City College of San Francisco

50 FRIDA KAHLO WAY • SAN FRANCISCO, CA 94112 • (415) 239-3000

DRAFT MINUTES

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT CITIZENS' BOND OVERSIGHT COMMITTEE
PROP A 2001 / PROP A 2005 / PROP A 2020

February 13, 2024
1:00 PM – 2:00 PM

City College of San Francisco
Ocean Campus, Multi-Use Building (MUB) Room 250

1. Call to Order - Vice Chair Kelly 1:11 pm
    a. Roll Cale Vote – There was no roll call for attendance conducted. All 5 active members of the committee were present:
        i. Vice-Chair Dennis Kelly
        ii. Member Linda Fadeke Richardson
        iii. Member Chineseman Lai
        iv. Member Christine Hanson
        v. Member Thomas Havey

Presenters: Jeff Scogin, A Kennedy Group
Alberto Vasquez, Associate Vice-Chancellor – Construction & Planning, CCSF

Support Staff: Marian Lam, Administrative Analyst, Office of Facilities & Capital Planning, CCSF
Eric Birnbaum, Sr. Management Assistant, Office of Facilities & Capital Planning, CCSF

2. Approval of the Agenda
    a. A motion to approve the agenda made by Member Fadeke Richardson. There was not a second to the motion prior to discussion.
    b. Discussion – the following were proposed as additions to the agenda:
        i. Member Hanson wanted to address the archives taken off the website. This was added to the agenda as item 5a.
        ii. Items from the minutes, pg. 11 of the last meeting, were added as follows:
            1. Effectiveness of Internal controls – this was added as item 5b.
            2. Member Hanson's request for an online portal – this was added as item 5c.
        iii. Amendment of the agenda voice vote was conducted by Vice-Chair Kelly.
            1. There were no nay votes or abstentions.
            2. The motion to approve the amended agenda was approved by consensus.

c. A voice vote to approve the agenda was called by Vice-Chair Kelly.
    i. There were no nay votes.
    ii. There was 1 abstention vote from Member Lai.
    iii. The agenda was approved.

3. Approval of the Meeting Minutes for April 13, 2023, and May 4, 2023
    a. A motion to approve the minutes was made by Member Fadeke Richardson and seconded by Member Havey.
    b. Based on discussion, the following corrections were made to the minutes prior to the approval vote:
        i. Chair Kelly's name is misspelled on pg. 8, item 2i and pg. 3, item 3b.
        ii. Strike item/phrase – pg. 4, section iii - "no non-payroll items".
    c. A voice vote was called by Vice-Chair Kelly.
    d. The motion to approve the minutes as amended was approved by unanimous consent.

4. Updates from the Chair
    a. No written communications were received.

5. Public Comment on Items not on the agenda – none submitted.
    a. Items Removed from Website
        i. Member Hanson stated that it is not possible to access minutes prior to 7/2020 on the website. None of the meeting materials are included for that meeting either. Because there are still many ongoing projects it is important that this is reinstated. CBOC was not given notice that they were being taken down. AVC Vasquez replied that we will work with IT to get this corrected.
        ii. Member Fadeke Richardson noted that these should not be archived as they are still not completed, so they are still active.
        iii. Member Hanson stated that page 32 of the meeting packet shows the end of the new-term date as May 2025. The end of term dates should be September due to delays caused by approval of members by the board. The date implies we had an active committee when there was none. AVC Vasquez said that we will get clarity from the bond counsel. Member Hanson said that the Board of Trustees did not see paperwork until Sept 2023, and they had to cancel the June and October meetings as a result. There was no active membership between May and September of 2023.
        iv. Member Hanson stated that the annual reports are not available on CBOC web page. They are on the Board of Trustees page but are difficult to find. One must go through two pull-down menus to get to the information. The CBOC website needs links to the reports.

