

Measure Q Citizens' Bond Oversight Committee

Via Zoom
6:00 p.m. – 7:31 p.m.

Minutes of January 14, 2021

Members Present: Alberta Christy, Paul Gonzales, Drew Hatcher, Kenneth Nguyen, Irma Avila Macias, Teresa Saldivar and Martha Uriarte

District Staff Present: Marvin Martinez, Marilyn Flores, Adam O'Connor, Carri Matsumoto, and Kennethia Vega

Guests: Graham Beck, Bond Counsel

1. Call to Order/Introductions: Ms. Macias called the meeting to order at 6:02 p.m. and introductions were completed. There were no requests for public comments.
2. Annual Organizational Meeting
 - Election of Committee Officers (Chair and Vice Chair)
Ms. Macias nominated Mr. Hatcher as Chair and Ms. Christy seconded the motion. There were no other nominations. The motion passed with one abstention by Mr. Hatcher. Ms. Christy nominated Ms. Macias as Vice Chair and Ms. Saldivar seconded the motion. The motion passed unanimously.
 - Confirmation of meeting dates and times for 2021 – The 2021 meeting schedule was confirmed including May 13, 2021, September 23, 2021 and a potential meeting later in the year. President Flores confirmed the meeting in May does not conflict with SAC Scholarship and Veterans' Program ceremonies. No further action is required at this time.
 - Affirmation of Citizens' Bond Oversight Committee Bylaws and Ethics Policy Statement
Graham Beck, from Nixon Peabody and bond counsel for RSCCD, provided a brief presentation on Proposition 39, responsibilities of the Citizens' Bond Oversight Committee, review of the Bylaws, Ethics Policy Statement and Brown Act compliance.

Proposition 39 allows the issuance of bonds for construction, reconstruction, rehabilitation, or replacement of school facilities as approved by 55% of the voters; which is the project list noted on the Measure Q web page on RSCCD website. Bond funds are not used for staff or administrative salaries. The committee, established by the Board of Trustees, reviews information, affirms spending of funds appropriately and issues annual report confirming compliance. The Annual Reports and Audit Reports are also posted on the RSCCD website. It is the district's responsibility to provide support to committee including space for meetings, arrangement and publishing/posts agendas, arrangement of site tours, address any questions and provide ongoing information related to the projects and completions appropriately. Annual and Performance Audit Reports are reviewed and accepted by the committee. Once accepted it is posted on District website.

The oversight committee duties focus on review and report as opposed to power and authority, which is the responsibility of the Board of Trustees the elected officials, designated to make decisions about how the money is spent. The Board of Trustees does not delegate approval of contracts, change orders, the sale and issuance of bonds, legal agreements, etc. to the committee. The Board of Trustees retains that

responsibility and authority. The committee is only responsible for oversight of projects associated with Proposition 39 bonds.

Administratively, the legal requirement is seven members and this committee has more than required with eleven seats. These representative groups are as determined by the Board of Trustees. Vacancies are filled as members resign or term out. Currently, RSCCD is working on filling vacancies on this committee. The committee may not include employees, district officials, vendors, contractors or consultants to the District on the committee.

Mr. Graham suggested committee members review the Ethics Policy Statement that is appendix to the committee bylaws. The committee must place interests of the district above their own personal and business interests. Committee may not make or influence decisions related to bond funded contracts or projects that benefit their own employment, business, or personal finances (including immediate family). Committee may not use their authority to negotiate employment with persons or organizations relating to bond fund contracts or projects. Committee may not enter into or bid on bond funded contracts with the district following a period of two years upon termination of membership. If such issues arise, Bond Counsel will assist with navigating these situations.

