



CITIZENS' BOND OVERSIGHT COMMITTEE

MEETING MINUTES

Tuesday, May 3, 2011 - 5:30 PM

Room T-112, Technology Center, San Jose City College
600 Bascom Avenue, San José, CA 95135

<u>Present:</u>	Joseph Becker	Community At-Large
	Daniel Kojiro	Community At-Large
	Kathy Kyne	Senior Citizens Organization
	Carol Lizak	Community At-Large
	Ann Mancuso-Engdahl	Community At-Large
	Raymond Porras	Student Representative
<u>Absent:</u>	Spencer Horowitz	Community At-Large
	Linda Lam	Student Representative
	Jimmy Nguyen	Community At-Large
	Bob Nunez	Community At-Large
<u>Staff:</u>	Jeanine Hawk	Vice-Chancellor, Administrative Services, SJECCD
	Dr. Barbara Kavalier	President, San Jose City College
	Dr. Marilyn Brock	Interim President, Evergreen Valley College

AGENDA:

1. Call to Order

The meeting was called to order at 5:35 p.m.

2. Public Comments

There were no public comments.

3. Approval of Agenda

A motion to approve the agenda was moved by Joe Becker and seconded by Kathy Kyne. The agenda was unanimously approved.

4. Approval of July 21, 2010 Minutes

A motion to approve the minutes was moved by Kathy Kyne and seconded by Joe Becker. The minutes for July 21, 2010 were unanimously approved.

5. Approval of March 1, 2011 Minutes

A motion to approve the minutes was moved by Ann Mancuso-Engdahl and seconded by Joe Becker. The minutes for March 1, 2011 were unanimously approved.

6. Liability Insurance for Citizens' Bond Oversight Committee Members

A letter was provided to the committee from Keenan & Associates, the District's insurance manager, explaining the coverage for the Committee would be the same as that of the District and its employees, and the Committee will be covered in the course and scope of the work they do for the District.

7. Correspondence Received by Citizens' Bond Oversight Committee Members

Committee members may receive correspondence or phone calls and that information would be provided to the rest of the Committee at the next public meeting. This information cannot be shared and/or discussed outside the Committee meetings as that would be a violation of the Brown Act. No communications were received by the Committee to report.

8. Measure G-2004 Bond List Revisions

The Cumulative Project Summary as of March 31, 2011 was provided as part of the agenda. This document reflects changes taken to the Board of Trustees since its prior distribution to the Committee.

Ms. Hawk stated that the next report will have a column added to show specifically what has changed as this report does not show that.

Ms. Hawk noted that funds for emergency repair project of approximately \$2.4 million was transferred from the Modernization of Existing Facilities project to the Utilities Infrastructure project. Normally those would be sent to the Committee ahead of time, prior to the Board of Trustees acting on them. The committee would then receive them at the next meeting. The Committee does not have authority to establish or act on budgets, only the Board of Trustees has that authority, but these will be brought to the Committee for information.

Ms. Kyne asked what was removed from the modernization in order to fund the emergency repair project.

Ms. Hawk stated the original plan was for four buildings; Cedro, Sequoia, P.E., and Acacia. Cedro and P.E. are completed. The college was in process of evaluating the project because of seismic issues and put a halt on the project because some items they thought would be done were not done. They asked the architect to evaluate more thoroughly to see if more could be done. The cost was much higher than expected. The campus, through the technology plan, identified demolition of these buildings and replacement of these buildings outside the seismic zone. Going forward they can only take down one building, and they may need to wait for the State to assist and/or fund. Safety was a priority during consideration.

Dr. Brock noted that two buildings that sit on a fault line are structurally fine and are a particular class for that zone. The buildings were to be demolished as they use a tremendous amount of heating and cooling and the design no longer meets the current educational needs. The entire infrastructure is 35-40 years old. This past semester there was a long series of pipes breaking. They were using portable heaters and had no water. There are a series of issues with the infrastructure. The utilities are located in tunnels and a new central plant needs to be built as the

old one cannot be renovated. New tunnels will need to be constructed before anything else can be done. The lighting and landscaping projects are a priority to meet the continuing needs of students on campus.

Ms. Mancuso-Engdahl inquired as to what was in the worst condition.

Dr. Brock responded that the central plant is the priority. Next on the list is the science building, but that's also the most expensive building. However, no building needs to come down in order to build it. Campus Police will need to be relocated as they are cohabitating in the same building as the central plant. Following that, there needs to be classroom buildings after the two buildings on the fault are removed. Since they are expensive buildings to demolish, they may just take one off-line.

Ms. Hawk noted that Dr. Brock is discussing projects from both bonds; Measure G-2004 and Measure G-2010. In Measure G-2004 there is still \$6 million the college has yet to allocate.

9. Measure G-2004 Financial Report

Ms. Hawk explained that the District's database that is utilized for entries related to the bond and captures all cost accounting cannot provide the needed level of detail. As such, the District licenses a system called Prompt, which can provide construction cost information and will be utilized for both bonds. In reviewing the documents provided as part of the agenda, she noted there hasn't been much activity this year. There are a few projects in the design stage and a few periphery items. Approximately \$3 million has been spent. The SJCC Multi-disciplinary Building has been started. This will expend a large sum, and you will see expenditures start up again in the fourth quarter. There are two projects involving the physical education facilities. One is in design and another is at the start of design.

