



Citizens Bond Oversight Committee

Zoom Conference <https://cccconfer.zoom.us/j/99445190963>

February 1, 2021 – 5:00 p.m.

Meeting Minutes

Members Present – Don Averill, Senior Citizens; Dana Carter, Member at Large; Sam Irwin, Foundation; Frankie Jimenez, Local Business Organization; Jim Mulvihill, Member at Large; Evelyn Olive, Students; Betsy Starbuck, Bona-Fide Taxpayer Organization; Kristin Washington, Member at Large; Sonja Wilson, Member at Large

Members Absent – None

District Staff Present – Kevin Horan, CHC President; Mike Strong, CHC Vice President of Administrative Services; Farrah Farzaneh, Director of Facilities Planning, Emergency Management & Construction; Steve Sutorus, Business Manager; Larry Strong, Director of Fiscal Services (*partial attendance*); Ryan Smith, SBVC Campus Project Manager; Leilani Nuñez, CHC Campus Project Manager; Ynez Canela, Local Business Outreach Administrator

Others Present – Brandon Harrison and Ryan Milligan, Eide-Bailly

I. WELCOME/INTRODUCTIONS

On behalf of Chair Betsy Starbuck, who was running a little late, Vice Chair Dr. Don Averill called the meeting to order at 5:03 p.m. and read the information regarding Executive Orders N-25-20 and N-29-20.

II. PUBLIC COMMENT

There were no comments from the public.

III. APPROVE MINUTES OF MEETING ON JULY 20, 2020

Committee members were asked to review a newer version of the minutes than was included in the original packet. The revised minutes were shared onscreen. Chair Starbuck arrived and took over facilitation of the meeting. Dr. Averill made a motion, which Jim Mulvihill seconded, to amend the July 20, 2020, minutes as follows:

- Indicate that Sam Irwin had been in attendance and had voted aye to all motions.
- Add discussion of the reappointment of Chair Starbuck and Evelyn Olive.
- Correct the spelling of Dana Carter's last name from Carver in the first paragraph.

The motion was approved by the following vote, which was taken via role call:

Ayes: Averill, Carter, Irwin, Jimenez, Mulvihill, Olive, Starbuck, Wilson, Washington
Noes: None
Abstentions: None
Absent: None

IV. CURRENT BUSINESS

A. SBVC Project Update

Campus Project Manager Ryan Smith shared information about SBVC's construction projects. SBCCD has just received Division of the State Architect comments on the Technical Building drawings. The CBOC saw a brief video related to the project, which was well received.

B. CHC Project Update

Campus Project Manager Leilani Nuñez was introduced to the CBOC. She addressed the committee on CHC construction projects. Ms. Nuñez talked about the Performing Arts Center, which was just coming out of schematic design. It is one of the larger Crafton projects. She also spoke briefly about the New East Valley Public Safety Training Center, the Central Complex 2 Renovation, and the Child Development Center Renovation.

Dr. Averill confirmed that the New East Valley Public Safety Training Center would be on campus in the current Parking Lot J location. Mr. Carter questioned whether there were plans to compensate for the lost parking lot. Committee members asked about the number and location of campus parking spaces. Ms. Nuñez advised that additional parking would be incorporated into the new Performing Arts Center. Vice President of Administrative Services Mike Strong confirmed that staff understands the parking crunch and indicated that the construction projects will result in a net gain of spaces. Ms. Nuñez made a note to keep the CBOC advised of updates regarding the parking spaces as the design process unfolds.

C. Review of 2019-20 Measure M/Measure CC Audit Report

Local Business Outreach Administrator Ynez Canela introduced Ryan Milligan and Brandon Harrison from SBCCD's audit firm, Eide Bailly. Mr. Harrison addressed the committee on the 2019-20 audit reports for Measure M and Measure CC.

He explained that the SBCCD financial statements had been reviewed and given an unmodified opinion, which is the best result for an audit. There was one finding which was accepted and corrected. He advised that there is approximately \$31 million in Measure M. The performance audit piece verifies change orders and compares expenditures to bond documents. There were no findings in the performance audit of Measure M.

Sonja Wilson asked about Page 9, Note 5 on Interfund Receivables in the Measure M audit. Mr. Harrison explained that if an expenditure is made from a different fund on behalf of the bond fund, an accounting entry should be setup for the bond fund to repay it. The question was raised as to whether this issue had been addressed. Mr. Harrison indicated an audit firm will check that all notes made in the prior year's audit have been addressed. As for the current year note, it would be checked during the next year's audit.

Current staff present at the meeting could not answer the accounting question and Chair Starbuck requested that 1) SBCCD have the appropriate people on hand to answer

financial questions when the CBOC convenes, and 2) an answer be provided to the CBOC in writing, prior to their next meeting, as to whether or not Note 5 had been addressed.

