To the Public

and

To the Napa Valley Community College District Board of Trustees

For the Period

April 2010 through March 2011

Measure N Citizens’ Bond Oversight Committee

Jason Luros, Chair
Greg Evans, Co-Chair

Audrey Amundsen    Phil Box
Lee Broad    Brian Kearney
Bill Lockhart    Skip Keyser
Rick Whatley

2277 Napa-Vallejo Highway, Napa, CA 94558
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STATEMENT OF COMPLIANCE

This Annual Report is submitted to the Public and to the College District Board of Trustees by the Napa Valley Community College District Measure N Citizens’ Bond Oversight Committee in partial fulfillment of the Committee’s responsibilities as set forth in Article XIII A, Section 1 of the State of California Constitution and Sections 15278 through 15282 of the State of California Education Code.

__________________________________   ____________
Jason Luros, Chair       Date

HOW TO CONTACT THE BOND OVERSIGHT COMMITTEE
OR
ATTEND MEETINGS OF THE BOND OVERSIGHT COMMITTEE

The Napa Valley Community College District Measure N Citizens’ Bond Oversight Committee can be contacted by any interested citizen through its Chair, Jason Luros, Measure N Oversight Committee, care of Napa Valley College, 2277 Napa-Vallejo Highway, Napa CA 94558.

The Napa Valley Community College District Measure N Citizens’ Bond Oversight Committee meets in Room 1340 of the McPherson Administration Building on the Napa Valley College campus, 2277 Napa-Vallejo Highway, Napa California. Meetings are held in the evening approximately every third month (March, June, September and December) and - in accordance with the Ralph M. Brown Act (“Brown Act”) - are publicly noticed in advance and open to the public.

WHERE TO GET MORE INFORMATION ON MEASURE N
OR THE OVERSIGHT COMMITTEE

Additional information on the Measure N projects or the Measure N Citizens’ Bond Oversight Committee can be obtained online at the following URL: www.napavalley.edu/bond. Select “Citizens’ Oversight Committee” link.
REPORT OF THE MEASURE N CITIZENS’ BOND OVERSIGHT COMMITTEE

Note: all amounts contained in this report, unless otherwise noted, are based on the reporting period April 1, 2010 through March 31, 2011.

Background:
On November 5, 2002, voters in the Napa Valley Community College District approved Proposition N, entitled the “Napa Valley Community College District Bond Measure.” Proposition N (hereinafter “Measure N”) provided for the issuance of $133,800,000 in general obligation bonds to:

“…prepare students for four-year colleges and jobs including nursing, law enforcement and business, retrain workers, and qualify for state matching funds [by allowing the College to] repair, acquire, equip, [and] construct classrooms, buildings, libraries, and labs; restore deteriorating roofs and grounds; improve disabled access; upgrade outdated technology, lighting, wiring, fire safety systems, plumbing and ventilation by issuing $133.8 million in bonds at legal rates, with annual financial audits, Citizens’ Oversight Committee, and no money for administrator salaries.”

The full text of Measure N is attached hereto as Appendix A.

A discussion of bond revenues and an overview of current and anticipated Measure N finances are contained in Appendices B-1 and B-2.

Measure N was enacted under the legislation allowing passage by 55% of the voters (instead of a 2/3’s majority). This legislation mandated establishment of a Citizen’s Oversight Committee within 60 days of the District’s entering the election results into its minutes. The Napa Valley Community College District Measure N Citizens’ Bond Oversight Committee was established on January 24, 2003.

Responsibilities of the Oversight Committee:
In accordance with State of California Constitution, Article XIII A, Section 1 and the State of California Education Code, Sections 15278 through 15282 (attached hereto as Appendix C and Appendix D, respectively) the Citizens’ Bond Oversight Committee shall provide oversight for, but its activities are not limited to, the following:

- Informing the public concerning the expenditure of bond revenues;
- Actively reviewing and reporting on the proper expenditure of taxpayer’s money for school construction;
- Ensuring that no bond funds are used for any teacher or administrative salaries or other school operating expenses; and
• Advising the public as to whether the District is in compliance with the requirements of the State Constitution Article XIII A, Section 1(b)(3), which provides that:

1. The proceeds from the sale of the bonds be used only for construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of such facilities or the acquisition or lease of real property for such facilities;

2. There be a listing of the specific school facilities projects to be funded, together with certification that the community college board has evaluated safety, class size reduction, and information technology needs in developing such a list.

3. The community college board conduct an annual, independent, performance audit of the proceeds from the sale of the bonds; and

4. The community college board conduct an annual, independent financial audit of the proceeds from the sale of the bonds.

Further detail on activities the Committee may engage in and the requirement for the District to fund such activities without expending bond funds are contained in Appendix D. Appendix E contains minutes of the Measure N Citizens’ Bond Oversight Committee meetings held during the period covered by this report (April 2010 through March 2011).

General Comments of the Committee:
The Napa Valley Community College District Citizens’ Bond Oversight Committee makes the following general comments concerning Measure N bond activities for the period April 2010 through March 2011:

1. **Purpose:** It is the purpose of this report to satisfy the requirement to inform the public about the expenditure of bond revenues.

2. **Approach:** The Committee actively reviewed the expenditure of bond revenues by the use of reports prepared by or at the direction of Napa Valley College staff and by in-situ inspection of the college physical plant, and finds that the taxpayer’s money was spent on school construction.

3. **Use of Funds:** Based on reports submitted to the committee, no bond funds were used for any teacher or administrative salaries or other school operating expenses in accordance with Attorney General Opinion 04-110 issued November 9, 2004.

4. **Funded Projects List:** There exists a listing of the specific school facilities projects funded (or to be funded) from bond revenues and such listing is available to the public.
5. **Safety, Class Size Reduction & IT Needs:** In developing the listing of specific school facilities projects funded from bond revenues, the Napa Valley Community College District Board of Trustees has certified that such projects have been evaluated for safety, class size reduction, and information technology needs.

