



DESERT COMMUNITY COLLEGE DISTRICT
College of the Desert

Citizens' Bond Oversight Committee Meeting
September 14, 2005
3:00 p.m. – 5:00 p.m.
Foundation Board Rooms
Minutes

Members Present: Ms. Sylvia Castellon-Calvache (Student); Dr. William Feddersen (Senior Citizen Group); Dr. Ward Fredericks (College Support Organization); Mr. Paul Magana (Business Representative); Ms. Marylou Marrujo (Member At-Large – East Valley); Chief Gary Jeandron (Member At-Large – Palm Springs)

Members Not Present: Ms. Marjorie A. Kussman (Taxpayers' Association)

In Attendance: Mr. Tim White, Program Manager/PinnacleOne, Inc.; Mr. Jon Hudson, PinnacleOne, Inc; Mr. Chris Bradley, tBP/Architecture; Mr. Jerry Patton, College of the Desert's Vice President, Administrative Services; Mr. Steve Renew, College of the Desert's Director of Maintenance and Operations; Ms. Jennefer Garcia, Sr. Administrative Assistant PinnacleOne, Recorder.

Call Meeting to Order - Dr. Feddersen called the meeting to order at 3:05 p.m.

Approval of Minutes from June 15, 2005 Meeting – Motion to approve minutes as presented: Dr. Ward Fredericks requested that the page two under section 4. Quickstart Projects, paragraph one, should correct the wording to state: "It was brought up that the costs for seismic upgrades in the gym are escalated, not elated." It currently reads: "It was brought up that the costs for the seismic upgrades in the gym are 'elated'".

Motion by Paul Magana, Second by Dr. Fredericks to approved the minutes with the correction with the first paragraph under section 4. Quickstart Projects to read, "It was brought up that the costs for seismic upgrades in the gym are escalated." All approved.

Comments from the Public – No Public Attendees present.

Measure B Bond Language – Jerry distributed and read over the two-page document entitled, MEASURE "B", EXHIBIT B; FULL TEXT BALLOT PROPOSITION OF THE DESERT COMMUNITY COLLEGE DISTRICT BOND MEASURE ELECTION MARCH 2, 2004. A spread sheet prepared by PinnacleOne was also distributed along with this document to cross reference the current and future projects, and the areas that are being focused on with respect to these bond projects.

With attention given to the first paragraph under **Safety and Security: Sites** Listed Repairs, on page two of the Exhibit "B" document, there was discussion concerning the cost projection verses the cost escalation. Colleges are experiencing a 30% over construction estimates due to increased prices in materials. As we get closer to the actual bidding of each project, the college will need to reconsider the existing cost estimates and adjust the program to reflect the cost of inflation and cost escalation.

Currently, there are five projects in the Series "A" stage of the Bond Program. The concern is not about Series A, but Series B and beyond. PinnacleOne has hired an outside consulting firm to project construction costs up to 2015.

Sylvia Castellon-Calvache asked if the order of the projects shown on the spreadsheet is the actual order of priority. Jerry responded by stating, "No, the priority is the Phase 1, Series A projects as listed on the Master Plan".

Dr. Ward Fredericks asked if this is a warning sign of potential problems with respect to funding. Jerry responded by stating, "Not necessarily, but it is a warning that construction cost escalation may result in higher bids. PinnacleOne projects a shortfall of about \$500,000.00 for the entire bond program based on current cost estimates, which includes a provision for reasonable cost escalation and inflation. The current spike in construction costs is unpredictable and most likely cannot be sustained at this level over a long time range. Costs will moderate, but no one can predict when that will occur. PinnacleOne has had their cost estimates reviewed by a third-party consultant who has confirmed the bond project budgets as reasonable.

Question was raised: Can we pre-purchase materials to eliminate paying higher prices as costs' inflate? Tim responded by stating, "This is possible in some cases. Storage of the materials would be a huge factor. Fabricated items are possible, but raw materials such as cement, steel, and rebar are being exported, so the cost is higher.

Program Manager Update

Most all 2004 Invoices from Barnhart have been cancelled by Barnhart. With regard to lost time on the project, we are approximately 3 months behind in the Design/Production phase. But with the reduction of costs by Barnhart, we are actually paying less for the Project Management services at this point in time.

