

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**  
**Bond Oversight Committee Minutes**  
**September 3, 2015**  
**SMCCCD District Office Board Room**

**Members Present:**

- ✓ Alan Talansky, Chair, business representative
- ✓ Frank Pagliaro, community member
- ✓ Gus Petropoulos, active in organization in support of District (Retirees and Foundation) (by phone)
- ✓ Victor Torreano, community member
- ✓ Adrienne Zanini, representative of bona-fide taxpayers association

**Members Absent:**

- ✓ Steve Dworetzky, Vice Chair, community member
- ✓ Jeannine Ryan, senior representative
- ✓ Dennis Zheng, student representative

**District Staff Present:**

- ✓ Kathy Blackwood
- ✓ José D. Nuñez
- ✓ Chris Strugar-Fritsch, Director of Capital Projects
- ✓ Carina Warne, Executive Assistant

**Guests Present:**

- ✓ Donna Bischoff

**Call to order**

Mr. Talansky called the meeting to order at 3:05pm

**Public Comments on Non-Agenda Items**

None

**Approval of Minutes from Meeting of June 4, 2015**

Correction to the minutes was reported: Mr. Pagliaro was Mayor, not President.

	Dworetzky	Pagliaro	Petropoulos	Ryan	Talansky	Torreano	Zanini	Zheng
Motion						x		
Second			x					

Ayes	5
Noes	
Abstain	

Motion passed

## Response to Questions Posed at Earlier BOC Meetings

Barbara Christensen provided the following information in response to questions posed at the last Bond Oversight Committee meeting:

### 1) **Explanation of the category “salaries, services and supplies”.**

- **Salaries and Benefits** - This category represents salaries allocated to District staff members that work on bond projects. The salary allocations are based on the actual bond tasks. (California State Attorney General’s Opinion 04-110 found that a school district may use Proposition 39 bond proceeds to pay the salaries of employees who perform oversight work on construction projects authorized by a voter-approved bond measure).
- **Supplies** - This category includes Non-Inventoried Equipment, Non-Inventoried Furniture, Parts and Materials, and Miscellaneous Equipment.
- **Non-Inventoried Equipment** – This category includes computers, printers, office equipment and computer accessories, which cost at least \$500 but less than \$5,000.
- **Non-Inventoried Furniture** – This category includes furniture which costs at least \$500 but less than \$5,000 per item. Examples are office and classroom furniture such as desks, chairs, cabinets etc.
- **Parts and materials** are “items needed for repairs and/or upgrade of buildings, grounds and equipment, such as window coverings, HVAC repairs, irrigation system repairs, etc.”
- **Miscellaneous Equipment** - includes “equipment items that are valued under \$500 which are not considered consumables. Example: Small electric equipment, including, but not limited to, keyboards, mice, cables, hard drives and small printers.”
- **Services and Operating Expenditures** - This category includes Independent Contractors hired to provide consultant services, moving services, reprographic services and other miscellaneous construction consulting services.

### 2) **Are Bond Oversight Committee Members covered under Directors and Officers Insurance?**

Yes, all Directors and Committee members are covered through the District’s Liability Policy. The liability policy includes Wrongful Acts/Errors and Omissions (E&O) coverage in the amount of \$4.85M subject to the District’s \$150,000 self-insured retention (i.e. first \$150K is paid by the District).

**Wrongful act is defined as:** *Any actual or alleged tortuous error, act, omission, misstatement, misleading statement, neglect or breaches of duty committed by an Insured, including Employment Practices Violations, misfeasance, malfeasance, or nonfeasance in the discharge of duties, individually or collectively that results directly but unexpectedly and unintentionally in damage to others.*

**Those insured are defined as:** *“while acting within the scope of their duties for the Named Insured – elected, appointed, employed officials as well as any current or former members of commissions, boards or other units operated by SMCCCD and under the jurisdiction of SMCCCD.”*

**Receive Information on the District’s “Small Projects” and Emergency Building Repair Fund (EBRF) Expenditures**

Executive Vice Chancellor Kathy Blackwood presented the District’s “Small Projects” and Emergency Building Repair Fund (EBRF) Expenditures. Mr. Pagliaro chose a few projects for discussion on the project list and inquired about the category that the project was listed under. Projects for discussion included AEDs, ADA Signage and the College of San Mateo Bldg. 8 Locker Room Upgrade. Mr. Pagliaro said the categories seem to be very broad and not very specific. Mr. Nuñez said the categories were actually requested by the Bond Oversight Committee a few years ago.

