



Santa Monica Community College District
Citizens' Bond Oversight Committee
AGENDA

A meeting of the Santa Monica Community College District Citizens' Bond Oversight Committee will be held on Wednesday, April 30, 2003 at 8 a.m. at Santa Monica College, Drescher Hall Room 300E (the Loft), 1900 Pico Boulevard. Santa Monica, California.

Parking will be available in Lot #1, entering from Pico Boulevard at pedestrian light. **Please hang your SMC parking permit on your rearview mirror.**

1. CALL TO ORDER

2. ROLL CALL

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

3. APPROVAL OF MINUTES

Meeting of the Citizens' Bond Oversight Committee on January 29, 2003 (*attached*)

4. REPORTS (*enclosed*)

- Internal Control Environment Report
- Audit Statement (as of 6/30/2002)
- Project List and Timeline

5. SCHEDULE OF MEETINGS, 2003-2004

Quarterly meetings on the third Wednesday of the month at 8 a.m., location to be determined:

July 16, 2003 (annual meeting)*
October 15, 2003
January 21, 2004
April 21, 2004

**No election of officers (officers were elected in 2002 for two-year terms).*

6.. ADJOURNMENT

The next meeting of the Citizens' Bond Oversight Committee will be held on Wednesday, July 16, 2003 at 8 a.m.



**Santa Monica Community College District
Citizens' Bond Oversight Committee
MINUTES**

A meeting of the Santa Monica Community College District Citizens' Bond Oversight Committee was held on Wednesday, January 29, 2003 at 8 a.m. at the BAE Systems facility, Bundy Building, Finance Two Conference Room (second floor), 3171 Centinela Avenue, Los Angeles.

I. CALL TO ORDER – 8:10 a.m.

2. ROLL CALL

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

Others Present: Dr. Thomas J. Donner, Executive Vice-President,
 Business and Administration
 John Jalili, Committee Advisor
 Marvin Martinez, Associate Vice-President, Planning
 and Development
 Bruce Smith, Public Information Officer
 Letty Edwards, Staff Assistant
 Lisa Rose, Committee Coordinator

3. APPROVAL OF MINUTES - Meeting of the Citizens' Bond Oversight Committee, October 16, 2002

Motion was made by Irma Vargas and seconded by Pierce Watson to approve the minutes of October 16, 2002. *Unanimously approved.*

4. ACCEPTANCE OF RESIGNATION – Nancy Greenstein

Motion was made by Irma Vargas and seconded by Pierce Watson to accept the resignation of Nancy Greenstein. *Unanimously approved.*

5. REPORTS

Chair Graham Pope distributed a master report that shows the correlation between construction of Measure U projects with the allocation of funds.

- The projects listed on the report correspond to the Facilities Master Plan as follows:

	Master Plan <u>Project</u>
1. Emeritus College Facility	2.8
2. Main Stage	3.1
3. P.E. Temp. Building Replacement	1.2
4. Electrical Lights Modernization	1.5
5. BAE Renovations/Parking	2.6 and 2.7
6. Liberal Arts Phase I and II	2.3 and 2.4
7. Remodel Library Village	1.2
8. Master Plan Update	1.1
9. Literacy Center	2.5
10. North Quad Plaza	1.6
11. Infrastructure and Safety	1.4
12. Student Services Building	2.1
13. Pico Entrance	1.5
14. Replace Letters/Science	3.5
15. Science Complex Addition	3.2

- 3.3 parking ramp and recessed plaza project has been completed and is not funded by Measure U
- Time constraints could be placed on these projects by matching fund requirements
- Changes in the timeline will be distributed to the committee (from Facilities Assessment Report)
- The goal is to reduce total Measure U funding (\$179,431.85) with funding from other sources and possibly add other Measure U approved projects that are not on the list
- The amount in column “Measure U Funding” will be modified to reflect the actual amount of bond funds being used and another column will be added that indicates alternate funding
- It is difficult to determine exact timelines since there are other agencies involved in approval and construction aspects
- A supplemental report will be prepared as modifications are made indicating the modification, date, adjustments and revised amounts. The original report will be maintained, with modifications shown on attachments, so that progress can be tracked.

