



Los Angeles Community College District

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City • East • Harbor • Mission • Pierce • Southwest • Trade-Technical • Valley • West
Administrative Offices • Dr. Daniel J. LaVista, *Chancellor*

MINUTES

Bond Steering Committee

8:30 a.m. on November 1, 2011

Committee members in attendance: Tom Hall (LACCD), Marvin Martinez (Harbor College), Lloyd Silberstein (Build-LACCD), David Beaulieu (DAS/LACCD), Don Gauthier (DAS/LACCD), Daniel LaVista (LACCD), Sue Carleo (Valley College), Armida Ornelas (East LA College), Kathleen Burke-Kelly (Pierce College), Adriana Barrera (LACCD), Jeanette Gordon (LACCD), Joanne Waddell (Faculty Guild).

Guests and staff resource persons in attendance: Dan Minkoff (Build-LACCD), Mona Garber (Build-LACCD), Steve Springer (Build-LACCD), Terri Dillard (LACCD), Perrin Reid (LACCD), Christine Marez (LACCD), Coby King (MWW), Velma Butler (AFT Staff Guild), Jamillah Moore (City College), Monte Perez (Mission College), Ferris Trimble (Southwest College), John McDowell (City College).

1) Approval of minutes

Don Gauthier moved to approve the October minutes as edited by David Beaulieu. Joanne seconded, and the motion passed unanimously.

2) Report on investigation reports from Inspector General

a. OIG will present an overview of the results of the audit of Selection of Construction Contractors. No committee action required.

Christine briefly summarized the findings from the Inspector General's Report, stating that the audit for the construction contractors was completed and the District was found to be in compliance with stated policy and procedures, and there was no evidence found regarding conflict of interest. Christine said several control deficiencies were discovered, including those pertaining to the committee member selection process and proper document control.

The committee discussed documentation procedures, and the improvements that the program has made in tracking paperwork.

David asked about Trustee Park's concern regarding the audit process. Christine explained that the concern was regarding the sample size and said she will provide a response regarding the sample size for the audit.

Christine said that one of the good practices found included the requirement for committee members to attend interim meetings where sign off sheets are required and roles and responsibilities are discussed. Don said each member should be provided with forms detailing their rights and responsibilities and Mona confirmed that this process is already in place.

Christine reported that all of the recommendations requested by the OIG have been implemented by Build-LACCD.

3) BSC self evaluation

a. Review self-evaluation form. Committee action: Approval of goals and next steps.

No submissions were provided for this line item so it will be tabled until the December 6th BSC meeting.

4) Review data affecting moratorium

a. Review the analysis of maintenance and operations requirements and costs due to construction and the resulting increase of facilities square footage.

The chancellor said that he would like opinions to be shared regarding the information provided in each report and to determine the pace at which the bond program should move forward. Tom discussed the list of projects subject to the moratorium.

Lloyd discussed the forecasted budget variance report. He said that the roughly \$6 billion represents funds currently available and distributed throughout the six accounts. He stated that \$2.4 billion from Props. A and AA had been distributed to the nine colleges with no set asides for additional costs. The additional centralized and specialty service costs were paid directly by the district for the first eight years of the bond program and then charged back to the colleges on a prorated basis. When the Measure J funds were distributed, funds were set aside to cover centralized services and specialty costs.

Joanne and David both expressed surprise on behalf of the colleges for having to pay back the district for the additional costs of A and AA projects, however Joanne and Adrianna agreed that the colleges were aware of the costs from the time Rocky Young was chancellor and that re-baselining of the college budgets was eventually performed.

The committee discussed the change from a full allocation model to the current model. Joanne questioned the integrity of the current model.

David and Armida requested clarification on centralized services and specialty consulting. Lloyd explained that the detailed sub-categories for centralized services can be found online. He further explained that the PMT and each CPM goes through a rigorous review of expenditures to match them with the appropriate category.

Lloyd stated that the major point of the forecast budget is to show that if spending continues on the same path, there would be a potential short fall of \$145 million. David questioned why this information was not discovered during the college audits. Lloyd and Tom explained that the \$145 million is only a projected variance. They also mentioned that the figure has been available since the August dashboard report was published, and that figure has also been reported in the *L.A. Times*.

Tom discussed the summary of assignable square footage (ASF) changes and projections, explaining how this provides a snapshot of each college campuses activities and the percentage at which they are continuing to build out.

Jeanette discussed the projected maintenance and operations (M&O) cost report, explaining the additional funding required for building maintenance.

Don inquired about additional state funding for maintenance costs and Tom said that no additional funding has been provided in the last three years. Jeanette stated that we could slow down or reduce the building program in order to cover additional costs.

David wanted clarification on how the projected numbers were reached and Joanne again questioned the integrity of the numbers. Tom reminded the committee that these projected figures could change and the chancellor added that enough information had been provided to give everyone a sense of what direction was needed to move forward. Sue stated that she would like the colleges to provide formal responses to what they believed were necessary projects. Armida said that it would be helpful if a list of options were provided, detailing which projects could be cut that would not be harmful to the colleges.

Dr. Barrera stated that each college's committee members and representatives should meet and revisit their respective college's project list and determine which are expendable and which are necessary.

Velma wanted some assurance that the numbers presented in the reports would not change. Tom stated that by the very nature of projections, changes may occur, however a process is being established to identify what the colleges' needs are how those needs could be met while controlling costs.

The chancellor said that a decision must be made on how to move forward and if the moratorium would be extended.

Don moved to extend the moratorium; Joanne seconded. The committee unanimously approved the motion.

The chancellor stated that he will be send details regarding the extension of the moratorium and this information would be provided to the Board of Trustees for further review.

5) New business / future topics

- **Building Program Review Panel**
- **Proposed Furniture, Fixtures and Equipment (FF&E) statement / Purchasing policy**

Not discussed.

6) Adjourn

Meeting adjourned at 11:06 AM.

The next Bond Steering Committee meeting is scheduled for 8:30 a.m. on Tuesday, December 6, 2011 in the district office first-floor hearing room.