Regular Meeting No. 14

The Citizens Oversight Committee met for Regular Meeting No. 14 on Thursday, March 6, 2008, in Room B204 in the Hayden Library at Citrus College, 1000 West Foothill Boulevard, Glendora, California 91741-1899.

Members Present
John Serpa
David "Dean" Kays
Jesus Sanchez
Sharon Lewis
Mark Ferrari
Patricia Myers

Members Absent
Bill Bird

Support Staff
Carol Horton
Judy Rojas
Bob Bradshaw
Dr. Michael Viera

Guests

I. CALL TO ORDER
Mrs. Lewis called the meeting to order at 3:30p.m.

II. INTRODUCTIONS
Mrs. Lewis called the roll of the committee members. Mr. Bird was not in attendance.

III. APPROVAL OF MINUTES OF SEPTEMBER 13, 2007 MEETING
Mrs. Lewis asked if everyone was able to review the minutes from the December 6, 2007 meeting. Mr. Kays had some questions regarding the section VII of the 12/6/07 minutes. Mr. Kays asked if the project manager and the inspector for the Center for Innovation had been added to Bob Bradshaw’s staff. Mrs. Horton responded that the Project Manager is a Professional Expert as is Bob Bradshaw.
and the Inspector of Record is a contractor. Carol noted that DSA requires that we have an inspector of record that is approved by DSA on site. She also noted that these 2 positions have been employed by the College since the beginning of the bond projects. Mr. Kays also questioned the statement on the HVAC upgrades that it will be done as a maintenance project without affecting the structure of the building. He asked if it could be done any other way. Carol Horton mentioned that by having it be a project that does not affect the structure of the building it does not have to have DSA approval. Mr. Kays also asked if maintenance projects can be part of the bond. Mrs. Horton stated that the bond language does allow for maintenance projects. Mr. Kays motioned that the minutes be approved as presented. The motion was seconded and the minutes were unanimously approved.

