



## *MINUTES*

### SANTA BARBARA COMMUNITY COLLEGE DISTRICT

Thursday, February 17, 2011

### CITIZENS' BOND OVERSIGHT COMMITTEE MEETING

4:00 pm

Luria Conference and Press Center  
Santa Barbara City College  
721 Cliff Drive

#### 1. Call to order

Ed Heron called the meeting to order.

Committee members present:

Sally Green  
Ed Heron  
Lee Moldaver  
Nicole Ridgell  
Mark Levine

Others present for all or a portion of the meeting:

Dr. Andreea Serban, Superintendent/President  
Joe Sullivan, VP Business Services  
Marsha Croninger, Trustee  
Liz Auchincloss, CSEA President  
Joan Galvan, PIO  
Steve Massetti, Measure V Project Manager

#### 2. Welcome new members

Ed Heron introduced the members of the Citizens' Bond Oversight Committee, Sally Green, Lee Moldaver, Joe Bailey are new members. Joe Bailey could not be at the meeting today. The continuing members are, Lanny Ebenstein, was not able to attend this meeting, Ed Heron, Mark Levine and Nicole Ridgell. Thanked the outgoing members for their two years of service, Tim Tremblay, Marshall Rose and Elvira Gomez de Tafoya.

#### 3. Public comments

No citizen expressed a wish to address the committee.

#### 4. Approval of the minutes of the November 10, 2010 meeting (Attachment 1)

Upon motion by Mr. Moldaver, seconded by Mrs. Green, the committee approved the

minutes of the November 10, 2010 meeting. Mr. Moldaver abstained as he was not at that meeting.

5. Election of chair

Mr. Moldaver moved to reelect Ed Heron as Chair, Mrs. Green seconded the motion, the Committee approved the nomination. Mr. Ed Heron was appointed Chair of the Committee.

6. Election of vice-chair

Mr. Moldaver moved to elect Sally Green as Vice-Chair, Ms. Ridgell seconded the motion, the Committee approved the nomination. Mrs. Sally Green was appointed Vice-Chair of the Committee.

7. Audited financial statements for Measure V Bond for fiscal year 2009-10 (Attachment 2)

Vice President Joe Sullivan, Business Services reported on the audited financial statements. A clean audit opinion was received for the period of 2009-10. It was noted that to date about 26% of the funds have been spent. Mr. Levine asked how long we had to spend the funds. Vice President Sullivan reported that there are requirements that we must spend at least 85% in the first three years, but we can take longer to spend the money as long as the interest we earn is less than the interest we pay. The main reason the funds have not been spent is that we are not building School of Media Art (SoMA), the funds have been redirected, which is allowing us to do Humanities and the Campus Center without receiving the state funds that the college assumed we would likely receive. The College Planning Council is currently discussing the rankings of where we will spend the bonds when we receive total bond expenditures. Asked the committee if they had any questions regarding the financial statements.

Mr. Heron asked about the initial issuance of the bonds and Vice President Sullivan noted that the original issue was for \$47 million and the next issue will depend on the timing of the projects. The funds will not be taken down until they are needed and we will expend all of these funds, the \$47 million, before we take a second offering. The bonds are repaid through property tax assessment that was \$8.50 per \$100,000 of assessed value. At this time it looks like we will sell the remaining funds in two different take downs because of the timing of the construction projects.

Superintendent/President Serban reported that the three year period for the first take down is November 2011 and we have discussed this with our bond legal counsel and he said what we'll need to have written justification as to why we haven't spent the funds.

Mr. Moldaver moved to approve the audit, Mrs. Green seconded the motion, the Committee approved the audit.

8. Measure V 2010 annual report (Attachment 3)

Steve Massetti, Measure V Project Manager, reviewed with the committee the 2010 annual report. The format is the same as last year's. This report is broken into two parts, one is the audited financial report and the other is the actual work that has taken place. It

was noted that the audited financial report is on a fiscal year that ends June 30, and because of the timing of the report the projects are by calendar year. There are two separate reporting years, but the one that is required is the financials and the financial performance audit and that is based on the fiscal year.

