

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Bond Oversight Committee Minutes
June 7, 2018
District Office Board Room**

Members Present:

James Ruigomez, Chair; Gino Gasparini, Shelley Kessler, Bill Rundberg and Rosanne Foust

Members Absent:

Vijay Gupta, Frank Pagliaro, and Dennis Zheng

District Staff Present:

Ron Galatolo, Chancellor; José D. Nuñez, Vice Chancellor, Facilities Planning, Maintenance & Operations; Bernata Slater, Chief Financial Officer; Chris Strugar-Fritsch, Director of Capital Projects; Carina Warne, Executive Assistant

Call to order

Mr. Ruigomez called the meeting to order at 3:00 p.m.

Public Comments on Non-Agenda Items

Ms. Marta Bookbinder expressed her concerns about past Bond Oversight Committee Meeting minutes not posted on the Bond Oversight Committee website. She also expressed concerns about Bond Oversight Committee Meetings canceled and/or postponed resulting in delays in the submission of the Annual Report.

Ms. Maxine Turner said that law requires the Bond Oversight Committee meeting agendas and minutes list who the Bond Oversight Committee members are and what organization they represent. Ms. Turner also requested that her attendance be noted in the meeting minutes.

Approval of Minutes from Meeting of December 7, 2017 Meeting

A motion to approve the minutes of the December 7, 2017 meeting was made by Ms. Kessler and seconded by Mr. Gasparini. Ms. Rosanne Foust abstained due to not attending the December 7, 2017 meeting. The motion passed.

Presentation on the Summary of Key Financial Information

Ms. Bernata Slater, Chief Financial Officer, reported Measure C projects were completed in June 2011. Measure A projects are projected to be completed by Summer 2018. Total Measure A budget is \$468M. Total expenditures to date are \$467,922,366 or 99.99%. Total commitments to date are \$48,008 or 0.01%. Balance available to date is \$29,655 or 0.006%.

For Measure H, voters approved \$388M and the first issuance was \$127M in May 2015. Total expenditures to date are \$52,900,936 or 14%. Total commitments to date are \$205,551,865 or 53%. Balance available to date is \$129,547,199 or 33%.

Districtwide Projects Measure A budget is \$64,029,759. YTD expenditures are \$64,027,045. Commitments are \$0. Balance available is \$2,714. Districtwide Projects Measure H budget is \$30,134,232. YTD expenditures are \$10,193,181. Total commitments to date are \$3,939,310. Available balance is \$16,001,741. Total of 14 projects.

Cañada College Projects Measure A budget is \$36,669,424. All projects are complete. Balance available is \$0. Cañada College Projects Measure H budget is \$154,175,433. YTD expenditures are \$20,812,724. Total commitments to date are \$73,023,150. Total of nine projects. Balance available is \$60,339,559.

College of San Mateo Projects Measure A budget is \$271,020,858. YTD expenditures are \$270,945,909. Commitments are \$48,008 (Emergency Building Repairs). Balance available is \$26,941. All projects, with the exception of CSM Emergency Building Repairs, are complete. College of San Mateo Projects Measure H budget is \$19,460,371. YTD expenditures are \$4,691,811. Total commitments to date are \$436,744. Total of eight projects. Balance available is \$14,331,816.

Skyline College Projects Measure A budget is \$96,279,959. Balance available is \$0. All projects are complete. Skyline College Projects Measure H budget is \$184,229,964. YTD expenditures are \$17,203,220. Total commitments to date are \$128,152,660. Total of 10 projects. Balance available is \$38,874,083.

Cumulative bond interest earned as of 3/31/18 for Measure A is \$33,882,924. Expenditures are \$33,732,850. Commitments are \$127,574. Balance available is \$22,500. Measure H cumulative interest earned is \$2,157,646. Balance available is \$2,157,646. The County Pool interest rate was 1.059% in FY16/17. The anticipated pool earnings for FY17/18 is approximately 1.125% (per the County Treasurer). The County Pool interest rate in March 2018 was 1.63%.

