



REGULAR MEETING OF THE CITIZENS OVERSIGHT COMMITTEE

Tuesday, August 6, 2002

MINUTES

Prior to the meeting, members of the Citizens Oversight Committee (with the exception of Dan Marostica, and Mike Spence), and staff members Bill Feddersen, Randy Hartman, Jeff Holstien, Nancy Rice, John Heneise, Karen Meyers, and Carol Ryerson toured the Health Careers Center and English as a Second Language site, and heard a presentation by HMC Architects which included the following information:

- HMC explained that the new site location (north of Temple) was chosen due to improved parking and better proximity to the rest of the academic buildings on campus. Additionally, the new site allows for tie-in to the new campus cogeneration plan, providing for substantial savings in HVAC costs for this project.
- The site layout and design had to accommodate the requirement for fire truck access to within 150 feet of all building components and required some on-site parking. Additionally, the ESL building needed a large dedicated area for student pick-up and drop-off.
- The buildings are two-story steel braced frame structures with exterior plaster cement exterior finishes with brick veneer used at key building entry elements. Total building area for both structures equals approximately 85,000 square feet.
- The buildings are placed on the site to create an interior common courtyard which includes seating areas and shade trees in the middle.
- The buildings are connected to each other with covered walkways and bridges. The bridge connection allows for two elevators to serve the entire project instead of the four elevators that would have been required if the buildings were totally separate.
- The Health Careers Center houses programs for instruction in Medical Services, Radiology, Respiratory Therapy, Nursing and Mental Health. It also houses the Health Careers Resource Center, and the Regional Health Occupations Resource Center (RHORC). Administrative support spaces also are provided.
- The ESL building contains classrooms and administration support spaces for the English as a Second Language program.
- A food services space is housed in the south end of the Health Careers Center. This will serve as a small convenience store including coffee, packaged food and beverages, as well as scantron forms and other supplies.

CALL TO ORDER

The regular meeting of the Citizens Oversight Committee of Mt. San Antonio College was called to order at 6:38 p.m., on Tuesday, August 6, 2002.

CITIZENS OVERSIGHT COMMITTEE MEMBERS PRESENT

Ron Everett	Lina Ledford	Barbara Price
Edward Lo	Richard Malooly	Forest Tennant
Marina Montenegro	Roy Test	Abhay Shah

CITIZENS OVERSIGHT COMMITTEE MEMBERS ABSENT

Mike Spence	Dan Marostica
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STAFF PRESENT

Bill Feddersen, President
 Nancy M. Rice, Vice President, Administrative Services
 Jeff Holstien, Director, Facilities Planning & Management
 Randy Hartman, Assistant Vice President, Bovis Construction
 Diana Casteel, Executive Assistant to the President and Board of Trustees
 John Heneise, Dean, Technology & Health

GUESTS PRESENT

Dr. Manuel Baca, President, Board of Trustees
 Rod Carter, Managing Director, RBC Dain Rauscher
 Liselee Wells, Fulbright & Jaworski, L.L.P.

1. WELCOME

Chair Forest Tennant welcomed everyone to the third meeting of the Citizens Oversight Committee. Since there were a couple of new guests, he asked everyone to do a brief self-introduction.

2. APPROVAL OF MINUTES

It was moved by Ron Everett, seconded by Barbara Price, to approve the minutes of the April 16, 2002 meeting. Motion unanimously carried.

3. ANNOUNCEMENT BY BOARD PRESIDENT MANUEL BACA

Dr. Baca announced that after 11 years as President of Mt. San Antonio College, Dr. Feddersen will be retiring. Beginning September, the new College President will be Christopher C. O’Hearn, current President of Mission College.

4. PURPOSE OF CITIZENS OVERSIGHT COMMITTEE

Dr. Tennant said he appreciates the tours provided before each meeting. They are quite educational for members of the Citizens Oversight Committee.

