The regular meeting of the Measure L Bond Citizens’ Oversight Committee of the San Joaquin Delta Community College District was held on Thursday, February 26, 2009, at 5:30 p.m. in the Board Room, Administration 103, 5151 Pacific Ave., Stockton, California.

Members Present: Nancy Alhberg Mellor, Bob Bentz, Paul Cavanaugh, Bruce Jonsson, Janet Lilly

Member Excused: Gary Yocum

I. Called to Order

The Board meeting was called to order by Chairperson Nancy Alhberg Mellor at 5:36 p.m.

II. Communications

A. Public Comments

There were no public comments.

III. Approval of the Agenda

Dr. Stephens requested the addition of an agenda item – regarding a follow-up of a bid protest on the Police Portables. A motion to modify the agenda was proposed by Committee member Janet Lilly and seconded by Committee member Bruce Jonsson to include the report on the bid protest by World Tech for interior improvements. The report will be given immediately after approval of the minutes.

IV. Welcome, Introductions, and Announcements

- Dr. Jon C. Stephens, VP of Business Services – Dr. Stephens noted that Vice President of Information Technology Lee Belarmino expressed his regrets for not attending due to a family emergency.
- Dr. Kathy Hart, Asst. Supt./VP of Instruction
- Maria Baker – Director of Facilities Management
- Maria Bernardino, Director of Purchasing
- Raquel Puentes-Griffith – Budget Manager
• Greg Greenwood, Director of Public Information & Marketing

V. Unfinished Business
There was no unfinished business on the agenda.

VI. New Business

A. Approval of Minutes, January 15, 2009 – Committee member Paul Cavanaugh made a motion to approve the minutes; seconded by Committee member Janet Lilly. The minutes were unanimously approved.

B. Added Agenda Item – Bid Protest Update

Director of Purchasing Maria Bernardino gave an update on the bid protest of the Police Portables that was presented at the last Committee meeting. The bid bond from World Tech was not executed by the principal/contractor, thereby confirming that this was not a waivable variation. Another company, D.G. Granade, also had an irregularity of not providing the subcontractor’s license numbers during the bid submittal but did provide it shortly after the bid opening. This was considered a waivable irregularity.

After the written protest was provided to the Board of Trustees, the District’s legal counsel was directed to perform further review of the case. After further research, the District’s legal counsel confirmed that since the bid bond was written as a “Jointly or Severally” bid bond, it made it a binding bid bond even without the principal’s signature.

Both World Tech and Granade were informed of the recommendation to award the bid to World Tech. Granade submitted a bid protest citing violation of Subletting and Subcontracting Fair Practices Act. However, the issue addressed by Granade had already been resolved by staff at the beginning of the bid review process.

An agenda item was submitted to the Board of Trustees at their February 17, 2009, meeting. They approved to waive the minor variation in the bid submitted by World Tech by not having signed the bid bond and awarded them bid in the total amount of $412,691.

C. Communications with District – Dr. Stephens noted that this topic was initiated largely in part due to staff concerns. When this new Committee was formed, a structure was developed that had all requests for information go through the Vice President of Business Services. Dr. Stephens would then filter that information, get it from wherever it was and then share with the group. For the most part, this method has been working well. There have been some
occasions that COC members have gone to different departments directly. Dr. Stephens just wanted to remind the Committee that the reasons that we came up with this earlier solution (ask Dr. Stephens for information) is that Dr. Stephens can usually get the information faster than can be got walking around campus. He can also send in requests in batches because once a request goes to Facilities, which goes to Public Information, which goes to Maintenance, which goes to Lee Belarmino (Bond Executive)…Dr. Stephens can get those requests batched up and sent out at once to those concerned. He can also then decide which communication/information needs to be sent to all of the Committee members.

D. *Proposition 39* – At the last COC meeting, language from Proposition 39 was requested. Dr. Stephens felt it was good to share this with everyone. He noted that this was the official language for this proposition, and was presented as an informational item.