Ms. Slater also reported the results of San Mateo County Community College District's Annual Audit. The auditors, Crowe Horwath LLP, completed full Financial and Performance audit reports for both Measure A and Measure H. The results of the audits were unmodified opinion, clean with no findings. The District expended Measure A and Measure H funds only for the specific projects developed by the Governing Board and approved by the voters.

Review/Accept Cumulative Report on Bond Expenditures and Interest Expenditures through March 31, 2018, for Measure A and Measure H

The Committee reviewed the Cumulative Report on Bond Expenditures and Interest Expenditures through March 31, 2018 for Measure A and Measure H.

Ms. Turner asked about the line item for "repairs". Mr. Nuñez said this item is for Emergency Building Repair Funds (EBRF). Facilities Managers request funding for emergency repairs by citing which category it correlates with in the Bond language.

Ms. Turner also asked about the line item for "DW CIP3 MASTER". Mr. Nuñez responded that this item is for consultants, legal fees, CEQA, master planning and estimators.

Ms. Turner asked about the budget for CAN B1 Kinesiology and Wellness, CAN B23N Math/Science/Technology, SKY B1 Social Science/Creative Arts and SKY B12 Environmental Science. Mr. Nuñez and Mr. Strugar-Fritsch explained that the budget shown for each project on the Bond Expenditures list is only showing Bond funds and other funding is used as well.

Review Report on Small Project Expenditures through December 31, 2017, for Measure A and Measure H

The Committee reviewed the Report on Small Project Expenditures through December 31, 2017 for Measure A and Measure H.

Ms. Bookbinder asked about the Skyline College, Building 3 Basketball Court upgrade to NCAA safety. Mr. Nuñez and Mr. Galatolo responded that Basketball courts are classrooms and the upgrade is a safety issue. Mr. Galatolo said that all athletic fields and facilities are classrooms and conditions in those classrooms are highly regulated. Mr. Gasparini said athletic fields and facilities have strict Americans with Disabilities Act (ADA) laws and regulations.

Update on Capital Improvement Program (CIP3), Schedule of Project Rollout and Timing

Director of Capital Projects, Chris Strugar-Fritsch, presented a Capital Improvement Program (CIP) III project update.

Cañada College projects include the Kinesiology and Wellness Building (B1N) and the Math and Science Building (B23N). The Kinesiology and Wellness Building (B1N) is a Measure H project that will provide a new 84,500 GSF building with components such as shower facilities, basketball gymnasium, dance studios, entrance lobby, offices, outdoor competition space, and instructional swimming pools. The existing building abatement and demolition is complete. Earthwork and site utilities and construction of the hillside retaining wall are in progress. Construction documents were submitted to the Division of State Architects (DSA) on December 15, 2017. Target completion date for the project is Spring 2020. Ms. Maxine Turner asked about the visibility of the Kinesiology and Wellness Building (B1N) from Highway 280. Mr. Strugar-Fritsch said the building will be visible, but the architects designed the color scheme and aesthetics of the building to blend with the natural surroundings and the roof of the building mimics the ridgeline of the nearby hills.

The Cañada College Math and Science Building (B23N) project is a Measure H funded project and components of the project include classrooms, science laboratories and laboratory preparation spaces, large and medium lecture halls, and offices. The Campus Bus Stop will also be relocated as part of this project. The Central Utility Plant construction is complete. Retaining walls, building foundations and commissioning is all in progress. Topping Out Ceremony is scheduled for July 3, 2018 with a target completion date of early 2020.

College of San Mateo projects include the Theatre Modernization (B3) and the Student Life & Learning Communities Modernization (B17). The Theatre Modernization (B3) project is a Measure H and State Scheduled Maintenance and Special Repairs (SMSR) funded project that will modernize the interior of the building, focusing on replacing aging mechanical, electrical and plumbing, modernizing ADA access, and audio/visual, acoustical and lighting. The project also includes replacing the roof on Buildings 2, 3 and 4. The College of San Mateo Student Life

& Learning Communities Modernization (B17) project is a Measure H funded project. The project includes re-roofing the building, interior modernization to create dynamic student support areas, demolishing interior demising walls, and modernizing the building courtyard entryway. The Board of Trustees rejected bids on January 24, 2018 due to budget constraints. The project delivery method changed from hard bid to lease-leaseback (LLB). The RFP will be issued July 2018. Construction start is targeted for Fall 2018 and target completion is Summer 2019. Mr. Gasparini asked about the lease-leaseback delivery method. Mr. Strugar-Fritsch explained that the lease-leaseback delivery method is a best value delivery method and converts the traditional owner-builder relationship into an owner-developer relationship. The committee briefly discussed the pros of the lease-leaseback delivery method especially in today's construction market.

