

CITIZEN'S BOND OVERSIGHT COMMITTEE

April 11, 2016

MINUTES

The meeting of the Sonoma County Junior College District Citizen's Bond Oversight Committee was held on April 11, 2016 in Bertolini Room 4733, on the Santa Rosa Campus. The meeting was called to order by CBOC Chair, Pam Chanter at 4:00 p.m.

Committee Members Present:

- Frank Briceno
- Ernie Carpenter
- Pam Chanter, Chair
- Michael Coutré
- Kerry Mahoney Davison
- Paul Kelley
- Sue Nelson
- Mark Walsh
- Nelson Weller

Others Present:

- Frank Chong
- Paul Bielen
- Doug Roberts
- Leigh Sata
- Susan Brouwer

1. APPROVAL OF MINUTES, JANUARY 11, 2016

After a motion by Paul Kelley, that was seconded, with Ernie Carpenter abstaining, the committee unanimously approved the minutes of the January 11, 2016 meeting.

2. PUBLIC COMMENT

There were no public comments.

3. INTRODUCTIONS:

The meeting participants introduced themselves.

Frank Chong gave the group a brief update. He said there has been positive progress since Leigh Sata was hired as Director of Capital Projects and the process is moving forward at a careful, but good speed. He reported there are 200 campus members involved on planning subcommittees under the 2030 Plan Steering Committee's direction. He added that he has been going in the community to let people know what is happening with Measure H and that he was interviewed recently on KSRO. Dr. Chong thanked Paul Bielen for his role and leadership after the departure of Tony Ichsan. He gave a quick update on the newly opened a parking lot across from Culinary that is

available for Faculty and Student parking and which will also accommodate the opening of the Farm Stand from Shone Farm.

4. ADMINISTRATIVE ISSUES Leigh Sata reminded members of next meetings and that reminder emails have been sent with Outlook calendar holds.

Update on the Audit – although on the agenda, Doug Roberts stated that the Audit update was given at the last meeting, and, as a quick reminder, that the Audit had been all-positive. It was an error that this item was on the Agenda for this meeting.

5. BOND PROGRAM EXPENDITURES TO-DATE

Doug Roberts, Sr. Vice President of Finance and Administrative Services presented an overview of the remaining money spent in Series D, last series in Measure A.

- \$1.8 million was spent since January 2015 including:
 - Largest cost - Mendocino car lot by Culinary.
 - Burbank door project, Plover roof, water intrusion at Maggini, and planning were just some remaining expenditures, the majority of the others were for repairs and maintenance.
 - It was noted that Facilities has numerous projects planned for the remainder of the year.

Mr. Roberts stated that we currently still have \$4.1 million left in Measure A funds. An RFQ will be issued for underwriter services to facilitate the upcoming issuance of the first set of Measure H bonds. He added that our first set of Bonds will be approximately \$123 million, with a hoped for sale before June 30. We will be working with our Bond council, David Casanocha and our financial advisor, Mark Epstein. This issuance does not include the potential refinance of that portion of the Measure A bonds that are now redeemable. Any such refinancing would be a separate financing issuance.

Mr. Roberts reminded the committee that Safe Harbor rules will apply to Measure H bonds – in simplest terms, 85% of the bond issuance funds have to be spent in 3 years to avoid potential arbitrage by the IRS. Mr. Sata added that one of the reasons for starting out with a big issuance is to try and reduce the total overhead costs of all of the bond sales to the taxpayers. As the fixed cost can be between \$80,000 - \$90,000 for each issuance, minimizing the number of series, by even one issuance, would be a substantial taxpayer savings.

The committee discussed refinancing the current bond. Mr. Roberts assured the committee that doing so will reduce the taxpayer burden, as the ability for districts to garner additional funds, by refinancing at a higher interest rate (which would create an increased tax burden) was done away with, by then-Attorney General Brown, 7 years ago. Dr. Chong also added that many other districts are trying to refinance at a lower rate to save the taxpayers money as the interest rates are lower.

6. UPDATE ON MEASURE A PROJECTS - Paul Bielen

Paul Bielen reported that Facilities Planning & Operations have completed 19 projects, most notable are the ones listed below. For the upcoming Burbank Theatre renovation

the original doors will be preserved. Paul pointed out that many members, on their way to the meeting, may have seen the new fence outside of Bertolini, and added that a new crosswalk will be added to the Elliott Avenue between Plover Hall and Bertolini. FPO is working with the consulting firm of FPPS on project delivery and project management.

