

SANTA CLARITA COMMUNITY COLLEGE DISTRICT
Independent Citizens' Bond Oversight Committee

January 10, 2022

MINUTES
(Approved)

College of the Canyons

26455 Rockwell Canyon Road, Santa Clarita, California 91355

Members Present: Mr. Kevin Holmes, Chair
Mr. Calvin Hedman
Mr. Don Kimball
Mr. Spencer Leafdale
Mr. Michael Lebecki
Mr. Collin Schneour, Associated Student Government Representative

Members Absent: Ms. Barbara Cochran

Others Present: **District Administration**

Ms. Sharlene Coleal, Assistant Superintendent/VP, Business Services
Mr. Jim Schrage, Assistant Superintendent/VP, Facilities Planning, Operations & Construction
Dr. Omar Torres, Educational Administrator, Assistant Superintendent/ VP Instruction
Dr. Ryan Theule, Assistant Superintendent/VP, Canyon Country Campus and Grants Development
Dr. James Temple, Assistant Superintendent/VP Technology
Mr. Eric Harnish, Vice President, Public Information, Advocacy & External Relations
Mr. Jason Hinkle, Associate Vice President, Business Services
Ms. Balbir Chandi, Director, Fiscal Services
Mr. John Green, Managing Director, District Communications

District Staff

Ms. Gabriella Amezcua, Accountant
Ms. Cynthia Rodriguez, Administrative Assistant V
Mr. Jon Young, Business Services Analyst

Affiliated Guests

Brandon Harrison, Independent Auditor, Eide Bailly

Guests

None

1. PRELIMINARY FUNCTIONS

1.1 Quorum Established

Mr. Jason Hinkle, Associate Vice President, Business Services opened the meeting by stating that the Independent Citizens' Oversight Committee meeting will be conducted via Zoom Webinar and follows the amended Brown Act provisions regarding teleconferencing, as noted in Assembly Bill 361 and is also conducted pursuant to California Government Code Section 54953, as amended by Governor Newsom's Executive Orders. Furthermore, the members of the committee are at their home residents or other off-site locations and are participating by remote video or teleconference. Mr. Hinkle then asked each of the Committee Members the following questions:

Can you hear me well?

Were you able to hear our proceedings up until now?

Do you have a copy of the agenda and materials for this meeting?

All committee members in attendance responded "yes" to all of the above questions:

- Kevin Holmes
- Calvin Hedman
- Don Kimball
- Spencer Leafdale
- Michael Lebecki

In attendance but arrived late, did not make roll call or votes:

- Collin Schneour

Not present:

- Barbara Cochran

Mr. Jason Hinkle declared that a quorum had been established and called the meeting to order at 2:35pm on November 9, 2021. Mr. Jason Hinkle proceeded to state that he had one more announcement in regard to public comment as follows:

“On September 16 2021 the Legislator amended the Brown Act provisions regarding teleconferencing during the proclaimed state of emergency and it became effective October 1 2021. The district will now use a new procedure for public comment, as noted in the agenda announcement. Members of the public participating on-line via zoom may address the Committee for public comment by using the Q &A function or, if they are calling in, dialing star nine by using the protocols and procedures noted on the agenda announcement. The Committee Chair, with the assistance of district staff, will call on the member of the public at the appropriate time and allows a member to provide public comment live. Public comment will be accepted, up until Committee Chair calls for a motion on the item being addressed. The District will no longer read emailed public comments allowed during the meeting. As a reminder per Board Policy 2350 limits each speaker to three minutes per topic and 20 minutes per subject. We ask the public, please be patient as we navigate through the process, thank you very much. Chairman Holmes, you may proceed.”

1.2 Welcome Guests

Mr. Kevin Holmes welcomed all Committee Members and guests and proceeded to ask if there were any guests in attendance who are not affiliated with either the district, the College, the COC Foundation or Eide Bailly.