Documents Requested to be Prepared and/or Provided by Staff

- Master list of projects to include each project in sequence of construction with cost estimates, allocation of Measure U funds, other funding sources, and a timeline
- Status of Projects: There is a report prepared annually on all projects and plans for future projects that is submitted to the State. This document will be modified for the Committee's review and will include project description, bid documents, completion dates, change orders, cost and explanation of changes.
- Summary of the internal control environment within the college and the process of approvals so the Committee members can feel comfortable with the information they receive and know that appropriate processes are in place and have been followed.
- Letter from Auditor as of 6/30/2002 (first year of Measure U)
- Audit Report
- Updated timeline every six months (May and October)
- Assembly Bill 1980 and Article XIII A Section 1 of the California Constitution (attached). The Committee was reminded that its major purpose is to ensure that Measure U funds are being properly allocated and expended, and that there are appropriate controls over projects and costs. The Committee is not expected to be an independent auditor.

6. PUBLIC COMMENTS

None

7. ADJOURNMENT- 9:00 a.m.

The next meeting of the Citizens' Bond Oversight Committee will be held on Wednesday, April 30, 2003 at 8 a.m., location to be determined.

8. TOUR OF BAE FACILITY

Attached: Revised Project Report
Assembly Bill 1908, Chapter 44, Chapter 1.5, Article 2
California Constitution, Article XIII A

Santa Monica Community College District
Citizen's Bond Oversight Committee

Project Name	Total Projected Costs	Measure J Funding	Other Funding Source	Contracts Entered Into	Bond Offering (Fund 71)	
					Allocated	Draw Down
1 Emeritus College Facility	8,815,000	8,815,000		8,804,500	8,815,000	8,206,705
2 Main Stage	8,107,700	8,107,700		480,000	1,000,000	51,000
3 P.E. Temp. Bldg. Replacement	1,517,000	1,517,000		150,000	1,500,000	123,195
4 Electrical Lights Modern	440,150	440,150		-	440,000	-
5 (a) BAE Renovations & Parking	73,300,000	73,300,000		29,150,000	-	-
(b) BAE Bldg. 5	10,857,000	10,857,000		7,048,500	9,747,000	20,636
6 (a) Liberal Arts – phase 1	7,735,000	1,075,000		578,990	800,000	-
(b) Liberal Arts – phase 2	10,768,070	130,000		550,000	130,000	-
7 Remodel Library Village	1,178,000	1,178,000		127,280	1,178,000	-
8 Master Plan Update	500,000	500,000		100,000	500,000	-
9 Literacy Center	11,355,000	11,355,000		627,790	890,000	7,810
10 North Quad Plaza	2,936,000	2,936,000		-	-	-
11 Infrastructure & Safety	2,640,000	2,640,000		-	-	-
12 Student Services Bldg.	27,112,000	27,112,000		-	-	-
13 Pico Entrance	2,903,000	2,903,000		-	-	-
14 Replace Letters/Sci Bldg. (off-campus)	10,570,000	10,570,000		-	-	-
15 Science Complex Addition	<u>15,996,000</u>	<u>15,996,000</u>		-	-	-
TOTALS	196,729,920	179,431,850		47,617,060	25,000,000	8,409,346

Article 2. Citizens' Oversight Committee

15278. (a) If a bond measure authorized pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution and subdivision (b) of Section 18 of Article XVI of the California Constitution is approved, the governing board of the school district or community college shall establish and appoint members to an independent citizens' oversight committee, pursuant to Section 15282, within 60 days of the date that the governing board enters the election results on its minutes pursuant to Section 15274.

(b) The purpose of the citizens' oversight committee shall be to inform the public concerning the expenditure of bond revenues. The citizens' oversight committee shall actively review and report on the proper expenditure of taxpayers' money for school construction. The citizens' oversight committee shall advise the public as to whether a school district or community college district is in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The citizens' oversight committee shall convene to provide oversight for, but not be limited to, both of the following:

(1) Ensuring that bond revenues are expended only for the purposes described in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Ensuring that, as prohibited by subparagraph (A) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, no funds are used for any teacher or administrative salaries or other school operating expenses.

