Minutes (Pending Approval)

Members Present: Bernard Carlson, Joe Debbs, Daniel DiMundo, Joe Gagliardi, Sharon Margetts, Robert Trigg, Lorraine Darrington, Thomas Gagen, Ron Zimbalist, Donald Haase

Members Absent: None

District Representatives: Jon Sharpe, Deputy Chancellor
Dave Clinchy, Director, Facilities Planning & Construction
Paul Dahms, Director, Facilities Maintenance
Theresa Matista, Director of Fiscal Services
Isolina San Juan, Accountant, Grants & Contracts
Kim Sayles, Supervisor, Grants & Contracts
Jennifer Delucchi, Administrative Assistant, Finance & Administration

Introductions
Robert Trigg called the meeting to order at 12:15 p.m. All present introduced themselves. Jon thanked all those members returning for a second term and informed them that the Board of Trustees has approved their new terms. He also commented that the lunch time seemed to work out better for the committee members’ schedules.

Approval of Minutes
The March 20, 2003, July 23, 2003 and November 20, 2003 were all approved.

Reports

Budget Update
Jon distributed a summary of the current status of the 2004-05 State Budget, provided by the California Community College League, and highlighted key points. The Cost of Living Adjustment (COLA) is expected to be funded at 2.41%. Equalization ($80M) is expected to be funded, which will benefit the District since it is typically funded lower than average. Growth for apportionments is expected to be funded at 3%. This is especially important since CSU’s and UC’s are cutting back students. It appears that fees will be increased to $26/unit. At this time, it appears that the differential fee (students with BS degrees would have to pay $50) will not pass. Scheduled Maintenance and Scheduled Repair (SMSR) is expected to be funded at $27 million (statewide).
Review of Expenditures
Theresa presented a summary of the Measure A bond expenditures through May 31, 2004. She began by explaining the format of the expenditure reports for the new committee members. She then provided an update on changes to existing projects, as well as financial activity for each project funded by both Series A and Series B of Measure A bond funds. To date the total expenditures amount to $9.2 million; the encumbrances amount to approximately $18 million. The total change since the March 2003 meeting is $8.9 million. Construction bids have been awarded for two projects. In addition, two more have been awarded since May 31st.

Project Updates
Dave presented a summary of all active projects. He defined “active” projects as those that are under construction, have been awarded, or are out to bid. Three of the projects have been bid over budget and are currently being re-designed. There was discussion about the impact of a project having to go to redesign. The architect typically covers this cost since they are aware of the District’s budget before bidding the project. For informational purposes, Jon distributed a Business Journal article about the rising costs of construction materials and its effect on builders. He also encouraged members feel free to call District staff if they ever have questions pertaining to any projects they may hear about.

Bid Award Process
Jon distributed a PowerPoint presentation on the District’s bid award process for State funded projects. In the normal process, bid summaries are submitted to the State Chancellor’s Office, then once authorized, submitted to the District’s Board of Trustees for approval. However, the District is currently facing situations in which projects being bid are over budget. The District can choose to either subsidize the budget overage (entirely or partially) or request State funded augmentation. Jon explained the various procedures for submitting requests for bids that exceed budget by less than 10%, greater than 10% to 20%, and over 20%. At this time, requests for augmentation that are less than 10% over budget have been routinely approved through the State Chancellor’s Office. There is a lot uncertainty about future funding right now due to rising prices of steel, concrete and other building materials that are impacting construction costs. The passage of the Measure A bond has helped the District in funding these projects.

Annual Report Draft
Proposition 39 requires the Citizen’s Oversight Committee to publish an annual report. A draft was prepared by district staff and was distributed for the committee’s review. The report provides a snapshot of the activity over the second year.

Organization of Committee
The Citizen’s Oversight Committee By Laws indicate that the committee is required to elect a Chair and Vice Chair. It was suggested that the current officers remain in office. Robert Trigg was reinstated as Chair and Larraine Darrington was reinstated as Vice Chair. It was verified that both officers are eligible to serve two consecutive terms.

FUTURE MEETINGS, ETC.
The following date was scheduled for the next Citizen’s Oversight Committee Meeting:

- Thursday, November 18, 2004 – 12:00 p.m.
The committee discussed taking a half-day in the Spring to tour each campus and see the progress of each of the projects. District staff will arrange the details.

Jon mentioned that the committee members should receive invitations to the Natomas groundbreaking ceremony, scheduled for August 19th. He added that at the next meeting he will review the District’s protocol for groundbreakings.

Mr. Trigg adjourned the meeting at 1:30 p.m.

jd

cc: Board of Trustees
    Exec Group