KERN COMMUNITY COLLEGE DISTRICT  
BOND OVERSIGHT COMMITTEE  

November 2, 2010

Present:  
Mrs. Amy Covert, Chair; Dr. Herb Bonds; Mr. Phillip Duncan  
(Videoconference); Mr. Ted Ensslin; Mrs. Joan Smith; Ken Vaughan

Absent:  
Mrs. Cathy Prout; Mr. Cal Stead, Vice Chair; (One vacancy)

District Staff:  
Ms. Sandra Serrano, Chancellor  
Mr. Tom Burke, Chief Financial Officer  
Mr. Gary Reed, Director, Construction

Guests:  
Ms. Jill Board, President, Cerro Coso Community College  
Mr. John Daly, Director, Maintenance and Operations,  
Cerro Coso Community College

Call to Order

Mrs. Amy Covert, Chair, called the meeting to order at 1:05 p.m., in the Administrative Conference Room, Cerro Coso Community College, 3000 College Heights Boulevard, Ridgecrest.

Introductions

The Oversight Committee members introduced themselves.

Approval of Minutes

It was moved by Dr. Bonds, seconded by Mr. Ensslin, and carried to approve the minutes of the meeting of January 27, 2010.

Project Status Reports

Mr. Burke advised that the Project Status Report to be shared included the data through the first quarter of 2011. He indicated that also included in the folders was the detailed reports by project for the members to review.

Mr. Burke distributed copies of the Safety, Repair, and Improvement District (SRID) Funds Facilities Report 2011. He advised that the original Bond funds were $180 million, and to date, there was bond interest earned of over $15 million which was in the construction fund. He indicated that technically those funds have been placed in a contingency fund for projects as the District moves forward. The total funds available are a little more than $195 million; total funds spent to present was just under $95 million and there are still total funds available in excess of $100 million for a total of $194,369,875 available. He further reported that total funds spent to date were $88,851,898 and the total funds available for use were over $107,700,000.
Dr. Bonds asked about the invested funds and the fluctuating market. Mr. Burke responded that those funds were invested in short-term, liquid funds with Kern County, and the interest rate is very low, and there is very little risk.

Mr. Burke shared that the spending to date was Bakersfield College, $47.7 million; Cerro Coso Community College, $21.8 million; Porterville College, $19 million; and the District Office, $6.1 million, to total expenditures of almost $94.6 million. He also shared the expenditures by delivery site to date was: Bakersfield College $10.9 million; Delano Center, $13.1 million, with the Science Technology Building and the modular classroom expansion; Southwest Center (Weill) $10.7 million which included the acquisition costs of a future center, and the Northwest Center, $13 million.

Dr. Bonds asked about the Southwest Center and the Weill Institute, and Mr. Burke advised that the State currently considers the Weill Institute as the Southwest Center for Bakersfield College. There are plans for movement of that Center once the District moves back into a growth pattern and that will be located at Highway 99 and Bear Mountain Boulevard.

Mr. Burke highlighted and shared photographs of the completed Women’s Softball/Men’s Baseball Fields Project. He reported that there was a campus wide ADA Transition Plan update underway; programming on the Campus Center Modernization project; the College is moving ahead with putting swing space in place so that the College can deal with the Performing Arts Building Modernization and future projects. He reported that the District received some good news in the spring; there were unused capital outlay funds from previous projects that were returned to the State so the Performing Arts Building Modernization Project has been authorized to be funded.

Bakersfield College also has the following projects going through the process: Logistics Building Project, Supportive Services Modernization, Phase One, Fine Arts Modernization, Facilities and Operations Modernization, Language Arts Building Remodel for Efficiency, Master Planning Scheduled Maintenance and Security Planning. Mr. Burke reported that with the delays in State bonding, many of these projects, whether a Final Project Proposal (FPP) or an Initial Project Proposal (IPP) designation, these projects will have to recompete for authorization each year. He indicated that the State Chancellor’s Office decided a few years ago, to keep updating the statewide capital plan for changes in the environment as well as demographics. Any project that had not been authorized for preliminary plans, working drawings, and construction, would go through the competitive process.

Dr. Bonds asked about the Maintenance Assessment District (MAD) bond monies and if they were ever used for any of these projects and Mr. Burke advised that the MAD funds were exhausted before the Safety, Repair, and Improvement District bond was initiated. He advised that the only activity on the Maintenance Assessment District is paying off the debt.
Mr. Burke reported that at the Bakersfield College Delano Center, the Relocatables Project, which expanded the classroom capacity, was complete and they were occupied. The Delano Center Learning Resources Center Multi-Purpose Building has a Final Project Proposal approval; however, it has to recompete. There is also the Academic Facility Phases 2 and 3; one is in an FPP status and the other in an IPP status. He stated that the partnership with the Delano High School District is complete; the College continues to operate under that partnership, and things were going well. Bakersfield College is using the facilities that the District provided funds for building.

Mr. Burke advised that the Paramount BARD Academy rents the former Delano Center on Randolph Street and they have approached the District about expanding their educational operations and partnering use of the new Delano Center site and they are in discussions.

Mr. Burke stated that there is currently planning for security planning and mass notification, an Amber system that provides light alerts.

The Northwest Center was noted to be in a holding pattern at this time due to the slow economy as well as expansion in that area and also the South Center.