6. **Performance Audit:** As concerns an independent performance audit, the purpose of such an audit is to ensure that bond funds have been expended only on the specific projects publicized by the Napa Valley Community College District. An independent performance audit for the period July 1, 2009 through June 30, 2010 was provided by the accounting firm of Matson and Isom. Performance audits are available for public review by contacting the Office of the President, Napa Valley Community College District, 2277 Napa-Vallejo Highway, Napa CA 94558. In the Independent Auditor’s Report dated January 14, 2011, the auditors stated, “In our opinion, the Napa Valley Community College District complied, in all material respects, with the [Government Auditing Standards] requirements for the year ended June 30, 2010.”

7. **Financial Audit:** As concerns an independent financial audit, the purpose of such an audit is to give an opinion on whether the Measure N bond financial statements issued by the Napa Valley Community College District are reasonably free of material misstatement, and to make an assessment of the accounting principles used and significant estimates made by the District. An independent financial audit for the period July 1, 2009 through June 30, 2010 has been provided by the accounting firm of Matson and Isom. Financial audits are available for public review by contacting the Office of the President, Napa Valley Community College District, 2277 Napa-Vallejo Highway, Napa CA 94558. In the Independent Auditor’s Report dated January 14, 2011, the auditors stated, “In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure as of June 30, 2010, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.”

**Specific Comments of the Committee:**
In addition to the general comments made above, the Napa Valley Community College District Citizens’ Bond Oversight Committee makes the following specific comments concerning Measure N bond activities from April 2010 through March 2011:

1. Funding and revenues for Measure N projects is currently estimated at $167,840,199, as provided by Master Budget and is summarized in Appendix B-1.

2. Expenditures and major project category amounts for Measure N projects are summarized in Appendix B-2.

3. As reported to the Committee, the original $133,800,000 Measure N Bond scope of work has been reduced due to cost escalation during the first few years of
construction. Although the current estimate of Measure N project spending of $167,840,199 is higher than the original Measure N budget, it reflects the net impact of the addition of non-Measure N funds (e.g., state contributions, district operating funds, etc.) as well as reductions in scope and the number of projects originally envisioned. These adjustments can be seen in the Master Budget Summary attached herein (Appendix F) under Column H.

4. As of March 31, 2011, the total amounts spent or committed (including matching funds received) is $164,719,592 as shown below:

<table>
<thead>
<tr>
<th></th>
<th>Estimated Total on</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Feb 2, 2011</td>
</tr>
<tr>
<td>New Construction</td>
<td>$120,921,262</td>
</tr>
<tr>
<td>Modernization</td>
<td>$16,161,079</td>
</tr>
<tr>
<td>Infrastructure Development</td>
<td>$17,119,517</td>
</tr>
<tr>
<td>Other</td>
<td>$10,517,734</td>
</tr>
<tr>
<td>Total</td>
<td>$164,719,592</td>
</tr>
</tbody>
</table>

5. The committee received the Performance and Financial Audits, referenced in this report, on March 7, 2011.

6. The scope of the original bond projects list has been reduced due to a number of factors, some or all of which were not reasonably foreseeable given the information that the college possessed or could reasonably possess prior to seeking the bond funding. Those factors likely include, but are not necessarily limited to:

   a. Unforeseen increases in raw materials and other external costs;
   b. Changes in state mandates and/or educational emphasis for community colleges requiring modifications to construction plans; and
   c. Within the scope of Measure N bond projects, decisions by the College to modify use of Measure N bond project funds, approved subsequent to the original long-range plan.

In the final report, the Committee was provided from the College data illustrating cost impact analysis of factors including, but not limited to, material cost increase, labor cost increases, and change(s) in scope, that shows how that factor contributed to increased construction costs.

7. During the past year, The Committee requested changes to existing reports and reconciliation reports to explain the dynamics of the project. Staff responded in a very timely fashion, which facilitated the Committee’s work.
Appendix A

Full Text of Measure N Ballot Proposition

EXHIBIT A

"To prepare students for four-year colleges and jobs including nursing, law enforcement and business, retrain workers, and qualify for state matching funds, shall Napa Valley Community College District repair, acquire, equip, construct classrooms, buildings, libraries, and labs; restore deteriorating roofs and grounds; improve disabled access; upgrade outdated technology, lighting, wiring, fire safety systems, plumbing and ventilation by issuing $133.8 million in bonds at legal rates, with annual financial audits, Citizens' Oversight Committee, and no money for administrator salaries?"

Bonds –Yes    Bonds –No

EXHIBIT B

FULL TEXT BALLOT PROPOSITION OF THE NAPA VALLEY COMMUNITY COLLEGE DISTRICT BOND MEASURE ELECTION NOVEMBER 5, 2002

The following is the full proposition of the Napa Valley College Repair and Safety Measure presented to the voters by the Napa Valley Community College District.

"To prepare students for four-year colleges and jobs including nursing, law enforcement and business, retrain workers, and qualify for state matching funds, shall Napa Valley Community College District repair, acquire, equip and construct classrooms, buildings, libraries, and labs; restore deteriorating roofs and grounds; improve disabled access; upgrade outdated technology, lighting, wiring, fire safety systems, plumbing and ventilation by issuing $133.8 million in bonds at legal rates, with annual financial audits, Citizens' Oversight Committee, and no money for administrator salaries?"

INTRODUCTION

The last time a Napa Valley College bond measure was approved by the voters was 1962. Those bonds built the current campus, making most of the buildings approximately 40 years old. The college needs to make critical repairs and renovations and improvements to continue to meet the modern higher education needs of the community and to serve future generations of students. Bond funds will also strengthen the college's ability to secure state matching funds.

The Board of Trustees of the Napa Valley Community College District has evaluated safety, class size reduction, and information technology needs in developing the scope of school facility projects to be funded as outlined in the District's Bond Implementation Plan, on file in the office of the President of Napa Valley College, and as shall be amended from time to time, including the following projects:
BOND PROJECTS LIST

(A) RENOVATION AND REPAIR OF DETERIORATING, OUTDATED FACILITIES.