There were no unaffiliated guests in attendance; therefore, Mr. Kevin Holmes stated that the meeting would move to Item 1.3, Approval of the Resolution, which allows the committee to meet remotely.

1.3 Approval of Resolution

Mr. Kevin Holmes asked if the committee members had read the Resolution No. 2021/22-02, Resolution to Implement Teleconference Requirement During a Proclaimed State of Emergency. The committee members present stated they had read the Resolution. Mr. Kevin Holmes asked if the committee would entertain a motion to approve the Resolution.

Motion to Approve: Mr. Michael Lebecki

Second: Mr. Calvin Hedman

Record of Vote: 5 – 0
(2 Members Absent)

Mr. Kevin Holmes then asked Mr. Jason Hinkle to perform a roll call. All committee members affirmed their approval, Mr. Jason Hinkle then indicated the “ayes” have it and the motion passes.

1.4 Approval of Agenda

Mr. Kevin Holmes then stated the Committee would move on to agenda item 1.4 Approval of the Agenda. Mr. Kevin Holmes stated that he assumes the committee has read the agenda and asked if there is a motion to

approve the Agenda. Mr. Kevin Holmes then asked Mr. Jason Hinkle to perform a roll call. All committee members affirmed their approval, Mr. Jason Hinkle then indicated the “ayes” have it and the motion passes.

Motion to Approve: Mr. Don Kimball

Second: Mr. Calvin Hedman

Record of Vote: 5 – 0
(2 Members Absent)

1.5 Approval of Minutes

Mr. Kevin Holmes then stated the Committee would move on to agenda item 1.5 Approval of the Minutes from the Committee’s meeting on November 9, 2021. He stated the minutes were quite comprehensive and asked if anyone makes a motion to approve. Mr. Kevin Holmes then asked Mr. Jason Hinkle to perform a roll call. All committee members affirmed their approval, Mr. Jason Hinkle then indicated the “ayes” have it and the motion passes.

Motion to Approve: Mr. Spencer Leafdale

Second: Mr. Michael Lebecki

Record of Vote: 5 – 0
(2 Members Absent)

2. FINANCIAL

2.1 Acceptance of Measure E General Obligation Bond Financial Audit and Performance Audit for the Fiscal Year ending June 30, 2021 – Brandon Harrison, Eide Bailly

Mr. Kevin Holmes then stated the Committee would now move on to agenda item 2.1, Acceptance of the Financial and Performance Audit and stated that Brandon Harrison from Eide Bailly would be presenting the findings.

Mr. Brandon Harrison introduced himself and indicated that he would provide an overview of both the Financial and Performance audits.

2020-2021 Financial Audit

Mr. Brandon Harrison explained that the financial statements are Management’s financial statements and Eide Bailly, an independent audit firm, issued an opinion over the financial statements. Per Mr. Brandon Harrison, an unmodified opinion was issued, and explained that is the best opinion an entity can receive. An unmodified opinion means that the financial statements being considered are free of material misstatement and free of issues of non-compliance; therefore, there were no audit adjustments.

He then proceeded to provide a brief overview of the financials which included the balance sheet that listed the assets, liabilities, and cash in Los Angeles County Treasury. He indicated that the beginning fund balance was **\$80 M** and at year end, approximately **\$64 M** still remains with **\$59 M** left to spend and **\$5.1 M** in various expenses and accrued liabilities related to construction costs.

On the income statement there was revenue from interest income in the amount of **\$405,000** and construction expenditures of about **\$21 M** primarily for all the construction costs of services and other operating and planning costs. A random sample is taken to verify/test the reconciliations over the financial statements and the auditors verify that these numbers are accurate within the financial statements. There was no additional revenue because there were no additional bonds issue this year.

Key items to look at are the expenses in **Note 5, Commitments and Contingencies**, that have been incurred to date and some of the projects that are currently being worked on within the bond funds.

