



Citizens Bond Oversight Committee

Thursday, March 20, 2014

✓ Members Present

Bob Hahn	Member at large
✓ Gil Perez for Jerry Brittsan	Member representing taxpayers association
✓ Ryan Childers, Chair	Member representing a business organization
✓ Gabe Contreras	Member at large
✓ Jackie Loper	Member at large
Everett Taylor	Retired member
✓ Cassandra Lopez	Student Representative
Joe Vogel	Member IVC Foundation

Others present

John Lau, Vice President for Business Services; Jimmy Sanders, Architect; John Reynolds, Nielsen Construction; Mary Carter, Recorder

I. Welcome and Introductions:

1. Call to order: The meeting was called to order by at 12:10 p.m. on Thursday, March 20, 2014 by Ryan Childers, Committee Chairperson. The meeting was held in the Imperial Valley College board room.
2. Introductions: All members in attendance and visitors introduced themselves.
3. Membership update: VP Lau reported that the College will be looking for applicants for the member-at-large position to replace Bob Hahn who has moved away. Also, a senior citizen member will be needed to replace Butch Taylor.

II. Approval of Minutes:

1. ***M/S/C Contreras/Loper to approve the minutes of the March 21, 2013 meeting as presented.***
2. ***M/S/C Loper/Contreras to approve the minutes of the September 26, 2013 meeting as presented.***

III. Action

1. ***M/S/C Loper/Contreras to approve the Measure J Audit as presented.*** VP Lau reported that both audits offer clean opinions; spending of bond funds was compliant with bond covenants, and there were no compliance issues.

2. ***M/S/C Loper/Contreras to approve the Measure L Audit as presented.***

3. ***M/S/C Loper/Lopez to approve the Annual Report.*** VP Lau reported that the construction program has been trouble free, time lines have been met, and there are no budget overruns and few change orders. The college has a good construction team and projects have employed local tradespeople, which helped the local economy.

IV. Information/Discussion

- a. Expenditure Report: The expenditure reports for Measure J and Measure L was distributed and reviewed by the committee. VP Lau reported that there is currently \$2.8 million cash in the County Treasure from Measure J and \$1.77 million remaining in Measure L.
- b. Sale of Bonds: VP Lau reported on the sale of \$16.5 million in bonds which closed yesterday. The bond sale was to pay off the BANs (bond anticipation notes) which were due in August 2014. The College is replacing short term debt with long term bonds (30 years). The sale will save the college a considerable amount in interest. While the college raised the tax rate .50 a month (\$6 year per \$100,000 of assessed valuation), the college was able to save approximately \$100 million in interest over the life of the bonds. The college obtained a payback ration of 2.2:1, which under the 4:1 maximum ratio allowed by AB182. The average interest rate on the bonds is 4.75%.

The college will not raise tax rates again, rather it will wait for property values to increase. The college still has authorization for \$54 million in bonds. It is anticipated that the next sale would be at least four years out. The only reason to sell bonds sooner would be to obtain matching funds if the State were to fund the 200, 300, and 800 building modernization project which requires a 40% match from the college on a \$12 million project.

- c. Update on Projects:
 - Wastewater ponds: VP Lau reported that the evaporative ponds for the wastewater plant have just come on-line. The college has been very pro-active with this project in order to avoid fines for off-site discharge of wastewater. The college worked with the Regional Water Board in order to find a cost effective method of dealing with its wastewater. In addition, the project will cut the college's operational costs. Eventually, the college will tie into the City of Imperial's water system when housing development is closer to the college, and the costs come down.
 - Jimmy Sanders, Architect, reported on the Career Technical Education Facility (buildings 3100 and 3200) which will be completed in April 2014, with a ribbon cutting scheduled for May 1, 2014. Classes will be held in the facility starting Fall 2014. The 3100 building will house the POST academy, Fire Academy, and EMS. The 3200 building will house the construction trades (welding, renewable energy, carpentry, electrical and HVAC). The 3200 labs are designed for flexibility to meet future instructional needs.

- Architect Sanders reported that participation by local contractors and trades in the Career Tech facility project was 78%. The rate of local participation in the 900 Building modernization was 72%. The Career Tech Building was a lease/leaseback project; the college does not own the building until construction is complete. This gives the contractor more flexibility in awarding the bids.

V. Next meeting: The committee discussed meeting in late fall 2014, meeting date TBA.

VI. Adjournment: Meeting adjourned at 1:30 p.m.