CITIZENS' BOND OVERSIGHT COMMITTEE

MINUTES

THURSDAY, SEPTEMBER 22, 2016
GOUGH STREET CAMPUS AUDITORIUM
33 GOUGH STREET, SAN FRANCISCO

Members Present: Mr. Faruq Ahmad, Ms. Christine Hanson, Mr. Kenneth Laslavic, Mr. Rafael Musni, Mr. Todd A. Suchevits and Mr. Daniel Weaver
Members Absent: Mr. John Mahoney, Ms. Karen Waltz and Ms. Brenna Stroud
Presenters: Mr. Ronald P. Gerhard, Vice Chancellor of Finance & Administration; Mr. David Martin, CFO, Ms. Linda da Silva, Associate Vice Chancellor of Facilities; Mr. Phil Newsom, tBP Architecture

Call to order: Mr. Rafael Musni, Chair called the meeting to order at 9:35 AM.

I. Review and approve minutes from the June 16, 2016 CBOC Meeting - Moved/Seconded by: Laslavic/Ahmad. Minutes to the June 16, 2016 was approved unanimously as amended.

a. CBOC member Christine Hanson commented on the irregularity of the publicly noticed meeting time of 9:30 AM and the email that the CBOC committee members received for a 9:00 AM start time for the previous June 16, 2016 meeting. The minutes for the October 22, 2015 and January 28, 2016 minutes had been passed by the time she arrived at the meeting and request to be able to amend those minutes.

b. CBOC member Faruq Ahmad commented on the June 16, 2016 minutes noting that he was recorded as absent but was present by phone. He requested clarification for the specific procedures regarding participation by calling in and if it is a valid way of participating and being counted as present which he believes is to notify the administration two weeks ahead of time. CBOC chair Rafael Musni asked if anyone can take that question right now and Toni Lee responded that she has already spoken to Faruq Ahmad about phoning in.

c. CBOC member Christine Hanson indicated that she had additions to the minutes relating to the PAC with questions on reviewing invoices of administration details pertinent to the report. Christine Hanson will submit her additions to the minutes.

d. After a public comment and discussion of agenda item II, VCFA Gerhard asked the CBOC chair if the committee can go back to the discussion of the minutes as it was not clear whether or not the oversight committee approved the minutes for June 16. There were comments from Christine Hanson related to the October 2015 minutes that she had amendments to but those comments and amendments were not for the June 16 meeting minutes.

e. CBOC member Christine Hanson clarified that her comments were for the meeting with Fred Sturner.

f. VCFA Gerhard confirmed that meeting CBOC member Christine Hanson referenced was the October 22, 2015 meeting which the oversight committee approved at the June 16th meeting.

g. CBOC member Kenneth Laslavic motioned to approve the June 16, 2016 meeting minutes.

h. CBOC member Daniel Weaver inquired if those issues raised today by a member of the faculty in the audience will be addressed in the minutes that they are approving now as well as comments that Christine Hanson mentioned. He suggested that the committee could move to approve the minutes for June as amended and inquired if the committee will see the amended minutes next week.

i. CBOC chair Rafael Musni clarified that a motion on this item will be to approve the minutes as amended to address faculty Harry Bernstein's comments on the minutes and to expect that something will be sent in writing to capture the language accurately.

j. CBOC member Faruq Ahmad seconded to approve the minutes as amended. Motion carried unanimously.

II. Review of Current Projects

a. VCFA Ron Gerhard introduced the committee to Linda da Silva, the newly hired Associate Vice Chancellor for Facilities on board since August.

b. AVC da Silva provided a summary of the following bond fund projects with expenditures this period.

Chinatown/North Beach Center: Currently working with legal counsel on the building's minor construction defects and with the contractor to resolve those issues. There are current expenditures involved with these activities.

Child Development Center: Completed as part of the 2001 bond measure, the childcare program at Ocean campus has subsequently relocated this summer from this facility to modular buildings at Ocean. Due to construction defects, the program can no longer continue to occupy the originally constructed Child Development Center. We are working with our legal counsel to seek a resolution with the contractor on construction defects. There are current expenditures related to the relocation and legal costs.

c. AVC da Silva also provided a summary of other current projects that the District is currently working on.