Mr. Burke turned over the meeting to Mr. Gary Reed, Construction Manager, District Office, to review the various schematics in the PowerPoint presentation. Mr. Reed advised that the Delano Center was in the process of security planning and campus surveillance, and also an intrusion alarm system. He advised that the approach from the beginning was to master a plan on how to deal with security on that campus and he commented that there had been great progress. He reported that there are issues between the Department of State Architecture (DSA) and the Fire Marshall related to lock downs and fire alarms, etc.

The Chancellor commented that as District buildings are being constructed, they are a beta site testing things that will be appropriate for all of the campuses and developing construction standards. Dr. Bonds asked if these types of projected were included on the SRID Bond measure and he was advised that they are part of the technology that was included in the funding. Mr. Reed advised that there had been tremendous strides in technology. It was also noted that the Delano Center was part of the allocation of bond funds for expansion in Delano. Also, the bond language stated that site improvements for accessibility, safety, and security for all campuses, were funded.

Mr. Reed highlighted the Bakersfield Baseball and Softball Bleachers projects and the Performing Arts Modernization Project. Mr. Burke advised that the $16 million project was funded by the State plus $4 million in SRID funds. Photos were also shared of the Photovoltaic Field even though not funded by SRID funds.

Mr. Burke shared the SRID spending by delivery site totaled $21,782,268, for Cerro Coso Community College and Centers, and this included the College, $20,937,775, and the Southern Kern Center Land acquisition in California City of $844,493. He explained that the District is poised for expansion in that area. He commented that SRID funds were used for the installation and upgrade of Instruction Television (ITV) along the Highway 395 corridor. He advised that the Eastern Sierra Colleges Center, both at Bishop and Mammoth Lakes, were not part of the SRID. The remaining balances of allocated SRID funds are $8,325,066.
Mr. Burke highlighted current Cerro Coso Community College projects: the Science Lab Modernization; Fine Arts Addition and Modernization; Main Building Modernization; Student Center Modernization; Vocational Education Building; Campus Master Planning; Scheduled Maintenance; Security Planning/Mass Notification Planning; and the California City Site Acquisition.

Mr. Reed shared photographs of the various projects under construction and/or near completion.

Mr. Burke reported that SRID Spending for Porterville College totaled $19,049,238; with a balance of $15,000,062. He advised that a third of the $15,000,062 is committed to Scheduled Maintenance Projects. He further reported that the following projects were either complete, under construction, or in the State funding process, and they are the Library Modernization and Expansion; Math Science Wing Modernization of Science Labs; Wellness Center Building; Allied Health Facility; Applied Technology Building; Gymnasium Building; Fine Arts Building; Master Planning; and Scheduled Maintenance/Mass Communication.

Mr. Reed highlighted the photographs of the various projects under construction and/or near completion.

Mr. Burke reported that at the District Office, some infrastructure improvements and this was the only area of equipment included in the Proposition 39 Bond. The equipment included infrastructure upgrades and protection measures; and the implementation of the mass notification system. District projects also included ADA Transition Planning, Security Facility Standards and Planning, District Facility Standards, District Facility Planning, SRID, Scheduled Maintenance Planning, Mass Notification Systems for Facilities; and the Facilities Department Operations expended funds for facility planning and project management. The District Office has expended SRID funds in the amount of $6,141,522, and there are remaining allocated SRID funds of $2,503,077.

Mr. Burke stated that there are contingency funds in the amount of $21,600,496, which has not been allocated to date and the funds will also be used for inflation costs. He further stated that all of the SRID funds for construction has a debt payment of funds kept with the Kern County Treasury; the interest earnings is not high, but to date the fund has earned interest of $15.2 million since inception.

Mr. Burke reiterated that all of the projects will recompete with other projects across the State. He stated that the one project in the District that may have the greatest struggle is the Allied Health Facility. District staff contemplated increasing the match dollars; however, that would lock up a large amount of funds, and the Scheduled Maintenance needs at Porterville College are much greater. There currently is an Allied Health Facility funded by a grant.
Next Meeting

The Chancellor reported that the By-Laws for the Citizens’ Bond Oversight Committee indicate that there must be one meeting per year, the organizational meeting, which is in July. The Committee has struggled to meet with a quorum since the Oversight Committee was formed. She commented that at the last meeting held in January, there were three members absent. She suggested amending the By-Laws through the Kern Community College District Board of Trustees. She asked for feedback related to changing the organizational meeting date and if so to which month. It was agreed to keep trying for the month of July.

Mr. Burke indicated that the audit of the Safety, Repair, and Improvement District would be completed in the winter and a meeting would be scheduled in March or April.

The Chancellor advised that there were a number of members with terms expiring and because they are at the end of the second terms, new members for the Committee will be sought. She indicated that there was a vacancy for Business and Organization. She asked current Committee members for any recommendations they may have and she could follow up with. She asked if they could email any recommendations to her office.

It was noted that Mr. Ensslin has a remaining term; the Taxpayer’s Association will be vacated in January; Foundation Support, Mr. Vaughan second term would expire in January; At-large, preferably someone from Delano, Shafter, and California City areas. Mrs. Covert, Mrs. Smith, Mrs. Prout, and Dr. Bonds’ terms were also expiring. It was agreed that the term lengths must be varied to prevent the large number of vacancies at one time. It will also be researched if former members could return after sitting out a term.

Mrs. Covert will be present at the Board of Trustees meeting in December to present the annual report of the Bond Oversight Committee.

The members present then toured the construction projects at the Cerro Coso Community College.

Adjournment

The meeting was adjourned at 2:15 p.m.