    b. Effectiveness of Internal Controls
        i. Member Havey stated that, from what he remembers, the audit reports have standard language regarding what they are required to check, but they do not check the effectiveness of internal controls. This is not within the scope of what they do; are we aware of potential issues that don't go away even with good audit reports? It falls to the committee to see if the internal controls are there and adequate.
        ii. Vice-Chair Kelly asked if there is a standard definition of internal controls or a document that outlines what should be there.
        iii. Member Havey said that this would be something that professional accountants might have. There is a standard of GAAP (Generally Accepted Accounting Principles), but he doesn't know if that applies to the public sector. There should be a comparable counterpart.
        iv. AVC Vasquez stated that the auditor does their review based on tax code requirements. They do random sampling as was described in the minutes. They ask questions and we provide details. The college district also has requirements for procurement and purchasing. They use the college modeling requirements and apply them to the bond funds review as well. Jeff Scoggin said that the auditors are testing expenditures against bond language, from a performance standpoint vs. board policies.

v. Vice-Chair Kelly asked what internal controls refer to.
vi. Member Fadeke Richardson stated that a case in point was when we discovered the discrepancy item, the performance audit brought that to attention. Wouldn't that be an example of internal control? AVC Vasquez agreed that was a good example.
vii. Member Lai asked how tax code and GAAP and the Performance Audit related to the bond. Both of those are unrelated to internal controls. These are three different things. What exactly is being discussed and what are the topics? AVC Vasquez replied that to us they are intertwined. Audits follow the tax code requirements for bonds (this is federal). Auditors are reviewing under the state codes and education codes for the performance audit. They do ask for information/feedback. For internal controls we follow the district policies for procurement, etc. Member Lai asked what the relevance of the tax code is in this circumstance. AVC Vasquez stated that the auditor is not following our direction; they are following the state's tax codes as to what they should be testing in the audit. Vice-Chair Kelly asked how it is determined what information is provided to the auditor. Jeff Scogin replied that the process is straightforward because there is a standard list of documents. In addition, they pull samples of data and may request additional information based on those samples. Member Lai asked what the relevance "tax code" is to audit. AVC Vasquez replied that they are relevant because they are intertwined with property taxes and the taxes on Type A bonds. We should be asking the auditors these questions and can do so the next time they are here. Vice-Chair Kelly asked if it was possible for staff to provide a definition of our internal controls as described by Jeff Scogin for future meetings. Member Havey suggested a faculty member might be used as a resource to provide a presentation.
viii. Member Hanson stated that in relationship to the performance audit there are other controls that can be tested and are done in other performance audits. AVC Vasquez replied that the auditors are checking against the ballot language. We have asked them to check specific projects against the ballot language, and there is a specific process for this. Member Hanson said she will bring further information on this topic to the next meeting.

c. Member Hanson made a request for an online portal to the public, which would be a way for the public to interact and ask questions of the committee. AVC Vasquez noted that there is an email address on the website for the purpose of communicating with the committee. Member Hanson said she didn't remember the exact context of what prompted her request, and she would revisit her materials. Member Fadeke Richardson noted that pertinent documents are available on the website and people can get information from those. It would open a can of worms to leave open comments and questions from the public visible on the website. AVC Vasquez noted that we don't typically have an established portal setup at the college for departments; an interaction portal would have to be developed. We do have an email for correspondence that is supplied to the chair.