Smart Classrooms: The college is upgrading classrooms district-wide to smart classrooms with modern technology. In the past nine months, about seventy-five classrooms were "smartified" using state funding. The plan is to do another round in the coming year with additional secured state funding. An adult education grant from the state will allow the college to create additional smart classrooms as well.

Downtown Center: The initial program will create five classrooms, two offices, and class preparation and storage space at the downtown facility.

d. CBOC member Faruq Ahmad welcomed and congratulated AVC da Silva on her new position. He inquired if AVC da Silva has served City College before in a different position or was hired from outside the college.

e. AVC da Silva responded that she has not worked before at CCSF but has worked in the public sector previously for fifteen years at San Mateo Community College District and recently for the San Jose High School District.

f. CBOC member Faruq Ahmad questioned AVC da Silva on what is her view of how well CCSF is currently performing, has she observed any issues in her evaluation, and if issues are being addressed to her satisfaction.

g. AVC da Silva responded that she believes CCSF has done extraordinary work in the facilities realm with the resources they had with room for improvement to put high level processes and procedures and protocols in place to achieve best practices.

h. CBOC member Faruq Ahmad observed that the highlighted projects both have losses attached to them and hoped that there is room for improvement going forward.

i. AVC da Silva commented that construction and design is very technical and complex with expectations of bumps in the road but hope not to in the future.

j. CBOC chair Rafael Musni asked how long it will take to fix the minor defects at the Chinatown/North Beach project, how much money will be spent, and how the money will be accounted.

k. AVC da Silva responded that she said minor because we are able to occupy the building. She furthered that the bubbling in the flooring is unsatisfactory and we are still forensically discovering the cause and fix. The larger bubbles can cause trip hazards and as a safety concern, the larger bubbles have been cut and flattened out successfully. The college is working with the team to figure out what is the permanent fix and analyzing the costs. Although the flooring is not aesthetically satisfying, as long as the bubbles are addressed for trip hazards, the facility is safe. She added that there is still analysis of the environmental controls for the mechanical system and while there have been some remedies made by the contractor, we are continuing to work with them on resolution of outstanding issues. She continued that there are still minor defects with the casework but the cabinetry is usable and we are assessing and seeking a remedy on the flaws. The timeframe or cost of these remedies have not been determined yet as we are still analyzing issues and solutions.

l. CBOC chair Rafael Musni inquired if any of the current projects that was not reviewed in section four of today's meeting might get covered during the facilities master plan review, for example the Performing Arts Center or the Stem Center.

m. VC Gerhard believed it would probably be best to include that discussion within the facility master plan discussion.

n. CBOC member Christine Hanson asked if it is possible to put in a column that includes the total numbers from 2015 in the spreadsheet so the numbers can be seen in continuity from year to year.

o. CFO David Martin responded yes.

III. Comments from the Public

a. Faculty member Harry Bernstein asked to speak after agenda item I. He requested to see the transcript from the meeting that CBOC member Christine Hanson referenced as starting early because of the discrepancy of the start time. In reference to the current minutes being reviewed, he commented that there was an audit report introduced in the last meeting and these minutes don't mention that the person giving the report did not understand whether librarians were academic or classified employees. Regarding item number IV - Comments from the Public, he noted that he was incorrectly described as a retired faculty member. Also, the minutes said he highlighted bond information about the performing arts center, but he would like the minutes to reflect that he had questions about the past report and asked for a forensic audit of the whole process giving more detailed accounting to the public. He commented that the report also does not reflect the historical and current situations. He said that typos should be corrected for the record as well.

b. CBOC chair Rafael Musni asked Harry Bernstein to send to the committee an email referencing the historical or current situation that he feels are pertinent to the report.

c. Faculty member Harry Bernstein commented that they are not really acknowledging the point that $130 million dollars was the estimate for updated costs for the Performing Arts Education Center based on the 2008 original design of the building. He feels that the cost estimate does not account for what has happened since or proposed changes, for example, the inclusion of the mural in a redesigned building and an estimated cost for the original design doesn't allow for value engineering and consideration that the Performing Arts Education Center basement had been set to go in the MUB. It needs to be documented that the cost estimate could have been less based on these considerations.