Capital Project	Remaining Construction Commitment	Expected Date of Completion
College of the Canyons - Central Plant	\$ 316,385	July 31, 2001
College of the Canyons - Science Lecture Bldg. #1	656,600	July 31, 2021
College of the Canyons - Student Services Learning Resources Bldg. #2	20,555,988	February 28, 2022
ADA Transition Plan - Phase 1	6,500	July 31, 2021
Bloom Fuel Cell Project	5,100	July 31, 2021
Bonelli Hall Cooling Tower	88,330	October 1, 2021
Boykin Hall Modernization Phase 2	1,615,011	August 31, 2022
Tick Canyon Fire Clean Up	12,025	September 30, 2021
ADA Transition Plan - Phase 2	172,992	February 28, 2022
Parking Lot 7 Utilities	60,130	July 31, 2021
	<u>\$ 23,489,061</u>	

Performance Audit

Mr. Brandon Harrison proceeded to provide a brief overview of how the audit firm conducts the Performance Audit. He explained that a sampling of expenditures are verified to confirm they are in line with what the voters approved and are within the restrictions of the bond measure. The audit firm ensures the bond funds and all related investment income from the bond go into the specific bond fund and is accounted for correctly.

The audit firm sampled all of the different object codes and also focused on where salaries are charged, as this is typically a high-risk area and is tested 100%. Evidence and proof must be shown that salaries were only allocated for individuals who specifically worked on the bond project. Approximately **\$11.5 M** of the **\$21 M** of non-material and material expenditures were randomly sampled to ensure that the expenditures were in line with the ballot initiative for Measure E. There were no instances of non-compliance.

Mr. Brandon Harrison presented a schedule that was prepared showing expenses in the current year of **\$21 M** broken out by project from inception to current date for the Measure E Bond. Approximately **\$83M** has been spent from the current issuances that have occurred over the last five years.

2017 General Obligation Bonds	July 1, 2020 to June 30-2021 Actual Expenses	Inception-to-Date Expenses June 30, 2021
Repairs and Modernization	\$ 1,497,881	\$ 12,002,683
Site Upgrades	261,346	881,453
Technology	472,373	1,214,837
New/ Expanded Program Space	29,412	29,413
Parking Structure Valencia Campus		19,253,141
CCC Student Services Learning Resource	9,853,378	13,482,341
CCC Central Plant	364,883	4,500,966
CCC Science / Lecture Building	8,347,895	26,136,400
CCC Arts and Lecture		78,195
CCC Classroom Building #3	49,000	49,000
Secondary Effects (Renovation)		117,461
Management Personnel - Bond Implementation	90,456	534,663
Facilities Master Planning	10,800	10,800
Miscellaneous Expenses	9,331	51,200
Cost of Issuance and Other Uses		4,347,069
	<u>\$ 20,986,755</u>	<u>\$ 82,689,622</u>

Mr. Brandon Harrison indicated the audit also scrutinizes bids to ensure they are in line with education code, and reviews bid packages to ensure the district is compliant with bid requirements. Change orders are also reviewed for proper approval by the Board of Trustees. There were no instances of non-compliance.

He also reviewed the total project costs for the current year, for all issuances, to ensure the costs tie to **\$59 M** including other funding sources broken out by all projects related to the bond. Mr. Brandon Harrison indicated that overall, it was a clean audit. There were no expenditures that raised questions or that were found to be non-compliant, nor were there any adjustments to the financial statements. In summary, there were no audit findings that needed to be reported to the Board of Trustees.

Mr. Brandon Harrison then asked if there were any questions regarding the audit.

Mr. Kevin Holmes underscored the importance of the independent financial and performance audits so that the committee can feel confident that the numbers being presented by the District throughout the year are accurate.

Ms. Sharlene Coleal stated, and Mr. Brandon Harrison confirmed, that the level of detail the District has provided is above and beyond what most districts provide. Mr. Brandon Harrison also confirmed this is not a self-audit, it is an independent audit as required by Proposition 39 and Eide Bailly is an independent audit firm certified by the State of California. Ms. Sharlene Coleal indicated that the audit is filed with the State Controllers' Office and is also posted on the State Controllers' site for anyone to view.