Skyline College projects include the Social Science and Creative Arts Building (B1N), the Boiler Plant, the Environmental Studies Building (B12N), Loma Chica Child Development Center (B14) and Pacific Heights Swing Space (B19). The Social Science and Creative Arts Building (B1N) project involves demolition of the existing Social Science and Creative Arts Building (B1). The newly constructed building will include a new 520-seat theater with an orchestra pit, scene shop, gallery, music choral room, concert band room and recording rooms. The Design phase is in progress for this project. The Boiler Plant project is a part of the Social Science and Creative Arts Building project and Measure H funded.

The Skyline College Environmental Studies Building (B12N) is a Measure H funded project. The project includes classrooms, event spaces, catering kitchen, entrance lobby, offices, and an outdoor lab. The building will also have a panoramic view of the Pacific Ocean. Target completion is approximately one year from now. Ms. Kessler asked about the steel used on this project. Mr. Strugar-Fritsch said steel prices have escalated, but steel is still available in the United States. Mr. Nuñez said there is a guaranteed maximum price (GMP) or "not to exceed" price for this project.

The Loma Chica Child Development Center (B14) Project is a Measure H funded project that includes renovating play yards, replacing old windows, and upgrading the path of travel to meet DSA requirements. The Pacific Heights Swing Space (B19) project is a two-phase project funded by Measure H. The project will provide swing space for occupants of Buildings 1 and 2. Skyline College is also leasing space from Oceana High School for Art, Music and Drama classes. Mr. Strugar-Fritsch also discussed the schedule and logistical challenges associated with multiple projects happening concurrently at Skyline College.

Districtwide projects include the Fire Alarm Panels Replacement Project and the Classroom Security Hardware Upgrade. The Districtwide Fire Alarm Panel Replacement Project is a Measure H and Design-Bid-Build project. The project scope is to replace all existing Fire Alarm Panels with updated panels at existing buildings on all three campuses. The Classroom Security Hardware Upgrade project is a security initiative to change door hardware throughout all three campuses, giving users the ability to manually lock doors from the inside.

Bond Oversight Committee's Annual Report to the Community

Ms. Bernata Slater presented the draft 2017 Report to the Community. Ms. Foust and Ms. Kessler suggested inserting hyperlinks to the website for more detailed information. The final report will be sent to the committee via email for one final review and approval.

Ms. Bookbinder expressed her concerns about the timing of the annual report and delays in delivering the report to the community.

Ms. Foust made a motion to accept the draft 2017 Report to the Community pending changes from Mr. Bailey. Mr. Gasparini seconded the motion. After a vote by the committee, the Report was accepted with all members voting "Aye".

Committee Members' Comments/Requests for Future Agenda Items

Mr. Ruigomez welcomed Ms. Rosanne Foust to the Bond Oversight Committee.

Mr. Ruigomez also announced that the vice-chair position is currently vacant. He asked for nominations from the floor for a new committee vice-chair. Mr. Ruigomez nominated Ms. Foust as vice-chair and Mr. Gasparini seconded the nomination. Ms. Foust accepted the nomination. There was no further discussion. After a vote by the committee, Ms. Foust was elected vice-chair with all members voting "Aye".

The committee discussed the option of having the category they represent listed after their name on the agendas and minutes. Mr. Galatolo said the Bond Oversight Committee website has a list of members and what role they fill.

Schedule of Future Meetings in 2018 (first Thursday every three months):

- September 6, 2018
- December 6, 2018

Adjourn

The meeting adjourned at 4:53 p.m.