

Adopted

HARTNELL COMMUNITY COLLEGE DISTRICT

BOND OVERSIGHT COMMITTEE MEETING

Minutes

December 13, 2004

- PRESENT** Joey Lasnik, Chair
Harry Gamotan, Vice Chair
Karl Bisht
Joe Grainger
John Inman
Juan Sanchez
Edward J. Valeau
- ABSENT** Sharolyn Robinson
- PRESENTERS** Terry Buttle, Dr. Stan Crane, Robert Yin
- VISITORS** Ernie Mill, President of Mill Construction and Chairman of the Board for the Salinas Valley Chamber of Commerce Board
- CALL TO ORDER** The meeting was called to order at 3:33 p.m. by Joey Lasnik, Chair.
- INTRODUCTIONS** Committee members, presenters and visitors were introduced and welcomed.
- MINUTES** On motion by Harry Gamotan and second by John Inman, the July 12, 2004 and October 11, 2004 minutes were unanimously approved.
- PUBLIC COMMENTS** Mrs. Lasnik noted that we have added a new area on the agenda for public comments. She stated that the Bond Oversight Committee has always welcomed public comments and that we now have the area noted on the agenda.
- Mrs. Lasnik stated that Ernie Mill had distributed copies of a letter from the Salinas Valley Chamber of Commerce and had filled out a Speaker Request Form. Mrs. Lasnik asked Mr. Mill if he would be willing to

postpone his comments until we came to the Information Items portion of the agenda. Mr. Mill agreed.

**2003-2004
AUDITOR'S
REPORT**

Mrs. Lasnik received consensus from the committee to move the Auditor's Report to the top of the agenda.

Terry Buttle, reported that the preliminary 2003-2004 Audit, which was forwarded to the committee under separate cover, had been prepared by Vavrinek, Trine, Day Co., and included the cover page and pages 1-5. The CPA firm took a sample of disbursements and tested them to make sure that the college was in accord with Measure H and agreed upon procedures. He noted that total expenditures were \$6,363,938 and that the auditors tested \$1,647,637 which is approximately 26% of the total expenditures. The 26% sample size was agreed upon between the college's Vice President for Administrative Services and the auditors. The 2003-2004 Auditor's Report verifies that the auditors found no exceptions.

Mr. Buttle stated that this is the first audit done on the bond funds, and that it refers to the two previous years, covering from conception to date. He stated that we will have an audit every year.

Mrs. Lasnik stated that she was pleased to see that in several different areas, no exceptions were noted and that the disbursement process seems to be working.

Mr. Sanchez and Mr. Bisht expressed concern that we provide the 2003-2004 Auditor's Report to the public. Dr. Valeau stated that a formal report to the public will be forthcoming, and that the Salinas Union High School District has a good model to follow. The report will include the official audit and it will be published in hard copy and on the college's web site after it has been approved by the Board of Trustees. It will be used as a positive marketing tool for the college.

Dr. Valeau stated that he had a meeting with an individual regarding Public Relations. The committee asked Dr. Valeau to invite this individual to the next Bond Oversight Committee meeting to address the format of the report to the public.

Mr. Inman stated that a formal report to the public was a good use bond dollars. Mr. Gamotan suggested that the report be forwarded by email to local agencies (approximately 500), and that the report should be very clear about the expenditures and what the numbers mean.

Mr. Sanchez suggested that the college use the Bond Oversight Committee as a focus group to review the draft of the report prior to

publishing it for the public. It is important that we send a message that we are saving dollars, when projects are completed on schedule, and that we are spending dollars expeditiously.

On motion by Harry Gamotan and second by John Inman, the 2003-2004 Auditor's Report was unanimously approved for forwarding to the Board of Trustees.

