August 26, 2009 Measure JJ Citizens’ Bond Oversight Committee
Meeting Minutes Page 1 of 4

Date: August 26, 2009

Place: Victor Valley Community College, Board Room
18422 Bear Valley Road, Victorville, CA 92395

1.0 WELCOME, ROLL CALL AND CALL TO ORDER
The Victor Valley Community College District Measure JJ Citizens’ Bond Oversight Committee met on Wednesday, August 26, 2009, in the Board Room of Victor Valley Community College. Diana O’Malley, committee chair, called the meeting to order at 1:34 p.m.

COMMITTEE ROLL CALL: Present: Jason Barker, Rudy Cabriales, Diana O’Malley, William Tuck Jr., Caroll Yule, Edward Kieffer, Sheri Schmoll.
(Recorders Note: Donna Smith arrived at 2:15 p.m.)

Eight (8) committee members present: Quorum Established

2.0 PLEDGE OF ALLEGIANCE

3.0 INTRODUCTIONS
Dr. Robert Silverman, VVCC Superintendent/President; GH Javaheripour, VVCC Vice President of Administrative Services; Steve Garcia, VVCC Director of Facilities Construction and Contracts; Al McQuilkin, gkkworks-District Program Manager; Michelle Messer, VVCC Administrative Secretary II (recorder).

Public Guests: Ken Walsh, VVCC Foundation

4.0 AGENDA REVIEW
Correction to Agenda – Item numbers 7.31 & 7.32 were corrected to 7.41 & 7.42. Item numbers 7.41 through 7.43 were corrected to 7.51 through 7.54. Items 7.1 and 3 will be combined for discussion.

ACTION: Accept agenda as revised.
Motion: Schmoll; Second: Kieffer; Motion carried

5.0 PUBLIC COMMENTS
There were no public comments.

6.0 ACTION ITEMS
6.1 Approval of Minutes from April 22, 2009 meeting.
Motion: Yule; Second: Barker; Motion carried
7.0 REPORTS / DISCUSSION

7.1 Indemnification of Board Members
GH Javaheripour explained that the Citizens’ Bond Oversight Committee (CBOC) members have been added to the District’s insurance, part of the Statewide Association of Community Colleges (SWACC) which is a joint powers authority consisting of school districts and community colleges.

7.2 Al McQuilkin, the program manager of bond related projects, updated the committee, reviewing the accomplishments to date which include:
- Successful sale of bonds - approximately 136 million.
- Paid off Certificates of Participation.
- Completed Due Diligence process for Eastside Public Safety Training Center for Memorandum of Understanding and Property lease.
- Entered into Memorandum of Understanding with Apple Valley Fire Protection District.
- Entered into Land Lease Agreement with Apple Valley Fire Protection District for 99 years (at $1.00 per year).
- Hired Design-Build firm (Highland Partnership and Carrier Johnson Architects) for the Eastside Public Safety Training Center project.
- Completed preliminary Due Diligence for land purchase for the Westside Workforce Development project (including ground squirrel counts)
- Purchased land for Westside Workforce Development project.
- Completed Campus Design and Sustainability Guidelines
- Completed Five-Year Construction Plan and Project Proposals.
Al gave a brief overview of the design of the Eastside Public Safety Training Center via poster boards and handouts. He discussed Highland’s efforts to get as much local participation in this project as possible by prequalifying local contactors and subcontractors.

7.3 Form 700
Form 700 is required by the State for local and public officials. These forms should be sent to the college’s Administrative Services department no later than September 15, 2009, and will be filed in the President’s office.

- Break at 2:45 p.m.
- Reconvene at 2:55 p.m.

7.4 Budget
Dr. Silverman stated that as a check and balance measure the District keeps two sets of accounting books for all budget matters related to bond funds – gkkworks (program manager) and the District both keep ongoing accounting and this duplicity of accounting and reconciling each
month assures we do not make an error. He discussed the bond sales and that bond sale issue #1 has been and will be used to pay off the Certificates of Participation, purchase the land for the Westside project and construct the Eastside project.

7.4.1 Income
Because of the precipitous decline in property taxes the bond market and ability to sell bonds at this time is very low. Time frames for construction might have to change due to these bond sale delays, thus stretching out the length of projects. Because the bond sales dictate when the projects can begin, there are two options the District can look at in order to keep these projects moving forward. The first would be to raise the rate of the bonds (can go as high as $25 per $100,000 by law), however, Dr. Silverman has made a promise to this community that he does not wish to break so he would not want to consider changing the rate. Alternatively, the District could take out a “bridge loan”, using the future bond sales as collateral. In order to choose whether or not this is a viable option the District will need to compare the cost of interest on the bridge loan in comparison to money savings by constructing sooner before construction prices continue to rise. It is projected that the District may earn approximately $750,000 per year in interest from the unspent portion of the bond proceeds.

7.4.2 Expenditures
Every bond dollar the District spends has to be associated with a bond related project. The program manager has established a baseline budget with projected costs. A budget was presented that indicates budgets for future projects and the actual expenditures for completed / in progress projects. A handout was distributed showing a breakdown of reimbursable expenditures. These reimbursable expenditures were bond related items that were funded by the District before the bonds were sold.

7.5 Mandated Activities
7.51 Meetings
The committee discussed and agreed to meet on a structured basis; meeting quarterly on the 3rd Wednesday of the months: March, June, September and December.

7.52 Audits
Institutional audits are usually completed in December and presented to the Board of Trustees (BOT) in January. The CBOC would have an opportunity to review them at their March meeting, unless they choose to hold a special meeting to complete their review sooner.

7.53 Reports
The committee needs to discuss how they will structure their first report and how they want to present it to the BOT. Reporting is
for the prior fiscal year. The first report will cover July 1, 2008 through June 30, 2009; the second report will cover July 1, 2010 through June 30, 2011, and so on. The reports will analyze bond related expenditures to ensure funds have been spent properly and adhere to the bond language set forth in Measure JJ. The CBOC may want to consider giving their report to the BOT sooner than their next meeting after the audit because if the CBOC has recommendations or adjustments they want the BOT to address it should be done so in a timely manner. Dr. Silverman said he could have a Special BOT meeting if necessary to accommodate for this need.

7.54 Committee Appointments
The bylaws indicate that all members are appointed for a 2 or 3 year cycle. The term of the appointment commences on the date of the first meeting of the committee. This committee’s first official meeting (when they met with Bond council and were given their charge as a committee) was April 22, 2009.

**ACTION:** Pass resolution to establish term of office year as April 1 – March 31.

Motion: Yule; Second: Barker; Motion carried

Further discussion revealed that the CBOC members were appointed for 1 year and 2 year terms, but the bylaws state 2 and 3 year terms.

**ACTION:** Amend the motion to pass a resolution to establish term of office and length of terms in accordance with the bylaws.

All in favor: Motion carried

7.6 Website Update
Steve Garcia gave a presentation to the CBOC providing information on the Measure JJ website: [www.vvc.edu/measurejj](http://www.vvc.edu/measurejj).

8 COMMITTEE MEMBERS’ COMMENTS
No Comments from the Committee

9 NEXT CITIZENS’ OVERSIGHT COMMITTEE MEETING
The next meeting will take place Wednesday, December 16, 2009 at 1:30 p.m. in the Victor Valley College Board Room, located in the Administration building #10.

10 ADJOURNMENT
Diana O’Malley, committee chair, adjourned the meeting at 4:08 p.m.