

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

May 4, 2005

APPROVED MINUTES

Members Present: Don Baldwin, Darrell Essex, Rowland Hill, Julie Law, George Tsuda

Absent: Tatyana Alvarez, Mary Bouas, Chris Lowe

Staff: Violet Ayon, Ron Beeler, Nancy Byrnes, Kathie Hodge, Jerry Hunter, Margie Lewis, Christie Wallace Noring, and Fred Williams

Visitors: Al Schafer from FLCM

Chairman Darrell Essex convened the meeting at 6:00 p.m. and led a round of introductions of those present.

Approval of January 12, 2005, meeting minutes: The minutes of the January 12, 2005, meeting were approved as submitted.

Introduction of New Member: Chancellor Jerry Hunter introduced Julie Law as a new student representative. He noted that Ms. Law is a Fullerton College student who is extensively involved in Associated Students, as well as a volunteer in the community.

Chancellor Hunter also stated that although the current Citizens' Oversight Committee roster indicates a vacancy for the Taxpayer Organization representative, Chris Lowe has not submitted his resignation and is still considered the representative of that category.

Report to the Community: Christie Wallace Noring, District Director Public Affairs, reported that over 500 copies of the District's *Facilities Bond Program Report to the Community – Spring 2005* was distributed to school superintendents, college foundation board members, city and state elected officials, chambers of commerce, bond contributors and other bond supporters, as well as various community and staff groups. In addition, Ms. Noring noted that the Report is posted on the District's web site and referenced in other District communications.

The Report highlights the status of 22 major project areas throughout the District: 10 projects from Cypress College; 8 projects from Fullerton College; and 4 projects from the District and the School of Continuing Education. It also identifies the Citizens'

Oversight Committee membership and provides various facts about the District, including enrollment and funding information.

Committee members commended Ms. Noring on a very well done Report. In addition, it was recommended that the Report be distributed to the *Orange County Register*, the *Anaheim Bulletin*, the *Cypress News Enterprise*, and the *Event* newspapers in an attempt to more widely inform the public, which the committee members see as an integral part of their role.

Facilities Bond Program Performance Review and Evaluation Update: Fred Williams, Interim Vice Chancellor, Finance & Facilities, provided an update on four areas identified in the Facilities Bond Program Performance Review and Evaluation.

In the area of Distinguishing the Roles of the Program and Construction Managers, Mr. Williams reported that meetings have been held with consultants to develop a matrix of responsibilities, which clearly distinguishes the roles of the Program Manager and the Construction Managers. He added he is still conducting a review of contracts to work through all issues still pending.

In the area of Higher Level of Oversight Throughout the Program, Mr. Williams stated more staff from various levels throughout the District are attending campus committee meetings and weekly Project Management Team meetings at the District level. He noted that the college presidents and provost have significantly increased their involvement with oversight of the bond projects, and the Chancellor holds a weekly Bond Update meeting with Ron Beeler, Jack Raubolt, and Fred Williams.

In the area of Improve Management Processes and Procedures, Mr. Williams reported that District staff are working much closer with the Program Manager. He noted that the budget update presented in the Budget and Financial Report Period Ending March 31, 2005, was completed in coordination with the Program Manager.

In the area of Integrate the Roles of District Facilities Staff and Program Management Staff, Mr. Williams focused on the area of expertise of District staff and the Program Manager's staff in defining everyone's individual role. The Program Manager is working with the Construction Managers focusing on their individual strengths.

Bond Projects Status Presentation and Budget Analysis: Mr. Williams led a review of the status of various bond projects throughout the District. In response to inquiries, Mr. Williams, Mr. Beeler and Mr. Schafer clarified the following: 1) the Fullerton College Cosmetology/Day Spa bids were over the projected budget largely due to inflation and cost escalation of materials, as well as the market being one in which contractors can pick and choose their projects; 2) the reserve for each project has been adjusted from 3% to 8%, and the latest cost inflation is now over 10%; 3) District staff is working very

closely with the Department of State Architects in order to resolve issues promptly, assisting with fact finding and discovery and thus shortening the time required for project approvals; 4) District staff is working closely with the architects and stressing the importance of the quality of work materials; and 5) District staff members call the consultants and Program Manager together regarding their roles during the design process in order to expedite the project approval process.

The following Cypress College bond projects were highlighted: 1) Student Center; 2) Library/Administration Building; 3) Library Learning Resources Center; 4) Remodel for Efficiency of the Tech Ed III Building and the Maintenance & Operations Building; and 5) Piazza demolition to make way for the Student Center. Mr. Williams noted the District is maximizing its resources by using both bond funds and state funds.

The following Fullerton College bond projects were highlighted: 1) Library Learning Resources Center; 2) North Lemon Street Parking Structure; and 3) 300 Building and 500 Building elevator. Mr. Williams noted that the Physical Education Pool Complex has been placed on hold and will be rebid once the second phase has cleared DSA, at which time a more accurate cost for the entire project will be known. In response to inquiries, Mr. Williams, Mr. Beeler, Mr. Shafer, and Dr. Hodge provided the following clarification: 1) the \$1 million increase to the Library Learning Resource Center project was a result of changes generated through the change order process and covered by a 5% contingency; 2) two parking structures were proposed, however, funds other than bond monies will need to be acquired in order for the second parking structure to be built; 3) bond funds were used for the drawings of both parking structures, as well as to pay off the District's portion of the Plummer parking structure; 4) the net increase in parking spaces with one new parking structure will be 350 – this is due to current parking spaces taken up by construction; 5) when the design work of a project is done, it is considered to be 50% completed, with the remaining 50% for construction; and 5) the pool will be a 50-meter pool.

The following Anaheim Campus projects were highlighted: 1) the School of Continuing Education (SCE) is looking at having the fourth floor of the Anaheim Campus built out to accommodate SCE needs in meeting the demand for classes; and 2) Summit Career College is requesting build out of the balance of the sixth floor because of the increased demand in its nursing program.

Mr. Williams provided the following information regarding Bond Projects funding: 1) the refunding of some of the District's Proposition 39 bonds has generated an additional \$9.6 million for bond projects; 2) PFM Asset Management LLC has been hired to invest the District's surplus cash, including bond proceeds, to increase yields on idle cash investments – the safety of the principle is still the District's goal; and 3) the District has renewed its contract with Macias, Gini & Co. to conduct the 2004-05 fiscal year audit of the District's funds and possibly the Proposition 39 funds. Discussion ensued on the

process to be followed when hiring a firm to conduct an audit of Proposition 39 funds, which is to be independent from the District's audit and is a major responsibility of the Citizens' Oversight Committee. Upon considering a motion to confirm the selection of the same firm, which was subsequently withdrawn, discussion concluded with an agreement to agendaize for the next Citizens' Oversight Committee meeting the hiring of a firm to conduct the Proposition 39 funds audit.

Next Meeting: August 3, 2005.

Adjournment: The meeting adjourned at 6:48 p.m.