

PERALTA COMMUNITY COLLEGE DISTRICT
CITIZEN'S OVERSIGHT COMMITTEE
SECOND MEETING

**DRAFT MAY 20, 2015
MEETING MINUTES**

Meeting Date: Wednesday, May 20, 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Zac Unger, Labor Organization	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sharon Clegg, 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. José Ortiz (Chancellor, PCCD), Dr. Sadiq B. Ikhara (*Vice Chancellor, General Services*), David Yang (*Director of Fiscal Services*), Jeffrey Heyman (*Executive Director, Dept. of Public Information, Communication & Media*) Joseph Bielanski (*BCC Faculty and Peralta Academic Senate member*), Linda Sanford (*Interim Associate Vice Chancellor Accreditation and Planning/Special Assistant to Chancellor*) and Kathy Neal (*Dept. of Gen. Svcs.*).

GUESTS: None.

Minutes Recorded by: Diana Fitzgerald (Sr. Secretary, Dept. of Public Information, Communication & Media)

MINUTES:

- Call to Order

Meeting was called to order at 3:08 p.m. by Chairperson Mills.

- Introductions

Citizen's Oversight Committee members introduced themselves and advised of their area of representation for the sake of visiting Peralta staff noted above..

Motion to Approve Agenda

Chairperson Mills made the motion to approve the agenda. Moved and approved by Debra Wientraub. Motion was seconded by Zac Unger and passed unanimously by the committee members.

- Public Comment

No one from the public attended the meeting.

- Motion to Approve Minutes from February 4, 2015 Meeting

Chairperson Mills made the motion to approve the Minutes. Moved and approved by Zac Unger. Motion was seconded by Debra.

Question posed by committee member Debra Wientraub relative to the Finance Report that was presented at the February 4, 2015 Meeting, specifically the Trial Balance of Measure B funds: "How is it determined if dollars come from Measure B or General Funds, what is criteria of determination and who makes that determination?"

Chancellor Ortiz provided the following answer: "There is a process called 'PASS' that supports the Parcel Tax (Measure B) expenditures. Measure B's purpose is to backfill funding lost due to state cuts – reinstates courses and programs that were cut – especially programs whose purpose is to close the 'achievement gap', and basically to support students. Funds are also divided among the colleges as follows: 40% to Laney College and 20% each to the other three colleges. The colleges then decide where to use those dollars based on what has been cut and what student support services are in need of funding, due to cuts."

Minutes were then approved unanimously as they stand.

- Finance Report

Since Interim Vice Chancellor for Finance Susan Rinne was not present, nor was an updated Finance Report ready (committee members still had the Finance Report that was distributed at the 2/4/15 meeting in their packets), however, Linda Sanford advised that she was in possession of Susan Rinne's full Accounting Detail Report, and that if anyone had specific questions stemming from their review of the previous Finance Report, she could try to answer them using the Accounting Detail Report.

Chairperson Mills did pose a question to Jeff Heyman: "Is there any information in our packets that details how much money is left in the Measure A bond fund?" Mr. Heyman was unsure if any of the financial information included in the packets has such a breakdown, so Chairperson Mills directed his question to Chancellor Ortiz. Vice Chancellor Ikharo answered on the Chancellor's behalf, advising that he will cover that topic in Agenda Item 6 when he provides and update on Capital Outlay Projects.

Chairperson Mills asked if there were any questions regarding Finance. There weren't so the committee moved on to Agenda Item 6.

- Capital Outlay Projects (Measure A) Report

Vice Chancellor For General Services Sadiq Ikharo provided committee members with a handout that is an update from the previous meeting.

Dr. Ikharo advised that the handout contains a definition of encumbrances and provides an overview of the funding since the Measure A bond was passed in 2006, including distribution/allocation to the colleges.

Of note, the report contains a breakdown of the \$390 million bond: \$275 million bonds have been sold, and \$269 million of that has been spent on various capital projects both completed and on-going through June 30th (that needs to be paid out) with \$11 million still available/not spent; additionally, there's \$115 million in bonds still not sold.