Specific Repair Projects: Repair, remodel, and upgrade buildings to restore and extend the useful life of the instructional and support buildings and grounds. Projects include: the restoration of exterior walls and roofs, doors and windows; replacing outdated HVAC equipment with new energy efficient equipment compatible with the campus wide central heating/cooling plants systems; increasing capacity for power, data, and communications; replacing old lighting with new energy efficient fixtures; repairing and replacing damaged and outdated interior finishes including ceilings, floors and walls; improving disabled accessibility throughout the campus; moving interior non-bearing walls to create appropriate sized classrooms; correcting any deficiencies in the building structures; correcting health and safety problems; replacing worn out furniture, fixtures and equipment; removing asbestos; upgrading fire alarm and life safety equipment, and providing instructional and non-instructional equipment to equip and maintain renovated college facilities.

1. Renovate Building 500 for workforce training.
2. Renovate Building 600 for general classrooms.
3. Modernize Building 700 for science classrooms and laboratories to meet changing instructional needs and new laboratory safety standards.
4. Renovate Building 800 for computer labs and general classrooms.
5. Remodel Building 900 into a lecture hall and general classrooms.
6. Renovate Building 1000 A & B for nursing and other health occupations programs and police training facilities.
7. Renovate Building 1100 for physical education and repair athletic facilities.
8. Renovate Building 200 for student service to include admissions, student records, counseling, career advising, transfer assistance and other student services.
9. Relocate business and instructional support to Building 300 to make room for student services expansion.
10. Renovate and expand Building 400 for fine arts instructional programs.
11. Remove outdated temporary facilities.
12. Upgrade and recondition all facilities and restrooms for disabled access.
13. Increase kitchen capacity and storage for culinary and other programs at the Upper Valley Campus.
14. Expand classroom space into the American Canyon area for general education.

(B) INFRASTRUCTURE UPGRADES.

1. Install new heating and cooling pipe lines.
2. Expand the utility tunnels to accommodate new heating, cooling, data, communications, and energy management systems.
3. Install energy efficient equipment including site lighting, direct digital controls for all HVAC, solar collectors for hot water heating, and photovoltaic and co-
4. Replace damaged walkways, stairs, and other safety hazards.
5. Replace the deteriorating and outdated central plant with energy efficient systems.
6. Repair and/or replace irrigation systems, restore damaged landscaping, and prune and cable mature native oaks for safety and preservation.
7. Upgrade and extend computer access to each building.
8. Upgrade college computer systems.
9. Reclaim storm drainage ponds and restore drainage channels/culverts.
10. Repair roads and parking areas, and increase parking capacity.

(C) REPLACEMENT FACILITIES.

1. Expand police and law enforcement training facilities.
2. Replace the outdated and undersized library with an expanded library and learning resource center.
3. Replace outdated and inadequate laboratories and classrooms by constructing a new technology center.
4. Replace the undersized performing arts classrooms with a new facility to support instructional programs in drama, music and dance.
5. Refurbish and expand building 100 for student services including financial aid/EOPS, student activities, and student government.

Listed repairs, rehabilitation projects and upgrades will be completed as needed at each particular site. Each project is assumed to include its share of equipment, architectural, engineering, and similar planning costs, construction management, and a customary contingency for unforeseen design and construction costs. The allocation of bond proceeds will be affected by the District's receipt of State matching funds and the final costs of each project. The budget for each project is an estimate and may be affected by factors beyond the District's control. The final cost of each project will be determined as plans are finalized, construction bids are awarded, and projects are completed.

ACCOUNTABILITY

Audits. The expenditure of bond money on these projects is subject to stringent financial accountability requirements. Performance and financial audits will be performed annually.

Citizens' Oversight Committee. All bond expenditures will be monitored by an independent Citizens' Oversight Committee to ensure that funds are spent as promised and specified.

No Administrator Salaries. Proceeds from the sale of the bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation or replacement of college facilities, including the furnishing and equipping of college facilities, and not for any other purpose, including teacher and administrator salaries and other operating expenses. By law, all funds can only be spent on the repair and improvement projects specified.
Appendix B-1 – Measure N Bond Revenues and Finances

Measure N bonds in the voter-approved amount of $133,800,000 have been issued in three series as follows:

<table>
<thead>
<tr>
<th>Series</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series A</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>Series B</td>
<td>$65,000,000</td>
</tr>
<tr>
<td>Series C</td>
<td>$43,800,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$133,800,000</strong></td>
</tr>
</tbody>
</table>

Based on the most recent report by Napa Valley College staff to the Measure N Citizens’ Bond Oversight Committee, dated February 2, 2011 (effective March 31, 2011), the total funding available for Measure N projects is $167,824,350 as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Revenues</td>
<td>$133,797,720</td>
</tr>
<tr>
<td>Actual Interest Income through 12/31/10</td>
<td>$12,189,709</td>
</tr>
<tr>
<td>Estimated Interest Income through 6/30/11</td>
<td>$79,616</td>
</tr>
<tr>
<td>NVC Scheduled Maintenance</td>
<td>$541,176</td>
</tr>
<tr>
<td>State of California Funds</td>
<td>$12,277,000</td>
</tr>
<tr>
<td>Refinancing Series A &amp; B Bonds</td>
<td>$8,936,849</td>
</tr>
<tr>
<td>Cash Adjustments: Cancelled Warrants</td>
<td>$18,129</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$167,401,199</strong></td>
</tr>
</tbody>
</table>

On December 17, 2008, the State of California Pooled Money Investment Board (PMIB) froze most fund disbursements until the state’s fiscal crisis is resolved including funds due to Measure N projects. They have advised local authorities that local funds used to backfill for frozen state funds may be reimbursed, but that districts should not rely on such reimbursement.

1: Actual interest earned through 12/31/10 on bond revenues prior to expenditure.

2: Estimated interest earned from 6/30/11 on bond proceeds prior to expenditure at 0.8%

3: There is some risk to NVC’s future receipt of significant funds currently frozen by the State of California’s Pooled Money Investment Board (PMIB) as a result of the state’s fiscal crisis. NVC and other institutions have been advised that local funds used to backfill state funds may be reimbursed at a later date by the PMIB, but local districts should not rely on such reimbursement.

4: The refinancing of Series A and Series B bonds at more favorable interest rates generated $12,325,968 in proceeds of which $8,936,849 (72%) was made available to Measure N projects.

