

PERALTA COMMUNITY COLLEGE DISTRICT
CITIZEN'S OVERSIGHT COMMITTEE
SECOND MEETING

**DRAFT OCTOBER 7, 2015
MEETING MINUTES**

Meeting Date: Wednesday, October 7, 2015
Meeting Time: 3:00 pm to 5:00 pm

Location: Department of General Services, Conference Room #1
333 East 8th Street, Oakland, CA 94606

COMMITTEE MEMBERS	Present	Not Present	Excused
Debra Weintraub, Senior Citizens' Organization	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arthur Kurrasch, Tax Payers' Organization	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chantal Reynolds, Community-at-Large	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Karen Weinstein, Community-at-Large	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
John Caner, Business Organization	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Zac Unger, Labor Organization	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vacant, Student College Group	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Michael Mills, Peralta College Foundation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PCCD Staff Present: Dr. Sadiq B. Ikharo (*Vice Chancellor, General Services*), Ron Little (*Vice Chancellor, Finance and Administration*), Jeffrey Heyman (*Executive Director, Dept. of Public Information, Communication & Media*) and Kathy Neal (*Dept. of Gen. Svcs.*). *Minutes Recorded by: Diana Fitzgerald (Sr. Secretary, Dept. of Public Information, Communication & Media)*

GUESTS: Adrien Abuyen and James Blake.

MINUTES:

- Call to Order

Meeting was called to order at 3:16 p.m. by Chairperson Mills.

- Introductions

Citizen's Oversight Committee members introduced themselves and advised of their area of representation for the sake of Chairperson Mills who stated there was a quorum and the meeting could proceed. Chairperson Mills acknowledged the presence of guest Adrien Abuyen who is considering becoming the student member of the committee, pending approval by the PCCD Board of Trustees.

- Motion to Approve Agenda

Chairperson Mills asked for comments on the agenda – additions/deletions; with none offered, he made the motion to approve the agenda. Moved Karen Weinstein and seconded by Debbie Weintraub and passed unanimously by the committee members present. No abstentions.

- Motion to Approve Minutes from May 20, 2015 Meeting

Chairperson Mills asked for a motion to introduce the Minutes. Moved by Zac Unger and approved by Karen Weinstein. Chairperson Mills then opened the Minutes up for questions.

Question posed by committee member Zac Unger relative to Page 4 of the Minutes relative to Object Codes, which he had asked, during the previous meeting, to have explained at this meeting: 660500, 672000 and 672100. VC Little answered the question by advising that Object Codes in the “6” series are typically for “Equipment and Supplies.” Zac asked for specific details of what “Equipment and Supplies” are and VC Little advised that he would provide Zac with some details in a follow-up email. Chairperson Mills requested special notation be made in the minutes that Mr. Unger requests the identification of “equipment” and an explanation of its purpose.

Karen Weinstein then addressed her question (stated during the last meeting as well) relative to the interpretation of “Core Academic Programs.” She asked whether the items under Measure B fall into “Core Academic Programs” and whether the General Counsel will provide answers about where the dollars are going, because to her, the financial reports seem to indicate that money is going elsewhere. VC Little advised that this question can be answered via the forthcoming Financial Report and Chairperson Mills advised that Ms. Weinstein and Mr. Little wait to address the question when the presentation of the financial report comes up on the agenda, reminding everyone that, at present, only the Minutes of the last meeting are being addressed. The committee members agreed.

Chairperson Mills stated that, although Chantal Reynolds was not present, he wanted to bring up a request she posed during the last meeting (noted on page 4 of the Minutes) that the Summary for the Financial Report be organized by location. VC Little advised that it had been done and would be apparent when the Financial Report was presented later in the meeting.

Debra Weintraub then followed up on Karen Weinstein’s question about “whether the (Financial) report looks OK – how would they tell?” VC Little answered by detailing the committee’s role: “Role is three-fold, as stated in statute and the Bylaws– 1 to inform the public as to whether this committee perceives that expenditures are being spent as promised to the voters, 2 to review the expenditures as appropriate, and 3 to present an annual report to the Board of Trustees and public that reflects the work of the committee over the past year, as well as the fact that the District is compliant with Prop. 39. The best way to know if the reports are accurate is to ask good questions, VC Little stated.

Chairperson Mills then asked for any other comments on the Minutes and with none offered, asked for a motion to approve them. Zac Unger made the motion to approve, which was seconded by Debra Weintraub and then approved unanimously as they stand.

