

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
2323 N. BROADWAY
SANTA ANA, CA 92706**

BOND OVERSIGHT COMMITTEE

**WEDNESDAY, JANUARY 29, 2003, 6:00 P.M.
DISTRICT BOARD ROOM**

MINUTES

Members present: Tien Tat Chu
Barbara deBoom
Patricia Garcia-Velasquez
Russell R. Langenbeck
Larry Means
Robert Odle
Salvador Sarmiento
Jason Strickland
Darin Woinarowicz

Members absent: Jim Adams Excused
Rita Kallas Pending discussion
Keith Regan Pending discussion
Chongge Vang Pending discussion

Rancho Santiago Community College District
Board of Trustees present:

Lisa Woolery, Vice President
Paul Torres, Student Trustee

District staff present: Eddie Hernandez, Jr., Chancellor
Mark Zacovic, Vice Chancellor, Business and Fiscal Services and
John Didion, Vice Chancellor, Human Resources/Educational Svcs
Rita Cepeda, President, Santa Ana College
Juan Vazquez, President, Santiago Canyon College
Noemi Kanouse, Assistant Vice Chancellor, Fiscal Services

1. Introductions

Dr. Hernandez welcomed members of the committee and thanked them for their service.

Dr. Hernandez described some of the requirements of Proposition 39 and the steps the district took during the campaign.

Dr. Hernandez asked committee members to introduce themselves.

Mr. Darin Woinarowicz introduced himself, currently the Vice President for Planning and Security for the Orange County Teachers Federal Credit Union. Mr. Woinarowicz stated he is a product of the community college system and was pleased to be a member of the committee. He indicated he was looking forward to working with the other committee members and the district.

Mr. Jason Strickland introduced himself, currently the President of the Santa Ana College Associated Student Body. He indicated he was looking forward to working on this committee and was anxious to begin spending money to build the campuses.

Mr. Salvador Sarmiento introduced himself, a long-time resident of Santa Ana having attended Santa Ana High School and having four siblings attend Santa Ana College. A UCI graduate, currently, Mr. Sarmiento is a court commissioner in Santa Ana, Department 46 and has been with a Santa Ana law firm for the past 20 years.

Mr. Robert Odle introduced himself of Odle & Associates and representing the Orange County Taxpayers' Association on the committee.

Mr. Larry Means, a fourth generation Santa Ana resident, introduced himself. His experience is in the construction business for over 40 years having been involved in the building of over 100 schools. He currently is a board member of the Santa Ana College Foundation, he believes in the community college system and what the colleges offer. He indicated he is eager to serve the colleges and district.

Mr. Russell Langenbeck, representing the Santiago Canyon College Foundation, introduced himself, stating he arrived in Santa Ana in the mid 1920's. He attended local schools and the junior college, moving on to USC to attend dental school. He has been in practice for 55 years. He believes the oversight committee is a great idea and looks forward to the great amount of work the committee has ahead.

Ms. Patricia Garcia-Velasquez introduced herself indicating she has been in her Santa Ana real estate business since 1989. She indicated she is happy to be a taxpayer in Santa Ana and is honored to serve on the committee. She also is a member of the Santa Ana College Foundation board.

Ms. Barbara deBoom introduced herself stating she has two daughters who currently teach in the educational system. Ms. deBoom is currently the president of the Orange Chamber of Commerce and remembers Santiago Canyon College's opening. She indicated she is proud to serve on the committee and oversee the development in Orange.

Mr. Tien Tat Chu, a free-lance writer and anchorman/producer with Saigon Broadcasting Network introduced himself. He stated he is happy to be a member of the committee and to be of service to the community and the college programs.

Dr. Hernandez introduced Ms. Lisa Woolery, Vice President, Rancho Santiago Community College Board of Trustees, and Mr. Paul Torres, Rancho Santiago Community College Student Trustee.

Ms. Woolery welcomed committee members on behalf of the board of trustees and thanked members for their volunteerism. She stated she was pleased they will be assuring the district spends bond dollars wisely. Mr. Woolery indicated the district had been in the planning stages for much of what the bond will provide and the board is very excited to be able to offer additional services to students. She asked for the committee's help in helping the district get the most it can from bond funds.