5: Napa Valley College Measure N Master Budget Summary as of February 2, 2011.
Appendix B-2 – Measure N Bond Expenditures and Projects

Measure N projects are divided into four broad categories: New Construction, Modernization, Infrastructure Development, and Other. The current estimated total Capital Improvement Fund (the funds currently available - or anticipated to be available - for Measure N projects) is $167,840,199 as detailed in Appendix B-1.

Originally, the Measure N project list approved in 2002 provided for $133,800,000 ($113,414,000 in Project Costs plus an additional $20,386,000 for Cost Escalation, Project Management and Contingency funding) divided among the four project categories as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>ORIGINAL</th>
<th>Estimated Total on March 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Construction</td>
<td>$62,666,000</td>
<td>$122,306,823</td>
</tr>
<tr>
<td>Modernization</td>
<td>$43,397,000</td>
<td>$16,132,465</td>
</tr>
<tr>
<td>Infrastructure Development</td>
<td>$7,351,000</td>
<td>$17,685,417</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
<td>$12,568,971</td>
</tr>
<tr>
<td>Escalation, Project Mgmt, Contingency</td>
<td>$20,386,000</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Measure N</strong></td>
<td><strong>$133,800,000</strong></td>
<td><strong>$168,843,676</strong></td>
</tr>
<tr>
<td>Reduction in actual &amp; projected interest income</td>
<td></td>
<td>$(1,019,326)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$133,800,000</strong></td>
<td><strong>$167,824,350</strong></td>
</tr>
</tbody>
</table>

Sum of individual amounts differ from totals due to rounding.

The current estimate for Measure N projects is $167,824,350, or $34,024,350 (25%) above the original bond measure estimate. As discussed in previous years’ Bond Oversight Committee Reports, much of the increase over the original budget was due to construction cost escalation that exceeded budgeted assumptions. With the economy slowing over the last year, some projects are now being completed below their estimated costs but those effects are not enough to offset the impact of cost inflation in the first few years of construction.
Appendix C – State of California Constitution, Article XIII A, Section 1

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 is 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 XIIIA, 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).
Appendix D – State of California Education Code, Sections 15278 through 15282

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 [of the Education Code].
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 school site design.

Appendix D  Page  12
(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.
MEETING OF THE INDEPENDENT
MINUTES OF THE CITIZENS’ BOND OVERSIGHT COMMITTEE
June 7, 2010
6:00 p.m.
Room 1340, McPherson Administration Building
Napa Valley College, Napa, California

Members Present: Skip Keyser, Phil Box, Brian Kearney, Greg Evans, Rick Whatley, Lee Broad, Bill Lockhart, Audrey Amundsen, Jason Luros

Staff Present: Armond Phillips, John Nahlen, Carollee Cattolica, Susan Callahan

1.0 Call to Order (6:00 p.m.)
Skip Keyser called the meeting to order at 6:00 p.m.

2.0 Campus Tour of Measure N Bond Projects
The committee toured the new bond facilities projects funded by Measure N, led by interim president Armond Phillips, including the McCarthy Library, the Performing Arts Center, and the North Gymnasium.

3.0 Public Comments
There were no public comments.

4.0 Approval of Minutes of March 1, 2010
M/S/C (Broad/Lockhart) to approve the minutes of March 1, 2010. Greg Evans, Jason Luros, and Rick Whatley abstained, as they were not at the March 1, 2010 meeting.

5.0 Bond Implementation Plan Update
In Dan TerAvest’s absence (due to illness), staff reviewed the Bond Implementation Update, focusing on the small bond projects that were not covered on the evening’s tour, including: a) the Student Services/Administration Renovation b) the Building 1200 Remodel c) the Building 800 renovation that will convert space for all the functions that moved to the new library d) the Art Center renovation will create a classroom for art history from the old ceramics studio and e) several smaller projects, including the solar
field fence security system; signage and wayfinding; print shop; mechanical equipment enclosures; and the fire alarm panel conversion.

Jason Luros asked about the status of the agreement regarding the three college classrooms in the new American Canyon High School, as the committee had some outstanding questions from previous meetings. Armond Phillips stated that we would definitely not be over budget on this project and more defined information would be brought to the September meeting. Greg Evans asked if it would be advisable to have an accountant review these issues. Armond Phillips said our attorneys are drafting language to protect the college with a 99-year lease and also said the college would not make any payment to Napa Valley Unified School District until an agreement on terms has been reached.

6.0 **Master Budget**

Two Master Budget Reports have been included in the backup materials. One is the Master Budget Summary as of 3/31/2010, and the second is the Master Budget Summary as of 5/12/2010. For each report, there is a summary of line item changes attached. Two reports were prepared for this meeting because a committee member had requested the budget information be reconciled between the Business Office and the Office of Planning and Construction.

The most significant adjustment was the slight reduction in interest income of $52,363, thus increasing the total reduction (deficit) in available funds of $1,029,930. The revised total dollars available, after the $1,029.930 has been subtracted, leaves $55,562 in “revised total dollars available.” John Nahlen reviewed the possible sources of available funds, noting that unused contingencies held out on the large projects will become available as those projects are closed out with unspent/unused contingency funding still available.

Greg Evans asked about the status of the funding from the State of California that had been withheld. John Nahlen answered that, to date, we have received almost all of the State funding owed to the college with the exception of approximately $150,000. He also noted that, during the State’s budget crisis, the Scheduled Maintenance Program has been suspended.

7.0 **Review of Expenditure Report for the Period Ending March 31, 2010**

At its last meeting, the Committee requested that the Business Office and Office and Campus Planning and Construction reconcile the financial expenditure reports and the Master Budget Summary, selecting March 31, 2010 as the date of reconciliation.

Mr. Nahlen distributed a memo on the subject “Reconciliation of Facilities Planning Budget Worksheet with District General Ledger.” In that memo, Mr. Nahlen explained that the District Business Office and the Campus Planning and Construction Office has performed a reconciliation of the Measure N Master Budget and the District’s official accounting of the expenditure of the bond proceeds. He states that the Measure N Master Budget “reflects the true accounting of the receipt and expenditure of all bond proceeds.
as of 3/31/2010.” He said the two reports were “right on” as far as accounting for the bond program.
Brian Kearney, who had originally asked for this reconciliation, said he was satisfied with this information.

