



City College of San Francisco

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CITIZENS' BOND OVERSIGHT COMMITTEE

MINUTES

THURSDAY, JANUARY 19, 2017

**GOUGH STREET AUDITORIUM
33 GOUGH STREET, SAN FRANCISCO**

Members Present: Mr. Faruq Ahmad, Ms. Christine Hanson, Mr. Rafael Musni, Mr. Todd A. Suhevits, Ms. Karen Waltz and Mr. Daniel Weaver

Members Absent: Mr. Kenneth Laslavic

Presenters: Mr. David Martin, CFO, Ms. Linda da Silva, Associate Vice Chancellor of Facilities; Mr. Brandon Harrison, Partner -Vavrinek, Trine, Day & Co., LLP. (VTD)

- 1. Call to order and Roll Call:** Mr. Rafael Musni, Chair called the meeting to order at 9:36 AM.
- 2. Review and approve minutes from the September 22, 2016 CBOC Meeting**
 - a. Minutes to the September 22, 2016 were reviewed.
 - b. CBOC member Christine Hanson commented that Item 1A should note that she arrived to the meeting by 9:30 AM at the time that she thought the meeting was going to occur and that the members of the public arrived at 9:30 AM as well.
 - c. CBOC member Christine Hanson commented under Item IV.o regarding the Facilities Master Plan review, she does not recall a discussion about closing programs.
 - d. CBOC member Christine Hanson commented under Item V.c., in reference to the sentence that ends “the ad hoc committee to create a more comprehensive report”, she recalls saying instead “we did not write this report”. Instead of the comment that the numbers “do not seem to reflect”, she recalls saying “include what has been spent”.
 - e. CBOC member Christine Hanson commented under Item VI, regarding the discussion of bylaws, she believed there would be a discussion of the bylaws at the last meeting as an agenda item and that is not reflected in the notes.
 - f. CBOC chair Rafael Musni concluded that the committee will further review the meeting minutes.
- 3. CBOC Reports**
 - a. Review the Bond Audit Report ending June 30, 2016 (Brandon Harrison, VTD)
 - i. CFO David Martin introduced Brandon Harrison, lead partner of VTD to provide a review of the Bond Audit Report ending June 30, 2016.
 - ii. Brandon Harrison presented the two audit reports prepared by VTD, the Financial Statement Audit Report and the Performance Audit Report.

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- iii. Brandon Harrison informed the committee that VTD's Financial Statement Audit Report issued an unmodified audit opinion of the financial statements for the Bond Funds ending June 30, 2016. Brandon Harrison noted that the Balance Sheet for the Bond Funds shows a majority of the assets is Cash and Investments which is investment for the County Treasury with approximately \$52 million outstanding fund balance within the two bond elections as of June 30, 2016.
- iv. Brandon Harrison noted that under the Statement of Revenues, Expenditures, and Changes in Fund Balance, approximately \$4 million was spent on bond projects and expenditures. He explained that for the financial audit, VTD looked at the internal controls over District Bond Funds, reconciliation over cash and reviewed procedures of expenditures and any receipts, mostly incoming interest revenues and ensuring that it is allocated to the Bond Fund.
- v. Brandon Harrison identified the \$728K under Other Operating Expenses included expenses for professional services fees including creditors services such as the relocation costs for relocation for the Child Development Center. Brandon Harrison clarified that Legal Services are separate expenditures totaling about \$584K.
- vi. CBOC member Todd Suchevids inquired if fees are included in capital outlay. David Martin responded that the capital outlay expenditures are costs for the building and supplies/materials for the actual construction.
- vii. CBOC member Todd Suchevids commented that within the Purpose of Issuance in the Performance Audit Report, the 2001 bond includes technology infrastructure whereas it does not appear under the 2005 bond. Brandon Harrison responded that the language comes directly from bond language.
- viii. CBOC member Todd Suchevids inquired if the \$1.5M left to spend on IT infrastructure/computer network as noted in the performance audit is not part of the \$2.7M capital outlay expenditures. David Martin responded that is correct.
- ix. CBOC member Todd Suchevids commented that for the current year there were \$2.7M expenditures in capital outlay for Bond Fund and it is not clearly distinguished between technology infrastructure in the procedures. Brandon Harrison responded that during testing VTD ensures bond expenditures are in line with the allowable cost with all approved Bond Funds and invoice match to each bond project to make sure it's one of the approved listed projects.
- x. CBOC member Todd Suchevids inquired in terms of fair value of the San Francisco County Pooled Investment Fund if City College of San Francisco is indemnified against losses in the fund. Brandon Harrison responded that we receive annual statements from the City and County and have the same regulations as other agencies based on the pooled investments of all city, county, and local agencies within San Francisco that are invested in that fund.
- xi. CBOC member Christine Hanson inquired where the police and deans reorganization and the Gough Street relocation fall in the project list. Brandon Harrison responded that a materiality and random sample based on total expenditures was conducted with 81 percent of expenditures tested. For details on a specific invoice, he can go back to see if these expenditures were tested to determine which project they were classified to.
- xii. CBOC member Karen Waltz inquired under which project does the Gough Street relocation cost of \$71K and the Civic Center Temporary Site of \$82K fall under. Brandon Harrison responded that he can go back to his work papers to see if these specific invoices were sampled or tested. David Martin will look into these specific invoices as well.

