



A meeting of the Santa Monica Community College District Citizens' Bond Oversight Committee was held on Wednesday, **April 24, 2019 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 - Present
- Michael Dubin - Present
- Jeffrey Graham - Present
- Alfred Barrett - Present
- Don Schort – Present
- Heather Anderson - Present
- Garrison Finley - Present

**Others Present:**

- Chris Bonvenuto, Chief Director, Business Services
- Don Girard, Senior Director, Government Relations/Institutional Communications
- Elaine Polachek, *Interim*, EVP
- Ramin Nematollahi, Citizens' Bond Oversight Committee Coordinator
- Charlie Yen -- Director of Facilities Planning

3. **APPROVAL OF MINUTES**

**The minutes of the Citizens' Bond Oversight Committee meeting of October 10, 2018.**

*Motion was made by Jeffrey Graham seconded by Michael Dubin and unanimously approved by the committee.*

4. **REPORTS and DISCUSSION**

**A. 2017-2018 Financial Audit and Performance Audit Report**

Ms. Alicia Herrera, Auditor for Varinek, Trine, Day & Company presented the 2017-2018 Financial and Performance Audit Reports.

**Measure U, Measure S, Measure AA, Measure V General Obligation Bonds Financial and Performance Audit, June 30, 2018**

She 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, Measure, General Obligation Bond Funds (Measure U, Measure S, and Measure AA) of the District as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.”** (Page 3, of the SMCCD, Measure U, Measure S, Measure AA, V General Obligation Bonds Financial And Performance Audits – June 30, 2018 – Varinek, Trine, Day & Co. LLP)

She reiterated the “unmodified opinion”, which is the highest mark that can be received for a



financial and performance audit. She further reviewed, **The Statement of Revenues, Expenditures, and Changes in Fund Balance** on page 5 and discussed the “None Reported” findings on Financial Statement Findings on page 17.

**B. Santa Monica Community College District  
Measure U, Measure S, Measure AA, Measure V General Obligation Bonds  
Performance Audit June 30, 2018**

Ms. Herrera discussed the procedures performed for the performance audit. A sample of expenditures was selected starting July 1, 2017 and ending June 30, 2018, and supporting documentation was reviewed to ensure that funds were properly expended on specific project list. The dollar value of sample transactions tested totaled **\$79,315,067**, which represent **82** percent of the total expenditures of **\$97,054,277**. **(Page 4, of the SMCCD, Measure U, Measure S & Measure AA, Measure V, General Obligation Bonds Performance Audits – June 30, 2018 – Varinek, Trine, Day & Co. LLP)**

Based on this testing, Varinek, Trine, Day & Co. LLP, verified that funds from Measures U, Measures S, and Measures AA, Measure V general Obligation Bond Funds 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, Measure V, general Obligation Bond Funds (Measure U, Measure S, Measure AA, Measure V) 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, 2018 – Varinek, Trine, Day & Co. LLP)**

Ms. Herrera also discussed the “none reported” comment regarding the Schedule of Findings and Questioned Costs – Page 5, (June 30, 2018) and reiterated that “There were no audit findings reported in the prior year’s Schedule of Findings and Questioned Costs.”

**Motion was made by Michael Dubin to accept the report as is and seconded by Jeffery Graham unanimously approved by the committee.**

**C. SMC Bond Capital Construction Budget Summary as of March 31, 2019.**

Charlie Yen, Director of Facility Planning gave a visual presentation of the bond construction project:

- **Student Services Building:** Project is nearing completion with scheduled move-in date being end of May 2019.
- **Malibu Campus:** Project is continuing as planned with completion date of Spring 2022.
- **Santa Monica Early Childhood Lab School:** Project is continuing as planned with completion date of June 2020.
- **Math & Science Building Extension:** DSA Approval was received the project is scheduled to start in 2020 and completed in 2022.



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

The SMC Bond Capital Construction Budget Summary as of March 31, 2019 reports the following:

<b>Measure S Budget:</b>	\$143,500,000
<b>Measure AA Budget:</b>	\$295,000,000
<b>Measure V Budget:</b>	\$345,000,000
<b>Interest</b>	<b>\$7,774,180</b>
<b>Other Funding Received:</b>	\$34,064,263
<b>Other Funding Pending:</b>	\$ 66,656,280
<b>Total Budget:</b>	\$ 909,779,776
<b>Estimate at Completion:</b>	\$ 909,779,776
<b>Bond Funds Remaining:</b>	<b>\$ 346,585,153</b>

- **Measure S:** Total Measure S Expenditures last period were **\$1,772,436**; total remaining funds are **\$19,211,383**; no budget variance.
- **Measure AA:** Total Measure AA Expenditures last period were **-\$6,375**; total remaining funds are **\$6,059,098**; no budget variance.
- **Measure V:** Total Measure V Expenditures last period were **\$5,022,744**; total remaining funds are **\$321,320,986**; no budget variance.

- **The Bond Sales/Expense Report**

Indicates total bond amounts, bond issue dates/amounts unsold bond amount and total available as of March 31, 2019.

<b>Total Bond:</b>	\$783,500,000
<b>Total Available:</b>	\$618,493,686
<b>Total Expenses:</b>	\$436,908,533
<b>Total Available Remaining:</b>	\$181,585,153
<b>Total Unsold Bond:</b>	\$165,006,314

- The SMC Bond Construction Program Contractor List as of March 31, 2019 was included in the packet.

**E. 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, 2019** and is **not** eligible for reappointment:

- The associate student representative will be selected in September.

The term of the following member(s) of the Citizens' Bond Oversight Committee is expiring effective **June 30, 2019** and **is** eligible for reappointment:



- Michael Dubin, Business Community/Taxpayers' Organization
- Sonya Sultan, Local/Business Community

The term of the following member(s) of the Citizens' Bond Oversight Committee is expiring effective **June 30, 2018** and is not eligible for reappointment, as they will have termed out having served 3 consecutive terms:

- Jeffery Graham, Local Business

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

**7. SCHEDULE OF MEETINGS, 2018---2019**

Wednesday, July 17, 2019 at 8 a.m.

**8. ADJOURNMENT: 9:32 am**

The next meeting of the Citizens' Bond Oversight Committee will be held on **Wednesday, July 17, 2019 at 8 a.m. in Humanities Social Science, HSS 301 at Santa Monica College, 1900 Pico Boulevard, Santa Monica, California.**

Current information on all bond construction projects is available at:  
<http://smcbondprogram.com> and at <http://www.smc.edu/CBOC>