

**North Orange County Community College District
Citizens' Oversight Committee
March 1, 2023
APPROVED MINUTES**

Members Present: Paulette Chaffee, Gail Lyons, Sueling Chen, Beverly Falco, Carla Skorin, Dr. Richard Rams, Fiza Valiulla

Members Absent: Danielle Thomas, Thomas Quinn

Other Employees/Guests Present: Fred Williams, Dr. JoAnna Schilling, Valentina Purtell, Allison Coburn, Kashu Vyas, Leslie Tsubaki, Megan Moscol, Alicia Herrera, Henry Hua, Oscar Saghie, Geoff Hurst, Mary Bell, Matt Pirayeh, Gilberto Camargo, Nirva Parikh

Call to Order: The meeting was held at the North Orange County Community College District (NOCCCD). Dr. Richard Rams called the meeting to order at 4:04 p.m. and led the group in the Pledge of Allegiance.

Resolution No. 22/23-01 Authority to Hold Virtual Meetings: As the emergency has been lifted by Governor Gavin Newsom, in-person meetings will resume as required under the Brown Act. Committee members will be required to attend in person, starting with the June 2023 meeting.

Public Comments: No public comments were received.

Approval of Minutes: The minutes from the December 7, 2022, meeting was approved.

Committee Memberships – Fred Williams reviewed the current memberships. Three Committee memberships are nearing the end of their first term. Sueling Chen and Beverly Falco have agreed to serve an additional term. Danielle Thomas will be approached separately for confirmation. Cassandra Perez has withdrawn from her current term as a member. (Additional details are available in the meeting packet.)

Guest Alicia Herrera of Eide Bailly provided a summary of the FY 2021-2022 Measure J Audit Report.
Measure J Audit Report – Eide Bailly presented the firm's audit reports for Fiscal Year 2021-2022. The firm took a double-layered approach that assessed the financial statements and compliance with State regulations and Measure J ballot language. Eide Bailly gave an unmodified and clean opinion in both areas. This assessment means the financial statements meet accounting standards and Bond-related spending complies with the Measure J ballot language and State regulations. As of June 30, 2022, approximately \$65M is in assets and an estimated \$6M in liabilities, leaving nearly \$59M available to spend on future projects. Per disclosure requirements, the firm had no problems acquiring information from the District. (For further detail, please refer to the audit report provided during the meeting.)

Questions/Comments:

1. **Fred Williams** – A subsequent event is mentioned in the audit report on page 11 - note 8. Since the report's completion, the issuance of \$150M from the Bond, combined with the \$59M mentioned above in assets, there is approximately \$209M now available for spending on future Bond projects. Unaudited schedules of assessed valuation have been included on page 14 of the audit report from the California Municipal Statistics as required under the Continuing Disclosure Requirements.

Construction Industry – Economic Pulse – Gilberto Camargo reviewed the factors affecting the construction industry over the previous quarter. Inflation has eased, causing a price drop as compared to three months ago. However, labor costs are on the rise. This is paired with a reduction in residential construction starts observed throughout the region. The District is keeping track of changes in inflation through budgetary spending. The current inflationary strain has yielded 6% increases per year in the project budgets. However, pressure from inflation in 2025 and 2026 is projected to drop to 5% and 4%, respectively.

Fred Williams - The reverberations felt in the construction industry are significant for projects in the bidding process as they are affected by the price of materials and inflation.

Current IPP and FPP status – Fred Williams noted no changes to this reporting period’s Initial Project Proposal and Final Project Proposals statuses. The Campuses are actively looking for additional funding sources to supplement project budgets to maximize the number of projects that may be achieved under Measure J.

Cypress College Updates: *Allison Coburn provided the Committee with detailed updates on the major projects at Cypress College:*

Fine Arts Building Renovation – The prequalification process is nearing completion, yielding multiple bidders in all but one trade package. That package will be updated to build more appeal and generate additional interested bidders. The Campus Project Team is awaiting authorization to bid from the California Community Colleges Chancellor’s Office. Upon approval, the bidding process will be underway.