Dr. Kavalier stated that the college's intent is to move ahead with the Gym Replacement project. The former President had planned to move the P.E. project to Measure G-2010. She said they have come to the conclusion that they cannot afford to include the pool in the package, so are going back to the project's inclusion in Measure G-2004. Ms. Hawk noted that \$20 million is still set aside for that project.

Ms. Hawk outlined various expenditures that were shown on the Prompt hand-out.

Ms. Hawk noted on the last page, the district-wide list, there is still \$10 million for a multi-disciplinary center known as the Milpitas Center. At this point, that building is on hold, but the resources are still committed. Given the current fiscal restraints, the District has money to build it, but not to operate it.

Dr. Brock stated they are anxious to have some instructional classrooms in Milpitas, but right now Milpitas Unified School District will provide the space, while the District will supply the instructors in the spring.

Mr. Becker asked if this would provide a source for enrollment. Dr. Brock replied that it would, but that at this time, additional enrollment is not needed; the State only funds up to a certain amount. However, the campus values that partnership, and it can be an opportunity to grow enrollment.

Ms. Hawk noted that Proposition 39 provides for the option of charging to the bond projects operational and other operating expenses related to staff specifically working on the projects, as well as other related costs such as copying plans, etc. A budget has been set aside to support that, and the staff will maintain a time log.

Money has also been set aside for renovation of the District Office. Some of those funds were utilized for the restroom renovation in 2008/2009. A study has been done on the cost of renovating the District Office. The buildings weren't meant to be permanent facilities, but have been used for 36 years. The District has looked at a variety of options, including having a new building constructed or going out and purchasing a building off-site. Purchasing an existing structure off-site is the least expensive and resources have been set aside in Measure G-2010 to fund that. This would mean the Measure G-2004 funds allocated to the District Office renovation would be freed up for other College or District projects.

Ms. Hawk noted further items from the financial report, including legal expenses, safety and security improvements, and a few scheduled maintenance projects. There is approximately \$1.9 million left in the program contingency, which is a little low. Typically you would want about 5%. Since she joined the District, she has been setting funds aside as there wasn't anything at that time.

A motion to approve the Measure G-2004 Financial Report was moved by Raymond Porras and seconded by Joe Becker. The financial report was unanimously approved.

10. Program Management/Construction Management Selection Process

The District staff engaged in a session on Lessons Learned for Measure G-2004, which was mediated by a consultant. The purpose of this session was to identify what went well and what didn't go well, in addition to items that had room for improvement. Given the outcome, it was clear the District does not have the capacity to manage the new bond internally as it will require a level of experience that usually would not be found in a public school district. The District went out with a Request for Proposal (RFP) to hire a program management firm. This will produce a much higher quality product, as well as provide better timeframes and close management of project budgets. A District team reviewed, evaluated, short-listed, and the selected a company to present to the Board of Trustees for approval. The Board of Trustees reviewed the recommendation to hire a firm to manage the Measure G-2010 projects at their meeting on April 12, 2011. They had questions and asked that the agreement and the additional information be brought to the May 10, 2011 meeting.

Dr. Kavalier noted to the Committee that her previous district in San Diego used a program manager, and that it is somewhat the norm as they have the expertise and resources to ensure projects go well.

Dr. Brock stated that when you have a multi-million dollar program you need expertise. Utilizing a program manager is also beneficial in that you use as you go versus maintaining long-term staff.

Ms. Hawk noted a unique component of the proposed program management agreement in that it has a 3% hold-back based on quarterly performance and goals met. The construction manager will become a partner to make sure the District receives the best possible outcome.

Ms. Lizak inquired as to the structure of the contract. Ms. Hawk replied that it is approximately 12% of the total construction cost (time and materials). Other districts typically pay 11% to 16% of the total program cost.

11. Environmental Impact Report Selection Process & Update

The District did a Request for Proposal (RFP) for an environmental impact report (EIR). The current EIR is ten years old. The successful firm, Impact Sciences, Inc., is on board as of today and will be working closely with the Measure G-2010 program manager.

12. Measure G-2010 List Development Progress Report

The District's next step is to review the master plans that were approved in February 2011. Information will be extrapolated and, utilizing outside expertise, a budget will be established based on like projects. The District had \$500 million in proposed projects with only \$268 million available. Utilizing the colleges processes, the list will be trimmed down to meet the most immediate needs and align with the master plans. This will be submitted to the Board of Trustees at the May 24th meeting and will enable the District to establish a budget. Hopefully at the next meeting you'll be seeing those lists for Measure G-2010.

13. Communication Strategies: Web Site

Ms. Hawk asked the Committee what they would like to see on the District's web site pertaining to Measure G-2010; what items they feel would be helpful to the public. She suggested the Committee review the Measure G-2004 web site and provide feedback as to what they like or don't like. The Measure G-2010 web page will need to be kept separate from the Measure G-2004 web page. The program manager would then implement those requests. Ms. Hawk also requested the Committee review the financial report and provide feedback as to what the Committee likes and does not like about it.

Ms. Brock suggested live web cams for projects as that would be a good way for the public to tap in and see what's going on.

14. Future Agenda Items

The following items were suggested for future agenda items:

- Website feedback
- Gilbane team introductions

15. Adjournment:

The meeting adjourned at 6:32 p.m.

The next scheduled meeting is Tuesday, July 19, 2011 at 5:30 p.m. to be held at the District Office.