KERN COMMUNITY COLLEGE DISTRICT
BOND OVERSIGHT COMMITTEE

November 7, 2012 – 4:00pm

Minutes of the Meeting

Present: Mr. Bruce Auld; Mr. Ted Ensslin; Mr. Jay Hershey; Ms. Jennifer M. Wood-Slayton; Mr. Brent Rush; Mr. Larry Starrh; Mr. Jack “Woody” Colvard; Mr. Ken Byrum

Absent: None

District Staff: Ms. Sandra Serrano, Chancellor
Mr. Tom Burke, Chief Financial Officer
Mr. Eitan Aharoni (Director, Facilities Planning, Design & Construction)
Ms. Michele Bresso, Associate Vice Chancellor, Govt. & Ext. Relations
Ms. Jana Durham, Business Services
Ms. Penny McGrew, Consultant Gafcon, KCCD Facilities Planning

Guests: None

Call to Order

Mr. Rush called the meeting to order at 4:08 p.m., in the Kern Conference Room, Kern Community College District Office, 2100 Chester Avenue, Bakersfield, CA 93301.

Introductions

The Oversight Committee members made round table introductions.

Election of Vice Chair

Mr. Burke opened the discussion of interest for appointment of Vice Chair. Mr. Auld nominated the student trustee. Chancellor Serrano recommended against the nomination due to the limited availability. Mr. Burke nominated Bruce Auld for Vice Chair. Mr. Rush motioned the nomination and Ms. Wood seconded the motion. All voted in favor of the nomination of Mr. Auld as Vice Chair of the committee.

Approval of Minutes

Moved by Jay Hershey and seconded by Larry Starrh, the Committee carried to approve the Minutes of the Meeting of February 1, 2012. Chancellor Serrano noted an error in spelling of Lopez’ name in paragraph 2 noting it should be Lopez with a “z”.

Last report was given last year December, 2011. This report is for the first quarter of this fiscal year. Mr. Aharoni noted that some slides include repetitive information. Mr. Aharoni opened the presentation mentioning the working relationships in the district and the progress made. The focus is on the SRID expenditures by project and delivery site. The presentation includes photos (see attached power point presentation). Mr. Burke apologized for failing to schedule a tour of Bakersfield College due to time change and scheduling conflicts. Mr. Hershey asked where the funds are invested now and Mr. Burke responded that they are invested with the County. Mr. Burke added that the District went through all of the arbitrage testing successfully – and informed the committee that this process is required by the IRS.

Mr. Aharoni continued his presentation on the various college sites. (See power point presentation for details)

Bakersfield College

Bakersfield College-Delano Center: Mr. Starrh asked how the funds were distributed and allocated for each campus. Mr. Burke responded that the distribution of the funds is on an as-needed basis. Chancellor Serrano added that each college went through the master planning process to determine its needs. It was further noted by Chancellor Serrano that these specific funds are not available for use for the Mammoth or Bishop campuses. Projects are divided by type, either capital projects or scheduled maintenance projects. Mr. Burke advised that Golden Empire Transit (GET) funded the project shown on slide 9 of the presentation as the GET Facility is a non-SRID project. He described that the process of a Final Project Proposal (“FPP”) is a proposal waiting up at the Chancellor’s office for approval and stated that the Student Services Building Modernization FPP is in that process. He went on to explain that TRANE failed to complete the thermal energy storage system (“TES”) and the project has thus been delayed and should be completed by this January. He stated that the Facilities Master Plan is moving along and will go through the CEQA process. Mr. Burke advised the committee that the fiber optics plan is being done as a consortium with small independent phone companies in partnership with educational institutions and added that it is funded by ARRA funds. Mr. Aharoni went on to discuss the Delano center and the FPP for the LRC Building worth $32M. The scheduled maintenance in process was fire alarms and security/mass notification. He went on to reiterate the planning is ongoing throughout all of the campuses. Mr. Aharoni discussed the Performing Arts Center Modernization and the Exterior Outdoor Theater. He discussed the roof repairs and the scraping process. Many projects are complete replacements and/or resurfacing of the roof. Any roof with life expectancy remaining was worked on to restore it and maximize the lifespan. He shared that during initial construction, many of the roofs were not inspected. They are very old. He discussed the material used for roof repair. He added that over the summer the department worked on 3 facelift projects. Mr. Byrum remarked that it looks so much better. Mr. Hershey asked about the memorial dedications for the in-concrete plaques. Chancellor Serrano responded that there are other places of opportunity for this. Mr.
Aharoni went on to say that a lot of the mechanical roof HVAC systems will eventually tie in to TES. We want to add the remaining building with rooftop systems into the TES plan. Mr. Aharoni explained how TES works as a cold water loop system to cool water during the evening and then cool the buildings during the day. Mr. Colvard asked about whether there were incentives available to the District for implementing TES. Mr. Burke responded that there were. He discussed the fiber optic boring process and that the cabling should be done in a couple of months. The Weill institute needs DSA certification, parking lot repairs and fiber optic implementation.