Phase I Projects Update

A PowerPoint presentation was presented to the committee. Tim White reviewed the items listed below:

1. Measure B Objectives: Overview
The three areas of the Measure B Citizens' Objectives are as follows:
 - a. New Construction
 - b. Building Repurposing
 - c. Additional Campuses

2. Series A – August 2004: Reviewed series A projects: \$65,000,000.00
The following estimates of completion for each project are as of: August 31, 2005
 - a. Infrastructure Installation and Repair – 1% completion
 - b. Building/Classroom Renovation – 5% completion
 - c. Temporary Classrooms and Office Space – 99% completion
 - d. Parking Lot Design and Construction – 75% completion
 - e. Site Development – Main Campus – 1% completion
 - f. Planning and Design – East Valley Campus Phase I - 0% completion
 - g. Voice Over IP Communication – 100% completion

3. Current Program Status, Continuing Program Elements and Design Guidelines Status.

Current Program Status: Quickstart Projects are small in value and quick to complete. Normally the work resolves life safety and maintenance issues of an immediate concern to the safety and welfare of the campus.

New building Design teams are concentrating on five (5) new buildings and the Infrastructure.

The Financial update will show a breakdown of soft and hard numbers with reference to the slated projects.

The Continuing Program Elements were explained by Tim White

a. Continuing Program Elements (Milestones & Projections)

i. **Infrastructure Planning Campus**

1. Master Infrastructure Plan completed 7/31/2005.
2. Selection Committee has reviewed applicants, and scheduled three (3) qualified consultants for final interviews on 9/29/05 and 9/30/05. Contract to be awarded by 10/15/05.
3. Infrastructure work is scheduled to begin in six to seven months.

ii. **ADA Assessment**

1. The initial report has been completed, with all barriers identified. Michael O'Neill of DSPS will be submitting the plan for review by DSPS. The review will be completed by 9/27/05 with any recommended changes to be completed by 10/15/05.

iii. **CEQA EIR Documentation**

1. The complete study and initial draft is due on 9/30/05, with the review and final draft to be submitted to College on 12/07/05.
2. EIR filed by 12/23/05.

iv. **Seismic Evaluation of Existing Structures**

1. Seismic surveys are to be completed by 10/31/05.
2. The early estimates are within the estimated budget summary for seismic concerns.

v. **Campus Standards Handbook**

1. The Program Management Team chose to slide the review due date to 10/31/05 to allow more time for Faculty and Staff to comment.

vi. **Landscape Master Plan**

1. Currently under review.

vii. **Development of Future Campuses**

Tim White explained the Quickstart Projects to the committee as small projects of short duration that need immediate attention due to maintenance problems or life safety issues.

b. Quickstart Projects

- i. **Gymnasium** – Stage and Gym floor replacement.
- ii. **Liberal Arts/Culinary Kitchen** - selective demolition, FRP panels, new oven hoods, fire suppression system at oven hoods and quarry tile floors.
- iii. **Stadium Locker Room** – There was water damage. Remove and replace plaster ceiling and patch walls.
- iv. **Diesel Mechanic Building** – Refinish floors.
- v. **Sidewalk Repairs** – Safety issues to address - repair lifted cement.
- vi. **Carol Meier Hall** - Roof replacement

c. New Building Design Teams

- i. **Nursing** – This is an 18,000 ASF building that is the most advanced in the process. There are a number of entities that must review and approve each phase of design, and great progress is being made. The Programming is 100% complete and up for review to the Deans, Vice Presidents Cabinet, and Facilities Master Planning Committee.
- ii. **Public Safety Academy (Phase I)** – This is an 11-12,000 ASF building that is closely following the Nursing building with respect to the approval process, approximately one (1) week behind. The Programming is 100% complete, and the approval process will begin about October 5, 2005.

- iii. **Learning Commons** – This is a 30,000 ASF building that is slightly behind the first two in the programming phase due to the complexity, and greater number of people to relocate. Dr. Ramirez is doing an excellent job in guiding all of the functions through the process. The programming is at 75% completion.
- iv. **IT/Classrooms** – This is a 21,000 ASF building which is the most flexible building on the schedule with respect to Classes versus IT space. This project has not progressed as quickly as the others at the request of the College, as there is a rapid growth with unanticipated numbers, and technological needs. The programming is 20% complete.
- v. **Alumni Center** – This is a 3,000 S. F. building to be built near the water tank along the North boundary of the campus.