6 Yes

IV. PUBLIC COMMENT
No public comments.

V. BOND REPORT – REVENUE AND EXPENDITURES
Mrs. Horton reviewed the Revenue and Expenditures report that was distributed to the committee which reports the activity July 1, 2007 through February 29, 2008. Cumulative expenditures for this year totaled $8,600,016.90. The net decrease in the fund balance was $7 million with a balance in the bond fund of $24 million. All of the expenditures are noted by project. The Across Projects line item is where Bob Bradshaw, the project manager, inspector of record and Bob’s administrative assistant’s salaries are included. The Student Services Building has been approved by DSA in a record time of 3 months. The project was sent to the Systems Office who sent it to the Department of Finance. The Department of Finance gave us approval to go out to bid and we expect to get the bid approved by our Board of Trustees at the May 6, 2008 meeting. Mrs. Horton commended Bob Bradshaw and his staff for pushing this project through. Dr. Viera also complimented Carol Horton and her contacts at the Chancellor’s Office for getting this project expedited. Dr. Viera stated that it was a team effort. Mrs. Horton stated that out of about 58 projects in the state that were ready access funded, probably less than 10 will make it. That shows how much work our staff did to get this project through. The Central Plant is complete. There are some little programming and commissioning items that we are ironing out. The HVAC upgrades are part bond, part state and part locally funded. The LB remodel is beginning over spring break. Facilities, Construction and Purchasing are organizing the moving and purchasing of furniture for the new offices in the Center for Innovation. Carol reported that the Softball Fields bid came in today. The low bid was $4,087,000. Five bids came in with a large range with the highest at $5.9 million. We had $4.3 budgeted. The bid came in a little less that we estimated. The estimated cost for the East Parking Lot and the Softball Fields was $4.6 million. We spent $1.4 million on the Parking Lot and we added turf to the driving range with this project. That does not include all of our soft costs. We are about $500,000 over budget because of soft costs which includes engineering, testing etc.. We are checking references for the bid winner. We could fine tune the project and take things out to lower the cost of the project but
we do have $3 million unbudgeted in the bond. Dr. Viera asked if there were any alternate bids. Carol stated that there was only one addendum but no alternates. Mr. Ferrari mentioned that he has never seen a field that is artificial turf. Mr. Bradshaw stated that it is not artificial turf but artificial gravel or dirt. Mr. Ferrari asked if we have the ability to not choose the low bid contractor. Mr. Bradshaw responded that we have to choose the low bid unless they pull their bid or they have an extreme problem. Carol stated that in her 20 years as a CBO she has never disqualified a bidder based on Ed Code or Title V regulations. She has had a few that have withdrawn their bid. If a bid is really low compared to the others we discuss it with the contractor to be sure they understand what they have bid. The only way that the contractor can withdraw their bid is if they made a mathematical error which happens by leaving out part of the scope of the project. She has only seen that happen once or twice. Carol has never disqualified because of quality of work. Of course they will only give references that will give them a good report. We have disqualified bidders because the bid package is incomplete. Bid packages require a bid bond, a performance bond, that they are licensed and that they list all their sub-contractors. Once the bid is accepted they cannot switch a sub-contractor. To change subs requires Board approval. Carol’s understanding is that the only way we can disqualify on a pre-bid situation is on the company’s financial stability. But once the bids come in we have to use the low bidder. Carol said that we do not pre-qualify contractors based on financials. The laws make it almost impossible to disqualify a contractor. The contractors are lobbying in Sacramento to make sure that the laws do not change so that we are required to take the low bidder and the unions are also supportive. The contractors have to pay prevailing wages and we are now by law required to check that they do. Dr. Viera added that that is another soft cost that we have had to add into projects. Mrs. Horton stated that even though we have always required prevailing wage sheets from the contractors we are now required by law to have labor compliance contracts on state funded projects such as Vocational Technology and Student Services. Dr. Viera stated that we have a balance of $24 million in the bond fund but we have another $60 million that we have not touched yet. Mrs. Horton stated that with the projects we have coming up we have had Lori Amato working with Rosalinda Buchwald to do a detailed cash flow analysis of the bond funds. We may have to issue as early as January next year. Mr. Serpa asked how the bond market is doing with the current state of the economy. Mrs. Horton responded that it is not good and they are not selling. There is a problem with the insurers that we were using. Two large insurers have dropped in their ratings from AAA to B or B-. We will probably go uninsured the next time we sell bonds and we will have to use more than one investment banker. We have exclusively used RBC Capital Markets and we will probably have to spread it around to two or three investment banks to make sure that all the bonds sell. Mr. Serpa noted that construction is down in commercial building. Mrs. Horton added that she hopes that helps us with Student Services, but the Softball Fields is a specialized area. Mr. Kays stated that he felt that there would be a way for us to insure the government bonds. Mrs. Horton stated that the reason we sold them with insurance is because we had AA- rating and the insurers had AAA+. If we sold them with insurance the rating on the bond went up which made them more marketable with a better return for the investor. Now
that the insurers have lost their ratings there is no reason to pay for a lower rating than ours is. Our bonds will therefore be more expensive which may cause the investment banker to buy them themselves. That is why we need to add some investment bankers. Mr. Ferrari asked for the three different funding sources how does the college decide how to spend the funds. Mrs. Horton stated that we always spend the state money first and then bond funds. Originally the Vocational Technology Building was built into the bond because when we passed the bond the state legislature had not approved the funding of the Voc Tech Building. When it was approved the funds was shifted from the bond fund which freed up $13 million of bond funds. Mrs. Horton added the bond language is flexible enough and did not name specific buildings so we can renovate, build new, upgrade systems, equipment but does not name any specific projects. Mr. Serpa asked if the state money we have been promised is firm due to the deficit. Mrs. Horton stated that the State is selling bonds too and they are having trouble selling them. Mr. Kays stated that he found the bond language to be very flexible to accommodate the changing needs of the campus and that it is the committee’s responsibility to certify at the end of the year that the funds are spent for what the bond intended. Mr. Ferrari added that it is so important because there are some bonds that have very restrictive language. Mrs. Horton stated that we are very careful and if there is anything questionable, we will pay it out of our capital projects fund.