Cerro Coso Community College: Mr. Aharoni reiterated that Bishop and Mammoth do not have SRID projects. The Main Building Modernization is a $15M project and he advised that they have hired the architect. The M&O Building was very old that it may have been condemned, so the new building will be constructed and will also house the campus IT group. Mr. Burke clarified that in response to Mr. Byrum’s notice of the difference between scheduled maintenance projects and capital outlay projects that scheduled maintenance projects are also known as deferred maintenance projects. Mr. Auld added that the chillers on an aside didn’t work in his experience over 110 degrees and suggested that Mr. Aharoni be sure to check that the chillers are optimal to handle that kind of heat. Mr. Burke advised the committee on a different topic that the ballot measure included parking lot repairs for Cerro Coso only. Mr. Aharoni went on to discuss that the Bishop fire pump replacement and ADA transition plan are in process. Mr. Aharoni said that sections of the main building at Cerro Coso have been approved. Chancellor Serrano interjected that the stairwell at Cerro Coso looks very nice.

Porterville College: Mr. Aharoni noted that Porterville College doesn’t have any centers per se so it is just noted as one expense of $20M. Allied Health at Porterville College is waiting on the State’s approval stating that it is in the FPP stage. Scheduled maintenance was mostly roofing and flooring work at Porterville College. Barnes & Noble will pay for the bookstore remodeals at the campuses.

District Office: Mr. Aharoni said that the total spent is $10,749,744 which was primarily for IT upgrades. Mr. Burke added that after bidding out a scheduled maintenance project for the District, the bidder pulled his bid back and so that has backed us up. In general, planning is listed for all sites with the status. Mr. Rush asked about the target date for completion. Mr. Burke said that the ones underway will probably be done within the next 12 months and reminded the committee about the request by the committee from the last meeting for the percentage of completion information outlined in the spreadsheet. He noted that it details board approved change orders and percentage of change. Mr. Aharoni said that if the cost goes over 5% on new projects or over 7% on modernization projects, then that means his department is not doing a good job. Clearly, no change order is best. Mr. Byrum asked about whether they were Measure G funds or State Capital Outlay (if there is State funding). Mr. Byrum asked about the $95 million remaining and asked if that is budgeted with identified projects. Mr. Burke responded that it is currently identified projects, however, because the timing of the capital outlay projects are so delayed, it is possible that the campuses may ultimately end up using some of those funds for more scheduled maintenance projects. There may also be changes going on in the facilities master plan. Chancellor Serrano advised the committee that there are more
projects than funding available. Mr. Byrum asked about whether we are getting a good bang for our buck. Mr. Aharoni confirmed that we were and directed the committee’s attention to the fact that there are three in-house project managers and that the department being frugal is really making a positive impact. He added that they don’t want surprises. Mr. Byrum added that you would expect some surprises in inflationary times, i.e., the prices may double. Mr. Burke agreed reminding that in early-mid 2000s, we got hit badly in terms of the cost of steel and other materials. At that time, our bid packages would come back with one or two bidders. Now, we receive several bids for each project. That’s another factor for moving funds to the scheduled maintenance level. Chancellor Serrano said the strategy was one of leveraging. Mr. Aharoni noted that the State had two full cycles of FPPs and then threw them out and said we’re starting over, so now there is only one cycle for each delivery site in place. Mr. Rush asked when the decision would be made to move the funds. Mr. Burke responded that all of the colleges are looking at each of their projects and we asked the colleges to identify and prioritize their projects. We’ve been doing a match system internally – where each college matches. Mr. Byrum asked that if you have a 50 year old building and if you put a new 30 year old roof, will it keep it up for another 50 years and is that the way you go? Mr. Burke responded that once it dies, you are committed, and have to move. A lot of HVACs are in that situation. Mr. Hershey asked if the District is looking to do more internet classes, and if so, are we increasing the number of our internet classes which would mean not having as much real estate and doing more online to try to save some money? Chancellor Serrano said we are researching and evaluating the best outcome/results for learning of students in the two processes. It’s a vision question about reducing the real estate physical element of teaching students to online. Mr. Byrum asked whether or not we replace elements to each of the older buildings, other than the roof. Mr. Aharoni explained that we are bringing all of our campuses and offices under a new integrated system. Saving buildings is very good. These older buildings are extremely strong. Replacing some of the basic elements of the building as long as the structure is in good shape will give it a second life cycle, which is cheaper than building a new building. There is the secondary effect of temporary housing required during the period of construction. Mr. Burke discussed the information piece to go out to the public and introduced Michele Bresso to the committee to elaborate. She suggested that with respect to our obligation to inform the public annually about these activities, that we post the power point presentation directly to the KCCD website. She suggested not doing a newsletter but using the PowerPoint as the key communicator and that will save $800. She asked for feedback on the posting suggestion rather than incurring the cost of printing a hardcopy and added that we inform the news media that this information is available. Ms. Wood-Slayton asked about whether it could also be posted in Spanish and/or other languages. Ms. Bresso responded that we will consider this and noted that is no reason for it to be only in English. We could have an executive summary on the website that then leads to a deeper link to the power point. Mr. Burke diverted briefly to the topic of capital appreciation bonds – and advised the committee that we do have some in our bonds, but that he is pleased to report that the repayment factor is significantly less than some of the other school districts, specifying that 2.84 repayment factor is good.
Next Meeting Date

The next meeting date(s) was discussed. Chancellor Serrano said that the committee reported they were interested in meeting in early January or February. The committee discussed February dates and most Fridays and Wednesdays that she was available to participate, but she noted that she would not be available the last two weeks. February 13th is targeted. We will notify. Mr. Burke stated that a tour of Bakersfield College will be included in the meeting before or after. Mr. Ensslin reported that President Carlson was very pleased with the developments at Porterville College.

Adjournment

The meeting was adjourned at 5:34 p.m.