- xiii. Brandon Harrison explained the objectives of the performance audit and the procedures performed. Selected representative sample of actual expenditures were tested to ensure they are in line with the bond. As stated before, 81 percent of all expenditures were tested. Salary transactions paid out of the bond were tested to make sure those expenditures were in compliance. Bidding procedures were assessed for compliance with Public Contract Code. Change orders were tested to verify they received board approval and in compliance with the District's policies and procedures. The 2005 election and 2001 election funds and approved projects were verified to be in separate funds. The rest of the results and graphs represent actual expenditures to original project budgets to amended project budgets and expected future expenditures.
 - xiv. CBOC member Todd Suchevids inquired about the Meyers Nave change orders being almost a 100 percent increase of their contract amount. David Martin clarified that those are legal costs. Linda da Silva added that Meyers Nave's initial engagement was to assess the potential of pursuing legal claims; the Board awarded contract augmentations at milestones associated with pursuit of legal claims.
 - xv. CBOC member Daniel Weaver inquired if the 2015 annual report has been mailed out to the voters. Linda da Silva replied that the report covering five years was finalized at the last meeting on September 22nd and determined to be distributed via U.S. mail to every household and business in San Francisco and e-mail notification to the CBOC members, the governing Board of Trustees, the Mayor's Office, and the San Francisco Controller. This report was posted in early November and along with previous reports can be found on the CBOC website (<http://www.ccsf.edu/en/about-city-college/board-of-trustees/bond/annual-report.html>). Linda da Silva continued that an e-mail was sent to committee members communicating that a report issued in November would get lost in all the campaign, ballot and election mail and if mailed in December would get lost in all the holiday mail and to wait until early 2017 to issue the report.
 - xvi. CBOC member Christine Hanson commented that the 2008 MGT performance audit had details pertaining to the different roles and the relationship between the Bond Oversight Committee, the Board of Trustees and the District and inquired if that was looked at for this audit. Brandon Harrison believed the referenced audit had a larger more extensive scope and noted that most performance audits do not deal with relationship and roles on a management, organizational aspect but instead focus on financial and performance of the bond. He continued that the performance audit as presented is looking to ensure compliance with the project list approved by the voters.
- b. Call for 2015-16 Annual Report Subcommittee (Linda da Silva, Associate Vice Chancellor of Facilities)
- i. Linda da Silva asked for interested members to volunteer for a subcommittee to work with her on producing and developing the next annual report covering fiscal year 2015-16. Moving forward, the subcommittee will be called a Task Force since the committee bylaws disallow the formation of subcommittees. The work of the Task Force will come back to the whole committee for reviews for committee approval for issuance of the annual report.
 - ii. CBOC members Karen Waltz, Faruq Ahmad, Rafael Musni, Todd Suchevids and Christine Hanson expressed interest in serving on the Task Force. CBOC chair

