

**North Orange County Community College District  
Citizens' Oversight Committee  
June 5, 2019**

**APPROVED MINUTES**

**Members Present:** Chuck Allen, Michael Cooper, Paul Jewell, Stan Kwak, Chris Meyer, Michael Miller, Leroy Mills, Mark Pavlovich, Elena Reyes, Phil Wendel,

**Members Absent:** Kevin Carr, Josh Kazarian, Mark Saucedo, Louis Raprager

**Other Employees/Guests Present:** Eduardo Escobedo, Rodrigo Garcia, Ryan Lippmann, Cheryl Marshall, Megan Moscol, Alexander Porter, Oscar Saghie, Alicia Santos, JoAnna Schilling, Greg Schulz, Leslie Tsubaki, Kashu Vyas, Fred Williams, Richard Williams

**Call to Order:** Chair, Chris Meyer called the meeting to order at 4:02 p.m., introduced Stan Kwak from the Chamber as the Taxpayer's Representative, and led the group in the Pledge of Allegiance.

**Public Comments:** There were no public comments.

**Approval of Minutes:** The minutes of the March 6<sup>th</sup>, 2018 meeting were approved.

**Committee Composition:** Fred Williams informed the Committee of membership changes.

Chuck Allen and Rhonda Shader have reached the end of their time on the committee and were thanked for their many years of service.

Stan Kwak will be the representative for the Taxpayers Association moving forward.

An item for the Appointment of Representatives to the Citizens' Oversight Committee for the Board of Trustees meeting has been prepared. Due to term expirations, all of the members of the committee will be appointed or reappointed by the Board of Trustees upon approval of the item.

**Measures X Updates:** Fred Williams expressed to the Committee that the Measure X Bond program is in the final stages. The last Measure X project, the 7<sup>th</sup> and 10<sup>th</sup> Floor Tenant Improvements at the Anaheim Campus, has reached substantial completion and an update will be provided alongside Measure J Updates. At the end of the fiscal year in June 2019 Measure X will be completely expended. Formal action for closing Measure X will be taken during the September 2019 Citizens' Oversight Committee meeting.

Questions/Comments:

1. *Will a final audit of Measure X be presented?* Yes. Measure X will be closed out prior to June 30, 2019 to ensure that this fiscal year's audit is the final audit for Measure X.

**Measures J Updates:** Fred Williams provided a brief overview of the recent milestones that Measure J projects have reached.

Fullerton College has completed submission to the Division of the State Architect for the New Instructional Building and the 300 and 500 Building Renovation projects.

The 7<sup>th</sup> and 10<sup>th</sup> Floor Tenant Improvements are just a few computers shy of total completion.

A Community Newsletter detailing the progress of the Measure J Bond program is forthcoming.

***Cypress College Updates:*** Fred Williams introduced Alexander Porter, the new Vice President of Administrative Services. Alexander Porter provided the committee with a detailed update of the projects in progress at Cypress College.

New Science, Engineering & Mathematics (SEM) Building – Construction is well underway. The installation of foundation piles are in progress. Roughly 500 foundation piles will be installed across campus. Installation will continue over the next four to five weeks.

Due to changes in the foundation system requiring driven piles, an amendment to the Environmental Impact Report (EIR) was required. Noise and vibration measurements have been taken and mitigation action has been taken.

The timing for this portion of the project was advantageous, pile driving began a week after graduation and will not have an impact on the regular academic year.

New Veterans' Resource Center & Student Activities Center Expansion (VRC/SAC) – Excavation and site work for this project are in progress. During the excavation process hazardous materials were found and abated. Other pipes and utilities have been found and relocated. The project remains on track and on target.

Veterans Memorial Bridge, Plaza, and Tribute Garden – This project is adjacent to the VRC/SAC. Excavation and site work are also in progress. No issues have been identified for this project to date. Progress is being made and the project is on schedule.

Fine Arts Capital Improvement – The Final Project Proposal (FPP) for this project has been submitted to the State Chancellor's Office. The campus is waiting on the Governor's budget process to approve matching funds for this project at the State level.

The State has recently amended their process for approvals. More of the building and planning effort is being tied back to the overall colleges' effort for the Vision for Success. The Campus has worked extensively with Rick Williams to provide the State Chancellor's Office with all of the requested information to move ahead.