(c) In furtherance of its purpose, the citizens' oversight committee may engage in any of the following activities:

(1) Receiving and reviewing copies of the annual, independent performance audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Receiving and reviewing copies of the annual, independent financial audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(3) Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(4) Receiving and reviewing copies of any deferred maintenance proposals or plans developed by a school district or community college district, including any reports required by Section 17584.1.

(5) Reviewing efforts by the school district or community college district to maximize bond revenues by implementing cost-saving measures, including, but not limited to, all of the following:

- (A) Mechanisms designed to reduce the costs of professional fees.
- (B) Mechanisms designed to reduce the costs of site preparation.
- (C) Recommendations regarding the joint use of core facilities.
- (D) Mechanisms designed to reduce costs by incorporating efficiencies in schoolsite design.
- (E) Recommendations regarding the use of cost-effective and efficient reusable facility plans.

15280. (a) The governing board of the district shall, without expending bond funds, provide the citizens' oversight committee with any necessary technical assistance and shall provide administrative assistance in furtherance of its purpose and sufficient resources to publicize the conclusions of the citizens' oversight committee.

(b) All committee proceedings shall be open to the public and notice to the public shall be provided in the same manner as the proceedings of the governing board. The citizens' oversight committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year. Minutes of the proceedings of the citizens' oversight committee and all documents received and reports issued shall be a matter of public record and be made available on an Internet website maintained by the governing board.

15282. (a) The citizens' oversight committee shall consist of at least seven members to serve for a term of two years without compensation and for no more than two consecutive terms. While consisting of a minimum of at least seven members, the citizens' oversight committee shall be comprised, as follows:

(1) One member shall be active in a business organization representing the business community located within the district.

(2) One member shall be active in a senior citizens' organization.

(3) One member shall be active in a bona fide taxpayers' organization.

(4) For a school district, one member shall be the parent or guardian of a child enrolled in the district. For a community college district, one member shall be a student who is both currently enrolled in the district and active in a community college group, such as student government. The community college student member may, at the discretion of the board, serve up to six months after his or her graduation.

(5) For a school district, one member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization, such as the Parent Teacher Association or schoolsite council. For a community college district, one member shall be active in the support and organization of a community

college or the community colleges of the district, such as a member of an advisory council or foundation.

(b) No employee or official of the district shall be appointed to the citizens' oversight committee. No vendor, contractor, or consultant of the district shall be appointed to the citizens' oversight committee. Members of the citizens' oversight committee shall, pursuant to Sections 35233 and 72533, abide by the prohibitions contained in Article 4 (commencing with Section 1090) and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code.

Article 3. Bond Accountability

15284. (a) An action to obtain an order restraining and preventing any expenditure of funds received by a school district or community college district through the sale of bonds authorized by this chapter pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution and subdivision (b) of Section 18 of Article XVI of the California Constitution may be maintained against any officer, agent, or other person acting on behalf of, that school district or community college district, by a citizen residing in the school or community college district who is assessed and is liable to pay an ad valorem tax on real property within the school or community college district, or who has paid an ad valorem tax on real property within the school or community college district within one year before the commencement of the action if it appears by the complaint or affidavits that any of the following conditions are present:

(1) An expenditure of funds received by a school district or community college district through the sale of bonds authorized by this chapter is for purposes other than those specified in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) The expenditure is not in compliance with paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(3) That an expenditure in violation of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution will be made or will continue to be made during the litigation that would produce waste or great or irreparable injury.

(4) The governing board of a school district or community college has willfully failed to appoint the citizens' oversight committee in violation of the requirements of Section 15278.

(b) An action brought pursuant to this section shall take special precedence over all civil matters on the calendar of the court except those matters granted equal precedence by law.

(c) The rights, remedies, or penalties established by this section are cumulative to the rights, remedies, or penalties established under other laws, including subdivision (a) of Section 526 of Chapter 3 of Title 7 of Part 2 of the Code of Civil Procedure.

(d) If an order is obtained to restrain and prevent an expenditure of funds pursuant to subdivision (a), a court may award attorneys' fees pursuant to Chapter 6 (commencing with Section 1021.5) of Title 14 of Part 2 of the Code of Civil Procedure.

