

**GLENDALE COMMUNITY COLLEGE DISTRICT
MEASURE G CITIZENS' OVERSIGHT COMMITTEE**

President's Conference Room, AD121
August 20, 2012
4:30 p.m.

AGENDA

1. Welcome of New Members:
 - Mr. Robert W. Hall
 - Mr. Albert Hofmann
 - Mr. Farshid Khosravi
 2. Approval of Minutes of August 15, 2011 and March 5, 2012
 3. Election of Chair
 4. Board of Trustees – Monthly Measure G Status Report
 5. Review of On-going Project Status
 - a. Lab/College Services
 - b. Cafeteria remodel
 - c. IT Server Room
 6. Proposed Next Meeting Date: Monday, February 4, 2013 or
Monday, February 11, 2013
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Glendale Community College District

Administrative Services

Date: August 23, 2012

To: Measure G Bond Oversight Committee
From: Ron Nakasone

Subject: August 20, 2012 Meeting Minutes

Present: Ron Nakasone (Administration), Rick Barnes, Michael Davitt, Robert Gabon, Robert W. Hall, Albert Hofmann, Farshid Khosravi

Absent: Toni DasGupta

1. Meeting was called to order at 4:38 PM in room AD121.
2. The minutes of the August 15, 2011 and March 5, 2012 meetings were reviewed and approved.
3. Mr. Nakasone introduced the new members to the Measure G Committee: Mr. Robert W. Hall, Mr. Albert Hofmann and Mr. Farshid Khosravi.
4. Mr. Nakasone gave a brief overview of the committee's duties and responsibilities. The committee will review the annual audit and the current status of the construction project. Committee members can request more detailed information if desired. Construction walk-throughs of the project can also be arranged.
5. Election of Chair: MSC to elect Rick Barnes as Chair. Approval was unanimous.
6. The June 2012 Measure G Status Report was distributed and reviewed. Twelve of the fifteen projects have been completed. The three projects which have not been completed are:
 - #3, the Infrastructure Project: This is to install a smaller "pony chiller" to air condition two buildings which are used on the weekends and holidays instead of running the full Central Plant. This project will be taken to the Board of Trustees this month for approval to accept this project as complete. This is the last project the Infrastructure category.
 - #2, the Server Room Upgrade: Our (computer) server room is at-risk during power outages. The current (back-up) batteries only last one to two hours. There is no generator to compensate for the loss of power. There were also problems with the two air conditioning units in the room, which were 15 years old. At our last accreditation review, this was noted as a problem that needed to be addressed. These problems are being addressed in this upgrade. A fire-suppression system is also being installed. This project was not included as one of the Measure G projects as all of the funds had been dedicated. \$1m was transferred from the Lab/College Services Project to cover the costs. Right now, this project is in DSA for approval.

Once it is approved, it will take six weeks to complete. At the up-coming board meeting, we are asking the Board of Trustees to designate this as an energy conservation project. This will enable us to order the equipment needed and hopefully, it will arrive around the time we receive DSA approval. Project completion is anticipated in Fall 2012 due to the request for DSA approval.

- #1, the Lab/College Services Project: In the original plans for the Lab/College Services building, the wall facing the hillside was designed to also be a retaining wall. The plans were modified so that a separate retaining wall will be built for the hillside with a regular wall for the building. This saved \$2m and provided funding for the Server Room.

State funding for this project was not anticipated for four – five years. We had been approved by the State for funding in the 2006 construction bond, but there were several emergency (state) projects that year that bumped us off the list. Since then, due to the economy, constructions costs have declined and so the State ended up with residual funds from the completed projects, which became enough to fund our project.

Originally, it was a \$64m project, funded by a 3 to 1 match of State to Measure G money. Construction costs are still on the down side. The last cost estimate was in June 2011. That estimate was \$39m plus equipment. An inflation factor will need to be included since we are now at the end of 2012. The State has reserved \$41m in funding for our project. Now we are thinking that we are going to be able to fund the majority of this project with very little Measure G money. \$2M was set aside for secondary effects, the remodeling of vacated spaces.

One of these projects is the remodel of the cafeteria. The Los Robles portable building, which houses our Culinary Arts program, has to be removed by Spring 2013 to make way for the new building. While the Lab/College Services building is under construction, the Culinary Arts program will be taught out of the cafeteria, with some modifications. The project is currently being reviewed by DSA for approval. A few test classes will be held in Fall 2012.

The plan is to go out to bid and start construction in Spring 2013. There are two types of construction methods:

- Multiple Prime: Break project into separate mini-projects. We would run the projects ourselves with the help of a construction management team.
- Hire a General Contractor, who is responsible for all the projects and sub-contracts. A bid packet is developed and sent to interested parties and those who respond to an advertisement.

7. Question: “What happens if we run short of money for the project?” The college would have to pull money from the instructional and operational budgets. The other option is to issue another bond from the college. We did that with the parking structure. We issued another bond, called a “Certificate of Participation” of about \$5m to complete that project. The problem with that is we have to pay that off. The GO bond is paid off by the tax payers that voted for the measure by paying an additional charge on their property taxes. We justified issuing the bond by increasing the parking permit \$10 to pay for the parking structure bond.

