



HARTNELL COLLEGE

**Citizens' Bond Oversight Committee for Measure T Minutes**

**DATE: November 20, 2019, 3 p.m. [Approved]**

**Location: 411 Central Avenue, Building S, Room 218, Salinas, CA 93901**

MEMBERS

Name	Member Category	Present	Absent
1. Gish, Vearl	Senior Citizens' Organization	X	
2. Guss, Deneen	At-Large	X	
3. LeBarre, Mike	At-Large	X	
4. Leonard, Grant	At-Large	X	
5. Miguel, Timothy	At-Large		X
6. Mori, Sam	At-Large	X	
7. Richardson, George (Ted)	Taxpayer Organization	X	
8. Craig, Kimbley	Business	X	
9. Wong, Frances	Student	X	

Others

Name	Title or Representing	Present	Absent
Dr. Patricia Hsieh	Superintendent/President, Hartnell College	By phone	
Richard Bennett	VP, Administrative Services, Hartnell College (Interim)	X	
Joseph Reyes	Executive Director, Facilities Planning and Construction Management, Hartnell College	X	
David Techaira	Controller - HCCD	X	

CALL TO ORDER & INTRODUCTIONS

The meeting called to order at 3:02 pm

Grant Leonard

ADOPTION OF THE AGENDA

**Motion:** Mike LeBarre

**Second:** Vearl Gish

**Motion carried – all approved.**

Grant Leonard

PUBLIC COMMENTS

**NONE**

ACTION ITEMS

- None

*Hartnell College Vision Statement: Hartnell College will be nationally recognized for the success of our students by developing leaders who will contribute to the social, cultural, and economic vitality of our region and the global community.*

*Hartnell College Mission Statement: Focusing on the needs of the Salinas Valley, Hartnell College provides educational opportunities for students to reach academic goals in an environment committed to student learning, achievement and success.*

## INFORMATION/DISCUSSION/PRESENTATIONS

1. 2018-19 FY Audit Report Ben Leavitt, CWDL  
Mr. Leavitt introduced himself and noted that he was an actual auditor performing the work of the reports. Two reports were compiled and at this meeting. The Financial Audit Report and the Performance Audit Report.

a. Financial Audit. Is an audit of the General Obligation Bond only. This report does not report on the financial position of the district. Page 3 and 4 of the report provides the Bond balance sheet for the fiscal year of the report and the statement of revenues, expenditures and changes in fund balance. The audit found that the bond funds are being expended as they should be, being spent on only permissible expenditures. This was a clean audit of the general obligation bond – Measure T.

b. Performance Audit. As it notes in the report, the District provides CWDL with a list of all Measure T General Obligation Bond project expenditures for the year ending June 30, 2019. This list represented expenditures of \$5,818,209.00 (July 1, 2018 through June 30, 2019.) The audit team interviewed management related to planning, bidding, contracting, expenditures and reporting. Performed tests on those areas, verified mathematical accuracy, reconciled the list to expenditures.

A sample of expenditures totaling \$2,362,315 was selected for review representing 40.6% of the total list. Considered a high sample. Done to develop a confidence in accuracy.

Results were that in all significant respects, funds are being expended for the specific projects approved by the voters. This was a clean audit with no findings and/or exceptions.

Questions: What is "other local revenue?" This is the interest earned on the bond. \$336,000.

What were the samples? As this was CWDL first audit, they were more stringent than a secondary audit trip. They wanted to assure a level of confidence in their data and findings so took a higher sample to be assured of their findings. The samples were making sure that every vendor was included in the sampling and almost all material transactions were represented. In their upcoming audits, they will not duplicate their samples.

If an item that is part of the project but not part of the bond will that show up (e.g. paving of streets in King City) No. Only if the expenditures are coded to the fund will it show up in the financial report. The \$77,794 is for legal services that is contracted.

[Mr. Mori's specific question had to do with paving and striping of angle parking at King City. This shows up as a line item on the budget summary that is produced for the Trustees and shared with this committee. The board requested all costs be shown but since the bond does not pay for it, it is a separate line item. It would not be available for the auditors, as it is not coded to the bond fund, 46.]

2. CBOC Annual Report Grant Leonard

A draft was provided to the committee for review. Typographical and layout edits and changes were suggested and provided. Dawn Henry will incorporate these.

Ms. Craig expressed her view that the report needs to include the information that the hard construction costs are coming in higher than budgets anticipated. Included should be the information provided by the district when it was asked how these overages would affect the funding and projects. The district reported to the committee the following:

1. The project list was "stacked" or front loaded for the large projects to be done first. To assure that these projects promised to the voters would be completed.
2. The following series (B and C or phase II and III) projects will go into programming (design) and will adjust the programming as necessary.
3. It is believed that the Chancellor's office will have on the next ballot a bond measure of their own. The district has already put in place the application for matching funds that will enhance that of the bond funds. The application is defined in what type and kind of projects will qualify and the renovation of Buildings F, G, H do qualify (they are our oldest buildings). Currently it is very likely that the renovation of Building N – Merrill Hall will not be done. However, this building is being utilized as our swing space. When Building D was shut down for classroom use, Building N was utilized for class scheduling and housing the faculty offices. Some "refresh" work has been done to the building for those purposes.

The committee expressed the desire to have a finalized report go to the Board at the board's January 2020 meeting. A motion was made to create an ad hoc committee with authority to review the next report draft and approve it as final with the changes as discussed at today's meeting. The chair would appoint the members.

**Motion:** Deneen Guss

**Second:** Kimbley Craig

**Motion carried.**

Grant Leonard then first asked for volunteers and Mr. Gish and Ms. Craig volunteered. Motion to approve these individuals was made.

**Motion to accept:** Mike LeBarre

**Second:** Deneen Guss

**Motion carried.**

## OTHER ITEMS/BRIEF ANNOUNCEMENTS

1. Ms. Guss asked a question (for a constituent) if Starbucks was built using Measure T Deneen Guss Funds. The Student member, Frances Wong also stated that it was the conception and she has had a student report to her that they read where this was true; Measure T funds were used for this project. The district (Joseph Reyes and Richard Bennett both stated that this was not the case. No funds from Measure T were used. This project was paid for through Fund 44, which was a capital outlay/resources fund source. Ms. Guss stated that she was glad she asked and that she would go back with the correct information.
2. <name>

**NEXT MEETING(S)**

January 15, 2020 Room E112 3:00 PM

**ADJOURNMENT**

Grant Leonard

The meeting adjourned at 4:30 pm

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**Hartnell College Mission Statement**

*Hartnell College provides the leadership and resources to ensure that all students shall have equal access to a quality education and the opportunity to pursue and achieve their goals. We are responsive to the learning needs of our community and dedicated to a diverse educational and cultural campus environment that prepares our students for productive participation in a changing world.*

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