

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Bond Oversight Committee Minutes
March 3, 2010, 3:30pm
District Office

Members Present: Committee Chair Jim Wyatt, Vice Chair Marion McDowell,
Marta Bookbinder, Dr. Patrick Cheng, Rose Jacobs Gibson, Denisse
Gonzalez (3:45pm), Stanley Gross, Ruth Nagler

Members Absent: Linda Asbury, Gita Dev, Bill Nack

District Staff Present: Barbara Christensen, Jim Keller, José Nuñez

Call to Order

Committee Chair Wyatt called the meeting to order at 3:40pm as there was a quorum.

Approval of Minutes from Meeting of December 14, 2009

It was moved by Marion McDowell and seconded by Ruth Nagler to approve the minutes of December 14, 2009 as written. The motion passed with all but two members voting "Aye". Marta Bookbinder and Rose Jacobs Gibson abstained as they were not present at the December meeting.

Review of Cumulative Report on Expenditures through December 31, 2009 for Measure A and Measure C

Executive Vice Chancellor Keller summarized the financial reports as of December 31, 2009. He reported that Measure C has a current balance of \$36,281 to be allocated from the interest earned to Measure C expenses. Measure A expenditures to date are \$280,357,568 (60%) with commitments of \$80,797,308 (17%) leaving a balance of \$106,400,422 (23%) for identified projects. Executive Vice Chancellor Keller explained that the detail report for Measure A illustrated many new projects highlighted in yellow and, therefore, the next 12 months there will be a large increase in expenditures.

Executive Vice Chancellor Keller noted that a considerable amount of the capital improvement money was allocated on KCSM to change from analog to digital broadcasting. This project is now on hold while the future of KCSM is evaluated.

Executive Vice Chancellor Keller referenced #78 – Skyline FMC Erosion (Facility Maintenance Center) and explained that this is a new problem and \$250,000 had to be reallocated to stop hill erosion which was caused by underground factors. Vice Chancellor Nuñez said all three colleges have had some erosion problems during the course of construction.

Review and Approval of Measure A and Measure C Fiscal and Performance Audits

Executive Vice Chancellor Keller explained that the bond audit report dated June 30, 2009 includes financial and performance reviews for Bond Fund 2005 Election (Measure A) and Bond Fund 2001 Election (Measure C). He said not only did the auditors review financial and accounting transactions, they reviewed 25% to 50% of all construction transactions and found that the use of funds were consistent with the stated purposes of the respective bond measures approved by voters. The audit also noted that the District's participation in the County Treasury investment pool was considered to be involuntary as the District was required to deposit all receipts and collections of monies with the County Treasurer.

Patrick Cheng asked how much money the District leveraged using bond funds. Vice Chancellor Nuñez responded approximately 25% or more, totaling more than \$150 million. He will research the amounts for both bond measures. Executive Vice Chancellor Keller explained the point system in which you can get more points for matching state funds. He said Vice Chancellor Nuñez is constantly in negotiation with the State to secure additional funds and serves on several statewide committees.

Analysis of Cost Savings from Recent Projects as an Offset to Losses from the State and Lehman Brothers

Director Christensen said that this report was requested by Gita Dev at the last meeting. Vice Chancellor Nuñez reviewed the summary of recent losses vs. recent bid results. State-funding losses in 2008 were \$53,244,000. Lehman losses were \$23,281,275. Recent bid savings were projects that came in under the estimates so we were able to gain \$4,321,486. The CIP (Capital Improvement Program) net loss was \$72,203,789.

Vice Chancellor Nuñez then reviewed the State funding loss due to the November 2008 education bond ballot suspension. The plan was to leverage \$26 million of Measure A funds to secure \$52 million in State funding. Six projects totaling \$79,389,000 were approved, but cancelled. Executive Vice Chancellor Keller said he heard there would be no State education bond measure again this year.

Vice Chancellor Nuñez informed members that the final report showed recent CIP bid results and savings. Listed were four projects which had a total pre-bid estimate of \$24 million. The total of the lowest responsible bids were almost \$20 million. This produced a savings of more than \$4 million, as referenced above.