- Public Comment

James Blake, President of PCCD Classified Senate and SEIU member presented questions regarding the use of the Parcel Tax. Mr. Blake stated that there is a belief among faculty and classified staff that the funds are not being spent on students as required – using a lack of tutors as an example, i.e., adequate levels of tutors are not being hired because of a claim of “lack of funds” when the Parcel Tax dollars are supposed to be used for just such a purpose. Additionally, Mr. Blake addressed a rumor that there are funds left over, posing the question “How can there be money left over when the purpose of the funds is to help students and there are so many areas that need this funding?”

Upon hearing Mr. Blake’s concerns, Debra Weintraub asked Chairperson Mills to detail what the process is for spending Parcel Tax dollars. Mr. Blake interjected that allocations were being made outside of the shared governance process. Specifically, while committees are forming to discuss dispersal of funds, College Presidents have already spent funds allocated to that college on projects not heretofore voted on or even presented for discussion. Debra Weintraub expressed an interest in learning about the process for spending the Parcel Tax and asked if someone knowledgeable on the subject could come to the January meeting to explain. VC Little shared that the financial reports for this meeting may provide some helpful information.

Chairperson Mills indicated that the issue should be discussed, but because the item was not on the approved agenda for this meeting, the Committee could not legally do so, and asked Mr. Blake to forward these questions to him (Mills), so that the item could be placed on the agenda for the next meeting, in January 2016. Additionally, he stated that the committee has 2 focuses: 1] Their role as an oversight committee and making sure the money is allocated to the colleges and 2] With regard to the colleges’ role as to how the money is spent, that may not be the role of the committee, so that role will be examined. Mr. Blake agreed to send the questions and concerns.

Debra Weintraub advised that she has expressed her own concerns about how funds are spent, and is interested in exploring this further. Mr. Blake stated that the problem is with the process – that allocations made to the colleges are already spent by the presidents before the shared governance process has a chance to even discuss where the funds are actually needed. Therefore, students are going without services, because the money is not being spent there.

- Item 5 – Vice Chair Selection

Chairperson Mills advised that a Vice Chair is needed should he be absent for any future meetings. He stated that he was not going to ask for volunteers at that moment, but advised the committee members to consider the matter and respond to him if there was an interest to fulfill the role.

Debra Weintraub asked what the responsibilities of this position would be. President Mills advised that it involves occasional outside meetings with other Peralta staff, such as the Vice Chancellor of Finance and the Chancellor in order to put together the agenda for a regular COC meeting, and to lead the committee during regular meetings in the absence of the President.

- Item 6 – Finance Report – Ron Little, Vice Chancellor for Finance

VC Little advised that he had three reports to present. The first report is the Measure B expenditure report. Measure B (Parcel Tax) was approved by the voters in 2012 and is an 8-year program. The first tax installment was due in January 2013 and will sunset in 2019-2020. The amount is \$48 per parcel, and per the ballot language, is accounted for in a separate fund. Thus, PCCD has to publicly account for the expenditures via the Citizen's Oversight Committee. VC Little then reviewed a spreadsheet that detailed Measure B expenditures and carryover, the latter representing the initial allocations to the colleges in the first year of the Parcel Tax. Those allocations were based upon a competitive process in response to 'grant' submissions by colleges to the District Office – the items touched on in Mr. Blake's complaint. While there continues to be this carryover from the first year, VC Little reported, current year Parcel Tax revenues are expended in full on instructional and educational needs.

Chairperson Mills posed the question: "Is the Measure B Parcel Tax money assigned to the colleges by FTES?" VC Little stated that, in the first year only, what occurred with the first funding outlay – recommendations were submitted, almost like grants, which were then evaluated by the District and the Chancellor made the determination which were the most fund-worthy, and that is how the PASS program was created (PASS = Peralta Academic Student Success). Subsequent allocations of Parcel Tax funding is based on a 3-year rolling average of college FTES as per the BAM model.

Karen Weinstein asked for clarification of this evaluation process, in terms of why it's the Chancellor who chooses what is fund-worthy. VC Little advised that was something that occurred only once, during the initial funding outlay in 2013, because the District decided it was the best way to get off the ground given that the first year's parcel tax revenues were for only six months. Ms. Weinstein questioned whether this process would continue and VC Little advised it would not because those initial funds have been used and future funds are to be used solely to pay the salaries of adjunct faculty, tutors, instructional aides. Thus, each year's \$8 million in parcel tax will be used for classroom instruction.

