The meeting of the Measure D Citizen’s Oversight Committee was held at, 6500 Soquel Drive, room SAC 225, Aptos, CA on Thursday, September 24, 2009 at 10:00 am.

Present: Michael Bethke, Diane Craddock, Bob Dills, John Fry, Bob Petersen, Jeff Vella, Bud Winslow

Absent: None.

Guests: David Casnocha, Municipal Bond attorney

Staff: Pegi Ard, Doug Deaver, Rob Ingram, Brian King

Bob called the meeting to order at 10:03.

I. **Introductions:** The committee introduced themselves and welcomed two new members, Bob Dills and Jeff Vella.

II. **Agenda Modifications:** It was suggested to add a review of the annual report and the audit.

III. **Comments from the Public:** None.

IV. **Minutes:** The minutes of July 9, 2009 were tabled and will be reviewed at the next meeting.

V. **Annual Report and Audit:** It was agreed that annual COC report will be submitted to the Governing Board after the audit is completed, providing the Citizens’ Oversight Committee members the opportunity to review and report audited numbers.

VI. **David Casnocha, Municipal Bond Attorney**

David has served as Cabrillo’s municipal bond attorney for many years and was involved in drafting Measure D. Prop 39 requires a 55% voter threshold for approval of bond funds and mandates a seven member Citizens’ Oversight Committee. The California Ed Code defines the role and responsibilities of the committee. In April, 2004 the Cabrillo Governing Board of Trustees approved a resolution and bylaws establishing this committee. The bylaws state that the committee is an oversight committee, not an independent legal entity nor an advisory committee to the Board.

The three primary legislative responsibilities according to the Education Code are to:
i. Review the expenditures of bond funds and to determine expenditures were for qualified bond projects, such as construction, renovation, furniture or equipment, not teacher or administrator salaries. The full ballot text lists potential qualified bond projects. Not long after the 2004 election, the Attorney General issued an opinion that administrator salaries directly connected to bond expenditures may be reimbursed from bond funds as long as these expenditures were incurred “but for” bond projects.

ii. Inform the public of its conclusions with regard to reviewing expenditures.

iii. Prepare an annual written report. The committee presents to the Board of Trustees its conclusions whether money has been spent appropriately. Usually, the chair of the committee appears before the Board.

In executing these responsibilities, the Ed Code specifies other appropriate activities, such as to receive and review audits, to inspect the new facilities funded by bond money, to review the District’s efforts to maximize bond funds by implementing cost saving measures, and to ensure that no bond funds have been spent on teacher or administrator salaries. The full text of Measure D is included in each committee member’s binder. David noted the list of Measure D projects is dynamic and could now include projects that were not listed in the original ballot text, as long as it is of the type of project that voters approved.

There was discussion about how the committee can best take the message regarding the need to improve efficiency of the state approval process to Sacramento and have a meaningful positive impact on future construction projects. One suggestion was for the committee to write a letter to the legislature and copy the California Community College League. Pegi noted that at an upcoming conference she will work with Fred Harris, the Assistant Vice Chancellor of College Finance & Facilities Planning in the California Community Colleges Chancellor's Office, and Scott Lay, President of the Community College League, on how to best direct this message. It was requested that she report back to the committee after the conference. Doug also offered to present to committee current and/or pending processes that are under discussion to improve efficiency.

There was also discussion of how long the committee stays active once bond monies have been spent. David noted that the better practice is for the committee to be disbanded after it submits its last annual report after the last audit. Funds may be set aside for unresolved claims and/or litigation in an escrow account. That way, the remaining bond funds have been allocated appropriately and no further action is necessary. Pegi noted that at such a time staff would bring David in to assist the Citizens’ Oversight Committee and staff in the process of closing out committee responsibilities.

VII. Project Status Update:
Doug reviewed Facilities Master Plan (FMP) that was submitted to the Board in September, 2009.

- Student Activity Center (SAC): The remaining vacant space on first floor is to be a food operation funded by the students. Since it was not part of original scope of building, DSA approval for the completed work needs to be obtained prior to commencing with the additional work.
• There was discussion of the notes on page 3, #1-9. Most claims are not shown in the “allocated” column; however, approved and anticipated change orders are included in these allocations. John requested that a cross-reference number be added to the “notes” section on the page and also show it as a cross-reference number or letter on the page’s “chart” next to the appropriate item amount stated as “description” for a clear reference.

• AEC: Three buildings were opened in fall 2008. There is still some work to be completed on the performance spaces. The grand opening is October 9, 2009. The project is sixteen months behind schedule and there are outstanding delay claims.

• Allied Health Classrooms: Parking structure is complete; the rest of the buildings are progressing well and will be ready for occupancy in spring 2010.

• Watsonville Industrial Technology Education Center (ITEC): The 14,000 sq. ft. space will go to bid in the summer of 2010. Federal funds have been awarded for LEED certification. Bob Petersen asked why bidding was so far in the future. The delay is primarily due to the LEED certification design change and need to secure additional funding. Bob Dills asked whether the design is complete including “green” revisions. The design is not complete yet; plans are to send them to DSA for approval by January, 2010.

• Scotts Valley Center: Staff is evaluating the current facility and considering long term prospects. This center is not a Measure D project.

• Secondary Effects: The renovation of Building 300 is projected to be a one year project funded by state and bond funds. The remodel will begin once DSA approval is in hand. This project is included in allocated funds.

Next meeting: January 21, 2010, 10:00 am.

The meeting adjourned at 11:25 am and a tour of the new facilities was offered.