Swing Space Fine Arts Building (Old SEM) – The project will not achieve substantial completion as scheduled on February 28. Change Order No. 1 was authorized by the Board of Trustees on February 14 to extend the project timeline and supplement the budget by approximately \$90K to account for unforeseen conditions.

Electric Vehicle Charging Stations – Parking Lot 4 – The final design for the EV Charging Stations has been received. Package submission to DSA is now anticipated in 20 weeks to allow time for field verification of the design plans and approval for the easement to Southern California Edison (SCE) for this facility. A Board Agenda item will be drafted for the easement to Edison and presented to the Board of Trustees for their approval later this month. Construction is anticipated to start in late summer/early fall.

LLRC Secondary Data Center (Phase II) – The Campus Project Team is awaiting equipment delivery of components with long lead times to complete outfitting the secondary data center.

Campus-wide Security Systems Upgrade (Phase II) – Staff training has been completed. Closeout activities are now underway, with anticipated completion in the summer.

Questions/Comments:

1. **Paulette Chaffee** – *Where is the monitoring center located?* The monitoring station is located in the Campus Safety building.

Swing Space – Hotel Restaurant Culinary Arts – The project was split into three submission packages by DSA for approvals: 1) Parking Lot 1 barrier removal, 2) dining room and bathroom, and 3) modular kitchen. The Parking Lot 1 barrier removal is anticipated to begin construction in the summer to avoid impacting students. Preparation for bidding is currently underway for the general contractor, and the bid will be publicized next week. Next, the modular kitchen must undergo the local approval process with the Orange County Health Authority before DSA resubmission. Once the Health Authority approves the submission package, the manufacturer will procure and outfit the unit and resubmit the package to DSA for final approval. This project’s budget will increase by approximately \$1M from local funding authorized by the Council on Budget and Facilities (CBF) and the District Consultation Council (DCC).

Fullerton College Updates: *Oscar Saghieh provided the Committee with detailed updates on the major projects at Fullerton College:*

Building 300 Renovation – The Campus Project Team concurrently submitted Construction Documents to California Geological Survey and DSA on January 23 and 24, respectively. To maintain the State-directed schedule, DSA approval is estimated for May, with bidding following to enable the start of construction in November 2023.

On January 9, DSA provided its opinion that micropile reinforcements are an acceptable form of strengthening Building 300's foundation. This appraisal clarified the previous consultation by the Design Team's structural engineer and the project's geotechnical engineer for the agency's direction on the preferred approach in this area. The Campus Project Team anticipates receiving back-check comments from the State agency by the end of March and from the California Geological Survey by early April. Last Monday, Westberg White Architects responded to all previous review comments from the California Community Colleges Chancellor's Office for the form JCAF 32, or the State funding allocation mechanism.

Fullerton Campus has been notified that efforts to secure a historical designation and a place in the National Register for Historic Places for several Fullerton Campus buildings, including Building 300, are anticipated to culminate by mid-March. The appointment to the register formalizes the preservation of the historical fabric of the buildings. Future renovation efforts in these buildings will be subject to the State Historic Building Code and may qualify for grant funds when available. However, the current renovations planned for Building 300 will remain unaffected by the code requirements as this project is already underway. This condition will allow for the completion of the seismic upgrades that cannot be achieved at other historical sites.

Chapman/Newell Instructional and New M&O Buildings - Since submitting the Construction Documents to DSA in October 2022, the State agency has returned comments that are being addressed by the Design-Build team. There have been two successful reconciliation meetings to address the estimated cost of construction for both buildings. The Campus Project Team has received the initial Guaranteed Maximum Price. The Campus Project Team is working with BN Builders to submit a Board Agenda item for the next Board of Trustees meeting on March 28 to amend the preconstruction agreement addressing long lead items, as they may affect the timely completion of both projects. Materials affected by the long lead items include switch gears and mechanical and electrical equipment. DSA approval is anticipated in July 2023. The final Guaranteed Maximum Price agreement is projected to be released in August. Construction activities will be underway from September to December 2024.