Analysis of Facilities "Unmet Needs"

Executive Vice Chancellor Keller explained due to the loss of State funding resulting in projects being pulled, the Lehman Brothers bankruptcy and the State not putting a bond measure on the ballot this year, our Board of Trustees is considering other tax initiatives. He said the Board approved a polling survey to see how the community would react to a parcel tax or a bond measure. A parcel tax requires a 2/3 majority vote and can only be used for the operating budget. Executive Vice Chancellor Keller said that no other community college in the State has

ever proposed and passed a parcel tax. On March 10, the Board will discuss a resolution to put a \$34 parcel tax for four years before the voters in June.

Rose Jacobs Gibson commented that the \$34 parcel tax was a good strategy. Marta Bookbinder also agreed.

Director Christensen reviewed the tentative CIP3 project list. She said Tier 1 projects include work on buildings that were not included in CIP 1 or CIP 2, cleanup work and energy efficiency projects. The District would also have a 10-year capital fund to be used for high cost equipment that continually needs maintenance or replacing. Director Christensen said Vice Chancellor Nuñez continues to seek State funding, but there may be another appeal of the voters to pass a third bond sometime in the future.

Patrick Cheng asked the difference between a capital fund and a project. Executive Vice Chancellor replied the capital fund is money put aside to be spent for certain “types” of things and projects are very specific.

Marta Bookbinder asked with all the interest in renewable energy, why aren't we using wind power at Skyline? Vice Chancellor Nuñez replied that on the CIP3 list, a Microturbine Plant listed under CSM should actually be categorized as Roof Mounted-Micro Wind Turbines for Skyline College.

Review of Status of CSM and Skyline Design/Build Projects and Cañada Design Assist

Vice Chancellor Nunez told committee members that he would highlight some of the upcoming events at the colleges showing the progress of the projects.

College of San Mateo

- Building 5, Health and Wellness Center – Ribbon Cutting – March 24, 2010
- Building 10, Student Center – Ribbon Cutting – January/February 2011

Skyline College

- Building 11 - Automotive Transmission - Ribbon Cutting combined with the College's 40th Anniversary Celebration – May 6, 2010
- Building 4 – Wellness, Cosmetology, Multi-Cultural Center – April/May 2011

Vice Chancellor Nuñez also said that Buildings 4 at Skyline and Buildings 5 and 10 at College of San Mateo are targeted to receive LEED silver certification (Leadership in Energy and Environmental Design) thus demonstrating the District's commitment to sustainable building design and construction.

Vice Chancellor Nuñez explained that, at the Facilities Maintenance Center at Cañada College, they were one point short of obtaining LEED gold certification. Points are also awarded for innovation. Linda Rizzoli, Swinerton Project Manager, met with the county wildlife environmental group, and talked about what could be done to stimulate the wildlife in the area. The solution was to build a bat house, which gained one point for the project, and obtained LEED gold.

Committee Members' Comments/Requests for Future Agenda Items

Director Christensen told the committee of several innovative ideas to offset budget cuts. In addition to serving students, the District would like to use several new facilities as revenue producers. At the College of San Mateo, Building 5 - Health and Wellness Center will not only serve students and hold classes, it will house the San Mateo Athletic Club which will charge membership fees for club and pool use. She also said the District is considering renting the large cafeteria area in Building 10 for community events.

Patrick Cheng asked to see how we used our bond funds to leverage state funds.

Marta Bookbinder commended the District for all the work in creating buildings which will become the legacy for future students and she is proud to be a part of the process.

Public Comments

None

Schedule of Future Meetings – Set a Standing Date?

Director Christensen asked committee members if they would like to set a standing day/date/time for upcoming meetings; for example, the 1st Wednesday of each quarter (March, June, September, December). Several members liked coordinating the meetings around college events like groundbreakings, ribbon cutting ceremonies and tours. Others had specific days/times that worked best for them. After discussion, committee members could not agree upon one day/date for future meetings so Director Christensen will continue to poll members, then select the date when the majority can attend.

Schedule for Next Meeting

Director Christensen will coordinate the next meeting suggesting five possible meeting dates to accommodate everyone's busy calendars.

Adjournment

The meeting was adjourned at 5pm.