

# Measure Q Citizens' Bond Oversight Committee

Santa Ana College – Cook Gym  
1530 West 17<sup>th</sup> Street, Santa Ana  
6:00 p.m. – 7:49 p.m.

## Minutes of November 5, 2020

**Members Present:** Alberta Christy, Paul Gonzales, Drew Hatcher, Jim Hossfeld, Irma Avila Macias, Teresa Saldivar and Martha Uriarte

**District Staff Present:** Marvin Martinez, Marilyn Flores, Adam O'Connor, Carri Matsumoto, Linda Melendez and Kennethia Vega

**Guests:** Leisa Schumacher

1. Call to Order/Introductions: Mr. Hossfeld called the meeting to order at 6:00 p.m. and introductions were completed. There were no requests for public comments.
2. Approval of Minutes – October 28, 2019  
Alberta Christy made a motion, which was seconded by Paul Gonzales, to approve the minutes of the October 28, 2019 meeting as presented. With no comments, edits or questions, the motion passed with abstentions by Drew Hatcher, Teresa Saldivar and Martha Uriarte.
3. Committee Membership – O'Connor  
Mr. O'Connor reviewed and discussed the membership roster along with the need to fill vacancies on the committee. At least six members need to be present to meet quorum requirements. Recommendations can be submitted to staff for consideration.
4. 2019-2020 Measure Q Citizens' Bond Oversight Committee Annual Report to the Community  
The Committee reviewed a draft version of the 2019-2020 Annual Report to the Community noting edits that included a correction to the designation of Jim Hossfeld to Business Organization Representative and a minor edit in the 4<sup>th</sup> paragraph, 3<sup>rd</sup> line Chair's message. The Annual Report is the legally required document that is distributed and made available to campus and community confirming appropriate spending of funds on projects. Mr. O'Connor further explained the expected clean financial and compliance audit reports with no findings.

With no additional comments or questions, Drew Hatcher made a motion to approve the 2019-2020 Annual Report to the Community as corrected. Irma Avila Macias seconded the motion and it passed unanimously. Mr. O'Connor noted the next step in the process, to present the approved report to the RSCCD Board of Trustees at their meeting on December 14, 2020 for acceptance. Once accepted, final printed copies will be available for dissemination to members, the campus and community as well as posted on the website. If committee members want extra copies to share with others, they are to let staff know how many they would like.

5. District Update – Martinez  
Chancellor Martinez provided a brief update of the District including the impact of COVID-19 on the instructional programs at the colleges and the requirement to adapt with 80% of classes online and very limited classes conducted face-to-face under current guidelines of the Red tier. Enrollment has been an issue because students prefer face-to-face over online format. If the County moves to the Orange tier, then 50% capacity would permit more face-to-face classes.

Since the last meeting in October 2019, Dr. Linda Rose retired (June 30, 2020) and Dr. Marilyn Flores (July 1, 2020) was appointed the interim President at SAC. Chancellor Martinez

commended Dr. Flores for hosting the in-person meeting and extended appreciation of the staff supporting this effort. It is difficult to manage with COVID-19 restrictions but managers have succeeded in providing support and services to our students and making everyone feel safe. Additionally, RSCCD offered a Supplemental Retirement Program to assist with budget challenges and 76 employees took advantage, including Vice Chancellor Peter Hardash. As a result, Adam O'Connor is serving as the Interim Vice Chancellor, Business Operations/Fiscal Services.

Further, RSCCD will welcome three new trustees because of the recent elections. Trustee/President Alvarez is outgoing with her last meeting to be Monday, November 9, 2020. She served RSCCD for eight years. Trustee Barrios ran for Orange City Council and her last meeting will be Monday as well. Nelida Mendoza left the board in May taking a position with the City Council of Santa Ana. Each of the new trustees (Tina Arias Miller, David Crockett and Sal Tinajero) will be sworn in at the December 14 Board Meeting. The Chancellor has called each one to congratulate them on their election success and met with them individually to bring them up to speed.

The fall semester will conclude in mid-December with intersession to begin in January 2021 and spring semester to begin in February 2021. Challenges have been difficult, but thankful that faculty, staff and students continue to rise to the occasion. In concluding his report, the Chancellor thanked the members for their service to the committee, Santa Ana College and the community.

In response to members' questions, Chancellor Martinez explained a number of classes such as fire technology and criminal justice academies, nursing, occupational therapy assistant, welding, auto and like programs must be in-person due to the nature of hands-on clinical, training, and labs. These courses are very restrictive; everyone must adhere to safety and physical distance requirements and great care ensured to protect everyone's safety. There has been no evidence of the spread of the virus as a result. Testing is also available on campus weekly with walk-up option on Wednesday-Thursday and drive-through option on Saturday and Sunday. This is for all residents of Santa Ana and those that live work or learn in the city of Santa Ana. Tests are conducted at SAC. What other incentives do online or former students have to be motivated and enroll in the spring semester, besides opening the campus from 25-50% capacity. In the Spring, RSCCD plans to be mostly online with a few courses face-to-face. Additionally, Career Technical Education (CTE) courses such as nursing, criminal justice, fire technology, auto, welding will continue with limited face-to-face courses especially those that require hands-on training until the County capacity changes. Unfortunately, current testing numbers are rising and it is potential the County could slip back into the Purple tier, which is much more restrictive.