Questions/Comments:

1. **Beverly Falco** – *Could you explain the discrepancies mentioned in the report for the Chapman/Newell Instructional and New M&O Buildings?* The projects are being reconciled according to cost estimates completed by the Design-Build team and independently by the Campus Project Team through a third-party estimator. Typically, a 5% difference in costs generated by a third-party estimator and the Design-Build Team is considered acceptable. In this case, the gap has been bridged to a \$200K difference that is less than 5%. The items with long lead times will need to be procured earlier to account for their extended delivery schedule. Therefore, the Campus Project Team and the Design-Build Team will present the Board Agenda item with a new preconstruction agreement, to accelerate the placement of orders for the components required down the road and secure a place in the queue for equipment manufacturing and delivery to minimize any impacts in the construction schedule.
2. **Fred Williams** – The design team and contractor are working together as a Design-Build team. They have developed a cost estimate for the total project cost. The Campus Project Team concurrently hired a third-party estimator to arrive at its own cost estimate. The Campus Project Team is now negotiating the overall cost discrepancies identified in the cost estimates to bring the final estimate closer.

New Performing Arts Complex – On January 24, the Campus Project Team submitted two Board Agenda items that would increase the budget to approximately \$129M due to cost escalation and to address compliance to the Environmental Impact Report's mitigation measure No. 2 through an addendum. The Board approved both agenda items. This project's Construction Documents were submitted to DSA on November 30, with approval anticipated in the summer. DSA's first round of comments is estimated to arrive in June 2023. Bidding will be underway soon after, and construction will begin in late December 2023.

Wilshire Chiller Plant Relocation – The original Construction Documents were submitted on November 30; however, DSA deemed them incomplete. The Construction Documents were then broken into two

increments, with the first increment submission made on February 6 for the chiller yard equipment. Unfortunately, this submission did not meet the State's requirements. A third resubmission of the first increment is now scheduled for March 6. The second increment will be sent to DSA after the Campus Project Team receives comments for the New Performing Arts Complex in June 2023, for which the Campus Project Team is working to identify equipment details to determine their care, replacement, or relocation.

Anaheim Campus Updates: *Matt Pirayeh, Rick Williams, and Fred Williams provided the Committee with detailed updates on the major projects at the Anaheim Campus:*

Matt Pirayeh - Swing Space Interim Housing – DSA approved this project's Construction Documents in January. Bid advertising for general contractor selection was released to the public on February 15. The Project Manager hosted a pre-bid job walk on February 28 with approximately 16 interested contractors. Proposals must be received by March 10.

Fourteen portable buildings will be leased and placed in the East Parking Lot behind the North Orange Continuing Education Campus to house affected activities during the Anaheim Tower First Floor Life/Safety Renovation project. This temporary complex includes nine portable classrooms, two portable administrative buildings, two portable restrooms, and one portable pantry building. The project is anticipated to begin construction in mid-April. The program manager will present a Board Agenda item on March 28 to enter into a contract with the selected general contractor. Construction is anticipated to last six months. Relocation activities are projected for winter 2023. This projected timeline is consistent with the relocation needs of the Anaheim Tower First Floor Life/Safety Renovation project.

Matt Pirayeh - Anaheim Tower First Floor Life/Safety Renovation Project – The Campus Project Team submitted the 100% Construction Documents to DSA on January 18. Approval is anticipated in June 2023, followed by submission to the State Chancellor's office for authorization to bid. Bidding activities will commence following their endorsement.

Destructive testing was carried out over the winter holiday in 2022 to assess the presence of hazardous materials. Additional exploration was completed to identify any remaining findings on the parking lot and first floor. The program manager will begin the prequalification process to identify interested general contractors in March by developing a shortlist of all qualifying contractors for the proposal request.

Fred Williams - This project addresses building deterioration due to water damage from rainfall. The State has approved this project as a life safety project to waterproof the upper deck of the building to avoid any leaks in the future. While this occurs, the first and second floors will be moved to the Swing Spaces. Board meetings will be relocated.