Chairperson Mills asked if Merritt's Allied Health building is among the projects near completion that bond funds are paying for. Dr. Ikharo replied affirmatively and noted that the building is nearly complete and should be done by July 15th.

Page 7 of Dr. Ikharo's report focuses on additional bond sales and dates of sales, noting that there is a plan to sell more bonds this Fall (just a portion of what's available – approximately \$60 million of the \$115 million available for sale) for new projects. Chairperson Mills asked if there was a time limit and Dr. Ikharo advised "no."

Page 8 of the report contains an explanation of square footage. Dr. Ikharo informed the committee that since the last meeting on 2/4/15 the district has procured a building in Berkeley for \$6.4 million with the intent to utilize it for BCC classrooms.

Dr. Ikharo noted that page 10 of his report contains a summary of allocations, expenditures and procurements of funds for capital projects at BCC, CoA and Laney (new student center project). Chairperson Mills again asked about a time line, and Dr. Ikharo advised that construction is slated to start next year.

Next, Dr. Ikharo quickly reviewed the remaining pages of the report:

Page 20 – District wide projects for each of the colleges and including the DAC.

Page 22 – Amounts spent on capital projects and amounts spent on modernization.

Page 23 – Technology for the colleges.

Page 25 – DAC amount spent, to date, to meet compliance requirements.

Page 28 – Program Management, which is conducted in-house to save money, as consultants are more expensive (calculated that over 5 yrs. it would have cost over \$48 million for consultants). On that note, Karen Weinstein asked about the line item entitled "Legal Fees." Dr. Ikharo explained that the district needs legal advice for building or consultant disputes. Karen then asked "What are the legal expenses per year?" Dr. Ikharo advised that it's a standard practice to do a Documented Construction Authorization (DCA) where 5% of the bid is a line item for legal fees.

Chairperson Mills posed a question to Dr. Ikharo regarding reference to the Kaiser Center on page 28 of the Capital Outlay report relative to a line item cost. Dr. Ikharo advised the committee of the history of the district and that building in terms of the district's interest in purchasing it for use by Laney College, and the need for an assessment report to look at feasibility and said report determined it was not feasible, relative to the building's condition and cost of renovation.

Next item in Dr. Ikharo's report dealt with the Measure A Capital Outlay Summary – total amount and interest, expenses and balance.

Last item in Dr. Ikharo's report reviewed the Auditor's Report from last meeting and he closed his presentation asking if there were any questions.

Chairperson Mills asked how often the Auditor's Report is conducted and Dr. Ikharo advised that it's every year.

Karen Weinstein noted that the Committee's responsibility is to determine if the report looks good and asked "How would (the committee members) know its not good." Debbie Weintraub added "Can we look at the documents (that the report is based on). Dr. Ikharo advised that such a task is not the committee's role. Explained how the Chancellor and the Board of Trustees are the ones conducting the due diligence with regard to whether Capital Projects are being carried out according to the rules and regulations (sending projects out for competitive biding, partnering with the state, saving money by doing Program Management in-house, etc.).

Zack Unger asked a question regarding Measure B, specifically page 36 of the Finance Report – he wants more detail on the following expenditures: Object Codes 660500, 672000 and 672100. Would like to know what these Object Codes stand for.

The Chancellor suggested that a lay-persons interpretation of the budget be prepared for these meetings.

Debbie brought up a question gone over at the last meeting, regarding the Measure B language: "Purpose is Providing Core Academic Programs" – what's the interpretation of the semi-colon and the list that includes career training and transfer? Does it (the semi-colon) infer that there can be other courses outside of the core math, science and English? Jeff Heyman interjected that, the District's General Counsel was not in attendance, but could come to the next meeting to provide a background on the language. However, the general consensus was that it was inclusive of all support services that help students achieve their goals.

