

District Citizens' Oversight Committee Meeting (DCOC)

Meeting Minutes

Date	Next Meeting	Start Time	Prepared By	Agency	Location
2/25/2011	4/29/2011	12:20pm	Laurelyn Johnson	LACCD	District

Attended By:	
Committee Members	
Elliot Axelband, WLAC Representative	Harvey Berg, LAVC Representative
Nancy Carson, LAHC Representative, Co-Chair	Philip Cohen, ELAC Representative
Bob Courtney, Foundation Representative	Isa-Kae Meksin, Senior Representative
Lisa Munoz, Student Representative	Reginald Byron Jones-Sawyer Sr., At-Large Representative, Chair
Donna Smith, LAPC Representative	Daniel Swartz, Taxpayer Representative
Daniel Swartz, Taxpayer Representative	Kurt Tennyson, LACC Representative
Other Attendees:	
Larry Eisenberg, Exec. Director Facilities Planning LACCD	Mona Field, LACCD Trustee
Camille Goulet, LACCD	Tom Hall, Director Facilities Planning LACCD
Jim Hattendorf, MBI	Coby King, MWW
Vincent Leoni, Moss Adams	Christine Marez, LACCD Inspector General
Jeff Witt, Moss Adams	

A. Opening: 12:20pm

Reginald Byron Jones-Sawyer Sr. called the meeting to order. Self-introductions were made. There was a quorum.

B. Public Speakers:

The following individuals addressed the committee: Laura Gutierrez and Daniel Wright.

Daniel Wright distributed the "First Amended Petition for Writ of Mandamus, Declaratory or Injunctive Relief" and a copy of a board item from the February 9, 2011 board agenda which he referred to in his discussion.

Elliot Axelband asked Ms. Gutierrez if their lawsuit is successful how much money do they estimate would need to be reimbursed. Ms. Gutierrez responded approximately \$7.1 million.

C. Approval of Minutes:

A discussion occurred regarding the detail that should be included in the minutes. The committee felt that the minutes of the last meeting were too sparse to capture important meeting content. The committee requested that the minutes be provided to the committee in advance of the meeting in order for the members to provide comments/additions to the minutes and that those comments be incorporated into the minutes and presented to the committee for approval of the minutes.

Motion by Kurt Tennyson, seconded by Nancy Carson, to approve the minutes.

APPROVED: 6 Ayes 3 Opposed – Ayes: H. Berg, D. Smith, K. Tennyson, N. Carson, L. Munoz, D. Swartz; Opposed: B. Courtney, E. Axelband, I. Meksin

D. Election of Officers:

Nominations were taken for Chair. Nancy Carson nominated by Daniel Swartz. No other nominations were presented.

APPROVED: 8 Ayes.

Nominations were taken for Vice-Chair. Nancy Carson nominated Elliot Axelband. No other nominations were presented.

APPROVED: 8 Ayes

E. Discussion on meeting dates for the remainder of the Calendar Year:

Motion by Lisa Munoz, seconded by Bob Courtney, to amend proposed date from April 22, 2011 to April 29, 2011.

APPROVED: 10 Ayes

Motion by Reginald Byron Jones-Sawyer Sr., seconded by Bob Courtney to approve proposed meeting dates of April 29, 2011 at 12pm and June 24, 2011 at 12pm.

APPROVED: 7 Ayes

Motion by Elliot Axelband, seconded by Dan Swartz, to schedule meetings every other month on the fourth Friday for the remainder of the year with adjustment to November to December as appropriate for the end of the year.

APPROVED: 7 Ayes

Committee requested a survey be conducted of availability of committee members to find alternative time periods and days that all members are available to meet.

F. Moss Adams 2009-10 Annual Audit Report:

Vincent Leoni and Jeff Witt presented the annual audit report. A handout was distributed entitled "Los Angeles Community College District Proposition A/AA and Measure J – Bond Program Performance Audit Report Fiscal Year Ended June 30, 2010." The presentation was on the audit scope, findings, and observed best practices.

Mr. Leoni stated with regard to Proposition 39, they found one instance of non-compliance that amounted to approximately \$13,000 based on the size of the test sample.

Dr. Axelband asked if the review included the validity of the cost multiplier used to calculate the overhead. Mr. Leoni responded that when they conduct their sampling they verify that the rate that was applied to the invoices that they reviewed was the negotiated rate. Mr. Leoni stated their analysis reviews compliance with the agreed upon contract rate and does not make a determination of whether the rate is a proper rate. This is not in the scope of their review. Mr. Eisenberg stated that the multiplier is based on standard industry practice which is typically 2.0 or above and the negotiated multiplier for the District is 2.0 for consultants. He also stated the board has addressed this issue and the District is moving away from the multiplier and using standard rates for service. Thus, a standard rate is established for a classification and that is what is used to bill for that work.

