



Santa Monica Community College District

CITIZENS' BOND OVERSIGHT COMMITTEE

ANNUAL REPORT, 2002-2003

Submitted to the
Santa Monica Community College District
BOARD OF TRUSTEES

Herbert Roney, Chair
Dr. Margaret Quiñones, Vice-Chair
Carole Currey
Dr. Dorothy Ehrhart-Morrison
Dr. Nancy Greenstein
Dr. Patrick Nichelson
Annette Shamey
Melvon George, Student Trustee

CITIZENS' BOND OVERSIGHT COMMITTEE

Graham Pope, Chair
Linda Sullivan, Vice-Chair
Luis Barrera
Paul Leoni
Eleanore Meyer
Ed Moosbrugger
James Mount
Herb Reich
Herb Rose
Bertrand Staggers
Irma Vargas
Pierce Watson
Joe Weichman
Allen Weiss

John Jalili, Committee Advisor
Lisa Rose, Committee Coordinator
Letty Edwards, Staff Assistant

July 16, 2003



Santa Monica Community College District
Citizens' Bond Oversight Committee

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STATEMENT OF COMPLIANCE

This Annual Report is submitted to the Board of Trustees by the Santa Monica Community College District Citizens' Bond Oversight Committee.

The Committee advises that, to the best of its knowledge, the Santa Monica Community College District is in compliance with the requirements in Article XIII A, Section 1(b)(3) of the California Constitution. In particular, bond revenue has been expended only for the purposes so described in Measure U and, as prohibited by Article XIII A, Section 1(b)(3)(a) of the California Constitution, no funds were used for any teacher or administrative salaries or other operating expenses.

Respectfully Submitted:

Graham Pope, Chair
Citizens' Bond Oversight Committee

Date: July 16, 2003



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SUMMARY OF THE COMMITTEE'S PROCEEDINGS AND ACTIVITIES FOR 2002-03

The Santa Monica Community College District was successful at the election conducted on March 5, 2002 in obtaining authorization from the District's voters to issue up to \$160 million aggregate principal amount of the District's general obligation bonds. The election was conducted under Proposition 39 (chaptered as the Strict Accountability in Local School Construction Bonds Action of 2000, Education Code Section 15264 *et seq.*)

Pursuant to Education Code Section 15278, the District established the Citizens' Bond Oversight Committee at a special meeting of the Board of Trustees held on April 15, 2002 in order to satisfy the accountability requirements of Proposition 39. The Board of Trustees adopted the Bylaws setting forth the duties and rights of the Committee and approved the appointment of the 15 members to the Committee, comprised of citizens as required in Assembly Bill 1908, Chapter 44, Chapter 1.5, Article 2.

Luis Barrera
Jeff Gordon (who subsequently became ineligible)*
Nancy Greenstein
Paul Leoni
Eleanore Meyer
Ed Moosbrugger
James Mount
Graham Pope
Herb Rose
Bertrand Staggers
Linda Sullivan
Irma Vargas
Pierce Watson
Joe Weichman
Allen Weiss

Herb Reich (added *)

Meetings of the Citizens' Bond Oversight Committee

The Committee conducts its meetings in accordance with provisions of the Ralph M. Brown Public Meetings Act, Government Code Sections 54950 *et seq.* Meetings notices and agendas are sent to members of the Committee within the required period of time and are also posted at eight SMC campus locations and satellite sites. Meeting notices, agendas, minutes and all documents and reports received by the Committee members are a matter of public record and made available on the SMC website:

www.smc.edu/admin/trustees/CitizensBondOversightCommittee/default.htm

July 16, 2002 - Organizational Meeting
Board Room (Business Building Room 117)
Santa Monica College
1900 Pico Boulevard
Santa Monica California

- Graham Pope was elected Chair and Linda Sullivan was elected Vice-Chair. The committee members drew lots to determine two- and three-year terms, as follows:

Two-Year Terms, 2002-2004

Paul Leoni
Ed Moosbrugger
James Mount
Graham Pope
Herb Reich
Herb Rose
Bertrand Staggers
Pierce Watson

Three-Year Terms, 2002-2005

Luis Barrera
Nancy Greenstein
Eleanore Meyer
Linda Sullivan
Irma Vargas
Joe Weichman
Allen Weiss

- The Committee reviewed and discussed the Bylaws approved by the Board of Trustees on May 6, 2002. The Committee was briefed on its purpose:
 - (a) To review quarterly expenditures reports produced by the District to ensure that bond proceeds are expended only for the purposes set forth in the ballot measure; that no bond proceeds are used for any teacher or administrative salaries or other operating expenses; and that bond proceeds are maximized.
 - (b) To present to the Board of Trustees an annual written report which shall include a statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; and a summary of the Committee's proceedings and activities for the preceding year.
- Committee meetings for 2002-03 were scheduled to be held quarterly on the third Wednesday of the month as follows:

October 15, 2002
January 22, 2003
April 16, 2003

Reports Received: Sale of Bonds and Use of Funds as of 7/11/2002

Documents Received with Minutes of Meeting:

- Committee Membership Roster
- Revised Schedule of Meetings
- Report "Measure U Expenditures from Initial Offerings" including definition of direct and indirect costs
- CD – Facilities Assessment Report prepared by 3-D International, August, 2001

October 16, 2002

SMC Academy of Entertainment and Technology, Room 220
1660 Stewart Street
Santa Monica, California

- Piedad Robertson, SMC Superintendent/President and Tom Donner, Executive Vice-President of Business and Administration, presented an update to the Committee on the SMC Facilities Master Plan.
- Tom Donner also briefed the Committee on contracts that have been entered into for Measure U projects. The list was distributed at the meeting and attached to the minutes. None of the expenses were for any faculty or administrative salaries or other operating expenses of the District.

January 29, 2003

BAE Systems Facility
Bundy Building, Finance Two Conference Room
3171 Centinela Avenue
Los Angeles, California

- The Committee accepted the resignation of Nancy Greenstein (she was elected to the SMCCD Board of Trustees and no longer eligible to serve on the CBOC).
- Chair Graham Pope distributed a draft of a Master Plan showing the correlation between construction of Measure U projects with the allocation of funds. It was determined that this would become the foundation for a report that would be continuously updated and distributed to the Committee.
- A number of documents were requested for the next meeting in April, including (1) Master List of Projects, (2) Status of Projects (timeline), (3) Summary of Internal Control Environment, (4) Letter from auditor as of 6/30/2002, (5) Audit Report, and (6) Legislation governing purpose and duties of committee.
- A tour of the BAE facility followed the business of the meeting.

April 30, 2003

Drescher Hall, Room 300E (the Loft)
Santa Monica College
1900 Pico Boulevard
Santa Monica, California

- The Committee received the following reports:
 - Internal Control Environment Report
 - Audit Statement (as of June 30, 2002)
 - Project List and Timeline (this report will be updated for each meeting)
- The schedule of meetings for 2003-04 was adopted, as follows:
 - July 16, 2003 (annual meeting)
 - October 15, 2003
 - January 21, 2004
 - April 21, 2004