



<b>CITIZENS' BOND OVERSIGHT COMMITTEE</b>		
<b>MINUTES FOR June 14, 2016</b>	<b>3:30-5:00PM</b>	<b>CSSC- Multi-Purpose Room</b>
<b>Members Present:</b>	Members: Fred Jandt (Members At-Large- West Valley); Mr. Kenneth Eklund, (Senior Citizen Group Representative); Mr. Steven Bayard, (Members At-Large – East Valley); Mr. Jose Rodriguez, (Student Representative);	
<b>Members not Present:</b>	Chris Escobedo, (Taxpayers' Association); Mr. Lawrence M. Cohen (Business Representative); Mr. Larry Spicer (College Support Organization)	
<b>Guest(s):</b>	Lisa Howell (COD VP of Administrative Services); Jessica Enders (COD Director of Education Centers); Mac McGinnis (MAAS Companies, Bond Management Office)	
<b>Recorder:</b>	Jennifer Mergl (MAAS Companies, Bond Management Office)	

**AGENDA**

<b>1. Call to Order/Roll Call</b>		
	The meeting was called to order at 3:43PM. The Committee had a quorum.	
<b>1.1 Comments From The Public</b>		
	There were no comments from the public.	
<b>2. Action Items(s)</b>		
<b>2.1 Approval of March 8, 2016 Meeting Minutes</b>		
DISCUSSION	Meeting Minutes – March 8, 2016: A motion was made by S. Bayard to approve the March 8, 2016 meeting minutes, Seconded by F. Jandt. All in favor. No opposed. No abstained. Motion passed unanimously.	
CONCLUSION	Meeting Minutes from March 8, 2016 were approved.	
<b>ACTION ITEMS</b>	<b>PERSON RESPONSIBLE</b>	<b>DEADLINE</b>
None		
<b>3. Information/Discussion Item(s)</b>		
<b>3.1 Follow-Up Report from March 17, 2016 Bond Council Meeting</b>		
DISCUSSION	<p>On March 17, 2016, J. Kinnamon &amp; L. Howell met with the District's Financial Advisor and Bond Council. This meeting was intended to serve as a performance review of the Bond Council, David Casnocha.</p> <p>L. Howell informed Members that during Mr. Casnocha's tenure as the DCCD Bond Council, there have been multiple concerns including IRS infractions incurred by the District. Due to these incidents as well as what the District believes now to be poor Bond structure advice, the Desert Community College District terminated their relationship with David Casnocha as Bond Council.</p> <p>The District has retained new Council. Don Field of Orrick, Herrington &amp; Sutcliffe LLP will replace David Casnocha as Bond Council. Mr. Field will be scheduled to meet and present at a future COC Meeting.</p>	

CONCLUSION	The Desert Community College District has terminated their Agreement with Bond Council, David Casnocha. Mr. Casnocha has been replaced by new Bond Council, Don Field of Orrick, Herrington & Sutcliffe LLP.		
ACTION ITEMS		PERSON RESPONSIBLE	DEADLINE
None			
<b>3.2 IRS Update on 2005 GO Refunding Bonds</b>			
DISCUSSION	<p>L. Howell reviewed the IRS concerns of the 2005 GO Refunding Bonds. Under the council of David Casnocha, the District issued the entire \$290 million worth of Bonds all at one time. Due to the money sitting beyond the approved time limit, the District has incurred a \$239,000 IRS penalty.</p> <p>When an entity issues Bond funds, invests the funds and earns more than the issued amount, the entity is subject to an Arbitrage Rebate. Mr. Casnocha advised the District that an Arbitrage calculation was not necessary. Against the advice of Mr. Casnocha, the District did perform an Arbitrage calculation and discovered that the District owed an Arbitrage Rebate payment. The cost of the Arbitrage calculation is roughly \$6,500.</p> <p>L. Howell provided Members with a copy of the letter from the IRS dated May 27, 2016 indicating that their findings conclude that the District's failure to pay in a timely manner was not due to willful neglect.</p>		
CONCLUSION	The District has paid over \$239,000 to the IRS due to penalties. Upon completing the calculation, the District is subject to Arbitrage Penalty.		
ACTION ITEMS		PERSON RESPONSIBLE	DEADLINE
None			
<b>3.3 New Bond Measure Resolution, July 2016</b>			
DISCUSSION	<p>L. Howell confirmed that the Desert Community College District will move forward with a new Bond Measure in 2016.</p> <p>This new Bond Measure will fund the future phases of the Palm Springs Campus, Indio Campus, and Mecca/Thermal Campus amongst other projects. Enrollment growth has steadily increased, particularly in the West Valley. S. Bayard inquired as to whether the District is certain that they will receive State Funding for the projected enrollment growth. L. Howell confirmed that in 2014-15 the Desert Community College District saw the second largest unconstrained growth numbers in the State at 11%. Growth continues at 8% for 2015-16 as well as projections of roughly 5% growth in 2016-17. Once a District grows in enrollment, they are able to maintain that Base.</p> <p>Upon Board approval at the June 16, 2016 meeting, the District will present the Bond Measure Resolution at the July 2016 Board Meeting. After that time, District staff is not allowed to discuss the Bond Measure during business hours.</p> <p>L. Howell was able to confirm that the issuance will be between \$500-600 million or \$19.50 per \$100,000 of the assessed value of property.</p>		