Ms. Washington commented that given the long periods of time between meetings, it is helpful to have questions answered in writing within a couple weeks of the meeting. Chair Starbuck added that it would also be helpful to get the draft minutes within a week or two of the meeting, as well, so they could be reviewed when still fresh. Ms. Canela took note of the request.

Mr. Harrison addressed the committee on the Measure CC audit, advising that SBCCD management has addressed the concerns noted in the letter and that the audit indicates no comingling of funds between measures.

Ms. Washington mentioned the finding on page 13 of the Measure CC audit and asked what procedure is followed by the District to correct invoices being incurred twice. Business Manager Steve Sutorus advised that this information could be provided by the Accounting staff. Chair Starbuck and Ms. Washington asked that the question be noted in the minutes and an answer provided prior to the next meeting.

Dr. Averill made a motion to receive the audit, which Mr. Mulvihill seconded. The motion was approved by the following vote.

Ayes:	Averill, Carter, Irwin, Jimenez, Mulvihill, Olive, Starbuck, Wilson, Washington
Noes:	None
Abstentions:	None
Absent:	None

The auditors from Eide Bailly left the meeting.

D. Review/Approve 2019-20 Annual Report

Ms. Canela reviewed the report with CBOC members. Chair Starbuck invited comments from committee members. Ms. Wilson commented that she liked the format, found the report to be thorough, and hadn't spotted any typos. She expressed her desire to review the numbers from the previous year's report, which Ms. Canela pulled up from an online version. Dr. Averill advised that everything looked good to him. Ms. Washington asked why the July 20, 2020 meeting hadn't been included and it was clarified that this meeting was for the current fiscal year, and not the 2019-20 fiscal year, which is the subject of the report.

Dr. Averill made a motion to approve the report, which Mr. Mulvihill seconded. The report was approved by the following vote.

Ayes: Averill, Carter, Irwin, Jimenez, Mulvihill, Olive, Starbuck, Wilson, Washington
Noes: None
Abstentions: None
Absent: None

Chair Starbuck agreed to present the report at the March 11, 2021 Board meeting. Dr. Averill asked to receive an invite reminder to that meeting so that he, too, could attend.

V. FUTURE MEETING & ADJOURNMENT

After some discussion, committee members decided that a meeting would be scheduled for July 12, 2021.

It was questioned whether or not the committee should meet any earlier to review expenditures, and Ms. Canela mentioned that a dashboard was being developed that could be viewed by the public and the CBOC at any time. CBOC members expressed a desire to review such a dashboard before it is finalized. Therefore, if the development of the dashboard proceeds as anticipated, and is ready for review, Ms. Canela will work to schedule a meeting in May of 2021.

IV. CURRENT BUSINESS *(out of sequence)*

C. Review of Measure M/Measure CC Audit Report

Chair Starbuck welcomed Director of Fiscal Services Larry Strong, who had joined the meeting, and redirected the committee to the previous audit-related questions. Mr. Strong thanked everyone for the opportunity to address the CBOC and apologized for not being present earlier.

Regarding the question about Note 5 on Page 9 of the Measure M audit, Mr. Strong explained that the unmodified opinion received from the auditors indicated that SBCCD's financial statements were 100% correct. He commented that from time to time, the auditors may spot accounting entries that need to be adjusted and then note these in the audit. If this had been an error, then it would have been categorized as a finding rather than a note. Ms. Wilson wanted to know if the money has been repaid. Mr. Strong did not have the data in front of him, however, he indicated that these items are addressed on a regular basis and if it has not yet been processed, he was confident it will be.

Chair Starbuck mentioned that, in her experience, financial reports are generally completed by the end of the calendar year. Mr. Strong explained that SBCCD usually follows this timing as well, however, the audits were delayed due to the auditors not having guidelines from the federal government for COVID-19 related grant expenditures. He advised that the bond audits are the first two of SBCCD's reports that have been completed.

Ms. Wilson asked Mr. Strong about the finding on page 13 of the Measure CC audit surrounding duplicate payment of an invoice. Mr. Strong felt that was an excellent question and replied that the finding revolved around the duplicate recording of an invoice twice, and not a duplicate payment. He went on to say that this was the result of a clerical error, which was corrected during the audit. Going forward, staff has strengthened its internal controls.

V. FUTURE MEETING & ADJOURNMENT *(continued)*

Chair Starbuck recapped that a meeting would be scheduled for May, if deemed prudent by staff, to review the SBCCD expenditure dashboard.

The annual CBOC meeting was set for July 12, 2021 at 5:30 p.m. (The start time was shifted from 5:00 p.m. to accommodate schedule of one of the members.)

The meeting was adjourned at 6:20 p.m.