Chairperson Mills asked if any full time faculty salaries are paid with Measure B/Parcel Tax funds. VC Little advised that those salaries are already paid through the General Fund. When asked why full time faculty are not paid via this funding, VC Little pointed to the sunsetting of this Parcel Tax in 2019-20, noting that long-term employment commitments cannot be made this way, because the funding is not sustainable, unlike the General Fund which comes to the District regularly via the State. Executive Director of the District Public Information Dept. interjected that he believed some fulltime faculty were, indeed, hired using Measure B funds. VC Little advised he'd look into it and answer the question more fully at the next meeting. Chairperson Mills asked that the Minutes reflect the posing of this question to ensure it is addressed on the Agenda for the next meeting, with the caveat that the ratio of adjunct to fulltime faculty is not the purview of the committee.

VC Little then moved on to the Measure A report, advising that the fourth column is the one the committee should review. He noted that the figures are categorized by project and then by location. Third column shows the most current budget. Zac Unger asked about interest on the bond funds and VC Little advised that it stays within the fund. Chairperson Mills then asked if any unspent Measure A dollars ever revert to the General Fund. VC Little replied "No – because of the legal requirements of the bond measure."

Using an example of a project at Laney College, VC Little explained how a specific line item in column 4 ties back to payments made to the vendor that provided the service. In

instances where some figures don't match, VC Little explained that its due to the audit reconciliations timeline – reports will always be behind what is current and adjustments are on-going. What's more, different projects are at different levels of development and completion.

Karen Weinstein questioned how the committee would know that any of this is correct and VC Little advised that the figures could be compared to project plans presented to the Board. Debra Weintraub asked if it was the responsibility of the committee to visit the buildings, and VC Little advised that, while its not a legal responsibility, it is certainly the right of the committee members to visit any campus to see construction projects and gauge project progress. Kathy Neal reminded the committee members that they can take tours, which is something other committees have done in the past. Chairperson Mills suggested that the 3rd Quarter meeting be reserved for a tour and that the goal of the 4th Quarter meeting to be a review of the tour.

Karen Weinstein asked a question regarding the relationship between accreditation and new buildings. VC Little advised that one of the accrediting standards is providing physical resources by way of "Quality Facilities." Measure A Bond funds are spent to meet that requirement. Vice Chancellor for General Services, Sadiq Ikhara, added specifics about "TCO – Total Cost of Ownership." This can refer to technology in the classroom and whether modernization is needed to address lack of functionality.

- Item 7 – Capital Outlay Projects (Measure A) Report

VC Ikhara, provided committee members with a handout about the Measure A bond that is an update from the previous meeting. He reviewed the report, which summarizes the amount of the bonds that have been sold, the interest accrued, how much has been spent at each college and the district and the amount that remains. Copies of the report were distributed to committee members.

Dr. Ikhara began his report by updating the committee on the status of the new building for BCC. At the last meeting, he advised that the district had procured a building in Berkeley for \$6.4 million with the intent to utilize it for BCC classrooms, and that the sale was now complete. However, a tenant in the building would remain until the end of its lease in June 2016, and then the district would begin renovations. VC Ikhara stated that the situation actually works in the District's favor, because architectural drawings and bidding for modernization contracts takes time, so there is no detriment in keeping the tenant there. Chairperson Mills asked VC Ikhara what the timeline is for construction, and VC Ikhara advised that it would take 15 months, starting in the Fall of 2016, assuming all contracts, drawings and bids are in place by then. It will take that long, because the building is in a very congested area, and in order to get a crane on site for work, it will require closing the street; that and other construction issues requiring permits contribute to that timeline.

The next item VC Ikhara addressed is other, upcoming construction projects:

1. A new Humanities building for COA
 - Humanities used to be housed along with the Sciences programs in Bldg. C on the campus; recently, the Sciences moved to 660 Atlantic Avenue.
 - Initially there was a plan to renovate the old space, but with a \$5 million price tag, it's actually cheaper to build a new building on another site.
2. Laney has multiple projects.

- There are plans to build a “BEST” center (a sustainable training building that is going to be used by environmental control technology and all of the courses that have to do with construction. It will be a workshop where students can build a structure inside, as well as take it down, for various cohorts every semester. PG&E and other groups dealing with sustainability will go to Laney for training. The building will be Green, LEED Platinum, Net Zero energy, as well as one of a kind in the San Francisco Bay Area. Cost will be approximately \$6.5 million.
 - Under plan is new Library/Resource Center for Laney – We are awaiting notification from the State of California regarding the payment of its share of (\$4 million) Governor Brown has not decided if he will create a ballot measure, which is what has been holding things up. In the meantime, an organization in California received funding from an anonymous donor (\$2 million) to do a petition drive, which garnered enough signatures to put the measure on the November 2016 ballot. If it passes, we will be able to move forward with the project.
 - Another project that is critical is the modernization work on the Student Union – move the existing uses to Eagle Village (including the bookstore), then demolish the existing building and rebuild it. There are a lot of challenges with that building, because the Culinary Arts program is housed there, and the building is old/obsolete, infrastructure is crumbling and utilities are failing (problems with sewage, hood covers in the grease area need replacement [we received a “cease and desist order” from the City], etc.)
 - Theater – the stage needs to be removed and replaced because the current counterweight system is not good enough for the programs that take place there, plus the lighting rigging needs to be redone.
3. Merritt – the Child Development Program and Child Care Center (which are separate entities) are going to be housed in one building. This construction work is also partially state-funded.
 4. For the District plans are for an upgrade in technology.

