



LOS ANGELES COMMUNITY COLLEGE DISTRICT

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MINUTES

Bond Steering Committee

8:30 a.m. on June 16, 2015

Committee members present:

1. Academic Senate: David Beaulieu, LACCD
2. PMO Director: Terri Mestas, LACCD PMO
3. Academic Senate: Don Gauthier, LACCD
4. Faculty Guild: Joanne Waddell, Valley College
5. Chief Facilities Executive: James O'Reilly, LACCD (committee chair)
6. Deputy chancellor: Dr. Adriana Barrera

7. College President: Dr. Kathleen Burke, Pierce College

Committee members absent:

1. Faculty Guild: Carole Anderson, Trade-Tech
2. College President: Dr. Otto Lee, Harbor College
3. Chief Financial Officer: Jeanette Gordon, LACCD
4. College President: Nabil Abu-Ghazaleh, West L.A. College

Guests and staff resource persons in attendance: Tom Hall (LACCD), Dan Minkoff (LACCD PMO), Megan Baaske (Mercury).

Meeting began at 8:35 AM.

1) Approval of minutes

a. April BSC meeting. Action needed: committee vote.

Mr. Gauthier moved to approve the May minutes as amended. Ms. Waddell seconded the motion. The committee approved the minutes as amended; Dr. Barrera abstained.

The minutes from the April meeting will be brought forward to approve at next meeting.

2) Committee self-evaluation

a. Annual committee self-evaluation process. Possible committee action: approval of the self-evaluation report.

Mr. Gauthier discussed whether the third bullet under “did the committee fulfill its stated charge” should be included. The committee agreed that BSC is not subject to the Brown Act, so it was taken out of the district shared governance handbook. The committee agreed to remove the third bullet.

Mr. Gauthier moved to approve the 2013-14 committee self-evaluation. Dr. Barrera seconded the motion. The motion passed.

3) 2015-16 BSC meeting calendar

- a. Meeting date options for BSC. Possible committee action: selection of dates and approval of the 2015-16 BSC meeting calendar.**

Mr. Gauthier nominated option No. 1 – first Tuesday of each month – for the 2015-16 meeting schedule. Dr. Barrera seconded the motion. The motion passed.

The next BSC will be on July 7.

4) Bond monitor status report

- a. Update on the process to select a bond program monitor. No committee action required.**

Dr. Barrera said the bond monitor RFP was issued in the fall. She said two firms submitted a proposal. Dr. Barrera said negotiations with one firm were not successful and negotiations began with the second firm and were not successful again. She said that ultimately, the chancellor in consultation with legal counsel and herself, canceled the procurement and decided to augment internal audit staff. She said that job descriptions would include experience with construction programs. She said that district internal audit would have two units – one for internal and one for bond-related matters. Dr. Barrera said that staff currently there will not do any of the bond work. She said that anybody hired would have to go through the personnel commission.

Dr. Barrera said the proposed board rule is for the internal auditor to have oversight, but not to conduct any bond audits.

The committee discussed the history of the inspector general and the name change of the position to bond program monitor.

Ms. Waddell asked when the board rule was established. Dr. Barrera said it was written for the inspector general. Ms. Waddell said she is concerned about an internal process watching an internal process.

Dr. Barrera said there is no requirement that the monitor not be an employee. She also reminded the committee that there are several auditors who regularly audit the bond program. Mr. O'Reilly asked who is paying for it. Dr. Barrera said it would come from operational funds.

President Burke said internal audit has more work than it can handle now, so if the position lasts beyond the life of the bond program, there's plenty of work to do.

Mr. Gauthier said it isn't clear whether the monitor would report to BSC.

Dr. Barrera said in policy, the internal auditor reports directly to the trustees.

The committee discussed the staffing options to fill the expertise needed.

5) Strategic Execution Plan update

a. Report on the status of college SEPs as well as the process and timing of faculty input. No committee action required.

Ms. Mestas said the current SEP for each college is an iterative process. She said we established baselines in November 2014 and as pricing came in or scope was better defined, some colleges had to reprioritize their projects due to budget constraints.

Ms. Mestas discussed the project list for City College, as an example.

Mr. Beaulieu asked when the East Student Success and Retention Center will be open.

Mr. Beaulieu asked when the Harbor Theater Drama Speech Building will be completed. He also asked about possible expansion of the Harbor Teach Prep Academy.

The committee discussed the status of the Mission Media Arts Center. Ms. Mestas said the contract for the Mission Central Plant was awarded.

Mr. Beaulieu asked about City College Central Plant. Ms. Mestas said the college found money within own budget to fund the project, partially by deferring South Gym.

President Burke asked why the Pierce PV Array LLB Preconstruction is listed. She also asked why the Center for the Sciences project is still listed. Ms. Mestas said the PMO will find out and provide an answer.

Ms. Mestas asked Mr. Minkoff in the next SEP update handout to list the amount of money remaining for each college, including non-transferred deferred projects.

Ms. Mestas said we made some design changes to VACC that were requested by the board. She said we went back out for a Lease-Lease-Back contract and are about to award it at next board meeting.

The committee discussed deferred projects at West.

6) KPMG centralization audit request

a. Update on the status of the request for KMPG to perform an audit on program centralization.

Not discussed.

7) District academic senate resolution Return of Bond Program Reserves to the Colleges
a. Discussion of the resolution passed by the DAS. Possible committee action: vote.

Discussed after agenda item No. 5.

Mr. Gauthier explained that a version of the resolution that was passed by the DAS included a resolve to “bring to Bond Steering Committee.”

Ms. Waddell moved to approve the resolution. Mr. Beaulieu seconded the motion.

Mr. Beaulieu said they reviewed the State Controller and Blue Ribbon panel request to include a program reserve, but asked why that figure needs to remain constant and why it can't be reassessed.

President Burke asked why it's being brought to Bond Steering. She said that as a DAS resolution, it is not her place to vote on it. Mr. Gauthier said as chancellor's committee, he would bring this to board.

Mr. Beaulieu said there would come a time where some of the money in the reserve could go out earlier. Mr. Gauthier said as the risk on the program decreased, they money could be distributed. Mr. Gauthier said we also don't have a process for distributing that money.

Mr. Hall said with \$160 million set aside, the Golder report said there was only 7 percent confidence that amount would cover the risk remaining on the program.

Ms. Mestas said the program just conducted some new risk modeling and will reassess the risk on the program.

Ms. Waddell withdrew her motion.

Mr. O'Reilly said we will share information about new risk modeling when it becomes available.

8) Key Performance Indicators report
a. Update on the latest KP report. No committee action required.

The committee discussed the KPI scores.

Ms. Mestas said staff augmentation provides the ability to substitute staff when needed. Ms. Waddell asked at what point are changes made.

Ms. Mestas said we just did an internal audit of risk and that the CPDs have developed an action plan. She said that if it is not executed, we will discuss with Mr. O'Reilly and Mr. Hall about potential solutions and any required actions.

Ms. Waddell asked about the number of change orders. Ms. Mestas said we track change orders and the reason for the change orders. Ms. Mestas said we track change order process timing to make sure we don't hold back projects. Mr. O'Reilly said because of the previous interpretation of 10 percent rule, change orders didn't get processed because it would hold up the schedule and construction progress.

9) New business

None.

10) Adjourn

Meeting adjourned at 10:02 AM.

Upcoming Bond Steering Committee meetings:

- *July 7*
- *August 4*
- *September 1*
- *October 6*

All meetings will be held at 8:30 a.m. in the Educational Services Center first-floor board hearing room unless otherwise noted.