

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Bond Oversight Committee Minutes
September 4, 2014
SMCCCD District Office Board Room

Members Present:

- ✓ Alan Talansky, Chair, business representative
- ✓ Steve Dworetzky, Vice Chair, community member
- ✓ Maritess Lagandaon, community member
- ✓ Gus Petropoulos, active in organization in support of District (Retirees and Foundation)
- ✓ Jeannine Ryan, senior representative
- ✓ Victor Torreano, community member
- ✓ Adrienne Zanini, representative of bona-fide taxpayers association
- ✓ Dennis Zheng, student representative

District Staff Present: Barbara Christensen, Director of Community/Government Relations; Raymond Chow, Chief Financial Officer; José Nuñez, Vice Chancellor of Facilities Planning, Maintenance and Operations; Jan Phemester, Staff Assistant

Guests Present: Donna Bischoff, Maxine Turner

Call to order

Chairman Talansky called the meeting to order at 3:10 p.m.

Introduction of New BOC Member

Ms. Christensen introduced Jeannine Ryan as the newly appointed member representing seniors. Ms. Ryan is a CSM alumna; was an accounting supervisor for Sears for 30 years; and has long been active with the Mills-Peninsula Auxiliary. Ms. Ryan was recommended for membership on the BOC by Senior Focus.

Statements from the Public on Non-Agenda Items

Mr. Talansky congratulated the District on the recent bond ratings assigned by Standard & Poors and Moody's, which are the highest ratings possible. Ms. Christensen said the District refinanced bonds this morning and, because of the great demand for the bonds, will be able to save taxpayers \$20.3 million.

Donna Bischoff addressed the issue of parking in the Lower Hillside lot. She said students need to use the lot because the North Gateway construction removed parking spots they formerly used. At the same time, Solar City and GoPro began using the lot. Ms. Bischoff said it is very difficult for students to find parking spaces, particularly on Mondays and Wednesdays. She said she does not believe students should be ticketed as long as North Gateway is off-limits. She also questioned why Solar City and GoPro should be given priority over students. She said she wrote a letter expressing her concerns and received an email from CSM Vice President of Student Services Jennifer Hughes stating that the College receives money from Solar City and GoPro and this benefits students. Ms. Bischoff said she does not see a benefit to students from this arrangement.

Vice Chancellor Nuñez said CSM rents the space to Solar City and GoPro and receives approximately \$15,000 per month, which goes to the College's general fund. He said students are impacted during the first two or three weeks of classes, after which the problem subsides. He said the Public Safety Department does not issue tickets during that time to students who park in red and yellow zones. Beginning with the fourth week of classes, warnings are given prior to issuing tickets.

Ms. Christensen said two things have occurred that have affected the timing of the parking issue: (1) Solar City and GoPro are building a parking garage on their site and this is taking longer than anticipated, and (2) the quality and timing of work on the North Gateway project have been poor, resulting in a notice of termination given to the contractor last week.

Maxine Turner asked how she can procure a copy of the District’s 2013 Performance and Financial Audit. Ms. Christensen said she will provide this. Ms. Turner also asked what the interest rates were prior to and subsequent to refinancing the bonds. Ms. Christensen said the rates vary depending on the maturity of the bonds. She said the rate was lowered by approximately 1% to 1.5% due to the refinancing.

Ms. Christensen announced that the Board of Trustees recently voted to put a \$388 million bond measure on the November ballot. She displayed a fact sheet and “frequently asked questions” document, noting that attorneys have certified that these documents are nonpartisan and, therefore, can be distributed legally by the District. Ms. Christensen said the District commissioned a survey of voters to determine support for a bond measure at three different dollar amounts. While support for all three exceeded the 55% majority needed, the \$388 million amount had a 74.7% approval rating; the Board selected this amount in order to be more confident that projects that are needed can be completed. Mr. Talansky said he believes the community colleges serve an important role in training local residents for jobs that are available in San Mateo County. He said that, while there is job growth in the County, the positions are being filled largely by non-County residents. Ms. Christensen said the District recently completed a business needs assessment to determine which business sectors will have a need for more employees in the future. She said the District is working to develop programs in response to those identified needs.

Approval of Minutes from Meeting of March 6, 2014

	Dworetzky	Lagandaon	Petropoulos	Ryan	Talansky	Torreano	Zanini	Zheng
Motion	X							
Second			X					

Ayes	8
Noes	0
Abstain	0

Motion Passed

Review/Accept Cumulative Report on Expenditures through June 20, 2014 for Measure A Expenditures

Discussion: Chief Financial Officer Raymond Chow said all projects funded by Bond Measure C were completed in 2011. Projects funded by Bond Measure A are projected to be completed by June 2015. The total budget for Measure A was \$468,000,000. Expenditures to date equal \$460,247,762 (98.35%). Commitments to date total \$2,818,968, resulting in an available balance of \$4,933,269. CFO Chow discussed expenditures, commitments, balances available and the three most expensive unfinished projects at each of the Colleges as well as Districtwide projects. Mr. Talansky asked what is included in the “Small Projects” category listed under unfinished projects. Vice Chancellor Nuñez said these projects would include items such as carpet replacement and the emergency building repair fund. He said if a project will cost more than \$50,000, it will be shown as a specific line item.

