

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Bond Oversight Committee Minutes
June 4, 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)
- ✓ Victor Torreano, community member
- ✓ Dennis Zheng, student representative (by phone)

Members Absent:

- ✓ Steve Dworetzky, Vice Chair, community member
- ✓ Jeannine Ryan, senior representative
- ✓ Adrienne Zanini, representative of bona-fide taxpayers association

District Staff Present:

- Raymond Chow, Chief Financial Officer
- Karen Powell, Executive Director, Facilities Planning & Operations
- Chris Strugar-Fritsch, Director of Capital Projects
- Carina Warne, Executive Assistant

Guests Present: None

Call to order

Chairman Talansky called the meeting to order at 3:07p.m.

Introduction of New Member, Frank Pagliaro

Mr. Talansky introduced and welcomed the new committee member, Frank Pagliaro. Mr. Pagliaro gave a brief introduction of himself. He was born and raised in New York. He graduated from the University of Vermont and completed graduate work at the World Court in the Netherlands. His family owned a general contracting business for which he served as legal counsel. He also served as a prosecutor in San Francisco for a few years before moving into private practice. He was elected to the Burlingame City Council and served for 12 years, including several years as Mayor. He currently works for a law firm in Redwood City.

Public Comments on Non-Agenda Items

None

Approval of Minutes from Meeting of March 5, 2015

Mr. Petropoulos noted a change that needed to be made on page 3 first paragraph – “has received” will be added to the sentence to correct the grammar.

Motion to accept the minutes as amended.

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

Ayes	5
Noes	0
Abstain	0

Motion Passed

Review/Accept Cumulative Report on Expenditures through March 31, 2015 for Measure A Expenditures

Chief Financial Officer, Mr. Raymond Chow reported that all Measure C projects were completed as of June, 2011. Measure A projects are projected to be completed by June, 2016. Total Measure A budget is \$468M. Total expenditures to date are \$461,786,918 or 98.68%. Total commitments to date are \$2,993,674 or 0.64%. Balance available to date is \$3,219,408 or 0.69%.

Districtwide Projects are budgeted at \$65,364,316. YTD expenditures are \$62,611,719 or 95.79%. Commitments are \$1,230,288. Balance available is \$1,522,310. The top three unfinished projects are the Computer Lab Replacement Project \$989K; Small Projects \$300K; and Banner/Emergency system upgrades \$97K. There were some questions about the Banner / Emergency Preparedness systems upgrades. Karen Powell explained that this is an Information Technology (ITS) infrastructure upgrade. The Emergency Preparedness portion is improvements to the Emergency Annunciation System (EAS).

Mr. Petropoulos inquired about the CSM North Gateway Project being extended until June 2016. Ms. Powell clarified that the expenditure extending into 2016 mentioned earlier is the LED Lighting Project. The LED Lighting Project is slated to be finished by June 2016. The CSM North Gateway Project is scheduled to be complete September 2015.

Cañada College Projects are budgeted at \$36,176,013. YTD expenditures are \$36,000,051 or 99.52%. Commitments are \$60,903. Balance available is \$115,059. The top two unfinished projects are Small Projects \$107K and Emergency Building Repairs \$8K.

College of San Mateo Projects are budgeted at \$270,053,110. YTD expenditures are \$267,248,096 or 98.97%. Commitments are \$1,662,261. Balance available is \$1,142,753. The top three unfinished projects are North Gateway \$655K, Small Projects \$197K and Emergency Building Repairs \$174K.

Mr. Pagliaro asked about “Small Projects” and if there is a list or report available to review. Ms. Powell responded that “Small Projects” and “Emergency Building Repair Funds” are funds that are set up initially to fund unexpected expenditures. These funds are used “as needed.” “Emergency Building Repair Funds” are for unforeseen issues. “Small Projects” are Capital Projects that require small amounts of money that do not rise to the level of s public works projects. “Small Projects” are requested by the Colleges - for example, reconfiguring an office suite. Both categories are aligned with approved ballot measure categories and approved by the College President.

Mr. Pagliaro requested a list of “Small Projects” and “EBRF” expenditures to review before the next meeting. Mr. Petropoulos asked if there is a dollar threshold for “Small Projects” and Ms. Powell replied that there is not. There are dollar thresholds for procurement options and delivery methods. . Ms. Powell also explained that each “Small Project” starts with a Project Initiation Form which identifies the bond language that applies to the project.

