

Adopted

HARTNELL COMMUNITY COLLEGE DISTRICT

BOND OVERSIGHT COMMITTEE MEETING

Minutes

January 31, 2007

PRESENT Harry Gamotan, Chair
Javier Aldape, Vice Chair
Joey Lasnik
David Medrano
Donald Young

PRESENTERS Not agendized.

GUESTS Damon Felice and Guy Hollins – Townsend Management, Inc.

CALL TO ORDER The meeting was called to order at 4:01 p.m. by Chair Harry Gamotan.

ADOPTION OF AGENDA **By consensus**, the agenda was adopted.

MINUTES **By consensus**, the minutes of November 8, 2006 were approved.

PUBLIC COMMENT Chair Gamotan called for public comments. No comments were made.

BOND OVERSIGHT COMMITTEE MEMBER COMMENTS Chair Gamotan called for committee member comments. Ms. Lasnik suggested that reports be provided to the Committee at least a day before the meeting. Mr. Carrier stated that past practice has been to provide the report to the Committee prior to the meeting, noting that this information is normally given to the College in early January and that the Foundation audit delayed the process. Mr. Carrier stated that concern was noted and that the College will try to get the information to the Committee earlier next time.

Ms. Lasnik stated that the *Report to the Community* as published in local newspapers was excellent and well written.

Chair Gamotan stated that a press release had been sent to local newspapers notifying the public of the open position on the Committee due to the end of Ms. Lasnik's tenure. Chair Gamotan stated that the open position is for a representative of a senior citizens' organization.

Chair Gamotan stated that after receiving applications a sub-committee would be formed to include two members of the Bond Oversight Committee and one member of the Board of Trustees to interview each candidate. He stated that a recommendation will be made to the Bond Oversight Committee, and then forwarded to the Board of Trustees for approval.

**INFORMATION
ITEMS:**

Opening Comments Not agendized.

**Measure H and
Construction
Update/Discussion** Not agendized.

**Measure H Financial
Report** Not agendized.

ACTION ITEMS

***2005-06 Bond
Measure H
Independent
Accountant's Report***

Mr. Carrier reviewed *the Hartnell Community College District Measure H General Obligation Bonds with Independent Accountants' Report on Applying Agreed-Upon Procedures June 30, 2006* stating that it is the document needed to determine that the College is in compliance with Proposition 39 regulations that are pertinent to bonds passed under those statues.

Mr. Carrier stated that Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants & Consultants, performed the Agreed-Upon Procedures enumerated in Exhibit A (noted below), which were agreed to by the Hartnell Community College District for the purpose of determining compliance with Measure H General Obligation Bond requirements fro the period ended June 30, 2006. He stated that the CPAs:

- A. Observed that District procedures for disbursement of Bond Funds were applied in accordance with laws and regulations as described in the State of California Education Code, the California Chancellor's Office Budget and Accounting Manual, as well as approved Hartnell Community College District Board Policies for expenditures through review and testing of actual invoices, purchase orders, and construction bid documents.

Results: CPAs included 53% of all expenditures charged to the Measure H Bond Funds for the 2005-2006 fiscal year in their examination. Based on their examination, there were **no**

exceptions noted in the District/s procedures related to the disbursement of Measure H Bond Funds. The District used formal bid procedures for those contracts over the construction bid level requirements and informal bid procedures for those contracts below the construction bid level to select contractors for the various projects in accordance with Education Code requirements and District policy.

- B. Observed compliance with expenditure allowances for the 2005-2006 fiscal year within the Measure H Bond Initiative placed on the Local Election Ballot held on November 5, 2002.

Results: There were **no exceptions noted in the expenditures** tested of the Measure H Bond Funds. The District has not charged on-going expenditures that are the responsibility of the District to the Measure H Bond Fund, nor has an administrative or indirect cost been charged to the Measure H Bond Fund.

- C. Verified appropriateness of Bond expenditures for the 2005-2006 fiscal year to the object code classification within the general ledger.

Results: Tested the appropriateness of the expenditures to the object code classification within the general ledger to ensure proper classification and coding. There were **no exceptions noted**. The expenditures reflected within the general ledger object code classifications were proper and in accordance with provisions of the Budget and Accounting Manual issued by the California Community Colleges Chancellor's Office.

- D. Calculated the balance available for expenditures of bond proceeds related to the approved projects within the Measure H Bond Funds at June 30, 2006.

Results: As stated in the District's Audited Financial Statement as of June 30, 2006, the total expenditures from the Measure H Bond Funds were \$13,611,710 for fiscal year 2005-2006, totaling \$37,842,659 to date. As of June 30, 2006, \$39,770,714 is available for future expenditures. There were **no adjustments** to the District's financial records as a result of the CPA procedures.

Mr. Carrier stated that once again the College has a compliant clean report for the Measure H Bond Funds. He stated that it is important for the Bond Oversight Committee to review and approve the report prior to it going to the Board of Trustees for approval on February 6.

By consensus, the Hartnell Community College District Measure H General Obligation Bonds with Independent Accountants' Report on Applying Agreed-Upon Procedures June 30, 2006 was approved.

Mr. Medrano volunteered to write a press release regarding the clean report. It was suggested that he work with Terri Pyer, the College's Public Relations Officer. Mr. Medrano suggested that the article refer readers to the College's web site to review the audit online. Mr. Aldape suggested that the document be provided in a PDF file. Mr. Carrier will work with the College's web master to provide this service.

By consensus, the Committee requested that the Hartnell Community College District Measure H General Obligation Bonds with Independent Accountants' Report on Applying Agreed-Upon Procedures June 30, 2006 be made available to the public via the College's web site.

CERTIFICATES OF APPRECIATION

Chair Gamotan presented a Certificate of Appreciation to Dr. Stanley Crane for his commitment and support of the Bond Oversight Committee and related Measure H activities.

Chair Gamotan presented a Certificate of Appreciation to Ms. Joey Lasnik for her service on the Bond Oversight Committee as a representative of a senior citizens' organization January 2003 to January 2007.

Mr. Carrier stated that both Ms. Lasnik and Dr. Crane had done a great job and congratulated them on their tenure with the Bond Oversight Committee.

FUTURE AGENDA ITEMS

None were forthcoming.

NEXT MEETING

It was noted that the next meeting of the Bond Oversight Committee will be held on Wednesday, February 14, 2007, as needed. Mr. Felice stated that if a meeting was not held in February, he would be happy to give an update via email upon request. Chair Gamotan expressed appreciation for the flow of information from Mr. Felice.

ADJORNMENT

There being no further business, Chair Gamotan adjourned the meeting at 4:25 p.m.