IV. Facilities Master Plan Review – Phil Newsom, tBP Architecture

a. AVC da Silva provided an overview of the RFQ process to engage a master plan architect to create a new ten year Facilities Master Plan. tBP Architecture, a highly regarded and well renowned architecture firm that does a lot of public educational design was selected and Phil Newsom is the managing principal of the local office. She explained that a Facilities Master Plan advisory working group made up of the capital projects planning committee with additional members was established to work with tBP Architecture to guide their work on the Facilities Master Plan. Additionally, there have been town hall meetings to involve students, teachers and staff as well as reaching out to the neighborhoods and public agencies for input and feedback including neighborhood associations such as the Ocean Avenue Business Association and City agencies including Muni, BART and the Planning Department. She introduced Phil Newsom of tBP Architecture to present the Facilities Master Plan review.

b. CBOC member Daniel Weaver commented that he is with the Ocean Avenue Association and have been trying to get a hold of the planning team for a presentation to provide input but have not heard back.

c. AVC da Silva responded that the structure established for tBP Architecture is to work with the district to plan community meetings and to invite associations to come for updates on the process and to provide feedback, share concerns, ask questions and provide comments. In an effort to insure a level of transparency, it was purposeful to have open community meetings where everyone heard everyone's comments rather than go to a particular constituency group. She apologized that the planning team has not responded to requests for a presentation to the Ocean Avenue Association.

d. CBOC member Daniel Weaver said he attended the public meetings but there was no chance to engage in discussion except in small groups which he observed were dedicated to specific issues for people who work or go school at City College. There was no opportunity to explore the bigger planning issues of the campus at that meeting he attended.

e. AVC da Silva responded that the breakout sessions at community town halls allows everyone's voices be heard in the break out groups. The comments are collected and recorded and shared in the notes of the meeting and absorbed by the master planning architects and considered in the options development. She directed the attention to the main web page for the Facilities Master Plan that shows the upcoming community meetings and advisory working group meetings that are both open to the public. She welcomed all to come to these working group meetings as there may be more opportunity to speak to the entire group because they are usually smaller meetings. She noted that there is a mechanism for everyone's comments to be heard and recorded.

f. CBOC member Daniel Weaver commented that the Ocean Avenue Association has developed ideas in association at times with CCSF administrators and at times with the city itself and was involved in preparing the previous Master Plan and some of the ideas that they had are in that plan. He requested a more effective way to communicate on this important matter.

g. Phil Newsom of tBP Architecture provided an overview of the Facilities Master Plan.
    i. The Facilities Master Plan is a roadmap for facility improvements, enhancements and new construction. It is based on City College of San Francisco's Educational Master Plan that drives all the plans for the college. It will provide a strategy for facilities improvement, renovation, replacement, and new construction over the next 10 years, build a 21st century community college that meets the needs of students today and into the future, develop facilities to anticipate the needs of students and faculty for the 21st Century, modernize CCSF facilities in order to serve the city of San Francisco for the next 10 years and beyond.

    ii. The Facilities Master Plan goals includes advancing student achievement in meeting educational goals, transforming and sustaining college infrastructure, and providing new and expanded opportunities for organizational development and effective innovation.

iii. The relationship of all plans for community colleges is a continuous cycle of improvement, driven by the Educational Master Plan, enrollment plan, resource plans, staffing plan, technology, finance, sustainability, and others.

iv. The Facilities Master Plan process consists of three parts: Needs, Options, Recommendations. During the needs phase, the existing facilities and programs are analyzed and needs are identified. It was identified that student services are spread out over many locations, programs are separated, need more collegial space where students can gather and study outside of classrooms, many facilities are outdated, need more flexible spaces, need to update technology, better lighting, high-tech study space, community spaces for neighborhood integration. At the centers, the common theme are inefficient spaces, need for better security, underutilized spaces, need for better outdoor student spaces, technology, class sizes.