(e) The action authorized by this section shall be known as a "School Bond Waste Prevention Action."

15288. It is the intent of the Legislature that upon receipt of allegations of waste or misuse of bond funds authorized in this chapter, appropriate law enforcement officials shall expeditiously pursue the investigation and prosecution of any violation of law associated with the expenditure of those funds.

SEC. 4. Section 35233 of the Education Code is amended to read:

35233. The prohibitions contained in Article 4 (commencing with Section 1090) and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code are applicable to members of governing boards of school districts and to members of citizens' oversight committees appointed by those governing boards pursuant to Chapter 1.5 (commencing with Section 15264) of Part 10.

SEC. 5. Section 72533 of the Education Code is amended to read:

72533. The prohibitions contained in Article 4 (commencing with Section 1090) and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code are applicable to members of governing boards of community college districts and to members of citizens' oversight committees appointed by those governing boards pursuant to Chapter 1.5 (commencing with Section 15264) of Part 10.

SEC. 6. This act shall only become operative upon the passage of the "Smaller Classes, Safer Schools and Financial Accountability Act" which is contained in a proposition at the November 7, 2000, general election.

CALIFORNIA CONSTITUTION
ARTICLE 13A (TAX LIMITATION)

SECTION 1. (a) The maximum amount of any ad valorem tax on real property shall not exceed One percent (1%) of the full cash value of such property. The one percent (1%) tax to be collected by the counties and apportioned according to law to the districts within the counties.

(b) The limitation provided for in subdivision (a) shall not apply to ad valorem taxes or special assessments to pay the interest and redemption charges on any of the following:

(1) Indebtedness approved by the voters prior to July 1, 1978.

(2) Bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition.

(3) Bonded indebtedness incurred by a school district, community college district, or county office of education for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters of the district or county, as appropriate, voting on the proposition on or after the effective date of the measure adding this paragraph. This paragraph shall apply only if the proposition approved by the voters and resulting in the bonded indebtedness includes all of the following accountability requirements:

(A) A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b) (3), and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

(B) A list of the specific school facilities projects to be funded and certification that the school district board, community college board, or county office of education has evaluated safety, class size reduction, and information technology needs in developing that list.

(C) A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.

(D) A requirement that the school district board, community college board, or county office of education conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects.

(c) Notwithstanding any other provisions of law or of this Constitution, school districts, community college districts, and county offices of education may levy a 55 percent vote ad valorem tax pursuant to subdivision (b).



VICENTI ♦ LLOYD ♦ STUTZMAN LLP
BUSINESS CONSULTANTS AND CPAs

March 3, 2003

Dr. Piedad F. Robertson
Superintendent and President
Santa Monica Community College District
1900 Pico Boulevard
Santa Monica, CA 90405-1628

Dear Dr. Robertson:

This letter is to communicate to you, the Board of Trustees and the Citizen's Oversight Committee regarding audit procedures applied during the 2001-02 annual audit relative to Measure U Bond Funds.

The purpose of the annual audit is to determine whether the 2001-02 financial statements prepared by management were fairly stated and in accordance with generally accepted accounting principles. Based upon the audit procedures performed, the following observations are possible:

- No proceeds from the general obligation bonds were received during the fiscal year 2001-02; this assertion was verified during the audit process.
- We noted no expenditures reported in the General Fund or in any of the Capital Projects Funds during the 2001-02 fiscal year that were to be retroactively applied against bond funds upon receipt of bond proceeds.
- At the time of our audit, we were not aware of any management intention to use Measure U Bond Funds to reimburse the District for previously incurred expenditures.

I trust that this letter provides you and others within the organization information regarding Measure U Bond Fund activity for fiscal year 2001-02.