INFORMATION ITEMS

Status of Current Contracts and Construction Update

Robert Yin and Dr. Stan Crane reported on construction progress as follows:

- The LRC bid process has been completed
- Price of steel and its by products has doubled
- One-third of the slab has been poured for the Learning Resource Center (LRC) and the first floor should be complete by the end of January.
- LRC steel should be up by the end of January, completion of the structure in October, with move in February 2005
- Animal Health Technology (AHT) has been approved by the DSA. The program will be moved to four trailers. Leaving the program at the SPCA was impractical due to the cost of a 100,000 gallon water tank needed for fire suppression, sanitation and ADA issues also impacted our decision not to stay at the SPCA. There are three portable classrooms located near the TMI trailer, and four more will be added for the AHT. The final outcome for the AHT program will be its permanent location at East Campus where there will be plenty of lab space and pastures. The college's Construction class will be building cattle sheds and stalls in February.
- Infrastructure is almost complete and we are under budget
- Overall construction is on target

Dr. Valeau stated that the above noted work on the Animal Health Technology facilities is being done to secure our accreditation. He stated that it is a very costly program for the small amount of students enrolled in the program.

Dr. Valeau stated that 2 million dollars for the LRC will come from Measure H funding and that 21.6 million will come from the state funding. The skylight and CALL are fully state funded, and the Parking Structure is funded through Measure H. Dr. Valeau stressed that CALL represents the Center for Assessment and Lifelong Learning and will provide services for the local community in math and reading skills among other services.

Dr. Crane invited committee members to attend a Campus Briefing that will be held on Friday, December 17, 2:00 p.m. in the Board Room at which time he will give a construction update with a slide presentation.

Mr. Gamotan stated that he is a member of the Salinas Airport Commission and that they have asked him for updates on the East Campus. He has reiterated to them that he is not a liaison from this committee to the Airport Commission.

Dr. Valeau stated that, if invited, he would be happy to come to a meeting of the Salinas Airport Commission to give them an update. He noted that the college has been instructed by the City to meet with them first or with the consultant they have provided. He further stated that Michael Maas has been in contact with the City and has also met with the City's consultants regarding the airport. Dr. Valeau will be meeting with the Mayor and City Manager to provide them with an update on East Campus after the first of the year.

Dr. Valeau stated that the Board of Trustees agreed to support the Project Labor Agreement (PLA) for the Learning Resource Center and the Parking Structure at their November 29th Special Board Meeting. They further agreed that the CALL project was still too far in the future to make a decision regarding a PLA, and made it clear that if a PLA for the CALL building was in the best interest of the college, they would have no problem in approving it.

Mrs. Lasnik invited Ernie Mill to address the committee.

Mr. Mill referred to his letter dated December 13, 2004 written to Chair Lasnik. He stated that at the October meeting of the Bond Oversight Committee no action was taken on the PLA but a good discussion was held regarding what a PLA was. He stated that it was the task of the committee to decide if administrative fees would be paid to a third party and asked if this was in the guidelines of the committee. He questioned whether or not the committee was looking at who the contractors are, whether or not a good competitive bid process was going on, and whether it is being administered properly.

Dr. Valeau stated that many of those questions have already been answered, and that an assumption was being made that the college had hired a third party.

Mr. Yin stated that there is no third party hired under the Measure H projects, and that the state required a third party and PLA for the Learning Resource Center (LRC). Additionally, Mr. Yin stated that we

followed codes on the bidding process and the process is public knowledge. Many phone calls were made and letters written encouraging local contractors to bid project, all of which is documented.

Mr. Inman asked for clarification on what is meant by “local” contractors. Dr. Valeau stated that we are now considered part of the great Bay Area.

Dr. Valeau stated that Mr. Mill’s concerns would be taken under advisement, and that staff could provide a comprehensive report to the Salinas Valley Chamber of Commerce within 6-8 weeks, due to the holiday break and campus closure. Dr. Valeau recommended that the committee charge staff with providing answers to Mr. Mill’s letter

On motion by Juan Sanchez, second by Harry Gamotan, and unanimously carried, staff was directed to provide within 6-8 weeks the information requested in the December 13, 2004 Salinas Valley Chamber of Commerce letter.

**FUTURE
AGENDA ITEMS**

- Draft Public Report on 2003-04 Audit and Visit from Public Relations Consultant
- Status of Current Contracts
- Financial Report
- Construction Update
- Measure H Update

NEXT MEETING

The next meeting of the Bond Oversight Committee will be held on Thursday, January 13, 3:30 p.m. in the Board Room.

ADJOURNMENT

The meeting was adjourned at 4:38 p.m.