Mr. Pagliaro asked about the \$1.6M line item for supplies. Ms. Blackwood replied that supplies are anything that is not personnel, not services and not equipment. Equipment has a threshold of \$5,000 and above for being depreciable. \$500 - \$5,000 is miscellaneous, which falls under the supplies category. Supplies in and of itself is not a category in the Bond, but each project in the Bond has expenses for supplies.

Ms. Blackwood said the District does have certain employees who spend 100% of their time working on Bond projects. These employees purchase supplies for their everyday duties. This is part of getting the projects done and is a justifiable expense. Chris Strugar-Fritsch, Director of Capital Projects, for example, is an employee that is 100% Bond funded and his salary is divvied up among all projects. Each person working on Bond projects fills out a time log.

**Information on EIR for Campus Projects**

Ms. Blackwood said the Draft Environmental Impact Report (DEIR) for all three campuses has been completed. The DEIR is posted on the District website. Comments will be accepted until Thursday, October 15, 2015 at 5pm (45 days). There are hard copies available at the District Office, at City Offices and local libraries.

The Environmental Impact Report is a study of the possible environmental impacts related to geology, soils, aesthetics, greenhouse gases, hazardous materials, hydrology, population and housing, transportation, traffic, etc. Mr. Nuñez added that mitigation measures are included as part of our procurement process for all projects and are part of the contract with all of our General Contractors.

Mr. Petropoulos asked if there any changes made to the DEIR based on our previous environmental issues with CSM Building 20 Horticulture Edison Lot. Mr. Nuñez said that the CSM Building 20 Horticulture Edison Lot is not included in the EIR because of the lawsuit pending before the California Supreme Court.

**Review/Accept Cumulative Report on Expenditures through June 30, 2015 for Measure A and Measure H**

Kathy Blackwood reported that all Measure C projects were completed as of June, 2011. Measure A projects are projected to be completed by December 2015. Total Measure A budget is \$468M. Total expenditures to date are \$463,367,008 or 99.01%. Total commitments to date are \$1,312,740 or 0.28%. Balance available to date is \$3,320,252 or 0.71%.

Mr. Torreano asked about the status of the HVAC Commissioning project at Cañada College Building 5/6. Mr. Nuñez replied that that project will be completed by December this year.

Districtwide Projects are budgeted at \$65,836,630. Total expenditures are \$62,701,698 or 95.24%. Commitments are \$244,209. Balance available is \$2,890,724. The top three unfinished projects are the

Project Requirements/Compliance (CEQA, Legal representation, etc.) \$957K; Computer Lab Replacement Project \$945K; and Contingency \$825K.

Cañada College Projects are budgeted at \$36,246,557. Total expenditures are \$36,065,313 or 99.5%. Commitments are \$100,762. Balance available is \$80,482. There is only one unfinished project: Emergency Building Repairs \$80K.

College of San Mateo Projects are budgeted at \$269,738,714. Total expenditures are \$268,584,963 or 99.58%. Commitments are \$958,916. Balance available is \$194,836. The top two unfinished projects are North Gateway \$105K and Emergency Building Repairs \$89K.

Mr. Torreano asked if there are Electric Vehicle (EV) Charging Stations at CSM North Gateway. Mr. Nuñez replied that there are not. The nearest EV Charging Stations are in Marie Curie, Lot 5. Mr. Nuñez said that the infrastructure is set up in the North Gateway parking lot and the conduit is underground, but the stalls are not set up yet. The Energy and Sustainability Manager, Joe Fullerton, is trying to find a grant to fund the project.

Skyline College Projects are budgeted at \$96,178,099. Total expenditures are \$96,015,034 or 99.83%. Commitments are \$8,854. Balance available is \$154,211. The top two unfinished projects are Small Projects \$138K and Emergency Building Repairs \$16K.