Mr. Torres welcomed the committee and thanked them for serving. Mr. Torres spoke about this being the first time the district has sought a bond, and that 14 other districts statewide had also been successful in November in seeking bonds. He indicated he was honored and privileged to be on the board of the district.

Dr. Hernandez introduced his Cabinet members. Ms. Rita Cepeda, President, Santa Ana College welcomed the committee members and expressed her gratitude. Mr. Juan Vazquez, President, Santiago Canyon College stated that the college can't wait to get started and invited committee members to the district's first ground breaking involving bond funds. The ground breaking for the college's newest building intended to house student services and classrooms is March 11 at 11:00 a.m.

Mr. John Didion, Vice Chancellor of Human Resources and Educational Services welcomed the committee members, and Dr. Mark Zacovic, Vice Chancellor of Business and Fiscal Services introduced himself indicating he is the district administrative support to the committee.

Dr. Hernandez introduced staff members in the audience: Mr. Bob Partridge, Assistant Vice Chancellor, Facility Planning who has been with the district 27 years; Mr. Bob Brown, Director of District Support Services, with the district for 16 years; Ms. Noemi Kanouse, Assistant Vice Chancellor, Fiscal Services, and Ms. Lisa Miller who works in the district's accounting department.

Dr. Zacovic began a review of items contained in the notebooks provided to committee members and described the documents. He indicated the membership list will be updated as information and/or members change. Dr. Zacovic mentioned the folder in the back pocket of the binder contained materials the district used when making

presentations in the community in support of Measure E. Two versions of the projects list were provided, the first (gray) being the language which was on the ballot. An obvious correction had been made to the list in pencil which Dr. Zacovic indicated was an error made by the registrar's office when the ballot were printed on Item #4 which should have been identified as SCC, but had been identified as SAC.

2. Overview of committee responsibilities

Dr. Zacovic began providing information regarding the committee's responsibilities by using a PowerPoint presentation, a copy of which was included in the binders.

Mr. Strickland asked that if the six month reference in the by-laws under length of time a student may serve was the maximum or if the district's board could change that requirement. Dr. Zacovic and Dr. Hernandez both indicated that the bylaws could not be amended and that a student could serve no more than six months past his/her graduation date. Dr. Hernandez did state that a student may ask for an appointment on the committee as a community member as long as he/she met the requirements.

Dr. Zacovic compared the committee meetings to those held by the district's board of trustees, open to the public, with records of minutes, operating under the guidelines of the Ralph M. Brown Act.

Dr. Zacovic, referencing the slide "Next Steps," indicated those traveling to New York for the bond ratings trip include himself, Assistant Vice Chancellor Noemi Kanouse, the district's bond underwriters, bond counsel, and Board Vice President Lisa Woolery. The bond ratings meetings are scheduled for February 3-5.

Dr. Zacovic referenced Mr. Torres' remarks regarding the 14 district in the state who had successful bond measures and the fact that all 14 district would be making the same trip to New York to rate bonds. When meeting with the underwriters and discussing the number of districts involved, RSCCD volunteered to be the first to sell bonds, indicating the excitement on the part of the district to bring its plans to reality.

Dr. Zacovic explained the process by which the issuance of bonds is created (referencing the slide "Bond Issuance Schedule"). He stated the schedule is based on the estimated increase in property value which the district estimated at between 3% and 3.5%. Mr. Woinarowicz asked what would happen if property values dropped. Dr. Zacovic stated that the district would then have to decrease the bond issuance scheduled at that time, or delay the bond issuance. Dr. Hernandez added that if property values increased above the estimate, then the district may be able to collect more than anticipated at that time; however, the district will not be able to collect more than the total of \$337,000,000.

Ms. deBoom asked why the first year's payment is more than the following two years' payments. Dr. Zacovic indicated he was not able to answer the question other than to say that tax payers in our district can only handle taxes up to a certain amount.

Ms. Garcia-Velasquez, for clarification purposes, asked if the \$96,000,000 figure is the maximum amount the district could collect to assure that tax payers do not go over \$25.00 per \$100,000 property value. Dr. Hernandez explained, that Proposition 39 provides the language to prevent property tax payers paying over \$25 per \$100,000 value. Mr. Sarmiento asked if property values continue to soar, would the district be able to sell the bonds and receive all bond funds by 2011. Dr. Zacovic answered that it could.