CFO Chow said the accumulative interest earned as of June 30, 2014 is \$22,641,901. After expenditures and commitments, the balance available is \$12,000,000. Based on the County Pool current interest rate average of 0.65%, CFO Chow estimates interest income of approximately \$210,000 for 2014-15.

CFO Chow said the Measure A loss due to the Lehman bankruptcy was approximately \$23 million. The District has received five recovery payments totaling approximately \$10 million. CFO Chow said he believes one additional distribution may follow.

Acceptance of the report on expenditures:

	Dworetzky	Lagandaon	Petropoulos	Ryan	Talansky	Torreano	Zanini	Zheng
Motion					X			
Second	X							

Ayes	8
Noes	0
Abstain	0

Motion Passed

Update on Construction Projects; Report on Energy Efficiency Projects and Savings; Report on Unmet Construction Needs

Vice Chancellor Nuñez presented an overview of projects anticipated for inclusion in CIP3; some will be bond funded and some will be funded through other sources. Projects at Cañada College include construction of a new science building which will accommodate the increasing growth in STEM (Science, Technology, Engineering and Math) fields; demolition and reconstruction of Building 1, Kinesiology/Wellness; and modernization/renovation of Building 3, Humanities/Performing Arts, and Building 13, multidisciplinary instructional center.

Projects anticipated at College of San Mateo include demolition and reconstruction of Building 19, Center for Innovation and Emerging Technologies; demolition and reconstruction of Building 8, Kinesiology/Wellness; modernization of Building 3, Humanities/Arts; and expansion of Building 5, Workforce/Allied Health Programs.

Projects anticipated at Skyline College include demolition and reconstruction of Building 1, Social Science/Creative Arts, which is seismically unsafe and contains hazardous materials; modernization of Building 5, Library/Learning Resource Center, and Building 2, Workforce/Economic Development Prosperity Center; and demolition of Building 19, Pacific Heights, to be replaced with parking. A future new Kinesiology/Wellness building is included in the Master Plan but is not planned for CIP3.

Districtwide projects include classroom furniture and equipment; parking lot and roadways repair; utility and network infrastructure; repair of surveillance cameras; and renewable and sustainable energy projects.

Mr. Torreano asked how projected costs of construction are determined. Vice Chancellor Nuñez said that along with his very effective staff, the District also uses consultants with expertise in different areas. Mr. Talansky asked if building plans are coordinated with future programming needs at the Colleges. Vice Chancellor Nuñez said the Educational Master Plan is a key document used during planning. Mr. Petropoulos added that faculty and administrators at the Colleges provide information on what is needed at their campuses.

Vice Chancellor Nuñez reported on projects which have been completed, including:

Cañada College – three new study rooms in Building 9; Middle College and Center for Working Adults moves; installation of batter's eye and increase in height of soccer net

Skyline College – Bay Area Entrepreneur Center in downtown San Bruno; theater identification signage; creation of new suite for the Center for International Trade Development in Building 2; dean’s suite in Building 5; carpet replacement in library

Districtwide - Solar Photovoltaic Project Cañada College; athletic fields replacement

Vice Chancellor Nuñez said construction on the North Gateway Project Phase II has been halted due to the termination of the contract, as reported earlier. The project is designed to demolish Buildings 21-29, create a new gateway plaza and renovate two existing parking lots.

Update on B20 and Trees Litigation

Ms. Christensen said two CEQA lawsuits were filed against the District. The first was in regard to Building 20 (the old Horticulture building) and the surrounding area at College of San Mateo. The District lost the case at the superior court and appellate court levels. However, several appellate courts have ruled differently on the specific matter that is the subject of this lawsuit and, therefore, the District appealed the ruling to the California Supreme Court. The Supreme Court has agreed to hear the case and will probably do so in the spring.

Ms. Christensen said the District lost the second case, regarding tree removal, at the superior court level but won at the appellate level. It has not been appealed to the Supreme Court.

Extension of Terms for Bond Oversight Committee

Ms. Christensen said committee members may serve for two four-year terms. She distributed a handout showing when each member’s term ends and whether he/she is currently serving a first or second term.

Committee Members’ Comments/Requests for Future Agenda Items

Vice Chancellor Nuñez said a report on energy efficiency will be presented at the next meeting.

Schedule of Future Meetings: March 5, 2015 and September 3, 2015 (first Thursday every six months)

Mr. Talansky said the next meetings will be held on March 5 and September 3, 2015. Mr. Petropoulos asked if the frequency of meetings will be increased if the bond measure passes. Ms. Christensen said that if the bond passes, the committee will meet four times per year after construction begins.

Motion to Adjourn

	Dworetzky	Lagandaon	Petropoulos	Ryan	Talansky	Torreano	Zanini	Zheng
Motion	X							
Second		X						

Ayes	8
Noes	0
Abstain	0

Motion Passed.

Meeting adjourned at 4:45 p.m.