Cumulative bond interest earned as of 6/30/15 is \$33,323,141. Expenditures are \$18,764,020 or 56.31%. Commitments are \$3,535,274. Balance available is \$11,023,846. Estimated FY15-16 interest income is \$1.6M. The County Pool current interest rate is 0.72%.

Director of Capital Projects Chris Strugar-Fritsch said that construction cost escalation is currently between 4-7% annually, and in many cases, we are projecting escalation rates out 2-3 years. Mr. Talansky asked what our original escalation rate was. Mr. Strugar-Fritsch replied that in Feb/March 2015 we were projecting 4-5%. Mr. Strugar-Fritsch said that there has been a slight delay in planning due to a ruling in a case called Davis vs. Fresno involving a delivery method of Lease Lease Back (LLB). Fresno Unified School District was sued. The plaintiff prevailed and the decision was upheld at the Appellate Court and the California Supreme Court. The Fresno Unified School District was using LLB delivery method to procure general contractor services. There were two issues with that: there was a question about whether there was a true lease in place and a second question about whether the bidding was non-competitive. The District was planning to use LLB on a number of projects. The District has determined that the LLB delivery method is not worth the risk. This has delayed the planning process somewhat. Ms. Blackwood said the Board of Trustees will review projects and prioritize them. Mr. Nuñez said he has had conversations with the Board of Trustees and will again at the Board Meeting on September 9th. Mr. Nuñez said he has met with each of the three College Presidents and executive teams and reviewed first wave project lists. Ms. Blackwood said that due to escalation some projects are not funded.

Mr. Torreano asked if the District is monitoring commodity prices – steel, concrete, fuel, etc. Mr. Strugar-Fritsch said we hired Leland Saylor and Associates in February 2015. They provide program cost estimating and use market data to generate estimates. The Architects also have cost estimators that generate an estimate and then we use Leland Saylor to do a peer review. They are both using current market information. Mr. Talansky asked if the Board of Trustees has considered locking in certain commodity prices for the future. Mr. Strugar-Fritsch said we have not done that yet. Mr. Nuñez said we have not done that before either, but we're hoping too. Mr. Nuñez said we have briefed the Construction Manager at Risk (CMAR) Delivery Method to the Board of Trustees and are hoping to get a recommendation to use it at the September 9<sup>th</sup> Board Meeting. CMAR bid packages will allow us to lock in pricing.

Ms. Blackwood gave an update on the Lehman Brothers recovery payments. The Measure C Loss was \$689,892 and the Measure A Loss was \$22,591,383, for a total loss of \$23,281,275. Total recovery payments to date are \$10,671,239. Mr. Talansky asked if we have considered asking the county to make up the difference. Ms. Blackwood said that there were some school districts that sued the County but the District chose not to be part of that suit.

### **Update on CIP3 Projects, Rollout and Timing**

Mr. Nuñez gave a project update. Projects included the Cañada College Menlo Park Classroom Renovation, Cañada College Tennis Court Office, and the Cañada College and CSM Roadway and Parking Lot Fixture LED Retrofit.

Ms. Blackwood said that there have been newspaper articles recently about Prop 39 and how schools aren't using the money properly and it's not creating jobs, etc. That is not true for community colleges. Mr. Nuñez said that community colleges are more sophisticated in how we run our facilities. K-12 has more challenges executing.

Mr. Nuñez also discussed Cañada College Roadway and Parking Lot Fixtures and the Cañada College Kinesiology & Wellness Building (B1N). Mr. Strugar-Fritsch said that the schematic design has been completed for the Cañada College Kinesiology & Wellness Building (B1N) project. Ms. Bischoff asked if there will be a health club as part of B1N; Mr. Nuñez said there would be.

Mr. Nuñez also discussed Cañada College Math and Science Building (B23N). Mr. Torreano asked if the Cañada College B1N or B23N projects are LEED certified. Mr. Nuñez responded that both projects are slated for LEED Gold. Mr. Strugar-Fritsch said our standard is LEED Gold and to exceed Title 24 requirements by 15%.