Ms. Garcia-Velasquez asked why there was a three-year period between the first series of bond sales and the second, then a five-year spread between the second and third series. Dr. Zacovic indicated the recommendation came from the underwriters who had been instructed by the district to structure the bond series affording the district the most money possible as soon as possible. Dr. Zacovic indicated he will provide more detailed information regarding this information at the next meeting of the committee, and Dr. Hernandez indicated the committee could ask for a presentation by the underwriters at some point. Ms. Garcia-Velasquez stated that since the status of property values is unknown, she feels the sooner the district is able to secure the bond funds, the better.

Dr. Zacovic indicated that the numbers were created using this year's base property values and assuming an increase in property value between 3% and 3.5%. He added that if property value rose by 6% (as an example), the district could collect more bond funds (therefore, getting more money sooner).

Ms. deBoom asked if a projected interest on the funds has been established. Dr. Zacovic indicated that would not be done until the funds are secured.

Dr. Zacovic indicated there is a 36-month limitation on the district to spend each bond series. He said it is the intent of the district to move ahead as quickly, efficiently, and effectively as possible. He stated that if the bonds are issued as indicated on the proposed time line, taxpayers will pay for this bond until the year 2039.

There was discussion regarding the district's intent to provide its own project management with existing staff. It was explained that the cost of an outside program manager can be very high, and the district is interested in identifying most of the bond funds for actual projects, and less on outside services. The district has two administrative staff members, Bob Partridge and Bob Brown, who will assume the duties of a program manager. Dr. Hernandez stated that all other districts he knows of have used the other approach, using an outside firm for overall project management, and that the district and

the board of trustees may at any point change that philosophical approach and decide to hire an outside firm. Dr. Hernandez continued to describe the structure of relationships between the district, project management, construction firms, and architects.

Mr. Sarmiento asked why the district chose the use existing staff rather than an outside firm if many other districts had gone that way. Dr. Hernandez said that it was his recommendation based on lengthy discussions with Mr. Partridge and Mr. Brown. He added that just because other districts are using an outside program manager doesn't mean it's the right approach. In reading the newspapers, he's learned of several problems the other district are experiencing. He described the board approval process at RSCCD: staff make recommendations to the board; if the board does not like the recommendation, staff are directed to make different recommendations. Dr. Hernandez indicated he has confidence in district staff which may not be the case in other districts.

Ms. deBoom asked Mr. Partridge how many hours would need to be added to his and Mr. Brown's work day. Mr. Partridge stated he hoped no additional hours would be necessary. He indicated that overseeing projects is a routine task for his department and, although many projects may be running at one time, he and Mr. Brown feel they can handle the task at hand. He explained that he and his staff define the project, hire the architect, work with the user group and the design engineer, go through the approval process (with is the Department of the State Architect [DSA]), then begin the building process. Mr. Partridge added that it is the district's intent to enhance the contracts with the architects to include some of the duties that may normally be handled by a program manager.

Mr. Brown indicated he and Mr. Partridge had interviewed staff at various different colleges, several project managers, and others before making the recommendation for no program manager. Through those discussion, Mr. Brown said he and Mr. Partridge were able to define what they and their staff were able to handle and what could be added to the responsibilities of the architect(s).

Mr. Odle indicated he felt the district's approach is a good way to save money and that the critical need is to hire the right master architect and construction manager. He stated that if the right firms are hired, they will willingly share their talents and resources for additional fees, but not the \$100,000 per month that a program manager would be paid.

Ms. Garcia-Velasquez supported the district's attempt to save money and felt it refreshing that it was willing to try a different approach, understanding that if it doesn't work, changes could be made.

Ms. deBoom asked if all projects will be designed at one time. Mr. Brown indicated each project will have its own life, i.e., the science and math building for SCC will be a unique building; therefore, more than one architect with specialized experience may be required. He added that whenever possible, plans for buildings with similarities will be coordinated to keep costs down. This will be the job of the master architect.

Mr. Odle asked if the master architect would oversee the work of sub-specialties such as electrical engineers, mechanical engineers, etc. Mr. Brown indicated they would have that responsibility.

