Bond Audit**

- Ron Nakasone reviewed the Bond Audit for 2011-2012.
- The management letter by Vavrinek, Trine, Day & Co. LLP, Certified Public Accountants was provided summarizing the audit for fiscal year 2011-2012.
- The audit was deemed "clean", with no adjustments, difficulties or disagreements noted.
- The \$5m bond issued earned \$48k in interest in 2012.
- \$14m in bonds have not been sold (as of June 30, 2012). A total of \$98m in bonds had been approved. The Bond Counsel does not want the bonds sold until there is a real need for the money so that taxpayers do not have to pay for these notes while the money is sitting, collecting interest.
- Only expenses incurred are shown in the audit. Funds committed are not shown, such as a contract for an architect (for example) because services have not been provided yet.
- There are two parts to this audit:
  - a. Financial audit
  - b. Performance audit (page 4 of second section, Objectives of the Audit) – required by Prop 39. Auditors must verify that the expenditures from bond funds were truly things put on the ballot, that funds were not paid towards administrative costs and that salaries are not included. In addition, they must verify that there are

sufficient internal controls within the system to safeguard the bond funds. This was also deemed a "clean" audit.

 The presentation of the audit is one of the responsibilities of this committee. The college is presenting it with an unqualified opinion showing that financial statements were accurate and the performance findings did not show any misuse of funds.

## 5. Go Bond Issue

- The college has issued the last \$14,995,000 bond issue for the Lab/College Services Building.
- This was necessary for cash flow because State funding is through reimbursement of costs. Cash is needed to pay venders first and then the college applies for reimbursement from the State.
- Once all funds have been expended, the committee will be terminated.
- Any remaining funds can be used according to the ballot language. For example, funds could be used for technology up-grades, infra-structure up-grades or land acquisition. Ron estimates \$10m may be remaining.
- 6. Tour of IT Server Room.
- 7. The meeting was adjourned at 5:42 p.m. for a tour of the completed IT server room.

Respectfully submitted by:
Merrilee Ahaus
Administrative Assistant/Confidential
Office of the Vice President,
Administrative Services