v. The facilities condition index is a measure based on the age of the building and how much useful life the building has left. The lower the percentage score you have, the better shape the building is in. The higher the number, the more used up it is. In a building that is more than 75%, you should consider replacing the building because sometimes the cost of renovating is more than replacing.

vi. The space needs analysis includes how much space is available with comparison to the enrollment. The load ratio compares the enrollment to space based on enrollment forecast numbers generated by the state.

h. CBOC member Faruq Ahmad inquired if the numbers are from the Educational Master Plan.

i. Phil Newsom clarified that the Educational Master Plan is an educational plan but not an indicator of enrollment. The enrollment data is from two different data streams.

j. CBOC member Faruq Ahmad inquired how many community meetings have been held and have meetings with the business community been coordinated with organizations like Spur that is involved with planning in the region. He wondered if having these meetings in the communities can generate additional demand for CCSF City College of San Francisco.

k. Phil Newsom responded that the goal is to involve as many people as possible in these community meetings. He furthered that in terms of strategies about how to boost enrollment, that is not a function of what they do as planners but rather a function of the college.

l. AVC Linda da Silva added that the plan is to involve the department of institutional planning with input from academic affairs, deans, department chairs, advisory working committee, and capital projects planning committee in making sure that the institution is serving the needs of community now and in the future. She noted that the Facilities Master Plan looks at if there are a right mix of classroom spaces or labs for example based on the anticipated enrollment.

m. CBOC member Faruq Ahmad observed that the data for Chinatown indicates there appear to be empty classrooms and as Chinatown is at edge of the financial district and with hi-tech booming, there is an opportunity to be nimble and to have a long term plan but short term initiative that deals with that.

n. CBOC member Daniel Weaver commented that if the desire is to have neighbors of the Ocean Campus come, listen, talk and express ideas at these community meetings, there needs to be a clear map of the meeting location and provide parking for people driving so there is not a fear of getting a parking ticket. He inquired if the previous Master Plan was looked at to figure out what was achieved or not and whether the goals are still useful or not.

o. Phil Newsom responded that the team did look at the previous master plan as a resource and it was helpful to review unfulfilled projects from the plan as all planning is built on previous planning and looking at the map showing the projects that are in the most needs are in the areas of performing arts, sciences and student services.

p. CBOC member Daniel Weaver mentioned that the performing arts center, the lack of suitable place to sit down and meet with people, to be sheltered from the wind and have beautiful landscaping and maps so people know how get around was all talked about in the previous master plan. Also the idea of where people enter City College and students register, enroll, get information and a plan to build a building for that has not happened.

q. CBOC chair Rafael Musni commented that the Chinatown building is beautiful with not a lot of eyeballs on it and the new Mission campus is fantastic and there are a lot more eyeballs on it perhaps explaining why the Chinatown Center is underutilized.

r. Phil Newsom continued that the space data indicates there is a surplus of space based on future enrollment projections.

s. CBOC member Christine Hanson inquired if the planning team has looked at space needs and enrollment numbers going back to 2008.

t. Phil Newsom indicated that the forecast looks at the highest actual number in recent times and the state forecast ten years out to 2020.

u. CBOC member Christine Hanson inquired if the team has taken into account impacted classes like nursing where students are lined up out the door trying to get in and there are not enough teachers, not enough space and not enough classes.

v. Phil Newsom responded that they have looked at impacted programs, gathered data and looked at the existing physical space and found there are not enough good space with a need for larger size classrooms. He continued that one logical recommendation will be to create bigger classes that will accommodate larger sections to accommodate more students.

w. CBOC member Faruq Ahmad inquired if it is anticipated that the population will increase in San Francisco projected in ten years.

x. Phil Newsom responded that the Facility Master Plan is a plan for the next ten years, so the planning efforts are focused on the long term enrollment projection in ten years based on the forecast from the state statisticians.