Questions/Comments:

1. *Did the changes to the foundation have a material impact on cost?* Yes. Roughly \$1.5M in savings back to the project. It is part of the value engineering effort to reevaluate and bring the project back on budget.
2. *The Veterans' Memorial Bridge, Plaza, and Tribute Garden are not being paid for out of Measure J. What progress is being made on the fundraising effort?* The Foundation has raised roughly \$450K for this project and the fundraising efforts are ongoing. Reevaluating and refocusing on raising this money has been discussed. Although Measure J funds are not being used for this project or the Pond Refurbishment, due to their proximity to Measure J Projects, updates for the Veterans' Memorial Bridge, Plaza, and Tribute Garden and Pond Refurbishment are being presented to the committee.
3. *Is the Pond Refurbishment being funded by the campus maintenance funds?* Yes. The campus decided to seize the opportunity for refurbishment while the pond was drained for the construction work on the VRC/SAC and Veterans' Memorial Bridge, Plaza, and Tribute Garden.
4. *Regarding the Veterans' Resource Center, is there a way to comb through the campus records to identify former student veterans and provide them with the opportunity to donate and be recognized?* That is a great idea and will be shared with the Foundation Director as a suggestion of a fundraising opportunity. The Veterans' Center that is currently active on campus is engaged with community and might also have the resources to reach out to alumni.

**Fullerton College Updates:** Rodrigo Garcia provided the committee with detailed updates of the major projects at Fullerton College.

New Instructional Building – The New Instructional Building will consolidate the Humanities Division which is currently housed in 10 different buildings across campus.

This project was submitted to the Division of the State Architect (DSA) for review in April 2019. At this time the structural safety review is 50% complete and the access review is 15% complete.

An interim guaranteed maximum price (iGMP) is in progress.

Central Plant Replacement and Expansion – This project will take place in tandem with the New Instructional Building. The Campus has just signed off on the Design Development Phase. Three cooling towers and three chillers will be added. Once they are installed and operational the current two cooling towers and chillers will be taken offline.

The next milestone for this project is the 50% Construction Documents, which is anticipated in late June. Submittal to DSA is expected in late July or early August.

300 & 500 Buildings – This project is also moving through the DSA review process. The State is providing 50% of the funding for this project.

A list of deductive alternates has been created. As this is a renovation process there are some limitations. The renovation costs cannot exceed 50% of the cost of replacing the building entirely. With the deductive alternates in place the renovation cost is roughly 40%. A better grasp of the true costs will be obtained when the project goes out for bids.

300 & 500 Buildings Sewer Line – There are currently issues with the sewer line for the 300 and 500 Buildings. Currently the line runs underneath the Performing Arts Building making repairs difficult. Prior to the Renovations for the 300 and 500 Building the issues with the sewer line will be addressed.

Bidding for this project will take place in in the first quarter of 2020. Construction will occur in summer 2020 and last about two months.

Parking and Transportation – The Campus is currently leasing an offsite parking lot on the corner of Raymond and Chapman containing 120 spaces. The Board of Trustees has authorized the Campus to purchase that land. The owner of the land is working with the Campus to finalize the sale.

The Campus has entered into a three-year partnership with the Orange County Transportation Authority (OCTA). The students voted in a mandatory fee of \$5.75 for every full-time student and \$5.00 for every part-time student to provide access to OCTA for the semester. A student-rate bus pass for OCTA costs \$40.00 a month, this provides greater access to public transit for all of Fullerton College's students. OCTA has provided a grant for the first year to offset all of the costs.

New Performing Arts Complex – An Initial Project Proposal (IPP) for the Performing Arts project was submitted to and approved by the State. Work is in progress on a Final Project Proposal (FPP) that will be presented to the Board of Trustees before June 30<sup>th</sup>, 2019 so that it can be approved and submitted to the State Chancellor's office. It is currently projected to be an 80%/20% split in costs, with the State paying 80%.

Questions/Comments:

1. *For the Central Plant Replacement and Expansion, the current Central Plant will be taken offline upon completion of the installation of the three new cooling towers and chillers. Will the current two chillers and cooling towers remain in reserve? That space occupied by the current chillers and towers will most likely be utilized as storage. The equipment that was installed there roughly 15 years ago needed to be housed indoors. It was installed outdoors and the life expectancy of the equipment has not been as anticipated. The installation of the three new chillers and cooling towers is to replace the equipment that was improperly housed and expand the cooling capacity for the New Instructional*

Building and the future Maintenance and Operations Building. The third chiller and cooling tower will also provide extra cooling capacity for the buildings already on campus as the current equipment cannot efficiently meet the campus demands.