8.0 Measure N Independent Citizens’ Oversight Committee Annual Report
The committee is required to prepare an annual report to the Napa Valley College Board of Trustees. Several members of the committee have been working to prepare a draft for the full committee’s review. The committee reviewed the document and provided input.

Greg Evans suggested clarifying language be added on page 4, under “Specific Comments of the Committee.” He suggested the following sentence: “The projects referred to in this report as Measure N projects are funded primarily from Measure N funds, but also include funding from other sources, such as state matching grants and earned interest.” John Nahlen stated that a state matching grant contributed to the library funding, and additional funds were produced from earned interest. John Nahlen stated that interest is updated every quarter. Jason Luros asked if we had qualified for PGE rebates, and most projects have qualified.

Skip Keyser asked the committee whether or not there was anything they wanted included in the draft, as most of this report replicates the last annual report. He said that, because the committee had not had the opportunity to review the report carefully, he would distribute the report by email and the committee would review and approve the final draft that includes everyone’s changes at the next meeting.
Carollie Cattolica noted that Dan TerAvest has not seen the report, so he will review it prior to the next meeting.

9.0 Measure N Bond Funds Audit for 2008 – 2009
John Nahlen, Vice President, Business and Finance reviewed the documents prepared by Matson & Isom, District auditors for the Measure N bond funds: Measure N Funds Report to the Board of Trustees; Measure N Bond Funds Financial Statements with Independent Auditors Report; and the Proposition 39 and Measure N General Obligation Bonds Performance Audit.

Skip Keyser said the committee felt strongly about the lateness of receiving the Measure N audits, as it delayed the preparation of the committee’s report. John Nahlen reassured the committee that the next audits reports would be provided to the committee in a more timely manner.

Skip Keyser directed the committee’s attention to the narrative comments at the end of the Financial Statements with Independent Auditors’ Report (green cover), pages 15 and 16. He said this would be discussed further at the next meeting.

10.0 Duration of Service of Measure N Independent Oversight Committee
At its last meeting, Skip Keyser asked for an estimate of when the Oversight Committee’s work would be completed. Dan TerAvest provided an estimate but also
said he would contact David Casnocha for a legal opinion regarding the committee’s responsibilities at the completion of the bond projects, including such things as oversight of leased modular buildings.

Skip Keyser tabled this item for the September meeting, due to Mr. TerAvest’s absence.

11.0 Committee Chair
Skip Keyser has completed one year as chair of the Measure N Independent Citizens’ Oversight Committee. By-laws state that the committee chair may serve two consecutive one-year terms. Mr. Keyser said he would be willing to stay on as committee chair, unless someone else was interested in serving in the position. Committee members asked Mr. Keyser to stay on in the position.

M/S/C (Lee/Evans) to approve Mr. Keyser for a second term as committee chair.

11.0 Future Meetings: September 13, 2010
December 6, 2010

12.0 Adjournment
Committee Chair Skip Keyser adjourned the meeting at 8:25 p.m.
MINUTES OF THE MEETING OF THE MEASURE N INDEPENDENT
CITIZENS’ BOND OVERSIGHT COMMITTEE
September 13, 2010
7:00 p.m.
Room 1340, McPherson Administration Building
Napa Valley College, Napa, California

Members Present:  Skip Keyser, Brian Kearney, Lee Broad, Phil Box, Jason Luros,
Rick Whatley

Staff Present:  Dr. Edna Baehre, John Nahlen, Dan TerAvest, Carollee Cattollica, Susan
Callahan

Guests Present:  David Casnocha, Bond Counsel

1.0  Call to Order (7:00 p.m.)
Committee Chair Skip Keyser called the meeting to order at 7:00 p.m.  Because
this was the first meeting for Dr. Edna Baehre, new superintendent/president, committee
members introduced themselves.

2.0  Public Comments
There were no public comments.

3.0  Approval of Minutes of June 7, 2010
M/S/C (Lee/Luros) to approve the minutes of June 7, 2010.

4.0  Update on Citizen’s Concern Regarding Tax Rate on Property Tax Bill
Recently, a citizen voiced a concern after noticing a change in the tax rate
appearing on the Napa County property tax bill, which now shows $25.30 per
$1,000 of assessed valuation.  David Casnocha, bond counsel, explained that
the ballot language had said the rate “would not exceed” $25.00 per $1,000 assessed
valuation.  However, the Napa County Auditor/Controller is responsible for retiring the
bond.  Mr. Casnocha explained that the tax rate stipulated in the ballot language is “a
target, not an absolute.”  The adjustment was primarily due to declining property values
not previously anticipated.  Dr. Baehre reported that a letter of explanation had been sent
to the taxpayer who raised the question.

5.0  Bond Implementation Plan Update
Dan TerAvest provided the committee an update and summary of the status of bond
projects currently underway.  He reported that the McCarthy Library is in the “punch-
list” phase, with some landscaping incomplete.  He reported on a problem with leaking
windows that is currently being addressed, with a water test to be conducted on Thursday.
He also reported that the old library served 200 students per day, and the new library now
serves approximately 2,000 students per day.
The new Performing Arts Center is in the “punch-list” phase, and staff of the Fine and Performing Arts Division are learning the new technology of the new facility. He said the new theater would be a tremendous asset to the college and the community.

The North Gymnasium that houses Adaptive Physical Education, weight training, and the Criminal Justice Training Center mat room is also in the punch-list phase. Renovation for Administration/Student Services Building is in the design phase and awaiting approval from the Department of the State Architect. Building 1200 will be remodeled after all PFA programs vacate the building, and preliminary planning for the building is moving forward with TLCD Architecture and the facilities staff involved in the planning.

The renovation for Catacula Hall (Building 800) is in the punchlist phase; it backfills space left by the Media Center, Learning Services, Testing and Tutoring Center, and the Teaching Learning Center now located in the new library. The vacated spaces will be converted to Health Occupations instructional areas, a second Nursing Lab, faculty offices, an expanded language lab, and general classrooms.