y. CBOC member Faruq Ahmad wondered if you look at the last three years as being an anomaly and look at the highest enrollment as the desirable basis and if the population is growing what is the match between supply and demand and the basis for what we do in the facilities master plan.

z. VCFA Ron Gerhard added that the state has their statisticians look at unemployment and high school graduation rates to inform their projection data and for the last fifteen years the enrollment has been relatively flat despite the demographics and population growth.

aa. Phil Newsom wrapped up with a summary of the goals drafted by the Facilities Master Plan advisory working group that is posted on the website. He continued that the plan is based on the organizational philosophy of the college as one college, co-locating instructional programs, consolidation of labs, establishing a front door to the campus, and clustering student development services or disbursing services.

bb. CBOC member Christine Hanson questioned when coming up with the cost will it take into consideration the disruption to the class offerings during the repair process and will the cost be included in the overall decision making.

cc. Phil Newsom responded that any implementation plan has to consider how to alleviate the disruption to the campus. When renovating, one of the biggest cost is interim housing there is the decision to either to close the programs for a period of time or move the program to a new facility.

dd. CBOC member Christine Hanson questioned that the Fort Mason facility is not owned by CCSF but listed as needing repair.

ee. Phil Newsom responded that the data looks at the condition of all CCSF buildings and locations owned or leased.

ff. AVC Linda DaSilva added that if the district continues to stay at Fort Mason the cost of improvements to make it an appropriate, safe modern learning environment will inform whether or not and how we negotiate a long term lease.

gg. CBOC chair Rafael Musni noted that in the interest of time to move to the next item on the agenda and if there is further interest on this topic to talk to Phil Newsom and Linda da Silva after the meeting.

V. Approve 2015 Community Annual Report - Moved/Seconded by: Weaver/Laslavic. The 2015 Community Annual Report was approved.

a. CBOC chair Rafael Musni acknowledged and thanked Toni Lee for her work on this report.

b. CBOC chair Rafael Musni identified the committee's three choices - motion to approve, defer approval, or approve it and then have an addendum on the website.

c. CBOC member Christine Hanson commented that the data on the report, as commented at the last meeting, is difficult to read. She would like the committee to continue working on this bond oversight report. She shared that Anton Jungherr, who is with CaLBOC, a nonprofit that works statewide on helping to train bond oversight committees to understand the report creation process, has volunteered to work with the ad hoc committee to create a more comprehensive report. She added that the numbers does not seem to reflect what has been spent in the current year. She commented that if the report is approved as written, it will imply that the committee is fully confident that the District has complied with the requirements.

d. CBOC member Kenneth Laslavic disagreed with Christine Hanson's comment. He believes this report is sufficient, that the audit reports that the committee has reviewed are sufficient, and that the authority of the audit reports should be trusted. He suggested to approve the report and expects that this entire body needs to focus on its charge as an advisory body with a very limited charge. He feels that the committee has fulfilled its charge but will fail to fulfill it if the report is not provided to the community.

e. CBOC member Daniel Weaver expressed concern that if the report is not out before Thanksgiving it will not make it out this year.

f. CBOC member Faruq Ahmad commented that this report is an overview that covers the last several years and the actual last year is not broken down. He agreed that the report needs to go out by Thanksgiving or sooner. He noted that he is in favor with involving Anton Jungherr in making sure that for subsequent years, there are processes that conform to the rest of the state.

g. VCFA Ron Gerhard clarified that the report is covering the period from 2011/2011 through 2014/2015, an anomaly as it is the catch up report. The next report for 2015/2016 and subsequent annual reports will cover a one-year period only. The table will be one year only with actuals broken out as the actuals for individual years.

h. CBOC member Faruq Ahmad inquired if the proposed schedule for the next report will be in the second quarter of 2017.

i. VCFA Ron Gerhard responded that work can begin on the next report as soon as the audit report is completed and released sometime in the Fall.

j. CBOC chair Rafael Musni suggested that this is essentially a four or five year overview report and a reasonable summary. The next annual report could be scheduled from the second quarter of next year using audited numbers to accurately reflect actual expenditures of bond funds for the 12 month period. He agreed with the point brought up to get Mr Anton Jungherr involved in reviewing the CBOC's annual reporting process to make sure the committee is using the best standards for reporting.