Sincerely,

Renee Graves, CPA, CGFM
Partner

Cc: Tom Donner, SMCCD
Cheryl Miller, SMCCD
Phebe McCutcheon, VLS
Tina Henton, VLS

Chairman

ROYCE A. STUTZMAN

Partners

PETER F. GAUTREAU

RENÉE S. GRAVES

CARL PON

MARY ANN QUAY

LINDA M. SADDLEMIRE

Principal

JERI A. WENGER

Senior Managers

TIMOTHY D. EVANS

PHEBE M. MCCUTCHEON

WADE N. McMULLEN

KARIN HECKMAN NELSON

ARVEE ROBINSON

COLLEEN K. TAYLOR

**Santa Monica Community College District
Facility Projects - Internal Control Report**

A report is given to the Superintendent/President stating the specifics of a project for which funding is sought. The Superintendent/President reviews projects with Senior Staff and approves inclusion in the District's five-year plan.



The Board of Trustees reviews and approved the five-year plan annually in accordance with the State's requirements.

The District has a list of architects desiring to work for the College and meeting the requirements established to provide an early screening.



Architects are further reviewed and invited to submit additional qualifications. Base fees are pre-established by the state for state projects.



The Superintendent/President makes a recommendation to the Board of Trustees and if approved, the District enters into a contract.

All contracts for architects or other consultants are given to Accounts Payable (A/P) budget and account codes are verified. Copies are sent to the Los Angeles County Department of Education for fiscal review and control



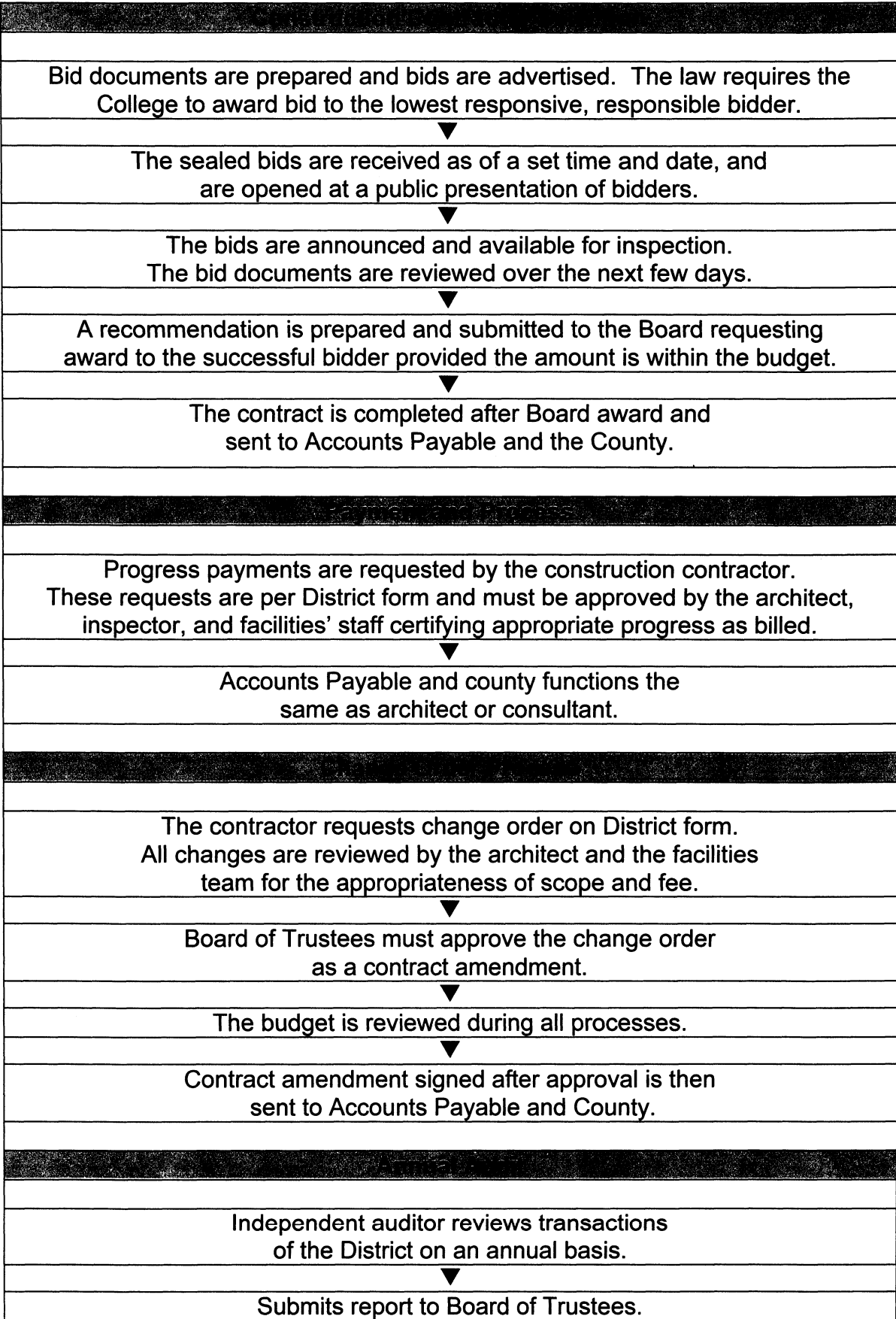
Invoices for services are reviewed by the facilities officer of the College and sent to Accounts Payable for payment.



