

**North Orange County Community College District
Citizens' Oversight Committee**

June 3, 2009

APPROVED MINUTES

Members Present: Lynn Abouchar, Kay Bruce, Keith Nelson, Ken Vialva for Jeannette Vasquez, and Philip Wendel

Absent: Theresa Harvey and Adriana Cordova

Staff: Ron Beeler, Karen Cant, Claudette Dain, Ned Doffoney, Rodrigo Garcia, Adam O'Connor, Chris Terry, Alba Topete, and Fred Williams

Visitors: Scott Conner and Ed Fitzgerald

Vice Chairperson Kay Bruce called the meeting to order at 4:01 p.m. and led a round of introductions of those present.

Approval of March 4, 2009, Meeting Minutes: The minutes of the March 4, 2009 meeting were approved as submitted.

Bond Projects Status Update Presentation and Budget Analysis: Fred Williams, Vice Chancellor, Finance and Facilities, led a review of the bond program including current construction. He distributed the "Budget and Financial Report" for the period ending March 31, 2009, and gave a brief overview of the sections contained within the report.

Cypress College: The Humanities Remodel for Efficiency, the last major Bond project at Cypress College, has a potential delay, but is proceeding on schedule and within budget. Demolition of the existing site work has been completed, while exterior concrete work is scheduled to begin at the end of May. The window wall systems will be delivered on May 20 and installation will begin immediately, while the steel structure for stairway #3 will be delivered in June.

Fullerton College: The wallcaps for the 300/500 Access Project have been finished. There is a hydraulic leak in the new elevator, and a claim has been submitted to the insurance company. It is expected that the insurance should cover the leak, and not Bond money. The new 50-meter pool, part of the Physical Education Renovation Project, has been completed. Issues related to the fire pump still need to be addressed, but the Summer swim program will take place in the new pool. Phase II (the South Gymnasium) of the Physical Education Renovation Project is almost completed, while Phase III (the North Gymnasium) is yet to be completed. The project schedule has been revised to bring the entire project back on track, while issues related to the project are being re-evaluated. The replacement of the 400 Science Building is in construction and on schedule, with completion expected in January 2011. The state-funded renovation of the Technology Complex (Buildings 700, 900, and 910) is on hold, as the State budget situation directly impacts the status of this project. There is a possibility that the District might not be able to begin construction on the Technology Complex. The 2000 Building Remodel, with an \$8 million budget, has been submitted to the State Chancellor's Office for consideration of state funding, but the District might not be able to provide the match funds for this project.

The construction program might be coming to an end unless the State budget clears or a new bond measure is passed. A new dome was installed on the Library/Learning Resource Center on April 25, along with new translucent panels on the roof. The replacement was primarily paid with insurance money, with the exception of the scaffolding. This project is considered done at this point.

District Projects: You may recall that when the Pool Money Investment Board (PMIB) froze all disbursements for state-funded Capitol Outlay projects due to the state budget crisis, the North Orange County Community College District Board of Trustees voted to continue construction on the Fullerton College South Science Building and the Cypress College Humanities Remodel. While all bond funds are currently in our possession for the 10% match of the Humanities Remodel and the South Science Building, the concern is the 90% from the state of California. Presently, we have \$17 million in claims at the state level which creates a cash flow problem for the District. If necessary, we can temporarily borrow from other District and County funds.

Committee Inquiries: In responding to Committee member inquiries regarding how the current state budget is affecting the District, Mr. Williams provided that 1) the District currently does not have the necessary \$20 million to complete the projects; 2) there are Memorandums of Understanding (MOUs) in place to borrow from sources, as well as Certificates of Participation (COPs) for construction if needed; and 3) in the event that the state does not provide the \$45 million that is expected, litigation would most likely follow due to delay claims.

Although Mr. Williams has received reassurances that the State is committed to these construction projects, he also provided the following regarding current construction contracts: 1) currently all contractors are being paid; 2) contracts cannot be renegotiated because they must adhere to the public contracts code which requires that they be formally bid; and 3) the contracts were signed prior to the current budget climate, and it would cost the District dearly to suspend current projects. Mr. Williams also reiterated that the Board of Trustees was assured that District projects would not be begun, that could not be completed.

Other: Chancellor Doffoney noted future discussion would need to take place regarding the committee's organization and composition since Chairperson Theresa Harvey's term would expire at the end of the month.

Next Meeting: The next meeting of the Citizens' Oversight Committee will be held September 2, 2009, 4:00 p.m. at the Anaheim Campus.

Adjournment: The meeting was adjourned at 4:36 p.m.