

Meeting Agenda

March 25, 2015 – 5 p.m., Board Room

- I. Welcome/Introductions
- II. Approval of Minutes of January 28, 2015 Meeting
- III. Public Comment
Any member of the public who wishes to address the Committee on any matter is limited to five minutes. The total time for members of the public to speak on the same or a similar issue shall be limited to 20 minutes.
- IV. Membership
 - Discuss Meeting Dates Going Forward*
 - Invite Bob Erikson to Stay Another Term (April 2015-March 2017)
- V. Discussion of February 19, 2015 Board of Trustees Meeting (*Sam Irwin*)
 - Request for Additional CBOC Reports (June 11 and October 8)
- VI. Review Board Items** & Site Visits
 - February 13 Tour of CHC (*Sam Irwin*)
- VII. CBOC Liability (See attached email.)
- VIII. CalBOC Better Ways (*Report by Ken Coate on 2/21/15 seminar.*)
- IX. Status of Measure M Projects (*George Johnson*)
- X. Survey of Bond Program Contractors, Suppliers and Subcontractors re: Impact of SBCCD Execution of Measure M Contracts on their Ability to Deliver Goods & Services at the Best Possible Price
- XI. Future Meetings & Adjournment

*Results of meeting date/time survey.

Day	Mon			Tue			Wed			Thu			Fri		
Time	12	4	5	12	4	5	12	4	5	12	4	5	12	4	5
1 st Choice		x	x						x						
2 nd Choice								x				x			x
3 rd Choice			X						x						
4 th Choice								x					x		
5 th Choice			X						x						

Meeting Agenda

March 25, 2015 – 5 p.m., Board Room

****Board Items Reviewed:**

Bond program items being submitted to the Board of Trustees on February 19, 2015:

- [SBCCD Citizens Bond Oversight Committee 2013-14 Annual Report](#)
- [Consideration of Approval of Amendment 4 - NTD at CHC](#)
- [Consideration of Approval of Amendment 8 - NTD at SBVC](#)
- [Consideration of Approval of Contract - Leighton Consulting](#)
- [Consideration of Approval of Routine Contracts - Bond Funded](#)
- [Info - Summary of Measure M Construction Contract Change Orders Amendments](#)

Bond program items being submitted to the Board of Trustees on March 12, 2015:

- [Consideration of Approval of Agreement - CHJ Incorporated](#)
- [Consideration of Approval of Amendment 002 - Knowland Construction](#)
- [Info - Measure M Construction Change Order Summary](#)

Meeting Minutes

January 28, 2015, 5:00 p.m., SBCCD Board Room

Members Present – **Alaa El Awar, Albert Garcia, Frank Reyes, Ken Coate, Linda Roberts-Ross, Sam Irwin, Valerie Lichtman**

Members Absent – **Bob Erikson**

District Staff Present – **Jose Torres**, Interim Vice Chancellor, Business & Fiscal Services

Kitchell/BRj Staff Present – **George Johnson**, Bond Program Manager

Welcome/Introductions

Ken Coate opened the meeting at 5:08 pm. Self introductions were made.

Approval of Minutes

Valerie Lichtman moved, and Sam Irwin seconded, to approve the minutes from December 11, 2014. **The minutes were approved** by the following vote:

Ayes: Alaa El Awar, Albert Garcia, Frank Reyes, Ken Coate, Linda Roberts-Ross,
Sam Irwin, Valerie Lichtman
Noes: None
Absent: Bob Erikson
Abstentions: None

Public Comment

There was no public comment.

Review Board Items & Site Visits

There were no comments on specific board items and no site visits took place since the last meeting of the CBOC. Ken asked George Johnson if it was true that the SBVC Gym project was behind schedule. George confirmed that the project is about 60 days behind schedule due to problems with saturated soil. He was hopeful that some of the delay might be recovered since there were still 18 months of construction left.

CBOC Annual Report

The committee discussed the 2014 annual report draft. Linda Roberts-Ross thought it well written. She commented that it captured the controversy surrounding the Board of Trustees' adoption of a community benefits agreement in December, as well as the committee members' feeling of being marginalized during the process. Other members voiced concern about the December 11 adoption, including:

- o Why was it that Ken, who was prepared to speak on behalf of the CBOC, and had requested to be placed on the agenda, was not part of the agenda, and was not recognized by the Board.