Mr. Langenbeck asked if the plan was to have a master architect for each college. Mr. Brown indicated that the plan is to have one for each college, and requests for proposals will be mailed soon. Mr. Brown added that there are some architectural firms that are large enough to provide such service. Mr. Langenbeck stated that the colleges are vastly different with varying problems. Mr. Brown indicated that the district is aware of the differences and will work hard to find the right architect for each college. He added that the presidents of the colleges will be involved in the selection process.

Mr. Partridge indicated a schedule of activities will be provided at the next meeting. Mr. Odle asked about requirements of California Environmental Quality Act (CEQA) and other regulatory groups. Mr. Partridge indicated all such requirements will be built into the time frame. Mr. Brown indicated the projects are being broken down into two main components: design and construction. Once the project has approved plans, the construction process begins.

Dr. Zacovic provided supporting statements regarding his staff and their ability to handle the job of the program manager and believes their responses to the committee's questions were indicative of their abilities. He indicated staff had provided five scenarios to Dr. Hernandez and to the board of trustees facilities committee. After full review and discussion, Dr. Hernandez chose the one presented at this meeting.

3. Public presentations

There were no presentations made by members of the public.

4. Appointment of committee chair and vice chair

Dr. Hernandez indicated the bylaws require him to appoint the first chair and co-chair of the committee. After giving the task some thought and discussing his anticipated appointments with the involved members, he appointed the following:

- Mr. Darin Woinarowicz, Chair: Dr. Hernandez chose Mr. Woinarowicz for his financial background and the fact that this committee will be involved in overseeing the district's expenditures of bond funds.
- Ms. Barbara deBoom and Mr. Salvador Sarmiento, Co-vice chairs: Dr. Hernandez indicated that with a committee of 13 and an attempt to provide leadership at meetings, he made the decision to appoint two co-chairs.

Dr. Hernandez thanked Mr. Woinarowicz, Ms. deBoom, and Mr. Sarmiento for agreeing to take on the duties of chair and co-chair.

5. Groundbreaking ceremony

Dr. Zacovic announced the ground breaking ceremony for the SCC Student Services building on March 11 at 11:00 a.m. Dr. Hernandez indicated it was important for members to attend if at all possible. He and the district hope the committee members can be present at activities of this type so that the community and college staff witness their involvement. Dr. Zacovic indicated construction on this project will begin immediately after the ground breaking.

Mr. Brown provided a description of the building: a three-story building which will house the college's admission and records department, some faculty offices, classrooms, and lecture halls. Anticipating bond approval, the plans for this building were sent some time ago to the Department of the State Architect (DSA) for approval, which has been completed. Bids have been sent and are due back for opening on February 6, 2003. The bids will be reviewed, and a recommendation will be made to Dr. Hernandez. It is anticipated the recommendation will go to the board of trustees for action at its February 24 meeting. After board approval, construction is scheduled to begin during the first week of March with a projected 14-month construction schedule.

Mr. Odle asked how many square feet the building has. Mr. Partridge indicated the building had approximately 95,000 square feet at an approximate value of \$3.5 million.

6. Suggested schedule of meetings

Mr. Woinarowicz took control of the meeting and began discussion regarding the suggested schedule of meetings provided. After discussion, it was suggested that the February meeting be scheduled, and at that meeting future meetings will be discussed. A motion was made by Mr. Woinarowicz to schedule February's meeting on the 27th of that month. The motion was seconded by Mr. Langenbeck and carried unanimously.

Dr. Zacovic indicated that a number of members will be appointed for a one-year term, and the others for two years so that all 13 committee members' terms do not expire simultaneously. The committee drew term limits from a basket which provided the following results:

Jim Adams	2 years
Tien Tat Chu	2 years
Barbara deBoom	2 years
Patricia Garcia-Velasquez	2 years
Rita Kallas	1 year
Russell Langenbeck	1 year
Larry Means	2 years
Robert Odle	2 years
Keith Regan	1 year
Salvador Sarmiento	2 years
Jason Strickland	1 year
Chongge Vang	1 year
Darin Woinarowicz	1 year

Mr. Strickland mentioned his term must be one year as he will be graduating in June, and he was given a one-year term.

At the next meeting the committee will discuss excused v. unexcused absences of committee members.

Dr. Hernandez indicated that those with one-year terms may be appointed for a two-year term once their first year has concluded.

7. Adjournment

The meeting adjourned at 8:00 p.m.