



Santa Monica Community College District
Citizens' Bond Oversight Committee
MEETING – APRIL 26, 2017
AGENDA

A meeting of the Santa Monica Community College District Citizens' Bond Oversight Committee will be held on Wednesday, **April 26, 2017 at 8 a.m.** The meeting will be held in Drescher 300-E (the Loft) at Santa Monica College, 1900 Pico Boulevard, Santa Monica, California.

Public Comments

Individuals may address the Citizens' Bond Oversight Committee concerning any subject that lies within the jurisdiction of the Citizens' Bond Oversight Committee by submitting an information card with name and topic on which comment is to be made. The Chair reserves the right to limit the time for each speaker.

1. CALL TO ORDER

2. ROLL CALL

Sonya Sultan - Chair
Katherine Reuter – Co-Chair
Sharon Barovsky
Michael Dubin
Jeffrey Graham
Sion Roy
Negrón Zavanna

3. APPROVAL OF MINUTES

Citizens' Bond Oversight Committee meeting of January 18, 2017 (*enclosed*)

4. REPORTS and DISCUSSION (*reports enclosed*)

- SMC Bond Capital Construction Budget Summary as of March 31, 2017
- Bond Budgets
 - Measure U
 - Measure S
 - Measure AA
- Measure U Reports
 - Project Schedule
 - Expenditures
- Measure S Reports
 - Project Schedule
 - Expenditures
- Measure AA Reports
 - Project Schedule
 - Expenditures
- Bond Sales/Expenses Report
- SMC Bond Program Contractor List

5. **INFORMATION – EXPIRING TERMS OF MEMBERS OF THE CITIZENS’ BOND OVERSIGHT COMMITTEE**

The term of the following member(s) of the Citizens’ Bond Oversight Committee is expiring effective **June 30, 2017** and is eligible for reappointment:

- Sharon Barovsky, Local Community/Malibu
- Michael Dubin, Business Community / Taxpayers’ Organization
- Sonya Sultan, Local/Business Community
- Sion Roy, Business Community/Taxpayers’ Organization
- Negron Zavanna, SMC Student

The term of the following member(s) of the Citizens’ Bond Oversight Committee is expiring effective **June 30, 2018** and is eligible for reappointment:

- Jeffrey Graham, Local Business
- Katharine Reuter, Senior Citizens’ Organization

The Board of Trustees will follow a recruitment and application process to appoint/reappoint members to fill the vacancies.

6. **TOUR OF THE CORE PERFORMANCE CENTER**

- Please allow 30 minutes to tour the New Core Performance Center

7. **PUBLIC COMMENTS**

8. **SCHEDULE OF MEETINGS, 2017-2018**

Wednesday at 8 a.m. July 19, 2017

9. **ADJOURNMENT**

- a. The next meeting of the Citizens’ Bond Oversight Committee will be held on **Wednesday, July 19, 2017 at 8 a.m.** in Drescher Hall Room 300-E (the Loft) at Santa Monica College, 1900 Pico Boulevard, Santa Monica, California.



Santa Monica Community College District
Citizens' Bond Oversight Committee
MEETING – JANUARY 18, 2017
MINUTES

A meeting of the Santa Monica Community College District Citizens' Bond Oversight Committee was held on Wednesday, **January 18, 2017 at 8 a.m.** in Drescher 300---E (the Loft) at Santa Monica College, 1900 Pico Boulevard, Santa Monica, California.

1. **CALL TO ORDER: 8:05 a.m.**

2. **ROLL CALL -- Members**

- Sonya Sultan, Chair --- Present
- Katherine Reuter, Vice---Chair---Present
- Jeffrey Graham – Present
- Sion Roy --- Present
- Sharon Barovsky --- Present
- Michael Dubin --- Present
- Zavanna Negrón –

Absent Others Present:

- Mr. Bill Rauch – Partner, Varinek, Trine, Day & Company (VTD)– CPA
- Dr. Kathryn E. Jeffery, Superintendent/President
- Don Girard, Senior Director, Government Relations/Institutional Communications
- Greg Brown, Director Facilities
- Chris Bonvenuto, Chief Director, Business Services
- Ramin Nematollahi, Citizens' Bond Oversight Committee Coordinator
- Charlie Yen, Director --- Contracts
- Emil Zordilla, Assistant Director, Facilities Planning

3. **APPROVAL OF MINUTES**

The minutes of the Citizens' Bond Oversight Committee meeting of October 19, 2016 were approved as is. *Motion was made by Katherine Reuter and seconded by Jeffrey Graham and unanimously approved by the committee.*

4. **CONFLICT OF INTEREST FORM**

Members completed and endorsed forms. The forms are on file.

5. **REPORTS and DISCUSSION**

Chris Bonvenuto discussed Santa Monica College's previous audit firm (Vicenti, Lloyd & Stuzman, CPAs), which had served as SMC's auditor for 15 years and had given SMC "Unmodified Opinions". Varinek, Trine, Day & Company was selected after a formal bidding process and received a 3 year contract with an option of 2 years. Dr. Jeffery commented on the common and good practice of changing auditors.