Included in the report is the status for the Measure V Projects:

Drama/Music that is currently under construction and will likely be under construction through summer and fall, and as we get closer to the end of the project, we will have a better idea of the completion date. Once Drama/Music is completed everyone will be moved from the swing space and back into Drama/Music and then everyone will be moved out of the Humanities building into the same swing space. The Humanities project is currently with Department of State Architect (DSA) and the plan is to begin construction during spring 2012 semester and this is dependent on two things, one being that DSA gives approval and the other is that Drama/Music is completed in time to vacate the swing space for Humanities. The Humanities remodel is projected to last about 18 months. The project that is currently in design is the Campus Center Modernization. An architect has been hired to do an initial phase of review and their initial review has revealed that there are some significant problems with the building structurally, as well as, accessibility problems and water intrusion problems. Currently budgeted for this project is \$4.3 million and the estimate for construction costs came in significantly higher at about \$9 million, we are looking at an overall project cost of about \$14 million, including the design and other soft costs. This project is scheduled to begin in fall 2013 and is contingent on funding, DSA review and also vacating the swing space and depending on the scope of the project, it may take a year and a half or longer to complete. There are no state funds for the Campus Center or the Humanities modernization.

Deferred Maintenance projects: The first is the Campus-Wide Energy Management System, this has been in the construction phase for about a year, the first phase has taken place and the College is in construction on the second phase and this is a project that will connect the energy using equipment to one central location, so that the College facilities department can control energy using equipment, such as lights, HVAC and exterior lights. The next project is the track and field replacement and that project has been completed, this project was originally scheduled to be completed in two separate phases. In working closely with the contractor, the College was able to complete the project ahead of schedule. The Luria Conference and Press Center and the Pedestrian Bridge were completed in spring 2010. The Pershing Park Softball Upgrades included grading the infield to improve drainage, improved accessibility, installed bullpens and batting cage, modified the irrigation and replaced some of the dugouts, this project was completed at the beginning of spring 2011.

Mr. Massetti reported that there are several on-going deferred maintenance projects and they are; network infrastructure improvements, electronic keyless entry system, and emergency phone system, disable access upgrades and HVAC replacement and upgrades. There are some upcoming deferred maintenance projects: several exterior and interior painting projects, looking at improving the East and West Campus Snack Shops; Learning Resource Center; Superintendent/President Serban noted that the College is in the process of going through the internal governance processes to get support to increase the amount of money for the Learning Resource Center remodel as a result of receiving revised estimates; and Physical Education Facility Interior Improvement Projects. Mr.

Massetti reported that there were several projects that were completed and they were: Gourmet Dining Room Modernization this project was mostly funded by donations from two donors and was completed this past winter break; replacement of the trellis around the Student Services Building; exterior painting of the IDC building took place during the winter break and this summer the exterior of the Business Communication building will be painted.

A very brief excerpt from the Bond Expenditure Report is included in the report that shows the balance sheet, statement of revenues and changes in the fund balance. Also included are some pictures of various projects on campus.

Mr. Moldaver moved to accept the Measure V Report, Mr. Levine second the motion, the Committee approved to accept the Measure V Report.

#### 9. Status of Measure V projects (Attachment 4)

Steve Massetti noted that he had already reported on some of the projects earlier in the meeting and so he provided updates on just a few of the projects on the attachment:

- Parking structure pigeon deterrence projects was completed over the winter break.
- Generator supported services was a project that connected the emergency generators on campus to Physical Science, Administration and the Library, so that those areas are protected and if the electricity goes out those areas can continue to operate. This project was completed during fall 2010.
- Gourmet Dining Room is completed and the grand opening is next week.
- Drama/Music the focus on this project is to keep it moving forward. The main issue on this project is unforeseen conditions. This project did include some state funding which has all been claimed and received.