PinnacleOne is on target with the projections from the last 90 days, with the exception of the IT Building that is temporarily on hold pending a possible program revision based on previous growth projections.

4. Development of Future Campuses:

Eastern Valley Campus – Jerry discussed the Center selection process and disclosed that there are five (5) sites under consideration. These are being narrowed down to two (2) sites, then down to one (1) site, at which time the college will enter into negotiations with the land donor.

5. Design Guidelines Status – by Chris Bradley, tBP/Architecture. Utilizing a PowerPoint presentation, Chris reviewed and answered questions concerning the recently completed College of the Desert Campus Standards Handbook. It is also posted on the College of the Desert Intranet sight for further review by college staff and others. . .

Phase I Bond Project Financial Report

Jerry explained to the committee that the College recently refinanced the bonds at a better rate, reducing the debt and payback time. The current interest rate for the debt service fund on deposit with the Riverside County Treasurer is around 2.6%.

In approximately three weeks the auditors will complete the annual Financial and Performance Audit. There were no findings in Performance Audit. There was one (1) finding in the Financial Audit. The finding was that the fund balances of both the College and the county treasurer indicate that \$274,756.07 for Debt Service was deposited along with the \$65,000,000 bond proceeds in the Building Fund instead of in the Debt Service Fund. The County of Riverside must correct this error in order to balance since they did not follow the wire instructions for setting up the funds. Policies and procedures are being followed with reference to the management of funds. The final Audit Report will be distributed to the committee. .

Oversight Committee's Annual Report

1. The Annual Report is due to the Board of Trustees and the community. Jerry handed out three (3) different examples of Annual Reports from other college citizens' bond oversight committees.
2. Paul suggested a special meeting to be scheduled within the next thirty (30) days to review and work on a draft of the committee's first Annual Report.
3. The Committee would like the auditors to be present at the next meeting to discuss the Financial and Performance Audit findings.
4. The Annual Report should be ready for distribution in October or November of each year.
5. Jerry will put together a draft of the report and email to the committee by October 1, and the committee members will review and provide input for the final report.

6. Sylvia suggested that more pictures and less verbiage would make for a better presentation.
7. It was discussed and agreed that the Coast District Annual Report was the best choice to model our template after.

Series A Expenditures to Date (8/31/05) Analysis

1. Tim White explained the Financial Spreadsheet Project by Expense and Budget 8/31/05 prepared by Jon Hudson, PinnacleOne.
2. The percentage of expenditures will be included in the next Financial Sheets and will reflect actual numbers from the Auditors with the Report as of June 30, 2005. The percentages will allow for a comparison of soft and hard number costs.
3. Program and Planning costs are spread out over the life of the Bond. There is an anticipated cost increase of 20-30% statewide.

Future Meetings & Agenda Items

Dates and times for FY2005-2006 are October 11th (special meeting-tentative), December 14th, March 15th and June 14th at 3:00 p.m. in the Foundation Board Room.

New committee appointments – Committee announced the departure of Sylvia Castellon-Calvache, and thanked her for her work on the Committee, wishing her well in her future education. The newly appointed student will be Mathew Vargas, who was the Student Government's choice for the one (1) year term. Paul Magana (Vice-Chair and Business Representative) will serve one more term. Both appointments are on the Board of Trustees agenda on Thursday of this week.

There was discussion concerning 90 day project reports – how to present projects, what the committee expects to see, and how much detail is requested from the committee. The committee was asked to make suggestions regarding the format of quarterly project reports.

Committee Self-Evaluation:

Dr. Feddersen stated that the committee should conduct an informal self-assessment of how well it has functioned and how it can improve its effectiveness.

He said that discussion should include additional ways to communicate to the public: The College's Public Information Officer will be invited to the December Meeting to participate in the discussion, and asked to bring additional suggestions for lines of communication. Currently, the Internet is the committee's primary form of communication. Jerry mentioned that he and other staff plan to make presentations on progress of the bond programs to public and community organizations as well as local city governments.

Each committee member was asked to make a few comments regarding their perception of how the committee has been functioning in its first year. Suggestions included shortening the length of the meetings and starting a little later.

Sylvia commented that the entire experience on the committee has been very pleasurable, honorable, and educational. She said she was impressed with the thorough preparation and high degree of organization at the College, and with great effort being shown by all.

The meeting was adjourned at 4:45 pm.