



**Citizens' Bond Oversight Committee**

**MINUTES**

**May 14, 2021**

**2:00 pm – 3:30 p.m.**

**Building 8000, Room 8021**

**ZOOM MEETING (Video/Telephone Conference Meeting)**

Join from PC, Mac, Linux, iOS or Android: <https://cccconfer.zoom.us/j/98193858099>

Committee Members:				District Staff:			
X	Gil Stork		Will Appleton	X	Brian McAlister		<b>Guests:</b>
X	Jill Stearns, President			X	Chris Green	X	Christine Mulholland
X	John Paul Drayer			X	Dan Troy	X	Debra Stakes
X	Kathy Smith			X	Karen Valine		
	Linda Mielke			X	Mark Cano		
X	Robert Mancell			X	Patrice Eley		
	Susan Middleton			X	Todd Frederick		

	WHO	TIME	INTENT	NOTES
<b>1. Approval of Agenda</b>	All	3 min.	A	Upon a motion by Drayer/Smith, the agenda was approved as presented.
<b>2. Public Comment</b>	All	5 min.	I, D	No public comment.
<b>3. Orientation of Committee Members</b>	Troy	10 min.	I	Introductions were followed by Troy's informational PowerPoint for the orientation of committee members. The presentation included CBOC basics, committee composition, member roles, meetings, ethics, and proper discourse. There was a clarification to term limits in that a member's term may be less than two years; a one-year term is acceptable.
<b>4. Election of Officers</b>	Troy	5 min.	I, D, A	Drayer motioned to nominate Stork for Chair, seconded by Smith. Stork accepted and motion passed. Smith motioned to nominate herself as Vice Chair, seconded by Drayer. Motion passed.
<b>5. Minutes of <u>December 4, 2020 Meeting</u></b>	Chair	2 min	I, D, A	Approval of minutes was carried to the next meeting.

<p><b>6. Financial Report Update</b></p> <ul style="list-style-type: none"> <li><b>Quarterly Financial Reports</b>  <u>September 30, 2020</u>  <u>December 31, 2020</u></li> </ul>	Green	10 min.	I, D	<p>Green shared the September 30, 2020 and December 31, 2020 quarterly financial reports. While the average yield on the second issuance was roughly 3%, Troy added that the overall interest rate for the 3<sup>rd</sup> issuance was 1.74%. Drayer requested that interest rates for each issuance be provided to members for review. Green indicated that Cuesta works with financial advisor Morgan Stanley who annually reviews the feasibility of refinancing the higher bonds at lower interest rates. Mulholland indicated that the electrical vehicle charging stations were a project in conjunction with PG&amp;E. PG&amp;E incurred all infrastructure costs, and the college paid for the charging stations and electrical hook-ups. The college received a sizeable grant from Air Pollution Control District (APCD) to offset some of the project costs.</p>
<p><b>7. Audit Report</b></p> <ul style="list-style-type: none"> <li><b><u>SLOCCCD Measure L Final Audit Report</u></b></li> </ul>	Troy/Green	5 min.	I, D	<p>Green presented the fiscal year-end financial audit (June 30, 2020) as completed by Eide Bailly. The auditor's unmodified/qualified opinion of the financial statements indicated that SLOCCCD was in conformity with GAAP. No findings were reported for 2020. In the performance audit, approximately 67% of the total expenditures were reviewed. It was concluded that SLOCCCD had properly accounted for expenditures held in the Measure L Bond Fund and expenditures were made for authorized Bond projects. As outlined in Cuesta's internal controls, all Bond expenditures are reviewed by the Facilities Bond team, Green's and Troy's offices, and any expenditure over \$20K requires approval by President Stearns. Troy added that contracts and purchase orders are also presented to the Board of Trustees. Green reported that Eide Bailly acquired the prior contracted audit firm, and thus, the college's audit team has remained the same for the past several years. An RFP for auditing services is performed every 5 years. Although the same firm has been used for a number of years, audit partners are changed every 3 years. Eide Bailly audits community colleges more frequently than their competitors, are experts at their work, and make suggestions for impactful process improvements. Troy reported that RFPs are handled in conjunction with the Board of Trustees' audit committee (two Board members),</p>

				and once the contract is awarded, it is presented to the Board of Trustees for approval.
<b>8. Measure L Update</b> <ul style="list-style-type: none"> <li>• <b>2<sup>nd</sup> Issuance Projects</b></li> <li>• <b>3<sup>rd</sup> Issuance Planning</b></li> </ul>	Cano/ Mulholland	10 min.	I, D	Mulholland shared a PowerPoint on Cuesta College's Measure L Bond update. It included planned, in-progress, and completed projects between the first through fourth issuances. Design for the Signage and Wayfinding project is expected to be completed before the end of the year with construction to begin in early 2022. McAlister added that oil prices decreased during the pandemic which allowed the Bond team to capitalize on asphalt work for a number of parking lots and main roads. The Measure L website will host Mulholland's PowerPoint presentation, as well as additional updates in the coming weeks once website design is complete. Troy shared Cuesta College's Bond information website, <a href="https://cuestacollegebond.info">https://cuestacollegebond.info</a> , which includes details on most of the Bond's projects. Troy indicated that inflationary costs on materials, such as lumber, steel, or concrete may take away from other planned projects due to the ceiling in \$275M Bond funding. Two major capital projects began shortly after the Bond passed in 2014 in an attempt to stay ahead of escalating construction costs. Bond interest earned assists in both completing additional projects, as well as defraying increasing construction costs.
<b>9. Committee Membership Review</b>	Troy/All	2 min.	I, D, A	Troy indicated that vacancies remain in the Supporting and Taxpayer Organization categories. Advertisement for volunteers took place in The Tribune in February 2021, yet another round of advertising was suggested to fill the current vacancies. As long as it is demonstrated that attempts at recruitment are occurring, the committee is in compliance.
<b>10. 2020 Annual Report to Community</b>	Troy	15 min.	I, D, A	Troy shared the draft 2020 Annual Report. Revisions to the report include obtaining letters from the committee Chair and Superintendent/President, a name correction, as well as adding a legend for buildings on the two campus maps. When finalized, the report will be presented to the Board of Trustees and a press release issued. A motion was made by Drayer/Smith to accept the report with revisions. Smith inquired as to the number of hits to the Measure L Bond website and asked that stats be brought to the next

				meeting. Dr. Stearns indicated that she takes information from the bond website to share with the public or when presenting to outside community organizations.
<b>11. Future Agenda Items</b>	All	5 min.	I, D	Troy suggested including quarterly financial report(s), committee member review, as well as continued discussion of the Annual Report for the upcoming year. A tour of the R&B Schultz Early Childhood Education Center is not possible at this time due to continued COVID restrictions.
<b>12. Future Meeting Dates</b>	All	5 min.	I, D, A	Troy indicated that he would send an email to poll members regarding their availability for a Friday meeting in October. Smith suggested meetings begin at 3:30 p.m. as opposed to 2 p.m. To the extent possible, the next meeting will occur in person at the NCC Library followed by a tour of the Early Childhood Education Center.
<b>13. Adjournment</b>	All	2 min.	I, D, A	Stakes indicated concern regarding the lack of input on the Phase 3 new student center at the San Luis Obispo campus. Stakes recommended that the annual report also include the vetting of college groups for faculty buy-in. At 3:33 p.m., the meeting was adjourned.

\*A=Action Item D=Discussion I=Information H=Handout