He also reminded Committee members that the purpose of the Citizens Oversight Committee is to make sure that what the voters approved gets completed, and to publish an annual report. He asked Committee members to begin thinking about how the report should be prepared. There was also discussion on when the report should be released. Is the end of the year the date from when the committee was formed or when the bonds were sold? The consensus seemed to be that June 2003, one year after the first bonds were sold, would be a good time for the first annual report. Nancy Rice will discuss this with Vicenti Lloyd & Stutzman, the firm that will be doing both the financial and performance audits.

5. REVISED BOND BUILDING PROGRAM MATRIX

President Feddersen distributed copies of the bond building program matrix (dated December 2001) that was distributed to Committee members at their first meeting. He also distributed the revised bond building program matrix that was approved by the Board of Trustees in July 2002.

He went through the revised matrix reviewing each project and explaining why adjustments, if any, had been made. The first \$40 million bond series of Mt. SAC's \$221 million bond was sold in May and phase I is well underway. All of the project teams are working diligently on detailed planning of the new facilities. There is no change in the phasing of projects. The revisions to the bond budget and schedule matrix are necessary to reflect more accurate budget projections, timetables, and scope of certain projects.

Committee members asked questions regarding making adjustments down the road and how these numbers are supported. It was explained that Bovis Lend Lease has a full-time estimator on staff who works with architects and other firms. We also have allowed for costs increases in the initial estimated costs. Should flexibility be required, we have scheduled maintenance, campus renovation projects and a contingency where adjustments can be made.

Dr. Feddersen said there are many checks and balances in place. One is the Campus Master Plan Coordinating Team (CMPCT) which meets almost weekly. Membership consists of the President, Vice President of Student Learning, Vice President of Administrative Services, Director, Facilities Planning & Management, and the Assistant Vice President from Bovis Lend Lease. No changes in a project's scope, budget, or square footage can be made without approval of this group.

6. UPDATE ON PHASE I PROJECTS

Jeff Holstien gave an update on current active projects:

- *Science Laboratory Complex* – Actually two buildings, one funded by the bond and one by the state from the November 2002 State Bond Measure. Both are in the design development phase. Plans will be submitted to the Division of the State Architect during the first week of September. We should be bidding the project in the spring and breaking ground by October 2003.

- *Workforce Training Center* – This project has been delayed slightly to avoid the expense of moving and relocating the temporary buildings that are housed on the site of the new Center. It is at the schematic design and user group meetings stage.
- *Energy Conservation* – Expect to have a final contract on Phase II in two weeks and construction to begin in 30 days. The Viron performance contract concept was reviewed. During Phase I, Viron guaranteed that the College would save \$700,000 per year in energy costs. Phase II has a guaranteed yearly savings of \$1.2 million per year, and includes a central heating and cooling plant.
- *Agricultural Science* – Beef unit was awarded along with relocation of the tractor barn at the last Board of Trustees meeting. Work should start within the next ten days.
- *Athletic Fields* – Completed design development. Plans will be submitted to the Division of the State Architect during the first week of September. Construction should begin around March 1, 2003, with a completion date of October 2003.
- *Health Careers Center and ESL Building* – Completed design development. Plans will be submitted to the Division of the State Architect during the first week of September.
- *Student Services Center Renovation* – At the schematic design and user group meetings stage. Should be going to the Department of State Architect within the next nine months. Scheduled for completion in bond series B.
- *Welding/Air Conditioning Programs* – Completed design development. Plans will be submitted to the Division of the State Architect during the first week of September. Construction should start before July 2003.
- *Music Expansion* – At the design development stage and moving along nicely.

There are currently 11 major projects that will be getting off the ground within the next nine months.

Randy Hartman and Jeff Holstien will work with the Public Information Office to arrange a photo opportunity and media story for the first groundbreaking, which will be the two agricultural structures. Committee members will be invited to participate in the ceremony. It was suggested that we should try to have something in the newspaper every three months so the community knows what's happening with the bond projects.