E. *Audit Report* – The Committee members received a copy of the agreed upon audit that is contracted for every year by the Committee, which is performed by Vavrinek, Trine, Day Co., LLP. They perform agreed upon procedures audit whereby we set down with the auditor as let them know what we need verified when they come to audit us. This audit focuses just on the Bond with four agreed upon procedures that were negotiated:

1. Determine whether or not our transactions were applicable worded in accordance with the laws and regulations that we are to follow and to follow the Board policy on expenditures…did we make expenditures consistent to the bid related documents of the election documents.
2. If the expenditures audited were in compliance with the approved contracts and planning documents and Bond Initiative documents placed on the Local Election Ballot.
3. Verify that the local bond proceeds and expenditure of funds are accounted for separately as required.
4. Select and test 25 percent of the total expenditures for the whole year.

Results from the auditors:
1. The auditors noted no exceptions in the procedures for disbursement of funds related to voter approved general obligation bonds as described.
2. The results noted no exceptions in compliance with expenditure allowances related to local bond funding.
3. The results noted that the local bond proceeds and expenditures are accounted for separately as
4. They actually tested 34 percent of the total dollar expenditures charged to the Measure L General Obligation Bond Fund for the 2008-08 fiscal year. All expenditures tested complied with the purpose that was specified to the registered voters of the District.

A motion was made by Committee member Paul Cavanaugh and seconded by Committee member Bruce Jonsson to accept the audit report. A question was asked by Committee member Bob Bentz if there was a way that this audit can give us some numbers that relate to the ballot propositions? Dr. Stephens suggested that Mr. Bentz schedule an appointment with him to develop some kind of format. Chairperson Nancy Ahlberg Mellor will be included in this meeting. The motion to accept the audit was unanimously approved.

F. Measure L Quarterly Finance Report/Program Update – Budget Manager Raquel Puentes-Griffith presented the Measure L Bond Program financial report as of December 31, 2008, going over the closed out projects as well as the projects that are currently active. She also provided a glossary of terms for the Measure L financial reports. Committee member Bruce Jonsson made a motion to accept the quarterly financial report, with Committee member Janet Lilly seconding. The report was approved unanimously.

V. Committee Member Comments

- Chair Nancy Ahlberg Mellor commended the way the Committee minutes are presented, and that she appreciated the supper provided by Food Services.
- Committee member Bob Bentz noted that he felt the joint meeting with the Board of Trustees was not what he was expecting and that some members appeared but were not recognized. He does feel that there should be some communication and interaction between the COC and the Board of Trustees. He commented that he has accumulated a great deal of materials relating to the Bond that perhaps needs to be made available for review by the COC.
- It was remarked by Committee member Paul Cavanaugh that after the last COC meeting, the Board of Trustees made a decision about Mt. House and asked about why they decided to reprioritize the projects and not go forward with the funds allocated to Mt. House. Dr. Stephens explained that the State has a fund called the PMIA that they use to provide cash flow for state funded construction projects. When we spend money and claim money from the state it doesn’t exactly come from the Proposition 1 or 55, it actually

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comes from the short-term fund called the PMIA. Because the state did not have a budget for so long, the credit rating of the state dropped and they could not sell bonds to fund their PMIA. So we needed some of the money to pay for a portion of the permanent building at Mt. House. We may need to come up with local money to pay for the projects that we thought would previously be paid for by the state funding. We took that opportunity to say we can’t commit all the money at Mt. House if we might need it on some of the other projects already underway, like Goleman. The PMIA may be restored now that we have a state budget, but we don’t know and can’t take the chance on projects that are underway. So we re-prioritized it to take a break from the planning of that project until we know for certain if we can proceed. So Mt. House permanent building is put on hold for the time being.

- Committee member Bruce Jonsson mentioned he would like to have a working group meeting with the COC to sit around a table and discuss the procedures that the COC wants to follow, establishing procedures and how to validate the expenditures in compliance with Measure L language. He proposed having a working study session.

It was the consensus of the COC to hold a study session on Thursday, March 26, 2009, at 5:30 p.m. in Adm. 102A (conference room). The meeting will last for one hour and fifteen minutes. The meeting will focus on the role of the Committee and a review of the bylaws.

VI. Other Business/Comments

A motion was made by Committee Member Paul Cavanaugh to adjourn the meeting. Committee member Janet Lilly seconded the motion. The motion was unanimously approved, and the meeting was adjourned at 7:35 p.m.

Respectfully submitted,

Jon C. Stephens
Vice President of Business Services