Mr. Torreano asked about where certain retrofits and “Small Projects” fall under the scope of the Project Labor Agreement. Ms. Powell said that the Project Labor Agreement (PLA) covers specific named projects that are formally incorporated into the Agreement and this generally does not include the smaller projects.

Skyline College Projects are budgeted at \$96,406,561. YTD expenditures are \$95,927,052 or 99.51%. Commitments are \$40,222. Balance available is \$439,286. The top two unfinished projects are Small Projects \$382K and Emergency Building Repairs \$57K.

Accumulative bond interest earned as of 12/31/14 is \$32,699,844. Expenditures are \$15,256,414 or 46.68%. Commitments are \$1,851,507. Balance available is \$15,583,922. Estimated FY14-15 interest income is \$210K.

Motion to accept cumulative report and expenditures:

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

Ayes	5
Noes	0
Abstain	0

Motion Passed

Update on Lehman Lawsuit Final Recovery

Mr. Chow 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 \$10,671,240.

Mr. Pagliaro inquired if the Bond Oversight Committee members are Government employees and if they are covered by Directors and Officers (D&O) insurance. Mr. Petropoulos said he thinks that is a question for Ms. Christensen. Mr. Talansky asked that an answer be brought to the next meeting.

Information on Bond Sale

Mr. Chow said that the District sold ~\$130M in bonds (of the total \$380M available); that amount was calculated based upon the District’s cash flow needs for the next three years. The IRS requires that there must be a reasonable expectation that 85% of the money will be expended within 3 years.

The Board of Trustees has approved the District not investing through the County Pool and will allow the staff to invest in other securities. Mr. Chow said the District is getting proposals from outside investment companies, which will be discussed with the Board on June 10. Bond investment is different from other types of investments; there are more restrictions on how the bond funds can be invested. Currently interest rates are very low—under 1%.

Mr. Pagliaro asked about the 2013-14 Audit. On the last page, expenditures for salaries, services, supplies, etc. comes to \$8M. Mr. Pagliaro asked what the “supplies” portion is. Raymond said he will get Mr. Pagliaro the breakdown.

Update on CIP3 Projects, Rollout and Timing

Executive Director of Facilities Planning & Operations, Ms. Karen Powell introduced the new Director of Capital Projects, Mr. Chris Strugar-Fritsch. Mr. Strugar-Fritsch's position is a Measure H funded position and he will be employed for the duration the Capital Improvement Program, approximately seven years.

First, Ms. Powell gave an update on the CIP3 planning efforts currently underway including Request for Qualifications (RFQ) processes for scheduling and cost estimating services, California Environmental Quality Act (CEQA) Environmental Impact Reports (EIR) development, construction management services RFQ, design standards revision, swing space planning, Architect & Engineer (A&E) selection for the design of the first several projects, and the 2015 annual General Contractor and Major Subcontractor Prequalification Process.

Mr. Pagliaro asked about the Environmental Impact Report (EIR) for the 2015 projects. Ms. Powell said that the District is doing a full Environmental Impact Report for all three Colleges. The District will use the 2015 Facilities Master Plan Amendment that was approved by the Board of Trustees in January as the basis for the Environmental Impact Report. The report lists all projects scheduled for each campus. Mr. Talansky asked who the lead was on the EIR and Ms. Powell said that Ms. Christensen is the lead. The District cannot initiate any major construction projects until the EIR is certified by the Board of Trustees, which should happen late in 2015.

Ms. Powell discussed the Architect & Engineer (A&E) Selection process and results including: Cañada College, Building 1 – Bunton Clifford Associates (BCA) Architects; Cañada College, Math/Science – Lionakis Architecture; College of San Mateo, Theater Building 3 – TLCD Architecture; College of San Mateo, Learning Communities Building 17 – Cody Anderson Wasney Architects; Skyline College, Environmental Studies – BCA Architects; Skyline College, Energy Management – Sally Swanson Architects; and Skyline College, Fine Arts Theater Building 1 – LPAS Architecture & Design.

Mr. Pagliaro asked if we allow architectural firms to choose their own secondary consultants. Ms. Powell replied that the District uses a Request for Qualifications (RFQ) process. We have a list of more than 100 qualified construction consultants, who are invited to interview for projects. The District interviews 5-7 potential firms for each project. They propose their preferred sub consultants, which the District reviews and approves.