The Brown Act governs open meetings in the State of California and this committee must comply by allowing the public to attend and make comments as was done at the beginning of this meeting. The legal requirement is to meet regularly at least once a year as was done by setting the meeting schedule for 2021. Meeting quorum is required with more than 50% of members present in order to take action. That is not to hold the meeting or receive information; it is only to take action. The committee can meet without quorum to receive, discuss business, but not take action. The Brown Act allows for telephonic meetings (which is slightly out of date), and in March 2020 an executive order suspended these requirements due to the current pandemic environment, therefore zoom meeting is okay. Agenda requirements include timely posting prior to meeting which is 72-hour advance notice. Special meetings can be called with 24-hour notice, if circumstances require it. A member of the public can attend and make comments but the committee must limit actions to what is on the agenda. The time limit for public comments is typically three minutes as noted on the current agenda. Mr. Graham noted secret meeting violations and suggested that if more than two members happen to gather outside of a committee meeting to restrict conversations for the next oversight committee meeting. This also applies to serial emails. Keep all actions and discussion to items on the agenda and in public meetings. Violations of the Brown Act can lead to criminal charges. If the committee has more questions, please forward to Interim Vice Chancellor O'Connor, to place on agenda for the next meeting.

Members of the Measure Q Citizens' Bond Oversight Committee agreed to accept the responsibilities outlined in the Bylaws and affirms the Ethics Policy Statement with the words "I do". The action was unanimous.

➤ Committee Membership was provided as information.

3. Approval of Minutes – November 5, 2020

Ms. Christy made a motion to approve the minutes of the November 5, 2020 meeting as presented. Mr. Gonzales seconded the motion. With no comments, edits or questions, the motion passed unanimously.

4. District Update – Martinez

Chancellor Martinez provided a brief update of the District including a reference to January 6 Insurrection at the US Capitol. RSCCD condemns such action and recognizes the duty as

educators to talk about diversity, inclusion and equity. On January 4, intersession began at SAC with most courses remote. Spring semester will begin February 8 in remote format, with classes limited to in-person for those hard to convert (such as nursing, welding, automotive, fire and criminal justice academies) due to current surge in COVID-19 cases. Governor Newsome released proposed budget; it is decent budget with \$19 billion in revenues primarily through property taxes and home sales. Expected COLA is 1.5% for community colleges. RSCCD also expects to receive financial assistance to provide dollars to students in support of basic needs, food insecurity, and homelessness. This is the beginning of the budget process leading to approval by June 15 by the legislation. Congress approved Coronavirus relief bill for \$900+ billion program whereby colleges will do well. SAC will receive \$16.1 million through this program to provide grants to students, to assist with technology and book needs as well as PPE and loss of revenue due to COVID-19. Today, President Biden introduced the American Rescue Plan that will be the next stimulus of approximately \$2 trillion. Colleges continue to be a priority at Federal and State levels. Chancellor Martinez concluded his report by acknowledging President Biden's agenda for the first 100 days that includes DACA students on a pathway for becoming permanent citizens.

5. Measure Q Projects Update - Matsumoto

Ms. Matsumoto provided a brief update on the Measure Q projects including those completed (Dunlap Hall Renovation and Central Plant & Infrastructure), the Science Center (SC) and Johnson Student Center (JSC).

SC is behind schedule due to multiple issues. The corrective work to the exterior metal panels is almost complete. The second item is the failed window sealant and adhesion matter. After months of meeting with all parties involved, we have agreed to a remediation plan. All parties agreed it is a good method and approach. We are awaiting sealant tests from the lab and in the field. Contractors will remove sealant from all 110 windows, reinstall new sealant and conduct water intrusion tests again. While progress continues, issues remain in dispute and it is the intention of RSCCD to settle without litigation. McCarthy is a good contractor and has the resources necessary to complete the work. Ms. Matsumoto shared photos of the building progression including exterior and interior classrooms designed for engineering, bio, chemistry, and other science labs; the learning/study spaces and hallways for students to gather. Change orders currently exceed \$3 million and does not include the window repair. Ms. Matsumoto noted over \$4 million in dispute but RSCCD has not agreed to those change orders and it is premature to make any estimations at this time.