6. Fiscal Year 2022-2023 Project Update and Financial Report
(Associate Vice Chancellor Alberto Vasquez and Jeff Scogin of AKG)
   a. A Power Point presentation was made by AVC Alberto Vasquez and Jeff Scogin of AKG (see meeting packet).
   b. Member Hanson asked if the $800k under Evans was for the sprung structure lease, rather than construction. She also asked if the soft costs could be separated out. AVC Vasquez replied that the costs were mainly from the sprung structure lease and the subsequent purchase of the units. The college took the purchase option because it was less expensive than another three years of lease. In 2020 there was also some site testing done, and some ramping up for the modernization project. Member Hanson asked where she can find the specifics regarding construction costs. AVC Vasquez replied that at the meeting last week, we presented a report at FMPOC that detailed the 2005 funds that have been expended. Under the 2020 bond there is 1550 Evans in conjunction with SFPUC – $30 million, with nothing expended. 1400 Evans – of the $25 million, the college has spent $2.5 million. Member Hanson requested a deeper dive into these numbers.
   c. Member Fadeke Richardson stated that the Evans project came online in 2005. Construction didn't start until 2020. Now we are looking at a completion date of 2028. AVC Vasquez replied that there were a couple of different projects. 1. Purchasing the building and doing some work to get it to where it is now. Some 2005 funds went to the sprung structure. The 2020 bond will fund the construction/modernization. The Aircraft Maintenance Technology program (AMT) had some constraints so we had a design delay/pause but are now moving forward and will be going to the Division of the State Architect (DSA) later this year. Member Fadeke Richardson said that it would be great to have a report of what has happened and when. Member Lai asked for a breakdown of $43 million for the Science, Technology, Engineering, Art and Mathematics building project (STEAM). Jeff Scogin replied that $40 million went to Rudolph and Sletten (construction

contractor). AVC Vasquez stated that prior to 2022, most of the expenses were related to design costs. More recently they are building the structure, so the spending has shifted as a result. Member Hanson asked how we can clarify what piece is design and what is construction. AVC Vasquez responded that we would follow up on this request. Member Havey asked if the expenses for equipment are only for built-in items, or also portable items like laptops. Jeff Scogin explained that "portable" items can be counted if they are purchased specifically for the project. Member Fadeke Richardson noted that the list doesn't include creative arts. AVC Vasquez responded that there are 2 buildings, but for Creative Arts, much of the department will be part of the new STEAM building and the new Diego Rivera Theater/Performing Arts Education Center (DRT/PAEC). Member Fadeke Richarson asked if we can include that information in the report.

d. Member Hanson asked what category moving and swing space fall under. AVC Vasquez responded that those are part of construction costs.
e. Member Lai asked what the restroom upgrade costs are for. AVC Vasquez responded that those were for the construction of restrooms at the Creative Arts Building - 3 floors of men's and women's restrooms on each floor (6 total).

7. Annual Report Fiscal Year 2022-2023 Establish Working Group
    a. Vice-Chair Kelly stated that this group has traditionally been three members. Member Fadeke Richardson, Member Hanson and Member Lai volunteered to be part of the group, with Member Havey volunteering as an alternate. It was agreed that Member Fadeke Richardson will be the chair of the working group.

8. Fiscal Year 2023-2024 Quarter 2 – Prop A 2020
    a. Current Project Update – power point presentation by AVC Vasquez (see packet)
        i. Member Hanson asked when the STEAM building will be occupied, if completed in Oct 2024 as scheduled. AVC Vasquez said the first classes would be in January 2025.
        ii. Diego Rivera Theater – Vice-Chair Kelly referenced some news articles regarding the mural. AVC Vasquez responded that there is litigation regarding the relocation expenses. We are awaiting clarification of this to see if it will influence the relocation timeline. We are prepping the relocation to the old DRT, on movable units. The mural will be available and ready for installation when the time comes. Member Hanson said that a few years ago McCarthy Construction was set up to do a design-build DRT project, and that there was a lawsuit. She wondered if there is any chance the college will recoup any earnings from that. AVC Vasquez replied that McCarthy was asked to leave; there was no lawsuit. Member Hanson said that there was very little information given to the public at that time, but a lawsuit was mentioned. AVC Vasquez reiterated that there was no lawsuit. McCarthy was unable to work within the contract requirements, so they were let go by the interim Chancellor at that time. Member Lai said that some of the bonds haven't been sold yet, and asked, with construction costs going up, what adjustments are being made so projects are finished. AVC Vasquez responded that the Finance Office works on keeping the projects within budget. There have been some changes already. The DRT budget was increased by postponing work on the Creative Arts Extension. These types of decisions are approved by the board. There is a strategy of when bonds are sold that is done by the Office of Finance. Member Lai asked if AVC Vasquez can foresee any potential overruns. AVC Vasquez responded that design/build costs are set when the contractors come on board. There are unforeseen events such as rain delays, but our consultants and team work to minimize any overruns. Member Fadeke Richardson offered that projects go through economic cycles; this is part of internal controls for projects that go through years.
        iii. STEAM – Vice-Chair Kelly asked for clarity regarding the geothermal situation. AVC Vasquez responded that when the Multi-Use Building (MUB) was built, there was geothermal infrastructure installed. The lower Balboa project impacted this, but the contractor was able to make partial use of infrastructure.
        iv. The Student Success Center (SSC) project was reviewed.
        v. The Cloud Hall update project was reviewed.
        vi. The Infrastructure Project (Ocean Campus) was reviewed.
        vii. 750 Eddy – Member Hanson asked if at some point in the records there was any indication of a seismic upgrade. AVC Vasquez replied that this project is the seismic upgrade project. The facility was closed in 2015/16. We are waiting for funding from the state.
        viii. Evans Center – The AMT program will be housed here. Member Hanson asked where to find a breakdown of the budget. AVC Vasquez replied that one of the issues is that with the omnibus system, the data that could be confirmed was the 2018 date. 7/1/18 forward became the refresh