The Art Center (building 3700) remodel backfills the old Ceramics space in the Art Center for art history classes and is in the punchlist phase.

Mr. TerAvest reviewed additional projects, including Building 3900, the solar field fence security system, signage and wayfinding, print shop, and mechanical equipment enclosures.

Dr. Baehre stated that a draft memo of understanding and details still needed to be worked out regarding the college’s classrooms at the American Canyon High School. A meeting between staff from both institutions has been scheduled, at which time original plans will be revisited. Currently, NVC is offering only nighttime classes. The original intent had been for Napa Valley College to have a presence at the site of the American Canyon High School, and staff will work together on this concept.

6.0 Master Budget

Dan TerAvest explained that the Master Budget had originally been designed as a “zero balance project,” to reflect that bond funds would be completely spent—but never overspent. Currently, the projected ending balance has been “reorganized” to clarify the current Projected Ending Balance. The current projected ending balance is ($1,019, 326), and the current available program contingency is $1,060,871, leaving a balance of $41,545. Adjustments to the Available Program Contingency will be made when unspent project contingencies and proposed projects budgets are resolved. Mr. TerAvest explained that, as projects are closed out, any remaining project contingencies can be transferred to other projects. Further, Campus Planning and Construction, the office that is administering the bond, had been budgeted through 2012, but will close in 2011, producing additional savings. He also stated that the cost of administering the bond was only 3% of the bond.

Skip Keyser asked whether moving away from the “zero balance project” has actually muddied the waters. Dan TerAvest stated that, as the end of the bond projects comes...
closer, it was important to be more “accurate,” and in addition, the accountant was not able to continue to make it “come to zero.” The committee agreed that it did not need to have the budget go back to the “zero balance” method, and the committee understood the process.

Lee Broad asked how the District would keep from getting in the position of committing funds without ending up with an unexpected deficit. Mr. TerAvest said that the District “designs to the budget level” (modest budgets are planned for modest remodels) and also “cushions sufficiently.” Leftover funds can be re-allocated to other projects, and whatever is left over at that point will be put into instructional equipment. Skip Keyser said that would be in keeping with Measure N guidelines. Jason Luros asked about returning funds to the taxpayers, but Dan TerAvest explained that the amount would be too small to make a difference.

7.0 Review of Expenditure Report for the Period Ending June 30, 2010
John Nahlen reviewed the Expenditure Report for the Period Ending June 30, 2010. He stated that Series B had “zeroed out” today. He said there is still quite a bit of activity in Series C, with $33,369,832 expended and $8,489,564 encumbered. He said we are in the “final phase” of the Measure N bond.

8.0 Measure N Independent Citizens’ Oversight Committee Annual Report
The committee is required to prepare an annual report to the Napa Valley College Board of Trustees. At the June 7, 2010 meeting, the committee reviewed the draft that was under preparation by several of the committee’s members. Because there had not been adequate time for full review, the committee agreed to submit comments electronically to Jason Luros to be incorporated into a final draft that would be reviewed and approved at September’s meeting.

Skip Keyser thanked Lee Broad and Jason Luros for their work on the Annual Report. He also reported that, since Dr. Baehre was new, he and Lee Broad had met with her and Dan TerAvest, and all are in agreement about the direction of the committee’s work. Lee Broad reported that at the last meeting, there were some suggested wording changes and also the suggestion of bringing the numbers up through March 31, 2010. The substantive discussion centered around the reduction in scope of the original bond projects and clarification of the reasons for those changes (see page 5, #6 of the report). The committee wanted to be very clear about the reasons the District was not able to build everything originally anticipated. New language better reflects those reasons. Dan TerAvest explained that when the college initially was making decisions about projects, there were no funds allocated to provide detailed estimates of how much the projects would cost. As stated in the report, “those factors likely include, but are not necessarily limited to: a) Unforeseen increases in raw materials and other external costs; b) Changes in state mandates and/or educational emphasis for community colleges requiring modifications to construction plans; and c) Within the scope of Measure N bond projects, decisions by the College to modify use of Measure N bond project funds, approved subsequent to the original long-range plan. In particular, “C” describes the college’s spending authority, within the scope of
Measure N. Skip Keyser underscored the importance of the words “within the scope of Measure N.” The committee all agreed with the language of 6a,b, and c. Skip Keyser said that the report would be sent out again, with the new language. Because the preparation of this year’s report has taken longer than usually, Skip Keyser asked the committee if they could receive the report via email for final approval. All agreed to that process. Once completed, Chair Skip Keyser would present the revised report to the Napa Valley College Board of Trustees.

The committee further discussed that, for its last report, the committee would request that the District bring corroborating information for the reduction in scope of the original bond projects (listed in 6 a, b, and c.) Because that information would take some time to assemble, the committee did not feel it needed to be included in this year’s report but could wait for its final report. David Casnocha agreed that information addressing the question “were bond monies efficiently expended” would be appropriate for the committee’s last annual report. Skip Keyser stressed that transparency was the concern of the committee, and that providing that information was germane to the committee’s charter. Therefore, the committee included the following language: “In anticipation of the final report, the Committee requests that the college provide further information to support cost impact analysis of factors including, but not limited to, material cost increase, labor cost increases, and change(s) in scope, that shows how that factor contributed to increased construction costs.”

Jason Luros said he would distribute the newest version of the report and ask for the committee’s email vote by a stipulated date.

M/S/C (Broad/Luros) to approve the Measure N Independent Citizens’ Oversight Committee for 2009 – 2010 by an email vote.

**9.0 Duration of Service of Measure N Independent Oversight Committee**

At its March meeting, Skip Keyser asked for an estimate of when the Oversight Committee’s work would be completed. Dan TerAvest provided an estimate but also said he would contact David Casnocha for a legal opinion regarding the committee’s responsibilities at the completion of bond project, including such things as oversight of leased modular buildings.