- Rafael Musni commented that CBOC member Kenneth Laslavic (absent) should be asked if he is interested to be a part of the Task Force.
- iii. CBOC member Christine Hanson commented that ad hoc committees are legal under Proposition 39. Linda da Silva replied that while Proposition 39 allows ad hoc committees, the bylaws say the committee shall not establish subcommittees for any purpose. CBOC member Christine Hanson commented on the need to change the bylaws to more reflect the wording in Prop 39.
 - iv. CBOC member Daniel Weaver commented that there is no need to call it anything and people who want to meet can schedule time to discuss it.
 - v. CBOC member Faruq Ahmad commented that there should be further discussion regarding modifications to the bylaws. CBOC member Todd Suchevids noted that the committee does not have the authority to modify the bylaws as the Board of Trustees is the only group who can approve or make changes but the committee can suggest rewording. He recalled that Ron Gerhard was going to speak with bond counsel about the requested changes. CBOC member Christine Hanson clarified that the committee did not request changes but instead had outlined the Prop 39 language removed from the previous bylaws.
 - vi. CBOC chair Rafael Musni would like to further discuss the altered bylaws and CBOC member Daniel Weaver suggested to put this forth as an agenda item for the next meeting. CBOC member Karen Waltz inquired what are the proposed changes to the bylaws. CBOC member Christine Hanson replied there were quite a few things that were taken out of the previous bylaws that are under Prop 39. Linda da Silva suggested to put on the agenda a discussion on bylaws for the next meeting and in preparation she will work with Bond Counsel David Casnocha to compare and contrast the current and previous bylaws which he may have already done with what the committee had previously requested.
 - vii. CBOC member Faruq Ahmad inquired what is the timeline for preparation of the annual report. Linda da Silva replied that she would want to meet in the next few months with a Task Force to provide a first draft for review at the April meeting, then about three months to refine it further in time for the July meeting, and issue it Fall of 2017. CBOC member Faruq Ahmad inquired of the committee if there were any thoughts as to what the schedule should be for the annual report and pointed out that a set schedule would be preferable - with a report out in September or in time for the fall quarter that coincides with the academic year, making it easier to get out to the public and showing the committee is vital and doing its job.
 - viii. CBOC member Daniel Weaver commented to be aware of the possibility of jokes being made about the 2015 Annual Report showing up in 2017 and to have a good explanation for it. CBOC chair Rafael Musni quipped that he plans on telling people he just arrived on the scene. CBOC member Daniel Weaver continued that the college should explain what happened with an outline of events. CBOC member Karen Waltz commented that was addressed in the past to add a footnote to direct interested citizens to the website to address the public's questions or concerns.
 - ix. Linda da Silva proposed the suggested schedule for this year to be the standard schedule. She explained that the typical cycle for writing the report is after the board has approved the bond financial and performance audit and then it is filed with the State. The bond audit is brought to committee in January at its first meeting and a Task Force is put together to assist with the first draft; at the second yearly meeting in April the whole committee will review and comment

the first draft report; after further refinement, the second draft will be brought to the third meeting in July and if approved will get in front of our governing Board of Trustees as a courtesy; the annual report can be issued in early fall in September. This schedule is standard and done in many other Districts. It follows the timelines of what's possible with the number of CBOC meetings and when material reports that the annual report is based on are available. CBOC member Daniel Weaver moved to adopt the proposed schedule for this year in getting out last year's report seconded by CBOC member Faruq Ahmad. CBOC chair Rafael Musni acknowledged the motion.