- o Alaa felt there was a lot of confusion and pressure from members of the public at that meeting and expressed his desire for the Board to revisit the issue, this time giving stakeholders (such as students and the CBOC) a chance to be heard.
- o Ken voiced his concern that the agreement being voted on seemed to be being amended as it was being approved, without the benefit of the amendments being reviewed by the Board.

The committee decided that Sam, who is presenting the report at the February 19, 2015 Board of Trustees meeting, would read aloud from the report, including the statement on compliance and the following paragraphs from the report.

This year the committee faced some challenging issues regarding the fiscal prudence of the Board of Trustees and the Chancellor. Actions with a direct effect on expenditures and pure construction value of the bond dollars being spent were not presented to the Committee, nor was the input of the committee solicited by either the Chancellor or the Board.

The Board of Trustees chose to develop a surety bonding assistance program that will use an outside consultant, at a considerable cost, to assist small local minority and women-owned businesses with their bonding programs so that they compete on projects with the district. The presumption was that the potential additional bidders would create enough additional competition to overcome the cost of the program. No real data was provided to support this presumption, and the committee did not provide a vote of support. In addition, the program depends on the district providing forms of collateral on bonds written where the beneficiary (obligee) is the district itself. It is hard to explain the purpose of this circular type of indemnity arrangement, and it is certainly perplexing at best.

We will need to monitor the expenses and benefits of this program closely to see if it meets the standards of reducing costs whenever possible. We are concerned that evidence of cost savings was not of primary concern to the Board, nor was the input of the Oversight Committee even solicited.

More notable was the Board of Trustees passing a "Community Benefits Agreement" this December. This agreement is better known as a "Project Labor Agreement", and these agreements give substantial advantages to union contractors vs. non-union contractors. The Bond Oversight Committee spent a significant amount of time and effort to determine if there was cost savings, as required under Section 5 of California Educational Code 15278. We gathered information from local businesses, trade groups, staff and other interested parties, and determined there was no clear cost savings, and a potentially significant (10-20%) cost increase with no benefit to the community. The committee made every attempt to communicate this decision to the Board, but we were not allowed to make our findings to the Board prior to the Board of Trustees voting to approve this agreement.

Despite consistent opposing arguments from student organizations and local stakeholders, as well as not taking the time to even hear the Citizens Bond Oversight Committee, regardless of our clear

desire to present our well-researched findings and conclusion, the Community Benefits Agreement was approved. This rush to make a decision prior to hearing our report we find irresponsible, and we wish to make these actions known to the public.

Given that the report is written to the public and Sam will be addressing the Board of Trustees directly, he advised he would adapt the wording accordingly. Members of the committee were satisfied with this. Alaa commented that he would also like a few minutes to speak as a student representative and member of the CBOC.

Committee members then talked about the statement of compliance and developed the following:

"To the best of its ability, the Citizens Bond Oversight Committee believes that the San Bernardino Community College District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution."

At this point in the meeting, **Sam made a motion, which was seconded by Valerie, to approve:**

- 1) **The statement of compliance,**
- 2) **The annual report as written, with the addition of the statement of compliance, and**
- 3) **The specific portion of the report to be verbally communicated to the Board of Trustees on February 19.**

The motion was approved by the following vote:

Ayes: Alaa El Awar, Albert Garcia, Frank Reyes, Ken Coate, Linda Roberts-Ross,
Sam Irwin, Valerie Lichtman
Noes: None
Absent: Bob Erikson
Abstentions: None

Measure M Project Update

George spoke for a few minutes regarding Measure M projects. He advised that the new Crafton Center, Science Building and OE2 building are all expected to come online at CHC within two or three months. He also shared that the Southern California Chapter of the Construction Management Association of America has recognized the SBVC Auditorium project for outstanding achievement in the building/renovation less than \$10 million category. He will forward information about the award to committee members.

Form 700

Members of the committee were individually addressed by Kelly Goodrich prior to the meeting. No further discussion was necessary for this item.

Future Meetings & Adjournment

Frank asked that the following item be added to the next agenda: What liability does the CBOC have? The next meeting of the CBOC was scheduled for Wednesday, March 25, 2015 at 5:00 p.m. The CBOC adjourned at 6:35 p.m.



