

**North Orange County Community College District
Citizens' Oversight Committee
September 7, 2016**

APPROVED MINUTES

Roll Call: Present: Chuck Allen, Michael Cooper, Paul Jewell, Chris Meyer, Michael Miller, Leroy Mills, Mike Oates, Louis Raprager, Mark Saucedo, Rhonda Shader. Absent: Charlene Egizi, Mark Pavlovich, Elena Reyes, Phil Wendel.

Other Employees/Guests Present: Karen Cant, Gilbert Contreras, Eduardo Escobedo, Rodrigo Garcia, Lucy Gonzalez, Cheryl Marshall, Sandra Palmer, Valentina Purtell, Susan Rittel, Greg Schulz, Bob Simpson, Kai Stearns-Moore, Kashmira Vyas, Fred Williams, Rick Williams.

Call to Order: Chair Chris Meyer called the meeting to order at 4:00 p.m., and Member Mike Oates led the Pledge of Allegiance to the Flag.

Public Comments: None.

June 1, 2016, Meeting Minutes: The June 1, 2016, meeting minutes were approved as amended.

Member Term of Service: Mr. Fred Williams noted that some member terms expired; on August 23 the Board of Trustees renewed the terms of service for Chuck Allen, Michael Miller, Mike Oates, Elena Reyes, and Mark Saucedo for another two years. We also have a new member representing the Taxpayers Association, Rhonda Shader.

Taxpayer's Association Membership: Mrs. Rhonda Shader introduced herself stating she is a State Farm Insurance Owner/Agent, and a resident of Placentia. She attended Fullerton College her son takes classes at Fullerton & Cypress colleges, and she is a huge fan of community colleges. Ms. Shader thanked the committee for accepting her as a member.

Measure X Update: Mr. Fred Williams shared that at the end of June we had approximately \$4.9 million which will be used in conjunction with Measure J funds for projects at the Anaheim Campus. The Anaheim Campus has several projects that need to go in sequence:

- The first floor build-out will convert the warehouse into document storage;
- Move the 10th floor storage into its new location in the 1st floor converted warehouse;
- Convert the 10th floor into an area for the Vice Chancellor, Educational Services & Technology, and staff;
- Convert the 7th floor for the School of Continuing Education.

Measure J Update: Mr. Rick Williams stated:

- That construction is in progress at the Anaheim Campus 1st floor warehouse renovation project. All demolition work has been completed and the structural slab was poured and is curing and the steel framework began this week.
- The 7th and 10th floor construction documents are in progress with submittal to DSA anticipated by the end of October 2016.
- The Life Skills modular classroom addition project feasibility to be prepared by R2A Architects began this week for the School of Continuing Education at the Anaheim Campus.

Cypress College

Ms. Karen Cant, Vice President, shared:

- The Library Learning Resource Center (LLRC) Expansion project overview information is slightly outdated. Cambridge West identified an area of 10,000 ft² which will use up all of the overhang on the second floor. We currently have a schedule that has construction beginning in March, 2018, and completed in one year. We have identified architects and are currently in negotiation with them.
- The Science, Engineering & Math (SEM) building gross square footage (GSF) for educational planning is 106,023 GSF and the current cost estimate is \$89 million. She also mentioned that price rate hikes are 5-12% right now and we will be revising all of these figures during each phase of the construction project. We are in the selection process for Construction Manager-at-Risk. We now have a shorter list to interview and to bring on board. The trending method is to bring them on early with a maximum guaranteed price and they must build it for that price.
- Veterans' Resource Center Expansion was increased by 5,000 GSF due to economy of scale on the RFP. The project was combined with the Science, Engineering, & Math Building construction and we anticipate savings from that approach.
- Utility mapping and parking feasibility study with the intention of right-sizing parking spaces will be conducted before construction begins on SEM in 2018.

Fullerton College

Mr. Rodrigo Garcia, Interim Vice President, said that all projects at Fullerton College are in the preplanning phase and we are working with the campus architect, DLR, on sequencing which will be determined after the results of the state bond on the November ballot:

- Currently in the process of hiring a project manager to help out with all the projects.
- The Environmental Impact Report process is continuing.
- At this point in time we don't have any projects sequenced; however, if the state bond passes, the number one priority will be renovation to the 300 (Business & CIS) & 500 (Humanities) buildings, which would then be 50% funded by the state. The 500 Building also houses the Veterans' Center.
- Centennial Parking Structure is designed to be four levels adding 210 spaces per level and will be located just west of Sherbeck Field.
- New Maintenance & Operations (M & O) building.
- Thermal energy storage.
- Chilled water expansion station.
- Other projects to be considered after the November election: Instructional building on Newell and Chapman Avenue, and a Welcome Center.

Committee Questions and Comments:

- What is the Board's direction in terms of projects going for LEED certification? Ms. Cant responded that there is an agenda item going to the Board to waive LEED as there is a cost associated with doing LEED certification. Mr. Fred Williams added that staff is recommending

to not seek LEED certification because of cost but instead go with CAL Green which meets Title 24 requirements.