Accounts Payable checks invoice for payment and sends payment request to the Los Angeles County office, where a check is prepared after auditing request with contract.



Accounts Payable verifies the check from the County, confirms amounts and account then releases payment to be mailed.



**Santa Monica Community College District
Citizen's Bond Oversight Committee**

Project Name	Total Projected Costs	Measure U Funding	Other Funding Source(s)	Contracts Entered Into	Bond Offering (Fund 71)	
					Allocated	Draw Down
1 Emeritus College Facility	9,040,000	8,815,000	Emeritus College	8,804,500	8,815,000	8,249,716
2 Main Stage	8,107,700	8,107,700		480,000	1,000,000	202,712
3 P.E. Temp. Bldg. Replacement	1,517,000	1,517,000		150,000	1,517,000	130,340
4 Electrical Lights Modern	440,150	30,000	(DSA Delay)	-	30,000	27,769
5 (a) BAE Renovations & Parking	73,300,000	73,300,000		29,150,000	-	-
(b) BAE Bldg. 5	10,857,000	10,857,000		7,048,500	9,595,000	20,636
6 (a) Liberal Arts – phase 1	7,735,000	1,075,000	FEMA & SMRDA	578,990	1,075,000	397,510
(b) Liberal Arts – phase 2	10,768,070	130,000	State & SMRDA	550,000	130,000	-
7 Remodel Library Village	1,178,000	1,178,000		127,280	1,178,000	120,057
8 Master Plan Update	500,000	500,000		100,000	500,000	-
9 Literacy Center	11,355,000	11,355,000		627,790	890,000	12,070
10 North Quad Plaza	2,936,000	2,936,000		-	270,000	-
11 Infrastructure & Safety	2,640,000	2,640,000		-	-	-
12 Student Services Bldg.	27,112,000	8,090,300	State	-	-	-
13 Pico Entrance	2,903,000	2,903,000		-	-	-
14 Replace Letters/Sci Bldg. (off-campus)	10,570,000	10,570,000		-	-	-
15 Science Complex Addition	15,996,000	15,996,000		-	-	-
TOTALS	196,954,920	160,000,000		47,617,060	25,000,000	9,160,810

Santa Monica Community College District
Measure U Bond Timeline

	Project Name	Completion	2002	2003	2004	2005	2006	2007	2008	2009
1	Emeritus College Facility	July 2003		■						
2	Main Stage	July 2005			■	■				
3	PE Temp. Bldg. Replacement	June 2004		■	■					
4	Electrical Lights Modern	June 2004			■					
5	BAE Renovation & Parking	2005-2007					■	■		
6a	Liberal Arts - Phase 1	August 2005			■	■				
6b	Liberal Arts - Phase 2	August 2006					■			
7	Remodel Library Village	July 2004		■	■					
8	Master Plan Update	June 2004								
9	Literacy Center	February 2006			■	■				
10	North Quad Plaza	August 2006					■			
11	Infrastructure & Safety	2005-2006					■			
12	Student Services Bldg.	July 2009						■	■	■
13	Pico Entrance	July 2009								
14	Replace Letters/Science Bldg.	August 2010								
15	Science Complex Addition	August 2010								