

**Rancho Santiago Community College District
2323 N. Broadway
Santa Ana, CA 92706**

BOND OVERSIGHT COMMITTEE

**Thursday, July 24, 2003, 6:00 p.m.
District Board Room**

Minutes

Members Present: Jim Adams
Tien Tat Chu
Barbara deBoom
Patricia Garcia-Velasquez
Darin Woinarowicz
Larry Means

Members Absent: Russell Langenbeck
Robert Odle
Salvador Sarmiento
Chonng Vang

District Staff Present: Mark J. Zacovic, Vice Chancellor, Business and Fiscal Services
Robert Partridge, Assistant Vice Chancellor, Facility Planning
Robert Brown, Director of District Support Services
Juan Vazquez, President, Santiago Canyon College
John Nixon, Vice President, Santa Ana College

1. Call to Order and Introductions

Chairman Woinarowicz called the meeting to order at 6:10 p.m. There were no introductions.

2. Approval of Minutes - April 30, 2003

The minutes of the April 30, 2003 meeting will be reviewed at the next scheduled meeting.

3. Public Presentations

There were no presentations made by members of the public.

4. Presentation by Bond Underwriters - Rod Carter, RBC Dain Rauscher and Todd Smith, Kinsell, Newcomb & De Dios, Inc.

Dr. Zacovic introduced Mr. Carter and Mr. Smith and thanked them for the help, support and guidance.

Mr. Carter referred to the handout (Introduction to General Obligation Bonds - Schools and Community College Districts). Mr. Carter said that there are two types of bonds, taxable and tax-exempt bonds. Public agencies are permitted to issue tax-exempt bonds. The amount is limited per election to \$25.00 per \$100,000 of assessed valuation for community colleges. The tax rate associated with the debt service on the bonds is a function of the assessed valuation of the District and the required debt repayment due in any given year. There are several assumptions built into the forecast of future tax rates such as 1) projections of future growth in assessed values; 2) interest rates; 3) the timing of issuance for each bond series; 4) the structure of each bond series and 5) the tax reserves and delinquencies.. Mr. Carter said that the tax rate would be higher for the voters if all \$337 million was issued all at once.

Ms. Velasquez asked how often the county reassesses property. Mr. Carter responded that it is done annually.

Ms. deBoom asked how the money will be issued and when. Mr. Carter said \$96 million was issued in 2003, \$80 million will be issued in 2006, \$80 million will be issued in 2011 and the remaining \$80,875,000 will be issued in 2014, these are just estimates, but can be issued at the District's pleasure. Dr. Zacovic added that this is the ideal structure for the issuance of the money. Ms. deBoom asked how much interest is currently being earned on the remaining \$50 million from the first issuance. Dr. Zacovic said we earn interest at the rate of 2%. Mr. Woinarowicz thanked both Mr. Carter and Mr. Smith for their presentation.

5. Bond Projects Update - Dr. Mark J. Zacovic

Dr. Zacovic reviewed the Measure E Bond Projects Update handout. In reference to the Santa Ana College map the yellow numbered areas number 5, 7 and 8 are properties where an offer is currently pending. Dr. Zacovic said we are looking at about another \$4 million to purchase the remaining properties on College Avenue and Martha Lane and that the current tenants would be given ample notice to vacate the properties once the District purchases them. Ms. deBoom asked how soon we need to purchase the remaining properties. Dr. Zacovic responded that we are looking to purchase them as soon as possible. Dr. Zacovic said that the construction of the Student Service/Classroom Building at Santiago Canyon College began in March of 2003 and that this project is currently running on schedule. The additional parking at Santiago Canyon College is also running on schedule and due to be completed in August of 2003.

6. Bond Budget Update - Dr. Mark J. Zacovic

Dr. Zacovic reviewed the Bond Budget Update handout.

7. Digital Media Center - Dr. Mark J. Zacovic

An overview of the Digital Media Center was distributed. Dr. Zacovic said the revised brochure indicates our progress in planning. A vision, mission and goals have been developed, and we are beginning to identify the types of businesses that we will seek to attract for the incubator and for the post production facility. The floor plans have been finalized, incorporating the expertise of an audio post production consultant. After the next 60 days of construction drawings development, the plans will be submitted to the State Architect for approval. One of the requirements is that we have an Advisory Group which held it's kick-off meeting and the staff planning group is meeting individually throughout the summer with each member in order to solicit their expertise for the planning. Additionally, the staff planning group is touring other similar facilities. These networking activities are also helping to enhance the visibility and awareness of the new program. Dr. Zacovic added that the Board of Trustees had approved the building name as Digital Media Center. The center is seeking funding for additional infrastructure development, such as the development of a web site. Intensive planning for the facility will continue until it opens in approximately the spring of 2005.

8. College Updates

Santa Ana College - Dr. John Nixon

Dr. Nixon said that Santa Ana College Construction Committee is looking forward to working with the master planning architects on the expansion of the college campus. Dr. Nixon added that the athletic division and warehouse would be moved across the street once the District owns all the properties on College Avenue as well as a parking structure at the south end of the campus. In addition, the college is more than half way through the renovations of the Planetarium for which they also received a federal grant. Design work has begun for the locker room facilities at the college. Santa Ana College is excited about the progress of the Digital Media Center.

Santiago Canyon College - Mr. Juan Vazquez

Mr. Vazquez said that if you drive by the campus you can see the steel beams already in place for the Student Service Building/Classroom Building. A future building is the Science and Math Building to be funded by the bond. Mr. Vazquez said the Construction Committee at Santiago Canyon College is speaking to faculty, staff and students to visualize the buildings and how they will better serve the campus population. Mr. Vazquez said that they have received environmental clearance on the Batavia property. Dr. Zacovic added that Ken Pratt of Peninsula Realty is working with the family that currently owns the Batavia property.

9. District Liaison Report to the Committee - Dr. Mark J. Zacovic

Dr. Zacovic said that we are in the process of sending out letters to senior organizations in Orange County asking to for a volunteer to serve on this committee.

Dr. Zacovic thanked the committee for getting in their Form 700.

Invitations were extended to the committee for campus tours, if you are interested, please contact Dr. Zacovic's Office.

10. Comments from Members

Mr. Woinarowicz said we need to encourage attendance at these meetings, we may not be able to conduct business if we have too few members present. Dr. Zacovic said that we would contact the members by phone and email for the next meeting and reminded the committee that both Rita Kallas and Jason Strickland had graduated and we would contact the colleges for a new student representative, one from Santa Ana College and one from Santiago Canyon College..

11. Future Meeting Dates

Mr. Woinarowicz suggested that the committee meet one more time before the end of the year and asked the committee for their preference of days. It was suggested that Wednesday's or Thursday's work best. Mr. Woinarowicz suggested the committee meet again on Wednesday, October 22, 2003, the committee agreed.

12. Adjournment

A motion was made, seconded and passed to adjourn the meeting at 7:30 p.m.