2. *Will everything be properly weatherproofed in the new building?* Yes. There is designated space for the indoor equipment.
3. *What is the expected lifetime on the new sewer line?* Roughly 50 or 60 years. The new sewer line will be relocated to an alley adjacent to the Performing Arts Building so that any future issues can be addressed with less difficulty.
4. *Regarding the offsite parking lot, where is it located?* On Raymond and Chapman, about half a mile from the campus. A shuttle service is provided for the first 10 weeks of the semester Monday through Thursday from 7:00AM to 6:00PM. Shuttles run every 10 minutes. The Campus is tracking the usage data for the shuttle service. There is another lot directly behind the current lot that is roughly three times the size. The Campus is in discussion to utilize that lot during construction while also looking for other lots to mitigate any issues that construction might cause.
5. *Have there been any problems with documentation on location or ownership of sewer lines or utility lines?* Fullerton College has not yet broken ground. Prior to construction, surveyors were hired to document the sewer and utility lines for both campuses. As-built drawings were utilized alongside ground penetrating radar to determine underground conditions. At Cypress College there were some issues, a line was struck as it was stacked with another line and the surveyor was not able to see that. There is always the possibility of finding something, but the Campuses and the District have done their due diligence.
6. *Regarding the sewer line for the 300 and 500 Building, does that connect to the main sewer line on Lemon Street? If so, how much of a disruption will that cause for the community in terms of days or weeks?* The Campus Project Team submitted a traffic plan to the City of Fullerton. Construction will only encroach on two lanes. One lane on each side of the road will remain open. As per the terms of the traffic plan, work can only take place at night. The duration of construction on Lemon Street is about two weeks.
7. *Where will the New Performing Arts Complex sit? On the southeast corner of Chapman and Lemon?* Yes, it will be constructed where the current sculpture garden is.
8. *What is the proposed seating capacity for the New Performing Arts Complex?* The State has only approved funds for a 400 seat theatre, which is roughly 150 seats less than Fullerton College currently has. Upon approval of the FPP and the beginning of the

design process, the intention is to utilize alternate seating styles to bring the seating count up to 600.

9. *Will the New Performing Arts Complex replace the Wilshire Auditorium?* No, only the 1100 and 1300 Buildings will be replaced by the New Performing Arts Complex. The goal is to consolidate the Music and Performing Arts into one building. No other buildings will be effected.

**Anaheim Campus Updates:** Rick Williams provided the committee with detailed updates of the major projects at the Anaheim Campus and the District-Wide IT Network Refresh.

7<sup>th</sup> and 10<sup>th</sup> Floor Buildout – The 10<sup>th</sup> Floor is now fully occupied. The 7<sup>th</sup> Floor has been occupied for about eight months. This was the last project in construction at Anaheim.

5<sup>th</sup> and 2<sup>nd</sup> Floor – The 5<sup>th</sup> Floor has received Division of the State Architect certification and is fully occupied and all of the change orders have been completed. The 5<sup>th</sup> Floor and 2<sup>nd</sup> Floor project is in the process of close-out.

Upper Deck Parking Lot – This is anticipated to be the next project at Anaheim to utilize Measure J funds. Review of the space for use as parking or for other purposes is tied directly to the Master Plan for NOCE. The Master Planning process is beginning summer 2019.

IT Network Refresh (all campuses) – The bids for this project were reviewed with PlanNet Consulting and the recommendation was to reject all of the bids that were presented to the Board of Trustees.

Alternate methods of purchasing, such as the California Multiple Award Schedule (CMAS), are being considered. By the next Citizens' Oversight Committee Meeting a more detailed update will hopefully be available.

Questions/Comments:

1. *The space on the 1<sup>st</sup> Floor that has been vacated by the personnel move to the 10<sup>th</sup> Floor has been identified to build a food pantry for the NOCE students. This effort is taking place over the summer with support from Pathways of Hope with the intention of opening the food pantry next year.*
2. *What exactly was rejected?* The IT Network Refresh Bids were rejected as the bids were missing a lot of information and some buildings were not developed at the time of the bid and therefore not included.
3. *How will the rejection of the bids effect timing of the IT Network Refresh?* The plan was to begin work this summer, however, has been pushed back. A meeting will be held later this week to review the IT Network Refresh purchasing process to salvage the project instead of reissuing a new Request for Proposal and starting all over.