CONCLUSION	Upon Board approval at the June 16, 2016 Board Meeting, the Desert Community College District will move forward with presenting at 2016 Bond Measure Resolution at the July 2016 Board Meeting.		
ACTION ITEMS		PERSON RESPONSIBLE	DEADLINE
None			
<b>3.4 HILB Interior Presentation</b>			
DISCUSSION	M. McGinnis presented a Power Point highlighting some of the possible interior finish options of the HILB library. The District is taking their time to ensure the best design features are being considered for this building as well as ensuring that the original Warnake architecture is maintained.		
CONCLUSION	Design Development continues on the HILB library using careful consideration and respect for the finishes and the original architecture.		
ACTION ITEMS		PERSON RESPONSIBLE	DEADLINE
None			
<b>3.5 Reappointment/Appointment Process</b>			
DISCUSSION	<p>The following positions on the Citizens' Bond Oversight Committee are vacant:</p> <ul style="list-style-type: none"> <li>• Business Representative</li> <li>• Senior Citizen Group</li> <li>• Taxpayers' Association</li> <li>• Member-At-Large West Valley</li> <li>• Student Representative</li> </ul> <p>L. Howell reminded all Members that if these open positions go unfilled, the Committee will be unable to achieve a quorum therefore the meeting will be canceled.</p> <p>L. Howell has asked that all Members reach out to anyone they may know who would be a good fit for the positions listed above and encourage them to apply. The application can be found on the College of the Desert website.</p>		
CONCLUSION	There are many open positions on the Citizens' Bond Oversight Committee. Please encourage anyone who would be a good fit for this Committee to apply.		
ACTION ITEM		PERSON RESPONSIBLE	DEADLINE
None			
<b>3.6 Bond Projects Update and Bond Project Financial Report</b>			
DISCUSSION	M. McGinnis reviewed all project and financial updates from the Bond Citizens' Oversight Committee Report dated June 14, 2016.		

CONCLUSION	<p>K. Eklund posed the following question to L. Howell &amp; M. McGinnis; “Are you aware of any Bond proceeds that were expended for purposes other than those set forth in Measure B?” L. Howell &amp; M. McGinnis responded, “No.”</p> <p>K. Eklund posed the following question to L. Howell &amp; M. McGinnis; “Are you aware of any Bond proceeds that were expended for any teacher or administrative salaries of the college or for the operating expense?” L. Howell &amp; M. McGinnis responded, “No.”</p>		
ACTION ITEMS		PERSON RESPONSIBLE	DEADLINE
None			
<b>4. Future Agenda Items &amp; Meeting Schedule</b>			
<b>4.1</b>			
DISCUSSION	<ul style="list-style-type: none"> <li>• District Financial Advisor &amp; Bond Council Presentation</li> <li>• Election of Officers</li> </ul> <p>Due to scheduling conflicts, the September 13, 2016 meeting will be rescheduled.</p>		
CONCLUSION			
<b>5. Adjournment: 4:40PM</b>			

NEXT MEETING:

TBD

Craven’s Student Services Center-

Multi-Purpose Room