Dr. Axelband asked if the review covered WLAC's plan to exceed their anticipated budget by 120 million dollars. Mr. Leoni responded that type of review is not a part of the scope of their procedures. Their work relates to validating expenditures. Mr. Eisenberg stated there was not an over expenditure

at WLAC and that if the college proceed on the path they were on they would have exceeded their budget, but the program addressed that issue and resolved that problem. Dr. Axelband asked that the Inspector General review that plans are within the expectation of the available funds.

Dr. Axelband asked if there was a review of the Van de Kamp claims. Mr. Leoni stated that two of the items reviewed related to construction costs at Van de Kamp and they did not have a finding based upon that review.

Mr. Leoni stated for project compliance there is a program touch book handbook that was developed as a reference guide for program managers and construction project managers that facilitates the interaction between the program managers and construction project managers. A new tool was developed to provide a realistic view of project costs; it also tracks milestones and project budgets. There is a widget internet tool in which the colleges can view and print consolidated reports at the project and program level. BuildLACCD established a baseline on all projects completed and to be completed September 2009. The last item addressed change orders with regarding to contract management information.

Mr. Leoni responded to a question from Mr. Courtney regarding if excess of funds exist in budgets. He stated there is always a variance between the budget and the actual. Mr. Eisenberg stated that once a project is set through bidding any savings that might be there will go back to the college's allocation to be used for other projects.

Mr. Courtney asked if they report on funds held in security. Mr. Leoni responded they do a reconciliation of revenues to expenditures to track the money that was not expended. Ms. Goulet stated the funds are managed and held by the county treasury. She stated that she could ask the Chief Financial Officer if the financial auditor has conducted a review of those funds.

Mr. Swartz asked about the report on not obtaining proper signatures on change orders. Mr. Leoni responded that BuildLACCD implemented a new policy to get obtain signatures and their previous policy did not require certain signatures. The previous policy was still being followed and as a result BuildLACCD is now looking at that to resolve the problem.

G. Program Update:

Colby King addressed the LA Times investigation and stated that they will be publishing six articles starting on Sunday. The LA Times plans to publish information regarding Board of Trustees campaign contributions as early as this evening. Responses will be made as the articles are released. Mr. King stated that committee members could be contacted.

Harvey Berg departed at 1:40pm.

H. Dashboard Report Review:

Mr. Eisenberg stated that 375 projects have been completed and there are 145 projects in process. This includes 30 large building projects and another 10-15 large building projects that will be starting this year. The program has spent just under 3 billion. Mr. Swartz asked if project costs were going up. Mr. Eisenberg stated there is no indication of that and projects are coming in around 20-30% under budget. They are putting as many projects out as possible to try to take advantage of the bidding climate.

I. Inspector General Status Update:

Ms. Marez presented the update to the committee. The whistleblower program has been launched. The Inspector General will be posting all reports and reviews by their office on their website. The annual work plan was presented to the Board of Trustees, which included risks identified by the

Capstone report, reducing program vulnerability related to business practices related to construction, the whistleblower program, and to maintain a higher performing workforce. There are nine audits planned which include Van de Kamp, non-bond compliance, selection of construction contractors, review of professional service contractors, review of expenses and how expenses are managed in compliance with Prop 39, change order processes, perform a program wide process assessment, staff hiring process, and program management costs.

Mr. Swartz asked if they were doing a review of the issue at WLAC. Ms. Marez responded that currently that is not one of the items that is being reviewed, however that is an item that can be reviewed and the findings can be presented to the committee.

Dr. Axelband stated it would be useful to have milestones presented to the committee and it would be helpful if measurable standards were determined. Ms. Marez confirmed that the Inspector General will investigate issues raised by the committee per the direction of the Chancellor. Mr. Eisenberg stated the program is keeping a watch on the available funds for the Colleges' projects to avoid the issue that happened at WLAC.

Ms. Marez agreed to provide, at Dr. Axelband's suggestion, a more detailed report at our next meeting and every subsequent meeting, that would present the status of her 9 audits in more detail, including the issues being investigated, the measures that assess their seriousness, milestone schedules that indicate the time ordered steps that she intends to take, and the progress she has made against that time ordered plan, at each meeting. In addition she agreed to list other contemplated audits, when they might begin, and the issues that concern her.

Ms. Marez also pointed out that her office is "across the street" and that committee members can visit her to ask questions and review her work if they make an appointment.

Motion by Ms. Meksin, seconded by Dr. Axelband, to extend the meeting an additional 15 minutes.

APPROVED: 8 Ayes

Mr. Swartz asked what would be the proper forum to get a better understanding of the lawsuits. Ms. Goulet responded there are four lawsuits and she can provide the committee members with a brief summary of those actions and the general nature of those allegations. She will also provide a list of other pertinent legal activity. Ms. Carson asked that the committee be informed about issues that may occur at the College level that they should be aware of. Mr. Eisenberg stated that it might be appropriate to have an agenda item at the next meeting to address the Van de Kamp lawsuits from the District perspective. The members agreed with this suggestion.

J. Video Update:

The visual presentation was presented to the members.

Adjournment: There being no objection the regular meeting was adjourned at 2:16pm.