David Casnocha said the termination of the committee’s responsibilities comes through the submission of the annual report for the year that spending ends. In other words, the committee’s responsibilities extend through a final meeting and the production of the final annual report. He referenced section 11 of the by-laws that state: **Termination:** The Committee shall automatically terminate and disband concurrently with the Committee’s submission of its final Annual Report that reflects the final accounting of the expenditure of all Measure N monies.” In other words, once the money is spent, the committee needs to account for those funds. During the ending “clean-up,” it is possible that the committee may not need to meet on a quarterly basis, but could re-convene when necessary.
David Casnocha further stated that, at this point, terms of the committee members may be extended. The by-laws state that members may “remain seated on the committee pending an appointment of a successor.” However, the District does have to make a good faith effort to find replacements, which could include old members who have been out of service, thus obviating the need for extensive training of new members. He gave the scenario of projects finishing in October, 2011; then DSA has to close books, which could take an additional year. There would need to be a 2011 Annual Report, and likely the final reported would be 2012.

10.0 Future Meetings:

11.0 Adjournment
Skip Keyser adjourned the meeting at 8:35 p.m.
MINUTES OF THE MEETING OF THE MEASURE N INDEPENDENT
CITIZENS’ BOND OVERSIGHT COMMITTEE
December 6, 2010
7:00 p.m.
Room 1340, McPherson Administration Building
Napa Valley College, Napa, California

Members Present: Skip Keyser, Phil Box, Audrey Amundsen, Jason Luros, Lee Broad, Rick Whatley, Greg Evans

Members Absent: Brian Kearney, Bill Lockhart

Staff Present: Dr. Edna Baehre, John Nahlen, Dan TerAvest, Carollee Cattolica, Susan Callahan

1.0 Call to Order (7:00 p.m.)
Committee Chair Skip Keyser called the meeting to order at 7:00 p.m.

2.0 Public Comments
There were no public comments.

3.0 Approval of Minutes of September 13, 2010
M/S/C (Luros/Box) to approve the minutes as submitted.

4.0 Bond Implementation Plan Update
Dan TerAvest said he would not give a PowerPoint presentation, as all projects are now down to the “finishes” stage. He offered to provide a tour of the facilities to any member of the committee upon request.

He said the Library and Learning Resource Center is currently occupied and is in the “punch list phase.” The Notice of Completion has not yet been filed. He informed the committee that the scaffolding and shrink wrap on a portion of the building is due to leaking windows. He said a third party architect would assist in the determination of responsibility. A second issue regarding a subcontractor’s not paying his employees is also under review.

Mr. TerAvest noted that use of the new McCarthy Library has increased dramatically, from approximately 200 users per day in the old library to approximately 2,000 per day in the new McCarthy Library. He said everyone was pleased that students are taking advantage of the new facility.

He reported on the Performing Arts Center and past issues with leaks in the roof. The said the new roof has now been through two storms, and no leaks were noted. This building is now occupied and in the punchlist phase. The Notice of Completion has not yet been filed. Several performances have already been held in the new facility.
Contingency funds are still being held and would be released soon. The North Gym is essentially complete and is also in the punchlist phase.

The remodel of the old library is underway. Bids were received from twelve contractors and were very tight, all between $2.3 and $2.6 million. When occupants of the administration building are able to move to the remodeled old library, the McPherson Administration Building will be modernized for Student Services. He projected that, by this time next year, all projects would have been completed.

Mr. TerAvest provided brief updates on the conversion of the old theater; solar field security system; signage and wayfinding. He said the move of the Print Shop was nearly complete. Legal challenges related to the American Canyon High school are being resolved, and an interim agreement with Napa Valley Unified School District should be ready for Spring Semester so that NVC can schedule its three classrooms for college courses. Funding for this project will be released after the agreement has been finalized. He also noted that the Fire Alarm System would be converted from analog, and the project will go out to bid once all new building plans have obtained DSA approval.

Jason Luros inquired about the subcontractor who had not paid its employees. Dan TerAvest explained that we hold 125% of funds, and $100,000 is available to pay a legal team to resolve the issue.

5.0 Master Budget
Dan TerAvest provided the committee an update and summary of the master budget. He called the committee’s attention to line 42 and the current projected ending balance of ($1,019,426). He explained that the current projected negative ending balance would be covered by program contingency funds (see line 180, column K, pg. 4) and that bond project expenditures would never exceed available funds. He explained that as projects close out, unused contingency funds become available to be used on other projects. Eventually, all bond funds would have to be spent down to zero. He reported that the Campus Planning and Construction Office had started to lay off full-time employees, effective December, 2010, and they had begun the staff reduction process.

6.0 Project Evolution Summary
Dan TerAvest explained that, at its last meeting, the committee requested a summary of the scope and cost changes to the projects from the time of the original bond language through project completion that the committee could use for its final report. He referred to a one-page draft of the “Project Evolution Summary” for the committee’s evaluation. Mr. TerAvest explained that the final report would likely be six or seven pages, but he wanted the input from committee members regarding their preferences regarding format. In the draft report, information for each of the major projects would include: project name, original description; scope change narrative; DSA issues; bid date; Bond Implementation Plan guidelines (developed in 2002 as a concept budget for the bond election); and the funding “committed to date” (expenditures, contract obligations, and future budget allowances.)
Dan TerAvest asked the committee if this format “told the story the committee wanted to understand.” Skip Keyser explained that this revised document/format would be for the final, “wrap-up” report, so no final decisions had to be made at this meeting. He suggested that the committee could discuss its preferences at this evening’s meeting.

Lee Broad expressed interest in differentiating between increased costs that were attributable to materials and labor versus increased costs attributable to change in scope of project. Carollee Cattolica noted that “lump sum bids” meant that there was no way to distinguish between material costs and labor costs. Dan TerAvest further explained the complexity of these questions. He gave the example of the parking lot renovation that was later added to the Performing Arts Center project. Dan TerAvest also explained that the first estimates of proposed bond projects were purely conceptual, as no projects had been fully fleshed out. Once the bond was passed, more in-depth estimates were made in 2004. Even at that point in time, prices had began to rise in the originally estimated projects. Further escalation followed. That trend was reversed after the financial crisis, and bids started to come in under original projects.

