Unadopted Minutes
of
CITIZENS’ OVERSIGHT COMMITTEE

School Facilities Improvement District No. 2
Western Nevada County Campus Area
Sierra Joint Community College District

Regular Meeting No. 29
Nevada County Campus
250 Sierra College Drive
Grass Valley, CA 95945

Recorded by: Joy Pelton Welch
Date of Meeting: April 16, 2014

<table>
<thead>
<tr>
<th>Committee Members:</th>
<th>Present</th>
<th>Not Present</th>
</tr>
</thead>
<tbody>
<tr>
<td>Willard Drown, Public Member</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Patti Foster, Public Member</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Doug Hastings, Public Member</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Vicki Downs, Business Organization Representative</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Julia Locatelli, Public Member</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Gil Mathew, Public Member</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Wayne Raley, Senior Citizens Organization Representative</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Jacquie Wallach, Public Member</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Curtis Williams, Public Member</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District Staff:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Laura Doty, Director, Facilities &amp; Construction</td>
<td></td>
</tr>
<tr>
<td>Joy Pelton Welch, Facilities &amp; Construction</td>
<td></td>
</tr>
<tr>
<td>Liz Skelly, Project Accountant (consultant)</td>
<td></td>
</tr>
</tbody>
</table>

1.0 Call to Order and Roll Call
Curtis Williams, Chair, welcomed the committee and attendees, called the meeting to order at 4:00pm. Joy Pelton Welch conducted roll call. With a majority of members present, Mr. Williams confirmed the quorum requirement was met. Ms. Judy Bagley (former COC member) was present as a visitor.

2.0 Introductions
No introductions were necessary.

3.0 Approval of Minutes from Past Meetings
A motion was made and seconded to approve the Minutes from the April 10, 2013 meeting as presented. The motion carried unanimously.
4.0 Public Comments

Judy Bagley reported that the Soroptimist Club joined with the Sierra College Foundation to host a “Day for Women” and it was “fabulous”.

5.0 Financial Report and Budget


Liz Skelly, Project Accountant, presented the financial summary for the period ending April 9, 2014. Ms. Skelly pointed out that the financial report reflects the Traffic Mitigation Fee has now been paid to the City of Grass Valley, the new maintenance building (N-20) has been completed, and the remaining projects include the mechanical yards upgrade and the unisex locker room. The remaining balance which includes $80K in contingency will allow a few more small projects such as roofs, and upgrade the “smart classroom” equipment in the original buildings to make it all consistent throughout the campus. The Committee questioned the use of Bond funds for the upgrades. Ms. Skelly explained they are allowed in the Bond language as “campus wide upgrades.” Ms. Skelly is not a District employee; she is an outside consultant. Her role, as well as the auditors, is to review the expenditures to make sure they qualify under the Bond language.

A motion was made to accept the financial report for the period ending April 9, 2014. The motion was seconded and the Committee voted unanimously to accept the report.

b. Measure G Performance Audit, FY 2012/2013

Ms. Skelly distributed copies of the Measure G Performance Audit and Financial Statements for FY 2012/2013 prepared by Crowe Horwath LLP, and she explained the purpose and significance of each document. The Performance Audit ensures the District is spending the Bond funds as intended per the Measure G language on the ballot. The document explains how they completed the audit with a sampling of expenditures, verifying the funds were spent appropriately. Their conclusion is the District met the criteria for the audit.

Ms. Skelly explained that the District refinanced part of the Series B bonds at a lower interest rate, which ultimately saves the District more than $2 million in interest.

A motion was made and seconded to approve the Performance Audit for FY12/13 as presented. The motion carried unanimously.

c. Measure G Financial Statement, FY 2012/2013

For the Financial Audit, the auditors stated it was a clean audit. The expenditures were tested and found to be appropriate. Expenditures for salaries and benefits were verified to be staff working on the project, and not administrative personnel. The remaining Bond funds are held in the County Treasury in a very safe investment pool. The Bonds are “capital appreciation bonds” which the Placer County Treasurer manages and invests so the interest earnings keep compounding and accruing.

A motion was made and seconded to approve the Financial Audit for FY12/13 as presented. The motion carried unanimously.

Both Measure G reports are available on the Sierra College website at: http://www.sierracollege.edu/about-us/admin-services/fiscal-services/index.php
6.0 Review Draft FY 2012/2013 Annual Report

Joy Welch distributed a draft annual report to be presented to the Board of Trustees. The Committee reviewed the contents of the report. Ms. Skelly pointed out the text which speaks to the General Obligation Bonds in the section called “Background” needs to be updated to include mention that the Series B bonds were refinanced during 2013. Ms. Skelly will provide the appropriate language for Ms. Welch to make the correction. There were no other comments or corrections. A motion was made and seconded to approve the proposed FY 2012/2013 Annual Report with the modification suggested by Ms. Skelly. The motion carried unanimously. Ms. Welch will send out a corrected version for the Committee to review before it is presented to the Board of Trustees on May 13th by Committee Chairperson Curtis Williams.

7.0 Project Update

Ms. Laura Doty, Director of Facilities and Construction, supplied the committee with a project status report (attached). The projects in the 1st and 2nd list of additional upgrades have been completed, including the new maintenance building (N-20). Photos of the new building were distributed and are attached to these minutes. To conserve money and make the dollars stretch as far as possible, the projects are being managed in-house instead of hiring a project management consultant.

Ms. Doty also reported that an agreement was reached with the City of Grass Valley (attached) and $599,419.41 has been paid to the City for the Traffic Impact Fee (“TIF”). As a remaining requirement of the EIR, the District needs to update the master plan of the NCC campus to include the new buildings and the two remaining building sites, as well as the future secondary access road. The District general fund will have to pay for the secondary access road when the time comes.

The Committee asked about the leaks in the masonry of the gymnasium and multipurpose buildings. Ms. Doty reported that the buildings were painted with a thick, waterproofing paint. The cost of the paint was shared by the architect, the project manager and the District at one-third each.

8.0 Schedule of Future Meetings

The Committee agreed to meet on site in April 2015 or sooner if all Bond funds are expended before then.

9.0 Adjournment

The meeting was adjourned at 5:10 p.m.