Ms. Powell then gave a project update. Projects included at Cañada College are the Theater House Lights Upgrade, and the Roadway and Parking Lot Fixture LED Retrofit. At the College of San Mateo, projects include Theater House Lights Upgrade, Choral Room Upgrade, and the Roadway and Parking Lot Fixture LED Retrofit. Projects at Skyline College include the Upper Soccer Trench Drain. Districtwide projects include audio visual upgrades to conference rooms, gas valve seismic auto-shut off Project, exterior lighting upgrades, utility measurement and verification project, and a storm water management plan.

Ms. Powell also gave an update on the College of San Mateo North Gateway Project. The General Contractor for the project's right to proceed under the contract was terminated by the District on August 29, 2014. The Surety / Bonding Company, Liberty Mutual, has executed a Takeover Agreement and is completing the work remaining under the contract. Substantial Completion is anticipated to be August 5, 2015. Final Project Completion date is estimated to be September 3, 2015. 732 parking spaces will come online when the project is complete. Mr. Torreano asked if Electric Charging (EV) stations will be put in the North Gateway parking lot. Ms. Powell replied that stations will be in the Marie Curie Lot 5, which is adjacent to the project.

Ms. Powell also gave an overview of current Energy & Sustainability efforts including the Cañada College Solar Project, Electric Vehicle Charging Stations (11 stations Districtwide), roadway and parking lot fixture LED retrofit, water efficiency measures, and storm water management.

Mr. Petropoulos asked how LED lights perform in the fog. Ms. Powell replied that initially there was some concern about LEDs in the fog and, for this reason, the District did not install LEDs at Skyline College the first year. But after much research and due diligence, we learned that LEDs perform great in the fog; in fact, the Bay Bridge and San Mateo Bridge each have LED lights. LEDs have a great payback and are very energy efficient.

Mr. Torreano asked how the Solar Project at Cañada College is related to the districtwide utility measurement & verification project. Ms. Powell replied that there is not a significant connection – there is no “control” of the solar system through the building management system. Electrical production will be monitored through the District’s energy information system. Ms. Powell said that the District just received a Notice of Intent to Award for a grant opportunity for solar installation at the College of San Mateo. The grant proposal requirements have innovation components including inverters imbedded in the panels and a storage function so power can be redeployed when needed.

Ms. Powell said the solar farm annual savings is calculated at today’s energy prices and is estimated to be \$275K per year. Savings will increase over time. The District received the very last California solar initiative rebate reservation available in the program and will receive about \$800K over five years.

The District was also allowed to utilize Prop 39 funds for a “generation” project, which is unusual. Prop 39 legislation includes a “loading order” requiring an entity to start with load reduction projects then proceed to demand response projects. It is only after these two have been completed that an entity is allowed to use Prop 39 funds for an energy generation project. Our District was the only one allowed to go straight to a generation project in year 1 of Prop 39 because of our significant accomplishments in load reduction and demand response. The solar farm will produce about half of Cañada College’s annual electrical demand for the campus. Sheep are currently being used for weed abatement at the solar farm.

Mr. Torreano asked if we are generating revenue from our EV charging stations. Ms. Powell answered that we received the EV charging station pedestals for free through a California Energy Commission grant. The grant required that we offer charging for no cost for the first year. That year has passed, so now we are going to the Board of Trustees in July with potential cost structures and to request direction to implement fees in the Fall.

Ms. Powell talked about some of the District’s water conservation measures including reducing irrigation, turning off display pumps in fountains, signage throughout campuses to promote behavioral change, and ensuring that the CSM pool is operating efficiently. The District is also actively seeking strategies for recapturing and reusing grey water and storm water. Mr. Petropoulos asked about the two new 25 meter pools at Cañada College. Ms. Powell responded that the community has voiced a need for public swimming pools, and the EIR will evaluate whether there are any significant impacts of adding pools at Canada. She added that the timing of the new pools is not optimal.

Ms. Powell also talked about the District’s Storm Water Management Plan. We developed a Storm Water Management Plan incorporating best practices for storm water management and our template has been shared with other Community College Districts.

Committee Members’ Comments/Requests for Future Agenda Items

List of Small Projects and EBRF projects.
Information on Committee Members coverage under District insurance.
Explanation of “salaries, services and supplies” in the 2013-14 audit.

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

Motion to Adjourn

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

Ayes	5
Noes	0
Abstain	0

Motion passed
Meeting adjourned at 4:57pm