Chairperson Mills asked if anyone had any more questions regarding Item 6 – Capital Outlays, but there weren't any.

- Item 5 – Financial Report, Redux:

Chairperson Mills returned to Item 5 to ask David Yang if he can add anything (since he arrived after discussion on the report had started).

Chairperson Mills suggested David provide a recap. Yang then went over the list of Object Codes for Academics (how much was charged), then Support Services for students and reviewed last page with everyone – Balance Sheet. He then recapped Measure A in terms of projects paid and its Balance Sheet for the last three years.

Chairperson Mills called for questions and Chantal Reynolds requested if the Summary Report could be organized by location.

Chairperson Mills then called for more questions but there were none.

The Chancellor excused himself early because he had to attend the graduation ceremony at one of the colleges, as the meeting was taking place during graduation week.

- Committee Annual Report Production:

Kathy Neal, from the General Service Dept. was introduced to the committee members by Jeff Heyman. He advised she has been tapped to prep the COC Measure A Annual Report

and that a draft should be available for review at the next meeting. Jeff also advised that, additionally, a newsletter is mailed to the public outlining what the committee's annual report.

Kathy stated that an annual report is required by state law, and that it is part of the committee's oversight responsibility. Owing to the fact that this new committee was morphed from an old, Measure A only committee over the last year, there hasn't been a report in that time, so Kathy revealed that a bit of catching up is needed.

She reiterated that the purpose of the report and newsletter is to give the public information on the progress of the committee

Jeff Heyman advised that the District's Marketing Dept. supports Kathy's work with the production of the newsletter. One element is that a group photo of the committee members will need to be taken. He also stressed to the committee members that this is their report

A sample of the last Annual Report was provided. Karen Weinstein advised that she liked it.

John Caner asked who the newsletter goes to and Kathy Jeff advised that first and foremost it goes on the COC's website and Kathy Neal added that the mailing list is comprehensive and includes media outlets, elected officials through out the district, community groups, libraries, schools, other community college districts. Above all, that the report be accessible publicly.

Linda Sanford advised that there's a legal requirement for a separate Measure B report.

Chairperson Mills asked Jeff Heyman if his department will work with Kathy to provide it and Jeff advised he would.

Chairperson Mills commented on the fact that a report hadn't been put out for a while, due to the reorganizing of the committee and asked Jeff Heyman if there was a problem with that gap. Jeff advised that he spoke with the internal auditor who said that there would not be a problem as long as the report went out this year. A further year's delay, however, would be a problem.

- Scheduling the Date for Next Meeting:

Discussion of the next meeting commenced with a question from Zack Unger about getting another student member of the committee, since the previous one resigned before the first meeting. Chairperson Mills asked Jeff Heyman about the progress on that. Jeff advised that the current Student Trustees had been asked, but they declined. So, the search continues.

Chantal Reynolds asked about scheduling a tour of the new buildings. Jeff Heyman advised that he'd coordinate something with Sadiq. Kathy Neal noted that it had been done before – a big bus tour that was very informative.

Chairperson Mills noted that the committee had decided to meet quarterly, which would put the date for the next meeting at sometime in September. He suggested sending out a list of prospective dates with members choosing a convenient time from it. Jeff Heyman asked if a Wednesday afternoon continues to be the workable option and it was agreed.

- Announcements:

Jeff Heyman announced the new COC webpage on the main PCCD website is now up. It has a link to the old webpage. Kathy Neal noted that there may be photos of a previous tour a building on the old webpages.

- Closing Remarks & Adjournment

Chairperson Mills advised committee members that the list of dates will be sent out via email from Jeff Heyman's office and to not ignore messages from him.

Jeff Heyman reminded everyone of the new webpage on the district website and that all documents pertaining to the committee can be found there.

Chairperson Mills closed the meeting by thanking all the members for taking their responsibility for being on this committee so seriously right from the start. He remarked its an awesome responsibility and he appreciates it.

Meeting adjourned at 4:35 p.m.

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