start date. Very little had been spent during the prior two fiscal years. What is presented is 2018 forward. Member Fadeke Richardson stated that it is great the AMT program will be incorporated into this project. AVC Vasquez noted that in the summary there is $20 million for 1550 Evans, which is an SFPUC project; the college doesn't own the land. The Chancellor is engaged in calls with them, but he doesn't have information on that currently.

ix. Member Hanson said that at one time there was an attempt to get the college to pay for capping of the geothermal wells. AVC Vasquez responded that this is the responsibility of the developer of the lower Balboa project, as per the agreement with the city.

b. Financial Reports
   i. Jeff Scogin reviewed the Project Summary report for the committee (see packet). The end date represents when the project is available for its intended use. This report is for the period ending 12/31/23.
   ii. DRT - the bulk of the Q2 expenditures went to design.
   iii. STEAM – the bulk of the Q2 expenditures went to construction.
   iv. SSC – the bulk of Q2 expenditures went to construction.
   v. Member Fadeke Richardson commented that the report is great, and the format is easy to follow.
   vi. Jeff Scogin explained that the orange triangles indicate short term issues that have been identified by the project team and a solution has also been identified but not yet implemented. AVC Vasquez remarked that the items can be caused by various things. In the case of Cloud Hall, it is the schedule; for 750 Eddy it is the funding; for the Ocean Infrastructure project it is the design status.
   vii. Vice-Chair Kelly commended the staff for their work on the report.
   viii. AVC Vasquez took the opportunity to extend thanks to Vice-Chair Kelly for his long and distinguished service to the committee.

9. Review of Member Term Chart and upcoming meeting dates
   a. This item was covered earlier in the meeting.

10. Election of Chair and Vice Chair
   a. Nominations – Linda Fadeke Richardson was nominated for the position of Chair. Thomas Havey was nominated for the position of Vice-Chair
   b. Discussion
   c. A voice vote was conducted. The nominations were approved by unanimous consent.

11. Next Meeting's Agenda Topics
   a. Clarification on Internal Controls
   b. Clarification on Financial Reports
   c. Website links and archive updates
   d. Financial and Performance Audit Reports for Fiscal Year 2022-2023
   e. Draft Annual Report for Fiscal Year 2022-2023
   f. Select dates for March or April 2024
      i. We will select dates once we hear back from the auditors, which will hopefully be in March. The expectation is that the board will see it in February.
      ii. Dates in March were discussed. Member Fadeke Richardson suggested a doodle poll be conducted. Member Lai suggested that evening is better for him. Member Havey noted that evening meetings tend to be better for public meeting attendance. Member Havey also brough up the possibility of alternate locations.

12. Adjournment

a. Member Fadeke Richardson spoke to honor the exceptional contributions of Vice-Chair Dennis Kelly and his decades of service.
b. A voice vote to adjourn was conducted. Motion to adjourn passed with unanimous consent.
c. Adjournment at 3:27 p.m.