- Does LEED certification qualify the projects for additional government grants? Ms. Cant said that she is not aware of any additional grants. We do know that there is an additional cost to the architect and that there are additional construction costs at each level as well as commissioning costs.
- Since solar panels are very adaptable, is any guidance being asked of the Board to install solar? Ms. Cant said that we have not asked the Board about solar but that we are looking at different energy savings projects and usually the campus submits an energy project to get state funding. Mr. Fred Williams stated that the Board has expressed an interest in solar.
- Are the rate hikes over the life of the construction project or is it annual estimate? Ms. Cant responded that it is an annual estimate.
- What is the primary driver of the rate escalation? Ms. Cant responded that it is both the rising cost of labor and market demand. Contractors have enough work; it appears to be the labor market not the materials. Mr. Fred Williams said the concern is there are not as many contractors out there and that's driving up the cost.
- Regarding the Fullerton College parking structure, is there any funding uncertainty so it's not tied to local funds? Mr. Garcia stated that it is fully funded.
- Regarding the 300 & 500 buildings, what is the approximate split between funding between Measure J and capital outlay percentage? Mr. Fred Williams responded that it's what the state is willing to fund and the theory is that with a 50-50 split there's actually a lot more money coming in from local funds than state funds so we don't know the exact amounts. It is already on the approved list so if the bond passes we will receive the funding.
- Is the 300 Building an historic building? Mr. Rick Williams said that we are communicating with the City as part of the EIR regarding what the key elements are to preserve the building. There is more leeway on interior space in order to make classrooms fit but the outside is more difficult and limited.
- Members are having difficulty understanding what we are doing under Measure J and what we are doing with the state bond on the November ballot. There seems to be a dependency on Proposition 51. Mr. Fred Williams explained that with Measure X we had \$239 million and we were able to leverage state bond funding to do almost a half a billion dollars in construction. Because we have been successful in the past, we assume that we will be successful in bringing additional revenue in for Measure J projects. If you look at everything we would like to do with \$574 million it would not be sufficient. If we do our due diligence and pursue additional streams of funding, we may be able complete everything. The first project is the FC 300 & 500 buildings; we have had this in the pipeline for funding for at least eight years and we are poised to receive dollars if the state bond passes. There are other projects on this list that we are submitting the initial project proposal in order to secure additional funding but there are quite a few projects; if we do this right we can participate and bring in additional funding. If we are not successful, the higher priority projects on the list will get funded with Measure J funds and projects at the end will fall off.

- Will renovation of the 300 Building involve earthquake upgrades? Mr. Rick Williams shared that a seismic study will need to be made due to age and seismic readiness. These are the main reasons to be eligible for the state funding and it will be addressed.

Status of Bond Issuance: Mr. Fred Williams said we did go to market and we got the best pricing for municipal bonds with a AA+ rating. We are authorized to sell \$574 million; our Series A bond issuance is \$100 million.

Committee Questions and Comments:

- What was the bond interest rate? Mr. Fred Williams said it spans over 25 years and it averaged a little over 2% which is very competitive.
- Regarding the short term investment where the \$100 million is sitting in now is, what sort of investments would that be in? Mr. Fred Williams said we use the Orange County Treasury to put those resources in so it is minimal interest as we are going to be spending those dollars down in the next three years.
- If you don't spend the money down in three years are there penalties? Mr. Fred Williams said yes there are penalties. However, our Program Manager will be working on forecasting the estimated projected budget needs for CC, FC, & AC.
- What is in the Program Management fees and is the estimated \$20 million solely for MAAS? Mr. Fred Williams said we have a five-year agreement with an option to renew for three-years with MAAS. These fees are solely for a Program Manager, whether it is MAAS or another company and there is no intermingling of costs.

Mr. Rick Williams noted the following upcoming events: Master Plan and Programming updates; commence schematic design of new SEM at Cypress College; 10-year EIR continues; Underground utility survey contractor underway.

Community Progress Report: Ms. Kai Stearns-Moore reviewed the annual progress report which contains an overview letter from the Chairman of the Citizen's Oversight Committee, Measure X Update, and Measure J information regarding the feedback forums, staffing, financial information regarding sale of bond, planning, projected projects for the first six years at each campus, appointment of Citizen's Oversight Committee Members, and the Measure J websites. Members would like to see information regarding shared funding on projects. Staff will add a statement under Finance that the District will search for matching funds and/or other funding. A motion to approve the draft as amended was made, seconded, and approved for release of the Progress Report.

Committee Questions and Comments:

- Don't we make reports to the Board? Mr. Fred Williams stated we do need to report to the Board as well.

Future Agenda Items: Chair Meyer requested this section be added to the agenda so that members could request an item be added to the agenda or ask for more information on a subject.

Committee Questions and Comments:

- Members are interested in the approval process that goes on in Sacramento with DSA regarding the 8-10 month wait period for approval and would like a presentation on what that approval process is, what kind of mitigating actions can be taken to streamline this; can we get someone from the state level to come down here? Mr. Fred Williams said this has been talked about at

the state level and he will check to see if we can get someone from the DSA or find an expert on the outside process to answer these questions.

Committee Member Comments: Chair Meyer called for additional comments on today's discussion. Member Allen shared that he has attended 50% of the Board of Trustees meetings and has learned about the projects in great detail from presentations at the meetings which are held on the 2nd & 4th Tuesdays of each month.

Future Meeting Dates: Fullerton College President, Dr. Greg Schulz, asked if he could welcome Mrs. Shader and noted that we have a few new faces at the District and college leadership team and would like to do a quick round of introductions. Chair Meyer agreed and led the round of introductions. Chair Meyer noted that the next meeting will be December 7, 2016, in Room 105 at the Anaheim Campus.

Adjournment: The meeting was adjourned at 5:25 p.m.