7. HEALTH CAREERS CENTER & ESL BUILDING

As a follow-up note to the group's earlier tour, Dean John Heneise commented that HMC Architects have been great to work with. He said they communicate with the user group on a weekly basis. Both he and other user groups said working on a building from the initial design stage has been a wonderful experience and will result in more classroom and lab space for students.

8. HOW BONDS ARE SOLD

Rod Carter, Managing Director, RBC Dain Rauscher, distributed information explaining General Obligation Bonds, how they are rated, and how they are sold. There are basically two types of bonds – taxable bonds and tax-exempt bonds. Only public agencies can release tax-exempt bonds.

He explained the role of each group involved in overseeing the bond process:

Bond Counsel – For Mt. San Antonio College, Fulbright & Jaworski, L.L.P. serves as bond counsel. They oversee the legal aspect of the transaction. The fee for bond counsel services is paid from bond proceeds.

Manage/Underwriter – This is the responsibility of RBC Dain Rauscher. They help structure the bonds and guide the College through the issuance process. Manager/Underwriter's fees are paid from bond proceeds.

The County – The County is the legal issuer of the bonds since the College has no ability to levy taxes.

Paying Agent – Their role is to remind the County that debt service is due, receive the money from the County, and pay the investors. The ongoing annual fee must be paid by the District General Fund.

The process for issuing a bond series takes about 60-90 days. He reviewed the steps involved in that process. The most important aspect of this process is obtaining the rating. There are four steps involved in determining the rating:

- 1) The finances of the District. He noted that they were very impressed with how Mt. SAC manages its FTES (full-time equivalent students) and the level of financial reserves.
- 2) The economics of the area.
- 3) The levels of public debt are reviewed.
- 4) Management. While this is subjective, the policies and practices of the College management, staff, and governing board are reviewed.

Mr. Carter explained the differences in the ratings – from triple B to triple A. He pointed out that no K-12 district or community college in California has a triple A rating. Mt. SAC received a double A rating, but by obtaining insurance, was given the triple A rating.

9. BOND COUNSEL PRESENTATION

Liselee Wells, Fulbright & Jaworski, L.L.P., the College's bond counsel firm, reviewed the difference between Proposition 39 bonds and Proposition 46 bonds, which require a 2/3rds majority to pass, as well as what is permitted and not permitted under each proposition.

She also reviewed the role of the Citizens Oversight Committee. It is an advisory group only, but is responsible for informing the public at least annually in a written report concerning the expenditure of the bond proceeds. The report should be provided to local newspapers and she suggested it be included on the College's web site.

Nancy Rice was directed to talk to Vicenti Lloyd & Stutzman about when they will be completing the first financial and performance audits and for their advice on when the annual report should be completed. Ms. Rice said it is tentatively planned for a representative from the auditing firm to attend the next Committee meeting.

10. ACCOLADES TO DR. FEDDERSEN

Board President Baca said the Board is very proud of the College, and particularly its management staff. It is also proud of the Citizens Oversight Committee. When it was faced with making appointments, the Board was interested in appointing people who are insightful and would complement the staff. The current membership is doing that. Dr. Baca recognized Dr. Feddersen for the College team he has put together – without them, we would not be here today. He said this is Dr. Feddersen's last meeting with the Citizens Oversight Committee and he wanted to publicly acknowledge all the work he has done on the bond measure and now on improving the College's facilities.

Abhay Shah echoed Dr. Baca's comments adding that he has known Dr. Feddersen as long as he's been a student here and he has found the President to be student-focused and always available.

Committee members wished Dr. Feddersen well during retirement.

In recognition of Dr. Feddersen's contributions to Mt. San Antonio College, it was moved by Ms. Montenegro, seconded by Mr. Everett, to recommend to the Board that one of the new buildings included in the bond program be named after him. Motion unanimously carried.

11. NEXT MEETING

The next meeting will be held on Tuesday, November 19. A tour will be planned to begin at 5:00 p.m. and the dinner meeting will begin at 6:00 p.m.

12. ADJOURNMENT

The meeting adjourned at 8:35 p.m.

WHF:dc