8. Question: "Is there any cushion in the project?" The District believes even with inflation, there may be \$8m - \$10m left over. What can we use that money for? We will have to go back to the ballot language to determine the projects that were listed. Some were general and some were specific. One of things within the bond measure was land acquisition. If you look at our campus, we are running out of usable land to expand. There is some land in front of the gym where the portable trailers are and maybe a small piece at the north end of the campus. In the past, we've considered purchasing the apartment buildings at the north end of the college for expansion, but we never had the money. If we purchased the property with this money, we would not have enough to build on the property and the board would have to support another GO bond issue. One benefit in purchasing the apartments is that it would give us access to the property that we own behind the apartments and possibly allow us to build on that part.
9. Part of the \$17.6m has already been used for planning (\$1m for architects, etc.) with \$2m reserved for secondary effects. We need to be very, very careful in how we use the space that's vacated. Let's say, we need three classrooms – where do we put those classrooms within the vacated space? I would say you put them in the Administration building because these areas (Admissions and Records, Learning Center) were originally classrooms. We took down the walls to remodel these areas. We could put back the walls because it would an inexpensive remodel to get what we need. We have an area in the second floor of the San Rafael building (Counseling and Student Services area) where there are offices around the edges and a large central area. We've been thinking of allocating the office space for faculty and move the Learning Center into the open area of the 2nd floor of San Rafael. The old area of the Learning Center could be returned to classrooms. The benefit of that is that the heating and A/C doesn't have to be changed. These are the types of things we're facing, on how to get the most bang for our buck on the Secondary effects. I don't think \$2m will be enough to remodel all the vacated spaces.
10. Question: "What would happen to any unused money?" This money was not state money, but money that the residents of the city said we could go ahead and use for a long list of capital projects for the college. Our goal for this committee would be what do we use this additional pot of money for and still stay within the language of the ballot. Land acquisition is one. When we expanded the Garfield campus we had to buy two or three pieces of land. The problem that we had over there was that we bought it at the peak time, in 2006. The other thing was that we also had to pay the tenants to vacate (they were multi-use residences). What I was thinking if we got the apartments over here, we would keep them as apartments, but rent them for our international students.

You probably know that at one time we had a developer come in here and say that they would build us an apartment for international students. Originally they wanted to use the (parking) lot next to the Mobil (gas station) to build a dormitory. The problem was that it was a city lot and the city didn't think the residents in the area wanted a dormitory in that area. (Discussion on whether the college should own the apartments or have a group buy the building and set it up so that it's changed over for college use and then transferred to the college.) The developer then wanted to build it on our campus. We did not want to put any money up for the project and that we did not want to be involved in the operation. One of the major things that killed the deal was that they wanted a guarantee of 70% occupancy – of potentially 200 beds. They wanted it to be a dormitory for students only. Also there were groups on campus that were opposed to the project. The question was land use. If the college needed another building in 20 – 30 years, do we want to commit to a dormitory? The college final response was that we're interested, but can't give a guarantee of

occupancy and cannot provide land. We suspect that the project folded because if they had to buy their own land, it was too expensive for them to make any money. It never came to the trustees for a vote.

11. Question on the server room: The comment was that more than \$1m might be needed for the project. Ron replied that the project was bid. We had about a \$50k contingency that we'll probably be going through. Comment was to get it done right and use funds allocated for other projects if necessary.
12. Once the bids come back from the Lab/College Services project, we'll have a better idea on how much money we're talking about. Once we identify how much money we have left, we can identify the types of projects we can undertake. My feel right now is that we will have about \$10m. We will have additional projects to fund and this committee will continue to meet to monitor those projects. Now, if we have no more money, there is no need for the committee to meet.
13. Question on timeline to spend the funds: There is no timeline to spend funds, however, once the bond is issued, they would like you to spend it within three years. We still have \$14m that we have not issued. We established the budget for this project at \$17.6m, spent \$1m and still have \$16m left in the budget. But the money's not here because we haven't issued the bond. We haven't issued it because we didn't think we'd have the money to complete the construction. Now that we know that we have it, we can issue the last amount of money and we'll have the money here, sitting waiting for us to spend. And we'll need it because with state projects, you have to file a claim to get reimbursed. You need the money for cash flow.
14. Question on vocational studies: In previous meetings, there was discussion on expanding vocational studies. Are facilities being considered for vocational programs? There is a need nation-wide for vocational training. Community focus groups also discussed this as a need. Our struggle is what should be offered? Solar and wind energy were brought up as they are popular. Another problem is where would we house new programs? One of the suggestions at that time was if we had the apartments, we could have a career tech building there and house the Fire Academy and other vocational programs. The space vacated by the Fire Academy could be used for other programs.
15. Suggestion: The Mayor's Park is little used and is costly to maintain. If the city would donate it to the college, a vocational facility could be built there.
16. Question: Does the solar panels on the parking structure reduce the college's electrical cost? Ron: The solar panels are owned by the city. We let the city put the panels up there. The way that we are charged for electricity is that our peak usage for the year is used to calculate our fee for the entire year. Where we are helped by the solar panels is that the electricity from the parking structure is not charged against our usage and that therefore lowers our peak time, which lowers our bill for the entire year.
17. Next Meeting Date: Feb. 4 or Feb. 11, 2013 – possible agenda: information update on construction bidding of Lab/College Services building; tour of completed server room and cafeteria.
18. Meeting adjourned at 5:30 pm

Respectfully submitted:
Merrilee Ahaus
Administrative Assistant/Confidential
Office of the Executive Vice President
Administrative Services