VI. CONSTRUCTION UPDATE
Bob Bradshaw provided and reviewed the Bond Program Status Update Report as of March 6, 2008.

- Campus Landscaping – We are working with a landscape architect to dress up a few areas of campus and to create some more comfortable sitting/gathering areas. We will have some design proposals that will be presented soon. Carol Horton also stated that we are also getting irrigation plans in some areas that are currently not irrigated. Dr. Viera felt that it would look nice if we could have a row of citrus trees on Foothill Blvd. We have now planted 25 and we are planning to add more in front of the Center for Innovation.

- Center for Innovation – We are starting to move furniture in on the third floor and beginning to add the technology equipment. We are looking at moving people in mid April. Once the people are moved out of the Liberal Arts Building we will begin the LB remodel. Dr. Viera asked if we have resolved the fiber optics problem on the first floor. Bob Bradshaw stated that they have been replaced and taken care of and Leigh Buchwald and MIS are testing.

- Field House – Foundations are poured and concrete columns are up. Most of the underground is in place. The contractor feels that he will be on schedule but we lost a month with the rain.

- Gymnasium Upgrades – We will be installing a new floor, painting the interior and upgrading the lighting. Mr. Ferrari asked if we have looked into any reclaiming of the old materials. Bob Bradshaw stated that the floor has been down for 50 years and has been re-sanded many times and he is not sure what it can be used for. He will bring that up with the floor contractors. Mr. Ferrari noted that he knows of a company named Terramay that sells
reclaimed wood and there is a big movement for reclaiming and reusing. Carol Horton stated that we have always stripped the copper from our buildings but it depends on how you write the contract. For the Math/Science Building it was too hard to get into the walls to reclaim it so it was up to the contractor. Mr. Bradshaw stated that if we have to disturb hazardous material we have the contractor do it. Mr. Serpa asked if the floor was on a concrete base. Carol Horton stated that there is concrete base with wood sleepers and then the floor on top of that. The floor was installed in the late 1950’s and it is too risky to leave it, because it may have water damage or soft spots etc..

- Hayden Hall Remodel- We have a cost estimate for a final project proposal from an architect to be submitted to the state for funding to renovate and restore Hayden Hall. Mrs. Lewis asked what that building was going to be used for because it was one of the original buildings that she remembers. Dr. Viera stated that it is the oldest building on campus and was built in 1934. We are getting state funds for this because it is so old. The Student Health Center, Distance Education Program and a large classroom are in there now and it was once a theatre. We anticipate making it into a campus center building for small meetings, mail boxes, small faculty lounge. Dr. Viera and Carol Horton would like to restore some of the original qualities of the building. Carol Horton stated that in the original project proposal for Vocational Technology, Hayden Hall was supposed to be demolished, but the Dr. Viera agreed with Carol Horton that it should be restored and make it a useful area for faculty. The way the building is built it should not be too much of a problem to raise the floor. The funding will be 50% bond and 50% state. Mrs. Lewis noted that the Alumni Association will be very happy.

- HVAC Upgrades – Upgrades in Video Tech and the Physical Science Building are on schedule to be done this spring. These buildings will be brought online with the Central Plant also.

- Liberal Arts Building – As part of the secondary effects of the Center for Innovation Building, the offices on the first floor of the LB Building will be turned back into classrooms. The first floor restrooms will also be renovated.

- Main Campus Gateway – The new marquees are up and working. We received a rebate from SCE because we are using LED lighting.

- Main Gym Remodel – The architects and engineers are looking at the project. This is a secondary effect of the Field House Project. The locker rooms and offices will be renovated. Carol Horton noted that a big part of this project is the removal of the West Gym. This building has deteriorated beyond our ability to repair it. The remodel will provide the main gym with both men and women locker room facilities. This will meet Title IX requirements.

- Soft Ball Fields – We have discussed previously.

- East Parking Lot – It is complete and being used.