#### 10. Expenditure reports

##### a. 2010-11 budgeted and expenses year-to-date (Attachment 5)

Superintendent/President Serban reported that the expenditure report is as of February 11, by project. This list shows what is budgeted for this fiscal year and some of the projects listed will not be done this year but they are included so that the budget can be created and they will be carried forward until such time that the work is done. The question was asked about the bond administration and Superintendent/President Serban noted that the cost is for the program management services and that the contracted amount for these services is for the entire duration of Measure V, so it's not that we are overspent in this item, it's just a matter of budgeting the right amount. Mr. Moldaver noted that one of the issues in the community last year was about openness, clarity and transparency this maybe an area where an asterisk or a footnote could be placed along with the explanation that there is a maximum ceiling on services for the life of the project. Vice President Sullivan noted that some of the project figures will change over time, as some of the projects will go over budget and so those adjustments need to be made to tighten up the budget so we know exactly what we have as we move forward.

Mr. Heron noted that the adjusted budget and the adopted budget have the same figures and wanted an explanation of why. Vice President Sullivan reported that before changes are made to this, it is run through the internal processes and right now it is in College

Planning Council for input and feedback and so this is a proposal of where we would like to see the budgets go and if it's agreed through consultation that this is the way to go then we will make those adjustments and the changes will be seen at that time.

Mr. Moldaver asked if there was a procedure in place when there is a sub threshold for deviation between the adopted budget and the expenditure, whether it's 10% or 25% or 50% where they would automatically warrant a footnote of explanation. Vice President Sullivan noted that the College did not have anything of this nature in place but it is something that could be done moving forward, and that a summary attachment could be a part of the report.

b. Overall budgeted, expected and spent to date by major project (Attachment 6)

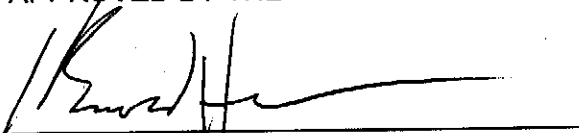
Steve Massetti reported that this is a snapshot in time of the major projects we have and as can be seen some of them have been completed, such as the bridge, the Luria Conference and Press Center and the Track and Field. This report was developed to provide a financial status for each project. Superintendent/President Serban noted that the Campus Center Modernization budget needs to be updated because that number will be higher. Mrs. Green asked if there would still be some Measure V funding available for the Campus Center, Superintendent/President Serban noted that what we know about the current estimate is that it will be higher by about \$4-\$6 million more than what's left in Measure V. Funds to complete the projects will need to be saved in the college construction fund or we will simply not be able to complete some of the projects.

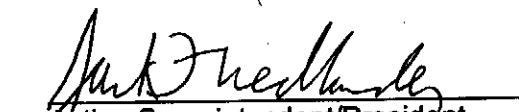
Mr. Heron asked why the Campus Center was costing so much more. Mr. Massetti explained that there were some major structural problems that were found, not the degree that the structural engineers would recommend evacuating the building, but to the degree that they are recommending serious repair and replacement of a lot of the building. Water leakage is one of the problems, the other problem is the concrete columns that are structurally in bad shape, and the rest of the building needs to be refurbished and needs to be ADA compliant. Mr. Heron asked if when developing the original budget was any one aware of these issues. Mr. Massetti reported that the budget (after we learned that the assumptions made about the likelihood of receiving state funding for this project do not hold) was \$3.8 million and Vice President Sullivan noted that when this budget was developed the project was only going to be a cosmetic upgrade. The College did not expect encountering this type of structure issues.

Upon motion by Mrs. Green, seconded by Mr. Moldaver, the committee approved adjourning the meeting.

Next meeting is scheduled for Thursday, June 16, 2011.

APPROVED BY THE CITIZENS' BOND OVERSIGHT COMMITTEE June 16, 2011

  
Ed Heron, Chairman

  
Acting Superintendent/President