The committee discussed various perspectives on the committee’s responsibilities. Greg Evans said that the bond attorney said it was within the committee’s purview to establish whether bond funds had been efficiently spent, as well as corroborating that bond funds had been spent only on voter-approved projects. Lee Broad asked why some of the buildings originally included in those to be built with Measure N funds were not built. Greg Evans offered that determining which voter-approved projects were subsequently built and which were not was a decision made by the Board of Trustees-- not by the Oversight Committee. Further, bond counsel had previously advised that only projects on the voter-approved list could be built. However, not every project on the list must be built.

Jason Luros stressed the committee’s need for both qualitative and quantitative information on the evolution of projects over time. He said he felt it was the committee’s responsibility to preserve that information for the public. Skip Keyser stressed the importance of tracking the evolution of projects that reflected the rise in material costs. Dan TerAvest explained the initial bond proposal for a project could be quite different from the final project, and reiterated that lump sum bidding included labor and materials together. He also noted that drawing the distinction between primary effects and secondary effects also contributed to the complexity of the analysis. However, he said he could easily provide detailed tracking for large projects. Skip Keyser said the committee needed the necessary information to document that the rise in project costs was attributable to factors outside the college’s purview, not through any negligence on the part of the college. Jason Luros said that the committee would like to see a level of “data-mining” that was consistent across projects. Dan TerAvest explained that as projects were re-evaluated, expectations and needs changed. The project list was shortened when it was clear that not all projects could be accomplished with available funding.

The committee continued to discuss the direction it wanted to give Dan TerAvest for the development of the Project Evolution Summary. Greg Evans suggested that columns do
not lend themselves to much explanatory narrative. Lee Broad suggested a narrative summary, supplemented with summary spreadsheets for the large projects. Rick Whatley suggested bullet points that would allow committee members to most easily provide answers to questions from the community. John Nahlen suggested an evolution timeline for each project that included the following: original project estimate; first engineering estimate; next engineering estimate; bid. Audrey Amundsen said she preferred a narrative explanation because she thought that would be most easily understood by the public. Jason Luros supported John Nahlen’s suggestion that information on the conceptual estimate, bid estimate, bid, and change order information for each project would be most informative.

Finally, the committee agreed that this Project Evolution Summary needed to include information on the largest projects. For those projects, the committee requested a narrative summary backed up with summary spreadsheets, covering baseline years 2004, 2006, and 2008. To evaluate format of the proposed report, Greg Evans suggested taking just one project as a model and bring that back to the committee at its March meeting. Skip Keyser suggested that committee members could give Dan TerAvest feedback prior to the next meeting.

7.0 Review of Expenditure Report for the Period Ending September 30, 2010
John Nahlen reviewed the Expenditure Report for the Period Ending September 30, 2010. He said that Series B would be expended by the next quarter. He said that, as projects drew to a close, spending was down.

8.0 Future Meetings
Committee Chair Skip Keyser announced the upcoming future meetings: March 7, 2011; June 6, 2011; September 12, 2011; December 5, 2011. He also thanked Jason Luros and Lee Broad for all their work in preparation of the Measure N Independent Citizens’ Oversight Committee’s Annual Report. He said that he attended a meeting of the Napa Valley College Board of Trustees to present the committee’s report to the board.

9.0 Adjournment
Skip Keyser adjourned the meeting at 8:20 p.m.
MINUTES OF THE MEETING OF THE MEASURE N INDEPENDENT CITIZENS’ BOND OVERSIGHT COMMITTEE
March 7, 2011 -- 7:00 p.m.
Room 1340, McPherson Administration Building
Napa Valley College, Napa, California

Members Present: Skip Keyser, Greg Evans, Lee Broad, Bill Lockhart, Audrey Amundsen, Jason Luros.

Members Absent: Phil Box, Brian Kearney, Rick Whatley.

Staff Present: Sue Nelson, Dan TerAvest, Glenna Aguada, Anne Wheat, Carollee Cattolica,

1. Call to Order (7:00 p.m.)
   Skip Keyser called the meeting to order at 7:10 p.m.

2. Public Comments
   There were no public comments.

3. Approval of Minutes of December 6, 2010
   M/S/C (Amundsen/Luros) to approve the minutes of December 6, 2010.

4. New Chair Election
   Skip Keyser opened nominations for a new Committee Chair. Audrey Amundsen nominated Jason Luros. Jason Luros nominated Audrey Amundsen. Bill Lockhart nominated Audrey Amundsen as Vice Chair and nominations were closed at that point. The election of Jason Luros as Chair and Audrey Amundsen as Vice Chair passed with four members voting aye, one voting nay, and one abstaining. Skip Keyser passed the gavel and the meeting to Jason Luros.

5. Annual Report Subcommittee
   The committee is required to prepare an annual report to the Napa Valley College Board of Trustees. Bill Lockhart and Audrey Amundsen volunteered to work on the Annual Report.

6. Bond Implementation Plan Update
   Dan TerAvest provided the committee with an update on bond funded projects, including the dispute over leaking windows in the Library Learning Resource Center and the anticipated completion of bond project related expenses.

7. Master Budget
   Dan TerAvest provided the committee an update on master budget saying that the only significant change was that the ending balance was now shown as zero.

8. Project Evolution Summary
   Dan TerAvest reviewed the latest iteration of the bond project historical summary. He thanked Annie Wheat for her hard work and long hours spend on the document. He
explained that the dollar figures did not exactly match the Master Budget due to slight variations on the categorization in specific elements of work. Mr. TerAvest agreed to continue developing the document, including narrative descriptions for areas of significant budgetary reallocations and data entry for the infrastructure category.

   In John Nahlen’s absence, Glenna Aguada reviewed the Expenditure Report for the Period Ending December 31, 2010 that was distributed at the meeting.

10. **Measure N Bond Funds Audit for 2009 – 2010**
    In John Nahlen’s absence, Glenna Aguada reviewed the documents prepared by Matson & Isom, District auditors for the Measure N bond funds. Discussion followed regarding a large posting error.

11. **Future Meetings:**
    The following future meeting dates were reviewed.
    June 6, 2011      September 12, 2011      December 5, 2011

12. **Adjournment**