Notable Projects

- Plover Hall Student Equity Project
- Maggini Rm 2923 Storage Room Demo
- Emergency Repairs Forsyth Roof and Interior Finishes
- Emergency Repairs Maggini HHW Piping
- Pedroncelli Lobby Remodel
- DRD Space Configuration
- Counseling Space Configuration
- Bailey Boiler
- Bailey Hall HVAC Phase 1
- Bertolini Sidewalk Fence Replacement
- 1700/1710 Mendocino Parking Lot
- Install LED Lights On Existing Exterior Light Poles
- Student Equity Phase 2
- 1500 Mendocino Demolition
- Maggini Monitor Installation
- Bullet Trap Waste Conveyor
- Race LED Demonstration Project

7. UPDATE ON MEASURE H ACTIVITY

Leigh Sata, Director of Capital Projects, presented a power point on recent Measure H activity and reported the following:

- The Gensler/QKA (facilities master planner) contract will be presented to the Board of Trustees for approval in the amount of \$1.6 million, they currently have a starter contract for \$50,000.
- Hiring of TLCD/Mark Cavagnero Associates (MCA) for the renovation of the Luther Burbank Theater. TLCD is a local architecture firm and MCA is a San Francisco firm that have done a number of historical building renovations, he added this will be a good team for the Burbank remodel.
 - Starter contract is \$50,000 and both parties are in the process of negotiating for the rest of the contract. Leigh mentioned this firm came in at 12.5% and should be closer to 10%, but could be higher due to their theater consultant.
- Potential State matching funding. Should a State-wide bond be passed in November 2016, the State would have \$2 billion that will go to Community Colleges and SRJC is hoping to receive \$34 million in matching funds to construct a STEM building on the Santa Rosa campus.

- Construction and demolition of buildings related to the three story STEM building project, Shuhaw will be torn down and Bech temporarily left in place, later to be demolished when the final 95,000 sq. ft. building is complete.
 - New STEM building will have lab space with fume hoods. Leigh added that the new STEM building will have a shortage of office space, but that those details will be worked through, stating that currently, SRJC is similar to many colleges with too many offices and shortage of labs.
- 2030 Plan Steering Committee. 8 subcommittees are working at full speed right now with 200 volunteers, reporting out to the 2030 Plan Steering Committee.
 - Sally Swanson Architecture (SSA) will be the consultant for the Universal Access and ADA subcommittee. SSA has worked on projects worldwide, notably the Olympic Games and numerous community colleges in California. The SSA approach to this project will be to assess barriers and create a transition plan to projects for any future issues, as ADA codes change constantly.

Frank Chong added that SRJC has one of the largest community college disabled student populations in the state. He noted that in hiring a reputable firm like SSA, the college is making a wise choice for the future of disabled students, to save money on any potential lawsuits and to be in ADA compliance.

8. NEW BUSINESS

- Ernie Carpenter raised a question regarding any future actions that the CBOC committee would take, asking how the committee worked internally. Dr. Chong replied that the committee went through the audit findings at the last meeting and CBOC will take action to accept reports or if there is a questionable expenditure, it's important that we meet the letter and spirit of the law. Dr. Chong added, if a member has questions about expenditures that they find troubling, they have the right to come to us and if we can't answer it they can go to the Board of Trustees. He stated, we, as employees of SRJC, work for CBOC and are tasked with providing accurate info. Pam Chanter also reminded those in attendance that this is a new Citizens Bond Oversight Committee. Leigh Sata addressed the Committee and said our job is to make sure you know what is going on by sharing reports and presenting what we put on the website and to the Board of Trustees. He added once a year, you as the CBOC board, are obligated to prepare a report and present to the Board of Trustees.
- Ernie Carpenter also raised a question regarding Shone Farm. Dr. Chong responded that consultants are looking at all the sites, looking at some faculty offices, the future of the wine program, more of a professional winery lab, questioning the utilitarianism for the large horse pavilion and water issues. He added that whatever investment we make, he has to defend to the Board. Dr. Chong said that Leigh Sata frequently reminds him that the bond can't pay for everything, so tough decisions have to be made. He added that, \$410 million isn't a lot of money and that the state money of \$34 million will help. Dr. Chong

noted that it is a 15 year plan, we don't want to just jump in and we want the public to know it's transparent. Dr. Chong added that online education is growing saying that doesn't mean we need less classrooms, we will still need the same amount, we are not trying to make a bigger campus, but the right sized for this community.

- Michael Coutre noted that the public may not be clear about the status of the \$410 million, he said they are under the impression that SRJC already has this money. He advised to make it clear that this bond is a series and explain this as the tax payers may be confused. Michael added that something on the website would be a good place for the public to get information. Dr. Chong suggested doing a FAQ on the Measure H Bond.

Kerry Mahoney Davison informed the committee of the 5th Annual Community Breakfast on June 9, 7:30 a.m. and invited everyone to attend.

Dr. Chong reminded the committee that during the upcoming Presidential Address Robert Agrella will be awarded the President's Medallion.

A reminder was made that Day Under the Oaks, SRJC's annual Open House, will be May 1st from 11:00 a.m. – 4:00 p.m.

The committee meeting adjourned by CBOC Chair, Pam Chanter at 4:56 p.m.

NEXT MEETING: July 11, 2016 at 4:00 p.m. in Bertolini 4733