Mr. Kevin Holmes then asked if anyone wanted to make a motion to approve the audit. Mr. Kevin Holmes then asked Mr. Jason Hinkle to perform a roll call. All committee members affirmed their approval, Mr. Jason Hinkle then indicated the "ayes" have it and the motion passes.

Motion to Approve: Mr. Michael Lebecki Second: Mr. Spencer Leafdale Record of Vote: 5 – 0
(2 Members Absent)

2.2 Approval of Resolution 2021/22-03 Affirming the Santa Clarita Community College District's Compliance with Requirements as Stated in the Law (Section 15278-15282)

Mr. Kevin Holmes then stated the Committee would now move on to agenda item 2.2 Approval of the Resolution of this Committee affirming the District's compliance with the law as stated and the District's compliance with the requirements of the bond measure. Mr. Kevin Holmes asked if there was a motion to approve. Mr. Kevin Holmes then asked Mr. Jason Hinkle to perform a roll call. All committee members affirmed their approval, Mr. Jason Hinkle then indicated the "ayes" have it and the motion passes.

Motion to Approve: Mr. Calvin Hedman Second: Mr. Michael Lebecki Record of Vote: 5 – 0
(2 Members Absent)

3. GENERAL

3.1 Approval of the Independent Citizens' Bond Oversight Committee Annual Report for Fiscal Year 2020-2021

Mr. Kevin Holmes then stated the Committee would now move on to agenda item 3.1 Approval of the Annual Report. He stated the Report is provided to the public summarizing the work of the committee and the activity with the bond funds over not just the past fiscal year but over the life of the bond. Mr. Kevin Holmes provided a brief overview of what the report provides such as:

- Overview of District Service Area
- Overview of Committee and Responsibilities
- Summary of Measure E Projects and Expenditures
- Summary of Financial Information Related to The Bond Measure
- Highlights of Facility Projects
- Several Pages Dedicated to Helping the Public Understand What Is Being Done with The Proceeds from The Bond Measure
- Summary of Financial and Performance Audits
- Frequently Asked Questions regarding bond funds and the Independent Citizens' Bond Oversight Committee

Mr. Jason Hinkle stated that the Annual Report is posted on the District's website for public viewing.

Mr. Kevin Holmes asked if there was a motion to approve the Annual Report. Mr. Kevin Holmes then asked Mr. Jason Hinkle to perform a roll call. All committee members affirmed their approval, Mr. Jason Hinkle then indicated the "ayes" have it and the motion passes.

Motion to Approve: Mr. Michael Lebecki

Second: Mr. Calvin Hedman

Record of Vote: 5 – 0
(2 Members Absent)

3.2 Comments by Members of the Audience on Any Item NOT ON THE AGENDA

Mr. Kevin Holmes then stated the Committee would now move on to agenda item 3.2 Comments By Members of the audience. Mr. Kevin Holmes stated this would be his last meeting as a member of the oversight committee as he is pursuing an opportunity out of state and thanked everyone for allowing him to lead the committee.

Ms. Sharlene Coleal acknowledged the service of Mr. Kevin Holmes as an oversight committee member and most recently as the Oversight Committee Chair. She thanked him for his dedication to the Foundation and how valuable his expertise has been and the credibility it added to the audit process over the years.

Mr. Don Kimball and Spencer Leafdale also thanked Mr. Kevin Holmes for his time on the committee.

At this time Mr. Collin Schneour joined the meeting and apologized for being late. Ms. Sharlene Coleal stated that she would fill Mr. Collin Schneour in on the details of the meeting.

Mr. Kevin Holmes asked if there were any other comments. Mr. Jason Hinkle stated that there were no other comments or questions provided.

4.1 ADJOURNMENT AND ANNOUNCEMENT OF NEXT MEETING

Mr. Kevin Holmes announced that since there were no other comments or questions, the meeting is adjourned at 3:39pm.