**Financial Review:** Fred Williams provided the committee with a financial review of Measure J.

Measure J Financial Summary – Series A bonds were issued for \$100M, to date roughly \$119M have been issued in Purchase Orders. Another \$50M of Purchase Orders are currently pending. Nearly \$170M of projects have been committed against that \$100M of Series A. However, only \$21M has been paid out to date, so there is sufficient cash on hand.

Based on the cash-flow presentations, it became evident that it was necessary to go out for the Series B bonds.

On April 30<sup>th</sup>, 2019 a meeting was held regarding the bond. The District has retained the same rating for the bond, AA1 and AA+. The rating agencies take into account a lot of things that are beyond the control of the District. The pre-pricing call and pricing call for the bond took place in late May.

The entirety of the \$150M Series B bond has been sold. The bond was sold through a negotiated sale and the interest rate has been lowered to 2.81% overall. All of the bonds are 25 year bonds. A large portion of the bonds will mature within the first three years, after that the bonds are spaced out more evenly.

The cash from the sale of the bonds will be received on June 25<sup>th</sup>, 2019. Prior to that a presentation to recognize all of those dollars will be made to the Board of Trustees.

Questions/Comments:

1. *On page 45 of the Citizens' Oversight Committee Report, the estimate for the interest earned for bond funding is \$4M for the entire fund but only \$3.3M has been received, why is that? The interest earnings estimate is very conservative. A 15-year bond program is expected to earn considerably more. That interest earnings will be tallied when the expenditures are tallied to provide for greater flexibility. The assessment of this will come when the bond program is further along.*
2. *Recalling Measure X, money was laid out in the same way as all of the paperwork here, indicating the cost of each project, but there were projects at Fullerton College that were slated for that were not completed. When a project does not get completed how are the citizens to know where the money for that project has gone? What project has the money been moved to? In the Citizens' Oversight Committee report is an accounting of every dollar that the bond program anticipates spending. With Measure J the types of projects were slightly more vague than the projects listed in Measure X which were hoped to be completed. The District has no control over taxes, or material costs, or the sale of bonds at the State level for matching funding. A number of the Measure J Projects are reliant on state matching funds for completion. The projects for Measure J that will occur within the next three years have already had contracts issued and will be completed. Projects further down the line will be reevaluated based on the findings of the new 10-year*

Master Plan that is currently in progress. There is a constant reassessment of the priorities for each site, but the types of projects will always fall in line with what was approved by the voters. What is seen in the Citizens' Oversight Committee Report is the plan as of today. The numbers will change as projects go out to bid and conditions change. Those changes are reported monthly to the Board of Trustees and quarterly to the Citizens' Oversight Committee. It is difficult to predict what will happen ten to fifteen years out, but all of the dollars will be accounted for.

3. *Can a chart showing the movement of money, if one project decreases and another increases, be provided?* Yes. There is a report that is presented to the Board of Trustees that shows this information. That will be included in the next Citizens' Oversight Committee Report.
4. *Ultimately, if there are funds designated for a project and that project does not get completed, citizens that voted for that bond should have the right to know why the project wasn't completed and where the money went. Where is the accountability for the money? What is the explanation for where the money went and why?* That information will be provided so that the committee can track it, but it is a fluid process where changes are being made continuously as more information is received. Alongside the Educational Master Plan is a Facilities Master Plan that will validate the projects for the next five years and make recommendations for projects for the following five years. The program could look every different next year after the Master Plan is finished.
5. *If a material change for where the funding is going needs to be made, for any reason, what is the protocol for that? How does that process work? Is the Board of Trustees approval required and then the Citizens' Oversight Committee is notified? Or will this committee be notified prior to the request for the Board of Trustees approval?* First the Board of Trustees approval is received, then this committee is advised of the change. This committee is tasked with confirming that the projects being built are in line with what the voters were told.
6. *Regarding the supplemental report showing the movement of money that is presented monthly to the Board of Trustees, will that be collected and presented to the committee quarterly? Or will it be sent monthly?* The information will be included in the current Citizens' Oversight Committee Report quarterly. The information from last month's Board of Trustees Report will be distributed following this meeting.

**Series B Bond Sale:** Discussion of the bond sale took place during the Financial Review.

Questions/Comments:

1. *The bond sale is very pleasing. 2.18% is wonderful.*

**Committee Member Comments:**

1. *There were no comments.*

**Future Meeting Dates:** September 4, 2019.

**Adjournment:** The meeting adjourned at 4:56 p.m.