CERRITOS COLLEGE
GENERAL OBLIGATION BOND
MINUTES OF THE MEETING OF THE
CITIZENS’ BOND OVERSIGHT COMMITTEE

April 25, 2006

I. Call to Order
Ms. Jones called the meeting to order at 6:05 pm. Those present were:

   Ms. Donna Jones
   Mr. Andy Harrod
   Ms. Jean McHatton
   Ms. Val Moeller
   Mr. Saul Romero

Ms. Kimberly Rangell, and Ms. Mary Villegas were absent. Others present were Dr. Noelia Vela, Ms. Jo Ann Higdon, Ms. Lola Rizkallah, Mr. Robert Riffle, and Ms. Megan McDonald.

II. Welcome
Ms. Jones welcomed each of the committee members.

III. Public Comments
No public comments.

IV. Approval of Minutes of November 29, 2005 Meeting
It was moved by Ms. Moeller and seconded by Mr. Romero that the minutes of November 29, 2005 be approved as presented. The motion unanimously passed.

V. Campus Transformation Committee Update
Dr. Vela shared that since the November 29, 2005 Citizens’ Bond Oversight Committee meeting, the Campus Transformation Committee has been busy paper screening, conducting interviews, and doing in-depth reference checking for the College Advocate/Owner’s Representative (CA/OR). Dr. Vela explained that the term CA/OR represents what the College has specifically identified as the scope of work that is needed, as opposed to a traditional project manager or construction manager. The Campus Transformation Committee identified specific tasks that the College wanted to have the firm provide, as the College has talent in-house, and the wish to balance the in-house talent with the talent needed. At the March 23, 2006 Board meeting, a recommendation was made and approved to engage in negotiations with the CA/OR. The CA/OR for the College will be Bovis Lend Lease. Bovis Lend Lease is a global company that has worked at several community colleges, including Long Beach City College, Mt. San Antonio College, and Los Angeles City College. The
College is looking forward to working with them. Dr. Vela publicly thanked Ms. Higdon for her stellar efforts in negotiating the contract. Dr. Vela stated that the College has a team that is working very hard to maximize the impact of the resources we have.

Ms. Higdon reported that the College was pleased that a contract was negotiated with an amount less than 5% (based upon the available GO Bond construction funds allocated for construction projects.) Typically, the percentages range from between 5%-9%, with some going as high as 12%. An initial construction meeting with Bovis Lend Lease will take place on April 26, 2006, with weekly construction meetings scheduled to keep College staff informed of the status of construction projects.

Ms. Higdon also noted that Bovis Lend Lease would also be assisting the College with updating the Cerritos College website to ensure that the campus and surrounding communities are kept up-to-date with the latest GO Bond construction projects.

The following was additionally reported:

- The next issuance of GO Bonds is scheduled for fall 2006.
- At the March 1, 2006 Board meeting a consultant was approved to specify and oversee the track and football field replacement project.
- At the April 19, 2006 Board meeting, a Request for Proposals (RFP) for architectural services for the renovation and expansion of the Automotive Technology Complex was submitted and approved by the Board.
- The seismic retrofits of the Electronics and Metal Trades buildings are almost completed. A small portion of GO Bond funds were used to complete the projects.
- The Science Building Dedication is scheduled for Wednesday, May 17, 2006 at 4:00 pm, and an invitation was extended to the committee to take a tour of the Science Building immediately following the meeting.
- It was noted that the five-year construction plan would be submitted to the State soon. Dr. Vela indicated that the College wants to ensure that we receive as much State resources as we are eligible for.

VI. Performance Audit Report for period ending December 31, 2005 (Vicenti, Lloyd and Stutzman)

Ms. Lola Rizkallah introduced Ms. Megan McDonald, Senior Associate with Vicenti, Lloyd and Stutzman. Vicenti, Lloyd and Stutzman is the accounting firm which prepares the Proposition 39 performance and financial audits. Ms. Rizkallah reminded the committee that performance audits are completed every six months and a financial audit is completed annually.

Ms. McDonald reported that the performance audit covers the period of July 1, 2005 through December 31, 2005. This performance audit report includes the
independent auditor’s report; objectives; scope of the audit; background information; procedures performed; conclusion; schedule of findings and recommendations; and status of prior findings and recommendations. Ms. McDonald reported that the District did comply in all material respects and that is the best opinion you can receive. In addition, there were no findings associated with the work the auditor’s performed for this current performance period and also the last performance period.

