

Adopted

HARTNELL COMMUNITY COLLEGE DISTRICT

BOND OVERSIGHT COMMITTEE MEETING

February 26, 2003

PRESENT

Committee Members:

Harry Gamotan

Joe Grainger

John Inman

Joey Lasnik

Sharolyn Robinson

Michael Maas, Consultant, Bond Program Manager for
Construction Program

Pete Ilse, Director, Maintenance, Facilities & Facilities Planning

Edward J. Valeau, President/Superintendent

Gary Hughes, Associate Vice President, Administrative
Information Systems and Library Services

ABSENT

Juan Sanchez

INTRODUCTIONS

Introductions of all present were made.

COMMITTEE MEMBERS

Dr. Valeau indicated that the membership of the Bond Oversight Committee must include an active member of a bona fide taxpayers' organization. He asked the Committee's assistance in seeking a person to fill that requirement.

APPOINTMENT OF CHAIR

By consensus of the committee, Joey Lasnik was appointed Chair of the Bond Oversight Committee.

OVERVIEW

Dr. Valeau provided information on the Duties of the Committee as stated in (Sections 15278 through 15282 of the Ed. Code) "to inform the public concerning the expenditure of bond revenues."

This is a general statement, which does not dictate the specific functions of the Committee.

Further, Dr. Valeau provided the Committee members with information regarding attendance, meeting procedures and provided the members with Specific Mandatory Functions of the Committee as set forth in the Code.

- Actively review and report on the proper expenditure of taxpayers' money for school construction;
- Advise the public as to whether the District is in compliance with Article XIII A, Section 1 (b) (3).
- Provide oversight for:
 - » Ensuring that bond revenues are expended only for the purposes described in Article XIII A, Section 1 (b) (3), and
 - » Ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses
- Issue regular reports on the result of activities, at least once a year.

**FACILITIES MASTER
PLAN BUILDING
PROGRAM**

Mike Mass stated that in 1999, the Hartnell College Educational and Facilities Master Plan was approved by the Board of Trustees. From this Plan, the need for a bond to carry out the Master Plan was begun. In November 2002, the voters passed the \$131 million bond. Mr. Maas indicated that the Educational Facilities Master Plan actually has a need for \$182 million and that the \$131 million projected by the Office of the Superintendent will contribute to the College's overall needs. Mr. Maas stated that accountability and tracking were important elements to the distribution of bond funds.

Bond Oversight Committee

A draft construction and development schedule was presented to the Committee members. The proposed timeline is based on projected funding or shared funding of several building projects by the State. To date, they include the Learning Resource Center scheduled to be funded 100% by the State at approximately \$21 million and the Center for Assessment and Lifelong Learning (CALL) Building expected to be approved for 100% State funding.

He indicated at this time, project timelines are geared to summer 2003 in order to allow instructional services to operate smoothly into 2003-04. Regarding the Oversight Committee, he indicated it is his experience the committee generally meets two times a year with periodic updates and a report issued annually.

Pete Ilse indicated there is a strong commitment to smaller projects and there is a separate timeline for projects developed to facilitate the support of this activity. Dr. Valeau stressed the point that these projects are the projects to be started immediately because they speak to the immediate needs of the faculty, staff and students.

BOND ISSUANCE

Jim Roth presented information on bond financing. He provided a list of the parties involved in the General Obligation Bond Financing, talked about the preliminary bond structure, the Function of the tax rate variables, presented a history of tax-exempt Interest rates and a history of assess valuation and a financing Schedule for Series A Bonds.

He stated that on March 20 and 21, he and others including the Superintendent/President and Larry Carrier would be meeting in New York with the rating agency. At this time they will make a strong case evaluating the strengths of the district in order to get the best possible rating for the College.

NEXT MEETING

Chair Joey Lasnik asked members of the committee how frequently they felt they would like to meet. The Committee agreed to meet on Monday, April 14 at 3:30-5:00 p.m., in the Board room. The meeting will be publicized via the web site and other media in the community in order to make people aware of the work being done. Discussion was held on placing information on the web in the President's Corner for the Measure H Oversight Committee.

ADJOURNMENT

There being no further business, the meeting was adjourned at 4:50 p.m.