

Citizen's Oversight Committee

APPROVED MINUTES

January 14, 2004 - 6 p.m. Anaheim Campus Board Conference Room

Committee Members Present: Mary Bouas, Ray Estrella, Darrell Essex, Rowland Hill, Mike Schaeffer, Sonya Servin and George Tsuda

Absent: Don Baldwin and Chris Lowe

District Staff: Jerome Hunter, Rod Fleeman, Fred Williams, Donna Hatchett, Ava Guerrero-Hill and Sandy Cotter

Visitors: None

Committee Chair Darrell Essex called the meeting to order at 6:03 p.m.

1. Approval of the July 15, August 6, and October 8, 2003 Meeting Minutes:

MSU to approve the minutes as submitted.

2. Financial Audit Report:

Draft copies of the 2003 Measure X Performance and Financial Audit Reports were distributed. Fred Williams explained that audits were again performed by the firm of Vicenti Lloyd and Stutzman, and were in compliance with requirements of Proposition 39. Mr. Williams noted that the statistical information included in the reports was in response to the required disclosure of information for the sale of the second series of bonds. In reviewing the Financial Audit Report, Dr. Rod Fleeman and Mr. Williams explained the budgets for 2002 and 2003, with expenditures of \$17M for 2001-02 and almost \$26M for 2002-03. 2003-04 expenses are anticipated to be a little higher than \$5M. They also outlined the list of construction projects, noting those completed. Questions regarding the sale of the second series of bonds, fiscal agents used, income from leased space at the Anaheim Campus, and investment and earned interest on funds were answered. Also addressed was a question on using bond funds for purchasing furniture and equipment, which is permissible within categorization. Mr. Williams then distributed a summary sheet, as requested by the committee at the previous meeting, detailing funds received and expended by project and site to present.

Mr. Williams then led a review of the Performance Audit Report, which was again certified by the auditors as being in compliance. He noted the only recommendation in the report was specific to the access of the web page information related to the

Facilities Bond. After some discussion on current steps being taken to address this recommendation, it was agreed that approved meeting minutes, approved audit reports, the annual report to the community and probably additional information to be identified in the future, will be posted to the Facilities Bond web page. MSU to approve the Draft Audit Reports as presented.

3. Committee Meeting Attendance:

Dr. Jerome Hunter reported that he had reviewed the regulations of Proposition 39 relating to the appointment and service of members of the Citizen's Oversight Committee, and believes that a replacement for Mike Schafer, Cypress College Student Organization representative, should be obtained. Mr. Schafer stated that he transferred to Cal Poly Pomona in September of 2003. Dr. Hunter also had spoken with Chris Lowe, Taxpayer Group Representative, who reaffirmed his commitment to the committee, but has a conflict with the 6:00 p.m. start time of meetings. After some discussion, it was agreed to change the meeting time to 7:00 p.m. for all future committee meetings, MSP.

- 4. Other:** Dr. Fleeman distributed copies of the Standard & Poor's summary of the second series of bonds sale, emphasizing the 'AA' rating. This document includes the rating rationale and financial outlook for the District, noting a stable outlook and that "financial management is strong". Dr. Fleeman answered questions regarding the terms of the bonds, percentage rates, and general guidelines for public entities regarding investment options. The committee members voiced their satisfaction in how well the bond sales were received, the overall progress of the bond measure, the positive audit reports presented, and thanked the staff for their hard work.

The meeting was adjourned at 7:00 p.m. Next regular meeting: **April 14, 2004.**

Respectfully submitted,
Sandy Cotter
Executive Assistant, Chancellor's Office