Mr. Nuñez continued the project update with the College of San Mateo Softball Field Upgrades, College of San Mateo Theatre Modernization (B3), and the College of San Mateo Student Life & "Learning Communities" Modernization (B17). Ms. Blackwood said that learning communities are one of the new things that we are focusing on to insure student success and the District is configuring physical spaces to accommodate learning communities. Studies have shown that the longer students stay on campus, the greater their academic success. Ms. Bischoff asked why money is being spent on B17 rather than B10 because most students congregate in B10. Mr. Talansky said that question is appropriate for the Board of Trustees and is not decided by the Bond Oversight Committee. Ms. Blackwood said B17 is meant for specific learning communities. B10 is meant for students to "hang out".

Mr. Nuñez continued the project update with the College of San Mateo Engineering & Technology (B19), Skyline College Middle College, and the Skyline College Social Science and Creative Arts Building (B1). Mr. Petropoulos asked if the intent is to stay within the existing foot print of B1 or is it going to be larger. Mr. Nuñez said it will be larger, but the graphic shown on the briefing is just a mock up. Ms. Blackwood said Design Build saves us money in change orders and we get the building we want. The quality is also better.

Lastly Mr. Nuñez gave a project update on the Skyline College Environmental Studies Building (B12N), Districtwide Exterior Lighting Upgrades, and the Districtwide Utility Measurement & Verification Project.

Mr. Pagliaro asked about duplication of programs between the three campuses. Ms. Blackwood answered that the Colleges coordinate on the placement of programs, particularly career-tech programs, to avoid duplication. For example, there is an AA Degree in Nursing at the College of San Mateo and a BA

Degree in Nursing at Cañada College (in conjunction with San Francisco State), but not at Skyline College. Mr. Nuñez said we have Automotive Technology and Emergency Medical Technician (EMT) programs at Skyline College, but not at the other two. We also have Fire and Police Training at the College of San Mateo, but not at the other two.

Mr. Pagliaro also asked about parking. He asked if a decision has been made to use parking lots instead of structures. Ms. Blackwood said the decision is partly financial, but mostly it's about space. We have the space at all three colleges – if we did not have the space, then we might consider parking garages. Mr. Nuñez said we have done parking studies at all three Colleges. Parking is impacted during the first three weeks of classes and then tends to settle down.

**Update on North Gateway Completion**

Mr. Nuñez said that the College of San Mateo North Gateway Phase II project is substantially complete. Mr. Petropoulos asked when parking will be available. Mr. Nuñez said it is open now – the parking lot opened the Friday before school started.

**Committee Members' Comments/Requests for Future Agenda Items**

Mr. Pagliaro asked how the Bond Oversight Committee can decide if a project is appropriate under the Bond if they don't know what the Bond says. Mr. Pagliaro also asked if he could get a copy of the Bond language and list of programs. Mr. Talansky said the Bond Oversight Committee's job is to follow the parameters of the Bond.

**Questions from Maxine Turner (Community Member)**

Ms. Blackwood said that the questions submitted by Ms. Turner came too late to add to the agenda today. Ms. Blackwood distributed the questions to the committee. Ms. Blackwood said the District will prepare a response and add to next meeting agenda in December. Ms. Blackwood asked if it would be helpful to have Bond counsel attend the next meeting. All agreed to have Bond counsel present at the next meeting.

Ms. Bischoff asked about watering at the College of San Mateo North Gateway in the middle of the day. Mr. Nuñez said sod needs to be watered when it's new in order for it to be established. Ms. Bischoff asked why thousands of shrubs, trees and sod were planted in the 4<sup>th</sup> year of a drought. Mr. Nuñez said the project has been underway for three years and all of the landscape decisions were determined three years ago. Mr. Talansky said this question is not within the Bond Oversight Committee's purview. Ms. Bischoff said our lawns at the College of San Mateo are too green and we should be ashamed. Mr. Nuñez said we are doing our part during the drought and the District has reduced water consumption by 25%.

**Schedule of Future Meetings: December 3, 2015, March 3, 2016 and June 2, 2016 (first Thursday every three months)**

**Motion to Adjourn**

	Dworetzky	Pagliaro	Petropoulos	Ryan	Talansky	Torreano	Zanini	Zheng
Motion						x		
Second			x					

Ayes	5
Noes	

Abstain	
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Motion passed  
Meeting adjourned at 5:02 pm.