A. Santa Monica Community College District

Measure U, Measure S, Measure AA General Obligation Bonds Financial and Performance Audit, June 30, 2016

Mr. Bill Rauch, presented the 2015---2016 Financial and Performance Audit Reports and reviewed the findings with the committee. He reviewed the Opinion of the findings which state:

“In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Measure U, Measure S, Measure AA General Obligation Bond Funds (Measure U, Measure S, and Measure AA) of the District as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the Unites State of America.” *(Page 3, of the SMCCD, Measure U, Measure S & Measure AA General Obligation Bonds Financial And Performance Audits – June 30, 2016 – Varinek, Trine, Day & Co. LLP)*

He reiterated the “unmodified opinion”, which is the highest mark that can be received for a financial and performance audit. He further reviewed, **The Statement of Revenues, Expenditures, and Changes in Fund Balance** on page 5. He also discussed the “**None Reported**” findings on Financial Statement Findings on page 17.

B. Santa Monica Community College District

Measure U, Measure S, Measure AA General Obligation Bonds Performance Audit June 30, 2016

Mr. Rauch discussed the procedures performed for the performance audit. A sample of expenditures was selected starting July 1, 2015 and ending June 30, 2016, and supporting documentation was reviewed to ensure that funds were properly expended on specific project list. The sample included transactions totaling **\$49,446,725**, which represent **71** percent of the total expenditures of \$69,373,518.

Based on this testing, Varinek, Trine, Day & Co. LLP, verified that funds from Measures U, Measures S, and Measures AA general Obligation Bond Funds (Measure U, Measure S, Measure AA) were expended for the construction, renovation, funding and equipment of District facilities constituting authorized bond projects.

Conclusion:

“The results of our test indicated that, in all significant respect, the Santa Monica Community College District has properly accounted for the expenditures held in the Measure, U, Measure S, and Measure AA general Obligation Bond Funds (Measure U, Measure S, Measure AA) and such expenditures were made for authorized bond projects. There were no salaries of administrative charged to the Measure U, Measure S, and Measure AA General Obligation Bond Funds for District general administration or operations.” *(Page 4, of the SMCCD, Measure U, Measure S & Measure AA General Obligation Bonds Performance Audits – June 30, 2016 – Varinek, Trine, Day & Co. LLP).*

Mr. Rauch also discussed the “none reported” comment regarding the Schedule of Findings and Questioned Costs – Page 5, (June 30, 2016) and reiterated that “There were no audit findings reported in the prior year’s Schedule of Findings and Questioned Costs.”

Motion was made by Sharon Barovsky to accept the report as is and seconded by Katharine Reuter and unanimously approved by the committee.

C. SMC Bond Capital Construction Budget Summary as of December 31, 2016.

Emil Zordilla, Assistant Director, Facilities planning, gave a visual presentation of the bond construction project:

- **Center for Media and Design:** The project is progressing as planned. Date of Completion is first quarter of 2017 with a move in date of fall 2017.
- **East Wing Performing Arts Center:** The PAC is scheduled to open for spring 2017 semester.
- **Core Performance Center:** Formerly known as the Fitness Center is going to be completed in January and will be occupied spring 2017 semester.
- **Student Services Building:** Large structure beams will be placed in the coming weeks. The student services building is schedule to open last quarter of 2018 and occupied by early 2019.
- **Malibu Campus:** Currently awaiting the finalization of lease from Los Angeles County. Bidding for the project will take place in the summer of 2017 with construction to begin in fall of 2017. Completion date is last quarter of 2019.
- **Early Childhood Education Center:** Awaiting coastal commission approval. Bidding for the project is expected in the summer of 2017 with construction to commence fall 2017. The project is schedule to be completed fall of 2018.

D. Measure U, S and AA and Bond Sales Expense Reports

The SMC Bond Capital Construction Budget Summary as of December 31, 2016 reports the following:

Measure U Budget:	\$160,000,000
Measure S Budget:	\$143,500,000
Measure AA Budget:	\$295,000,000
Other Funding Received:	\$ 26,195,758
Other Funding Pending:	\$ 52,594,548
Total Budget:	\$698,766,706
Estimate at Completion:	\$698,590,482
Bond Funds Remaining:	\$158,468,301

- **Measure U:** Total Measure U Expenditures last period were **\$3,144,064**; total remaining funds are **\$8,848,412**; no budget variance.
- **Measure S:** Total Measure S Expenditures last period were **\$180,983**; total remaining funds are **\$55,560,851**; no budget variance.
- **Measure AA:** Total Measure AA Expenditures last period were **\$17,720,703**; total remaining funds are **\$94,059,038**; no budget variance.
- The Bond Sales/Expense Report indicates total bond amounts, bond issue dates/amounts unsold bond amount and total available as of December 31, 2016.

Total Bond:	\$598,500,000
Total Available:	\$528,492,559
Total Expenses:	\$440,031,699
Total Available Remaining:	\$ 88,460,860

Total Unsold Bond: \$ 70,007,441

- The SMC Bond Construction Program Contractor List as of December 31, 2016 was included in the packet.
- Current information on all bond construction projects is available at:
<http://smcbondprogram.com> and at <http://www.smc.edu/CBOC>

7. SCHEDULE OF MEETINGS, 2016---2017

Wednesday, April 19, 2017 at 8 a.m.

8. ADJOURNMENT: 9:10 am

The next meeting of the Citizens' Bond Oversight Committee will be held on Wednesday, April 19, 2017 at 8 a.m. in Drescher Hall Room 300---E (the Loft) at Santa Monica College, 1900 Pico Boulevard, Santa Monica, California.