Rick Williams - Develop Interior/Exterior Signage – Interior signs must be updated to reflect the current locations of services and physical spaces. This project will also include a rebranding, or new marketing campaign, to make North Orange Continuing Education more noticeable.

Rick Williams - Outdoor Patio Remodel – A patio cover will be added to the outdoor space next to the Culinary Arts. This patio will provide outdoor gathering facilities for students and faculty to congregate while work is being carried out. Given the recent cost escalation experienced and subsequent supplementation to the budgets of the existing projects, the District is concerned that there will not be enough funding to execute the anticipated design.

Questions/Comments:

1. **Paulette Chaffee** – *Please clarify the instructional activities on the first and second floors. Where are these portables from?* On the first floor, instruction is offered for English as a Second Language, High School diploma, the tutoring center, and classrooms for Disability Support Services. The second floor consists of administrative offices, including NOCE President and Vice Presidents, career center, and admissions and records. The portable buildings are being leased from Mobile Modulares.

IT Network Refresh Project (All Campuses): Geoff Hurst provided the Committee with detailed updates for the Network Refresh Project.

The Board of Trustees has approved a new completion date of June 30, 2023, with the approval of Change Order No. 4. A portion of the Voice-over Internet Protocol work at the Fullerton Campus must be rescope to align phone line installation with new personnel placement at the Campus. Voice-over Internet Protocol migration at Cypress Campus is nearly completed. Back-ordered items are being descope now to meet the current project completion timeline. These items will be purchased through other purchase orders, allowing the District to keep its place in the queue for delivery of the items when they become available. All Wi-Fi rollouts are completed. District IS is in the process of closeout documentation activities. Heatmaps are under development for each Campus to ensure Wi-Fi availability in areas covered by the scope.

Fred Williams - The area of technology, Wi-Fi connectivity, and associated equipment are on-going due to ever-changing technologies and requirements. Upon completion of the current Network Refresh project, District IS will initiate the next discovery phase for additional updates required for connectivity and access. However, the original contract under the existing Network Refresh must be completed. In February, the District presented a Deductive Change Order to the Board of Trustees, a credit that amounts to approximately \$1.98M. Wi-Fi access in areas not initially included in the original scope is anticipated to be addressed in the future, including the concrete parking structure that is not readily conducive to Wi-Fi reception.

Questions/Comments:

Sue-Ling Chen – Were there instances of downtimes *during the Wi-Fi rollout*? There have been some downtimes at off-peak times, with minor service disruptions on the weekend for minutes at a time. Service disruptions are minimal due to the cloud computing services used.

Financial Update – Fred Williams presented an update of the Measure J Bond finances as of January 31, 2023. The estimated interest earnings have increased from an estimated \$11M to approximately \$13M. Funding has been reallocated between Measure J project budgets at Fullerton Campus since the previous meeting in December 2022. The Swing Space-Interim Housing project at Anaheim Campus was supplemented by approximately \$1.5M in local funding. Meanwhile, a \$2M infusion from interest earnings was made to the holding account. And \$1.6M was moved to the Anaheim Tower First Floor Life/Safety Renovation project from the holding account for a net increase of \$400K. (Program information is available on page 50 of the Capital Outlay Report.)

Questions/Comments:

- Beverly Falco** – *Please explain the need for transfers from the varying accounts and budgets.*
The District is working to identify additional funding sources to fulfill budgetary needs, particularly for projects already underway. These transfers include internal resources such as the funding previously authorized by the Council on Budget and Facilities. Some lower-priority projects may be suspended to allow for the reallocation of that funding to higher-priority projects.

90-Day Look-Ahead Schedule – Fred Williams summarized the current milestones for Measure J projects.

Future Meeting Dates: June 7, 2023, September 6, 2023, and December 6, 2023. The location will be shared with the meeting invitations

Adjournment: The meeting was adjourned at 5:15 p.m. by Dr. Richard Rams.