JSC project while delayed is still on track for summer 2021 opening. Metal panel manufacturer experienced a COVID-19 outbreak and closed the facilities during the winter break. The project continues to progress and Ms. Matsumoto shared pictures of the interior and exterior of the building. She also discussed the new road at the back of the building that will allow for deliveries to new warehouse and bookstore with wider access and efficient turning ability for delivery trucks. Finishing work such as carpeting, doors, and floors is ongoing. RSCCD is working with McCarthy on the metal panel delay and that is going very well.

There are no budget changes since the last meeting. It is hoped the committee will get to tour the SAC campus sites soon. There were no questions.

6. Measure Q Financial Update – O'Connor

Mr. O'Connor reviewed the Projects Cost Summary noting that since the July 2020 an additional \$12 million has been spent. Of the total \$199 million budget, \$189 million has been spent.

7. Proposition 39 General Obligation Bonds, Measure Q Financial and Performance Audits for fiscal year ended June 30, 2020 – O'Connor

Mr. O'Connor reviewed the Measure Q Financial and Performance Audits for fiscal year ended June 30, 2020 as provided in the meeting materials. He referenced the Conclusion page as the most important information stating our district has properly accounted for the expenditures held

in the Revenue Bond Construction Fund (Measure Q) and such expenditures were made for authorized Bond projects. Additionally, he noted Financial Statement Finding with “none reported” and that is what we want to see. Each year we have had no financial statement findings.

Ms. Macias made a motion to receive and accept the financial and performance audits for fiscal year ended June 30, 2020 as presented. Mr. Nguyen seconded the motion. With no questions, comments or discussion, the motion passed unanimously.

8. Santa Ana College Update – Flores

President Flores provided a brief update on the activities of Santa Ana College noting intersession is not as bad as predicted, but enrollment is short of target. More general education classes in hybrid format with OWL technology allowing 10 students in large lecture classroom and others remote thus abiding by guidelines are being offered. Athletes continue conditioning and hope to transition to practice mode soon. She referenced the electronic billboard off 5 Freeway near 22 and 57 Freeways providing free advertising for SAC and commended the City of Santa Ana. Using CARES Act funds, SAC is mailing over 31,000 care packages with facemasks to students in the next few weeks. The idea is to encourage their return, promote safety and provide information on resources available including face-to-face appointments as needed. SAC is planning a second mailer for non-credit students as well. Digital Dons continues with laptop distribution program for new students. SAC Days, a half-day conference for incoming students, is February 1. President Flores noted receipt of CARES Act funds and explained direct support to students and instruction. SAC received \$2.7 million for the first two allocations. All funds have been spent or encumbered to provide direct support to students, laptop purchases, PPE and other instructional equipment such as the OWL cameras. SAC is looking into purchasing hot spots for student use as well as standing thermometers for college entry points to replace manual temperature taking at the door of in-person classrooms. December highlights include SAC Don’s Food Corner serving over 475 students, Partnership with Northgate for toy-drive drive-thru with over 6000 toys distributed. Mr. Hatcher commended the college for the leadership within community especially during these trying times.

9. Committee Comments

SAC and the Foundation were commended for strong support of students with laptops and \$100 vouchers for books, food distribution and so many other benefits. Congratulatory remarks to Mr. Hatcher and Ms. Macias were made. A discussion ensued about SAC’s progress related to diversity and equity through revised curriculum, training and new methods of teaching as well as safe environments to have open discussions on these topics. One example is the creation of a task force developed with the CJA program to focus on what we teach and how we teach in the law enforcement program.

Mr. Hatcher noted four vacancies on the committee and encouraged members to reach out to others that might be willing to serve. He thanked Chancellor Martinez, President Flores and staff for support and preparation of materials for the meeting.

10. Adjournment

Ms. Christy made a motion to adjourn the meeting. Ms. Macias seconded the motion. The motion passed unanimously to adjourn the meeting at 7:31 p.m.

Mr. O’Connor noted the next meeting is May 13, 2021 at 6:00 p.m. and whether it will be zoom format or in-person, staff will be in touch to coordinate.