k. CBOC member Daniel Weaver moved to approve this report for distribution with the graphics cleaned up and made more legible.

l. CBOC chair Kenneth Laslavic seconded the motion.

m. CBOC chair Rafael Musni commented that the committee should vote for this report with comments that would be posted to the website subsequently with changes put in the report pointing people to the website for corrections.

n. CBOC member Kenneth Laslavic observed that it is not clear what the committee is voting on as he heard a vote to approve with the graphics revised to make sure it is visible is the motion that he seconded. A vote to approve with subsequent comments, not fully specified or agreed upon here, is not what he seconded and not what he believes was presented to vote on. He restated that he is seconding the first motion.

o. CBOC member Daniel Weaver clarified that his first motion is to approve this report with revised graphics.

p. CBOC chair Rafael Musni specified that the vote is on moving forward with this report with fixing the graphics on the spreadsheet and called the committee for a vote.

q. CBOC members present voted aye and CBOC member Christine Hanson voted nay.

VI. Citizens Oversight Committee Bylaws Review

a. VCFA Ron Gerhard recapped that in the Fall of 2015 the bylaws were amended and approved by the Board of Trustees. There was a subsequent desire by the oversight committee to make further refinements or amendments.

b. CBOC member Christine Hanson had sent a document regarding the bylaws to the committee for their review and to evaluate if the language removed is valuable and to recommend to the Board of Trustees as a group that information be put back into the bylaws. She commented that there was a lot of language removed and there were two different strike out versions - one that went to the committee and one that went to the Board of Trustees which made it more difficult for her to put together into a cohesive document.

c. CBOC chair Rafael Musni requested that the committee review the materials and document from Christine Hanson and comment.

d. CBOC member Daniel Weaver commented that he can review the materials and make comments but it is not the committee's job to approve it.

e. CBOC chair Rafael Musni responded that the review is for the committee's edification. He thanked Christine Hanson for her diligence and review of the bylaws.

f. VCFA Ron Gerhard stated that Christine Hanson's document has been forwarded to bond counsel for review of the proposed recommended changes to ensure it is in alignment with relevant or appropriate citations or code. The intention is to bring back the document to the oversight committee at the next meeting to review bond counsel's evaluation of the recommended changes.

VII. Agenda Items for Future Meetings

a. Rafael Musni confirmed that the calendared meeting for October 27th, was advanced to this meeting to get the Annual Report out on time.

b. CBOC member Todd Suchevits inquired on the expected completion date for the bond audit.

c. CFO David Martin responded that the financial statement audit and the report is due to the state by December 31. We are tentatively scheduled to have auditors the last two weeks of October with a report to present to the board by the December meeting.

d. CBOC member Todd Suchevits inquired if a draft report will be available in November.

e. VCFA Ron Gerhard responded that a draft will be available and a final audit report will go to the board at the December meeting and the final report can be shared with the committee at the next CBOC meeting.

f. CBOC chair Rafael Musni proposed the bond audit as an agenda item for the next meeting.

g. VCFA Ron Gerhard would like the committee to review the District's Five Year Capital Outlay plan for near term facility priorities as established by the board of Trustees such as the Performing Arts Education Center.

h. CBOC member Daniel Weaver commented that CBOC members need to attend meetings or be replaced as it will be difficult to maintain quorum.

i. CBOC member Christine Hanson agreed with the comment.

j. CBOC member Rafael Musni would like to discuss that after the meeting to figure out a solution.

k. CBOC member Christine Hanson inquired if she can have her name removed from the brochure of the Citizen's Bond Oversight Annual Report.

l. CBOC chair Rafael Musni pointed out that would be a good question for Anton Jungherr.

m. CBOC member Christine Hanson inquired if she resigned now can her name be taken off the Annual Report.

n. VCFA Ron Gerhard responded that he will check with counsel.

Next meeting: January 19, 2017.

VIII. Adjournment: Meeting adjourned at 11:29 AM.