Lastly, VC Ikhara discussed “Program Management”, which is conducted in-house to save money, as consultants are more expensive. The District leverages bond funds by hiring staff instead of consultants – we can do more projects this way. The cost is \$15 million in-house instead of \$48 million for consultants. He closed by pointing the committee to the last page – the audit.

Chairperson Mills asked if anyone had any more questions regarding Capital Outlays, but there weren’t any. He then brought up the idea (on behalf of the Foundation) of replacing the lettering of buildings system at our colleges with names – specifically of donors . . . who have given money! VC Ikhara agreed that it makes sense to bring in professional funding.

- Item 8 – Committee Annual Report Production:

Kathy Neal, from the General Service Dept. advised that an annual report for Measure A is a legislated requirement of the committee. She distributed an outline of the report to the committee members – to give them an idea of content and concepts for its design. The Annual Report is following in the footsteps of the branding that was used in the past in terms of structure and general content, but there can be some changes – she urged the members to review the outline and advise if they did have any suggestions for changes, in the areas of design and structure, not content, since that has legal restrictions. She also hopes for advice on photos to use and the need to do a group photo of committee members was brought up again.

Debbie Weintraub asked if Measure B requires an annual report. Kathy answered that it's not legislatively required, but can be done if they want, but it must be obviously separate – they could not be combined into one report, for instance.

Jeff Heyman advised that when the Measure B Parcel Tax came into being, the Measure A Citizen's Committee was disbanded and replaced with this new Citizen's Oversight Committee that oversees both the Parcel Tax and Bond matters. He suggests speaking to the District's General Counsel to see if a combined report would be legal, since the committee, itself, is combined. Dr. Ikharo was worried about creating confusion on the part of the public who would read this report – he advised of the importance of ensuring that any combined report shows distinct separation of the two measures, so as not to give the impression of “co-mingling” of funds, and that transparency be maintained. Debbie agreed with these comments and assured the committee that she was floating this idea with an eye to the future – in the event the District were to seek funds from the public again, there would be a history in place of transparency and keeping the public informed relative to the use of the funds.

Chairperson Mills asked Kathy Neal if a mock-up of the report would be available for review at the next/January meeting. She advised yes, but added that if anyone wants to recommend changes, they a] Do so as soon as possible, so that it can be incorporated into the mock-up and b] Forward them to Chairperson Mills because he is her “Point Person” on this matter and will get the information to her. VC Little commented that “these types of reports are typically shared publicly with the Board in January (February at the latest),” and, therefore, suggested that the next/January Meeting be scheduled for early January for the purposes of approving the final report and that the mock-up be approved in December.

Chairperson Mills noted that the next meeting is scheduled for the second Wednesday of January. Kathy Neal suggested that she and Chairperson Mills work closely together to meet these deadlines and that progress be shared with the committee members electronically. Chairperson Mills will check to see if on-line approval is allowable. He did note that the report is critical, because if the District plans to go to the public for additional funding during the 2016 election next fall, this report regarding Measure A be on record. Chairperson Mills added that Zac Unger and Debbie Weintraub's suggestions regarding a report for Measure B as well, could be done if the committee agreed, but that the was the priority at the moment.

- Item 9 – Scheduling the Date for Next Meeting:

Chairperson Mills suggested doing it as early in January as possible and Jeff Heyman noted that the first Wednesday in January was the 6th, with the next available date being Wednesday, January 13th. Chairperson Mills asked the committee which they preferred and the agreement was Wednesday, January 13, 2016. Chairperson Mills stated that during that meeting, a decision would be made about the dates of the final meetings for the Fiscal Year in March and June.

- Item 10 – Announcements:

Chairperson Mills asked if there were any announcements, but there were none.

- Item 11 – Closing Remarks & Adjournment

Chairperson Mills advised committee members that they should address the concerns of the presented by Mr. Blake so as not to lose support of faculty and staff on subsequent bond issues.

Meeting adjourned at 4:47 p.m.

DRAFT