



MEASURE G CITIZENS' BOND OVERSIGHT COMMITTEE (CBOC) MEETING

Monday, May 14, 2012

5:30 p.m.

Solano Community College (SCC)

Building 1400, Room 1421, Student Union Conference Room

ADOPTED MINUTES

Members Present:

Robert Charboneau, Solano Citizens' Tax Association
Frank Crim, Chair, Construction/Trades, Vacaville
Lyman Dennis, El Dorado Health Consulting
Rick Ernst, Construction/Trades, Benicia
Melvin Jordan, Jr., Civic/Professional Organization, Benicia
Daniel Schmitgal, ASSC

Members Absent:

Walter Quinn, College Foundation, Vacaville
Hermie Sunga, Vallejo Business Organization

SCC Representatives Present:

David Froehlich, Consultant
Jowel C. Laguerre, Superintendent-President
Janet Leary, Interim Business Operations Coordinator
Yulian Ligioso, Vice-President, Finance and Administration

Invited Guest:

Terri A. Montgomery, Auditor
Vavrinek, Trine, Day & Co., LLP

I. May 14, 2012, Agenda: Approval

A motion was made by Bob Charboneau, and it was seconded by Rick Ernst to approve the May 14, 2012, agenda. The motion unanimously carried.

II. Comments from the Public:

No one from the public was present; there were no public comments.

III. February 13, 2012, Meeting Minutes: Approval

A motion to approve the minutes of February 13, 2012, was made by Rick Ernst, and it was seconded by Lyman Dennis. The motion unanimously carried.

IV. 2010-2011 Measure G Financial Audit and Performance Audits, Terri A. Montgomery, Partner, Vavrinek, Trine, Day & Co., LLP

Vice President Ligioso introduced Terri Montgomery who presented an overview of the General Obligation Bonds Measure G Financial and Performance Audit Reports prepared by her firm, Vavrinek, Trine, Day & Co., LLP (VTD). She highlighted this sentence (page 1, financial report), *In our opinion, the financial statements referred to above **present fairly**, in all material respects, the financial position of the Measure G fund of the Solano Community College District at June 30, 2011, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.* The term **present fairly** tells the reader the audits went well, and Ms. Montgomery added that there no difficulties and no disagreements with management.

Ms. Montgomery mentioned VTD's one finding, an inappropriately classified expenditure: A \$6,678 invoice which should have been paid under the general fund was inadvertently paid through bond funds. The error was found before the audit and was corrected, and the general fund reimbursed the bond fund.

Vice President Ligioso added that since the finding, Fiscal Manager Judy Yu has and will continue to review and tightly monitor our procedures and will strictly adhere to the bond indenture language.

Rick Ernst asked a question about the two fund sources: bonds and interest and inquired if interest is lumped into principal. Ms. Montgomery responded by saying that, in general, funds available to pay for bond projects come from 1) the amount of the original bond sale (what Mr. Ernst called "principal") although its officially called Bond Proceeds, and 2) The investment income earned on the Bond Proceeds while they are invested and waiting to be spent.

When talking about how to use the investment earnings on the bond funds, Ms. Montgomery added it is important to know that the first priority for the use of the investment income earned should be to pay any arbitrage that might be due to the IRS. Only after that obligation to the IRS has been satisfied would any remaining investment income be available for use.

Bob Charboneau asked Ms. Montgomery for her contact information, and she stated that it is on Page 1 of both reports. Janet Leary said the reports were online, posted here:

http://www.solano.edu/measureG/CBOC_info.html.

V. 2011-12 Q3 Quarterly Bond Update for Measure G

Dave Froehlich handed out copies of the *Quarterly (Q3) Bond Update for the Measure G Bond Program*, and he highlighted the *Completed Projects*, the *Projects in Progress*, and the *Future Planned* project lists. There was a question about the Nut Tree Hanger Project (on the completed projects list) and what happens there. Dave and Dr. Laguerre stated that aeronautics classes are conducted at the Nut Tree.

There was a request for Committee members to tour the Measure G projects.

The complete Q3 Bond Update will be located here:
http://www.solano.edu/measureG/CBOC_info.html.

As this was Mr. Froehlich's last meeting, he concluded by saying he was "moving on, not retiring." He thanked the CBOC for being kind, and he expressed his gratitude for the honor to have worked with such an outstanding Committee.

VI. Solano Community College *Community Report*, Vice President Ligioso

Vice President Ligioso updated the Committee on current efforts around the prospective 2012 November bond measure and said he would appreciate the CBOC's input and suggestions regarding the bond. He told the group about the recently formed speakers' bureau whose members will that addresses the College's future and facilities' needs at as many community forums as possible in the upcoming months. Yulian stated that a Blue Ribbon Committee, comprised of local leaders representing all District cities, as well had been formed. This Committee's purpose is to guide and advise College leadership in the months before the election.

Yulian noted that:

- Three mailers will be going out to registered voters.
- Letters from Superintendent-President Laguerre advising of the College's needs will be sent to faculty and staff.
- All communications are being paid out of redevelopment funds.
- There is an online survey located here: <http://www.solano.edu/#4>, and this survey will be completed by audience members at community forums. The results will be tabulated and evaluated and will help determine if a November bond measure will be viable.
- One polling survey was done in November, and another will be conducted after the 4th of July to get a pulse on how voters from Solano County and the City of Winters feel about a bond measure in November.

VII. CBOC Vacancy Update

Janet Leary reported that a press release about the current CBOC vacancy had run several times in local papers, and the effort to fill the seat continues. Though several people had requested the application, no one had submitted. Dr. Laguerre asked Janet Leary to follow up with him on prospective candidates.

Vice President Ligioso stated that he had consulted with bond counsel and learned that it is acceptable for a member to come back after serving two terms. The member is required to sit out for one year and can then apply for another term.

VIII. Review Committee Members' Term Limits

Janet Leary distributed a copy of the Committee's term limits. Term dates were discussed, and Ms. Leary said she would gather the missing information and provide an update at the August 13, 2012, meeting.

IX. Update on Campus Kiosks

Dave Froehlich said three kiosks purchased by the Associated Students Solano College (ASSC) would be installed over the next three weeks. The kiosks are for posting notices, announcements, etc. They will be located on the Gymnasium plaza on the south/west corner, near the west entrance of Building 100, and at the west entrance of Building 1400.

X. Solano County Fair Booth—Update

Janet Leary reported that Yulian Ligioso, Shemila Johnson, and Peter Bostic met with a Solano County Fair representative to discuss the possibility of the College having a booth and a representative at the Fair to educate the public about the prospective bond. Ms. Leary stated that renting space and hiring someone to man it would be costly and would likely not happen.

XI. Next Meeting: Monday, August 13, 2012, 5:30 p.m., Board Room, 626

XII. Items / Issues for the August 13, 2012:

- FMP Update
- Members' Term Limits
- Measure G Projects Tour

Vice President Ligioso and Dr. Laguerre thanked and extended kudos to Dave Froehlich on a job well done and announced that Lester Young would assume Dave's role on the CBOC.

XIII. Adjournment

The meeting adjourned at 7:15 p.m.