- x. CBOC member Christine Hanson noted that she is an at-large member and not a student as indicated on the name plate and wondered if the District can reach out to Associated Students so that there is student representation. Linda da Silva acknowledged that the name plate will be corrected.
- xi. Linda da Silva noted that there are currently seven members on the committee - the six members present today and Kenneth Laslavic. The vacant positions are the college support organization (foundation) member, senior citizen's organization member and student representation. Linda da Silva is conducting a membership drive to fill those slots per the bylaws. CBOC member Faruq Ahmad suggested to increase PR to raise the visibility and perhaps outreach through the Mayor's Office. Linda da Silva encouraged the committee members to outreach to other channels as well, such as friends, colleagues and neighbors who might be interested.
- xii. CBOC chair Rafael Musni inquired if current members can go back for additional terms. Linda da Silva responded that members can serve three consecutive two year terms.
- xiii. CBOC member Christine Hanson inquired where to direct people interested in serving. Linda da Silva replied that in the coming weeks a membership drive page will be up on the website including an application and a process for evaluation.

c. CBOC Website (Linda da Silva, AVC Facilities)

- i. Linda da Silva reported on the improvements made to the CBOC website. Future improvements include a membership drive page, link to bylaws, information about the Brown Act, link to bond ballot language measure information/approved projects, link to projects websites and FAQ page.
- ii. CBOC member Daniel Weaver inquired how are meetings currently announced and observed that there are no members of the public present. Linda da Silva responded that meetings are announced on the CBOC website on the CBOC Meetings page (<http://www.ccsf.edu/en/about-city-college/board-of-trustees/bond/bond-oversight-meeting-schedule.html>). CBOC member Christine Hanson commented that there are no public members in attendance possibly since it is the first week of school and she suggested to either do a greater outreach to notice meetings beforehand or perhaps not schedule meetings during the first week of classes. CBOC member Christine Hanson suggested to email the notice of meetings to members of the public that have previously attended the CBOC meetings.
- iii. CBOC member Faruq Ahmad proposes a future agenda item on usage metrics to look at how effective the marketing program is at encouraging people to visit the website and suggested that we should be actively and avidly tracking usage. Linda da Silva noted another way to drive traffic to the website is to make it

easier to find the page and agree that we should look at metrics as a standard business practice.

- iv. CBOC member Daniel Weaver inquired if there are other places on the website where it says: “Here's what's happening at City College this week” and are there other places on the website where information about the meetings is presented other than on the CBOC site. Linda da Silva responded that she will work with the CCSF web content managers to make it easier to link to the CBOC site.
- v. Linda da Silva noted that the membership drive needs to happen immediately as we need more members to meet our statutory requirement for constituency representation and suggested working with Jeff Hamilton through the District’s government and community relations office to outreach through CCSF’s Facebook and Twitter and reach out to chambers, neighborhood associations and other organizations. CBOC chair Rafael Musni requested a copy of the outreach list for his use. CBOC member Karen Waltz proposed the committee should have similar wording for the outreach message. Linda da Silva will work on the wording for the membership drive page.
- vi. Linda da Silva will add a sign up form on the CBOC website so people who want to be notified of CBOC activities can be noticed through e-mail.

4. Public Comment – No public comment.

5. Confirmation of Next Meetings

- a. April 21, 2017
- b. July 20, 2017
- c. October 12, 2017
- d. CBOC member Christine Hanson requested a discussion on the bylaws at the next meeting.
- e. CBOC member Daniel Weaver would like to have the next annual report sent out more timely before Thanksgiving.
- f. CBOC member Daniel Weaver had a question about tenure and when committee member terms are up.
- g. CBOC chair Rafael Musni inquired when the mailer will go out. Linda da Silva responded that the committee will receive an email and a link to the report on the web site and information about who will receive the report.

6. Adjournment - Meeting adjourned at 10:51 AM