Ms. Jones inquired as to how many examples of expenditures were reviewed? Ms. McDonald replied that what the auditors look for is a percentage coverage, so approximately 30 expenditures were reviewed, which equates to 83%.

Dr. Vela noted that none of the Measure CC bond funds for that period were expended for salaries or other operating expenditures. She added that now that the CA/OR has been hired, it is appropriate and legal to pay for those services from the GO Bond funds. In addition, any publication from this committee cannot be paid for with GO Bond funds; the College’s general fund would have to support that.

Ms. Jones asked for clarification with regard to a legal opinion presented to the Citizens’ Bond Oversight Committee at their first meeting that indicated that salaries and administrative fees could be paid for with GO Bond funds. It was explained that if the District were to hire someone to be on-site and strictly work only on GO Bond construction projects, that GO Bond funds could be used. For example, with the CA/OR, their payment is not a direct salary; it’s a payment for professional services.

Ms. Jones called for a motion to accept the audit report as presented. Ms. McHatton made a motion to accept the audit report as presented, Ms. Moeller seconded. The motion was unanimously accepted.

VII. Expenditure List as of March 31, 2006
Ms. Higdon briefly reviewed the expenditure list. She reminded the committee that the list was current as of March 31, 2006. What is not reflected on this expenditure list was the payoff of the Certificate of Participation (COP), which was clearly identified on the GO Bond.

Ms. Jones inquired if the first series of GO Bond funds had been expended? Ms. Higdon replied that almost all the GO Bond funds had been expended with the exception of $5-$6 million. A portion of those funds would be used for the track and field. She noted that from a cash flow standpoint, the District has matched the cash flow very well.

Mr. Romero inquired as to what the official name of the new building is? Ms. Higdon reported that the building is officially named the Science Building.
VIII. Chair’s Report to the Committee
Ms. Jones presented to the committee a copy of an advertisement that was placed in three local newspapers. This advertisement briefly describes the latest information regarding the transformation of Cerritos College. It featured the Science Building and provided other information with regard to campus GO Bond implementation activity.

Ms. Jones also presented a draft of a Citizens’ Bond Oversight Committee report that will be presented at the May 17, 2006 Board meeting. This report provides to the Board an overview of what the Citizens’ Bond Oversight Committee is doing and informs the Board that the District is in compliance with Proposition 39 regulations. The committee reviewed the report and Ms. Moeller suggested that the recent performance audit findings be included in the report. There was also discussion as to whether or not the general public would understand the accounting term “there were no findings.” After a brief discussion the following changes were suggested and agreed to by the committee.

As a requirement of the Bond Measure, the independent auditing firm of Vicenti, Lloyd & Stutzman was retained by the District to perform Annual Financial and Semi-Annual Performance Audits. To date, audits have been performed covering the period from July 1, 2004 through June 30, 2005 December 31, 2005 and the auditors made presentations to the Citizens’ Bond Oversight Committee. The District received a clean audit with no findings and the most positive report possible was issued by the auditing firm.

IX. Nomination of Committee Member from Business Community
Dr. Vela indicated that currently there is an opening on the Citizens’ Bond Oversight Committee for a business person. A name was brought forward of an individual who is currently a realtor, and has expressed an interest in the College. Her name is Laura Lee, and Ms. Jones indicated that she would contact Ms. Lee and see if she is interested in serving on this committee.

It was also noted that the Foundation board member, Ms. Kim Rangell, has only attended the first meeting. Ms. Jones will contact Ms. Rangell and inquire if she is still interested in serving on this committee.

It was announced that if there were any further suggestions for a business person, please contact Cheryl Thury in the President’s Office.

Ms. Jones announced that Mr. Saul Romero is graduating from Cerritos College and would be leaving the committee. Ms. Jones thanked Mr. Romero for serving on the Citizens’ Bond Oversight Committee and also for his tremendous work and support.
during the College’s GO Bond campaign. Ms. Jones suggested that a Certificate of Appreciation on behalf of the committee be prepared and presented to Mr. Romero. The committee agreed.

X. Report of Citizens’ Bond Oversight Committee Members
Ms. Moeller shared that she is excited that the Science Building is completed.

Mr. Romero shared that he has been to the new Science Building, and he thinks it is a very well designed building and makes the College more appealing.

XI. Other
Mr. Romero inquired as to when the next meeting would be. Dr. Vela noted that for the past year, the committee has met in April and November, and for this year, she would like to continue this schedule. The committee agreed that the next meeting would take place in November. Ms. Thury will review the calendar and communicate with the committee a possible November date.

XII. Adjournment
The meeting was adjourned at 6:50 p.m.