- Student Services Building – The project is currently being advertised with the bid opening scheduled for April 17th. We are getting a good response.

- Vocational Technology Building – This is not a bond project, but the Tech O and Tech D buildings have been demolished. Hazardous materials found have been abated. Excavation and re-compacting for the building pad will be done next week.
West Campus Access Drive – We have an existing driveway on Citrus that will lead to a construction vehicles only road for the Student Services construction site. When the construction is complete they will pave over and make it a new entrance for students and staff. Hopefully this will alleviate some of the traffic congestion at Foothill and Citrus.

P1 and Foundation Publication Remodel – The Esthetician program will move temporarily into P1 next fall and a classroom will be constructed in the Foundation/Publication Building. Carol Horton noted that we have 3 portable buildings on campus. The largest one P1 is really in a bad location and has been used for swing space since 1995. We have used it as a temporary location for cosmetology and as the temporary library. We own the building and we look forward to demolishing it. We hope to someday get rid of the 3 relocatable buildings and the Life Long Learning Center which is a modular building. Dr. Viera would like to have the area where P1 is be the east quad and the area between the Performing Arts Center, Student Services and the Fine Arts Complex the west quad. Bob Bradshaw and Carol Horton agreed.

VII. WEBSITE UPDATE
Judy Rojas noted that any items that you receive at these meetings; agendas, minutes, reports are posted on the Citrus College website immediately after the meeting. Mr. Serpa asked about the status of the annual report. Carol Horton responded that it was approved at the February 5th Board of Trustees Meeting and the Board was very pleased with it. Mr. Serpa asked for a dozen to give to the Claremont Library as he was not able to attend the meeting. As your service to this committee you represent different constituent groups. If you would like copies to pass out at events or meetings, please call Judy Rojas.

VIII. REQUESTS OF STAFF/ITEMS FOR FUTURE MEETINGS
Carol Horton stated that she would like all of the committee members come to the dedication of the Center for Innovation Building on May 6, 2008 at 3:00pm. A regular board meeting will follow the dedication. Invitations will be sent to you in the mail because of your representation on this committee as well as other affiliations. Since this building is the first to be built solely with bond funds, Carol would like the opportunity to introduce you and recognize you for your service. There is a movement on campus through our board policies and regulations to have the Center for Innovation Building named after Dr. Louis Zellers. It is a Board of Trustees decision and they have been informed that Dr. Viera will be bringing the recommendation to the board for approval. Our next meeting on June 5, 2008 will be the campus tour and we will start at the Center for Innovation. Bring your hard hats.

June 5th is also the last official meeting for Mr. Bird, Mr. Kays, Mr. Serpa, Mrs. Lewis and Jesse Sanchez. The board of trustees is looking for new members for the committee for each of the constituent groups that you represent. They will be approved by the board of trustees prior to the September 4th Citizen Oversight Committee meeting, but we would like each of you to attend the September 4th meeting. This will give you an opportunity to share any experiences you have
had and to pass the gavel to the new members. Carol Horton has not reviewed the bylaws but she thinks that the members of the committee select the chairperson. Dr. Viera also believes that the committee selects the chairperson. Carol Horton would like to recommend that the committee choose Mark Ferrari and he has agreed to take on the job.

Sharon Lewis wanted to thank the members that came to the February 5th Board of Trustees Meeting to support her. Sharon thanked everyone for their reports and she learned a lot as always. She also stated that she will miss coming to these meetings. Carol Horton noted that this is an open meeting and she is always welcome.

IX. SCHEDULE OF UPCOMING MEETINGS
June 5, 2008 – 3:00pm- Conference Room – Center for Innovation (Campus Tour)
September 4, 2008 – 3:30pm- Conference Room – Center for Innovation
December 4, 2008 – 3:30pm- Conference Room – Center for Innovation

X. ADJOURNMENT
The meeting was adjourned at 4:42pm.

Respectfully submitted,
Judy Rojas
Administrative Assistant
Office of the Vice President of Finance and Administrative Services