Membership Roster

December 2014

<p>Ken Coate, Chair Business Organization Representative Beaumont CA</p> <p><i>1st Term: December 2012-November 2014</i> <i>2nd Term: December 2014-November 2016</i></p>	<p>Sam Irwin Foundation Representative Redlands CA</p> <p><i>1st Term: September 2013-August 2015</i> <i>2nd Term: September 2015-August 2017*</i></p>
<p>Bob Erikson Senior Citizen Representative Yucaipa CA</p> <p><i>1st Term: April 2013-March 2015</i> <i>2nd Term: April 2015-March 2017*</i></p>	<p>Valerie Lichtman Taxpayer Organization Representative San Bernardino CA</p> <p><i>1st Term: November 2011-October 2013</i> <i>2nd Term: November 2013-October 2015</i></p>
<p>Albert Garcia Member at Large Fontana CA</p> <p><i>1st Term: December 2013-November 2015</i> <i>2nd Term: December 2015-November 2017*</i></p>	<p>Alaa El Awar Student Representative, CHC San Bernardino CA</p> <p><i>1st Term: September 2014-August 2016</i> <i>2nd Term: September 2016-August 2018*</i></p>
<p>Frank Reyes Member at Large Grand Terrace CA</p> <p><i>1st Term: December 2014-November 2016</i> <i>2nd Term: December 2016-November 2018*</i></p>	<p>Linda Roberts-Ross Member at Large Yucaipa CA</p> <p><i>1st Term: December 2014-November 2016</i> <i>2nd Term: December 2016-November 2018*</i></p>

*Eligible for second term.

Goodrich, Kelly

From: Goodrich, Kelly
Sent: Tuesday, February 03, 2015 10:35 AM
To: Alaa El Awar; Coate, Ken; Erikson, Bob; fgreyes3@aol.com; Garcia, Albert; Irwin, Sam; Lichtman, Valerie; Linda Ross
Cc: Torres, Jose Felipe; Sutorus, Steve; Strong, Michael W; Stark, Scott R
Subject: CBOC Liability
Attachments: Re: CBOC Member Liability

Dear Committee Members:

In response to Frank Reyes' question at the January 28 CBOC meeting regarding committee member liability, please see the attached letter from CalBOC.

Also, Steve Sutorus advised that the district's errors and omissions coverage protects the CBOC as if they were employees of the district.

This topic has been added to the agenda for March 25.

Sincerely,

Kelly Goodrich

Administrative Assistant, Business & Fiscal Services

San Bernardino Community College District

114 S. Del Rosa Drive, San Bernardino CA 92408

909-382-4022 ♦ kgoodric@sbccd.cc.ca.us

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From: Goodrich, Kelly
Sent: Friday, January 30, 2015 9:42 AM
To: Sutorus, Steve
Subject: CBOC Liability

Dear Steve:

Do you have any information regarding what liability the CBOC members face?

Thanks,

Kelly Goodrich

Administrative Assistant, Business & Fiscal Services

San Bernardino Community College District

Goodrich, Kelly

From: michael@rockwood-consulting.com
Sent: Friday, January 30, 2015 12:07 PM
To: michael.day@calboc.org; Goodrich, Kelly
Cc: Torres, Jose Felipe; Coate, Ken
Subject: Re: CBOC Member Liability

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: 01) Important

Ms. Goodrich,

There is no statute that covers the potential liability of a CBOC, but there has been some talk. Specifically, the thought is that, since failing to have a CBOC or produce an annual report could provide grounds for an Ed Code section 15284 action, which would in turn lead to a suspension in bond expenditures, then the CBOC members could be held liable for those impacts.

On a related item, this is one of two reasons why CaLBOC lists providing Errors & Omissions insurance for CBOC members as a best practice.

On January 30, 2015 at 9:43 AM "Goodrich, Kelly" <kgoodric@sbccd.cc.ca.us> wrote:

Dear Mr. Day:

Does CalBOC have any information regarding liability that oversight committee members face?

Thanks,

Kelly Goodrich

Administrative Assistant, Business & Fiscal Services

San Bernardino Community College District

114 S. Del Rosa Drive, San Bernardino CA 92408

909-382-4022 ♦ kgoodric@sbccd.cc.ca.us

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