#### 6. Measure Q Projects Update - Matsumoto

Ms. Matsumoto provided a brief update on the Measure Q projects noting two of the four projects are complete including Dunlap Hall and Central Plant. Current projects under construction include the Science Center and the new Johnson Student Center.

The Science Center is a new 3-story building with 64,785 square feet of space and an 880 square foot stand-alone greenhouse structure. This building will house biology, chemistry and geology, engineering and physics labs with modern technology. Three separate building were demolished to create the footprint for this building and it was to be complete by now. Due to challenging corrective work, delays, the project completion and occupancy is now postponed to fall semester 2021. The corrective work is complex for the reinstallation of the exterior metal panels and window water intrusion due to failed adhesion tests. As of last week, the metal panels were reinstalled. Inspection is pending. Water intrusion testing revealed high intrusion failure rate concluding that two sealants were not adhering to one another and now the manufacturer is saying the two sealants are not compatible. This is contrary to what the manufacturer stated in 2019. The problems are complex, could not have been predicted and

very frustrating. We are nearing agreement with the contractor to remove all sealant from the primary joint and the secondary joints of approximately 117 windows on the building. The building would be ready for move-in if it were not for the exterior window problem. This has caused the current delay. Will likely have change orders by the contractor for the job. The current budget stands at \$70.48 million and yet to resolve what the costs may be but there is sufficient budget for the project. It is anticipated that window remediation will last through the winter and the building available for fall semester occupancy. The completion schedule will change due to these outstanding matters. It is not beneficial to the District to accept a building that is not compliant with fire, life, and safety and ADA requirements nor would we want to compromise the warranty and applicable insurances for 10-year post occupancy of this building for defective workmanship. There could be additional costs and extended time due to the dispute, of which RSCCD will defend the dispute. Additional discussion continued about potential mediation, arbitration or litigation to remedy the issues. The goal is not to incur additional costs for litigation. The contractor is not in default but working to remedy the problem. Ms. Matsumoto also confirmed that full-time inspectors remain on site for the each project every day as well as DSA inspectors that visit monthly.

The new Johnson Student Center is approximately 84% complete with space designated for several student services programs, bookstore, student business office and quick stop/café. Additionally, warehouse, conference center space and mail services are located in this building. This building is important to campus life with improvements to invigorate the heart and soul of student services. There is a shade shelter and an outdoor food-serving kiosk near the pool as well as enhanced seating areas. There are delays to the project but not under dispute. It is design-related to the elevator tower 2. This design-related issue is on the critical path of construction and includes a horizontal metal beam obstructing the interior elevator shaft. This requires a redesign and further delays other work until it is resolved. This now extends time for completion to summer 2021. It does not change the budget at \$60 million and there are contingency funds available. The overall general contractor (McCarthy) is the same for both projects while the subcontractor for the metal panel work is a different vendor.

Ms. Matsumoto concluded her report by reviewing the summary that tracks the budgets and changes with adjustments made in September due to adopted budget. The Johnson Student Center budget is only deficient by \$801,778 but it is not a concern.

Members inquired of the vacant lot at 17<sup>th</sup> and Bristol. Ms. Matsumoto explained the City of Santa Ana did not approve the project and the Board of Trustees removed it from the list with the reallocation of funds to other projects. RSCCD is undertaking a feasibility study to develop the property for use and benefit of the campus and community. Those planning efforts will begin next year and the lot will stand as is until planning determines otherwise. Mr. O'Connor noted the project is not part of the 2019-20 annual report to the community and is no longer an active project; it is closed and funds transferred to support the Johnson Student Center. A discussion ensued about future development of the vacant lot, improvements at CEC, and the need to make parking a priority for students upon their return to campus. Additionally, Mr. O'Connor explained that additional projects would not be part of Measure Q. Once the two current projects are complete, that would be the end of Measure Q.

#### 7. Measure Q Financial Update – O'Connor

Mr. O'Connor reviewed the Projects Cost Summary for the year-end 2019-20 and explained how to read the summary, active and closed projects, total allocation, current year expenditures and project balance. Measure Q has spent over \$42 million in 2019-20. In August 2019 of \$198 million, the final series C bonds were issued at \$56.8 million and it was perfect timing. He also reviewed first quarter through September 30 of fiscal year 2020-21 with \$5.4 million in over three months. Spending has slowed with approximately 94% spent or encumbered.

RSCCD refinanced \$48.3 million from Measure Q and \$94.5 million from previous bond Measure E in August of this year. This is huge for our taxpayers and saves \$25 million in future tax assessments. It was the perfect time to hit the market. Mr. O'Connor expressed appreciation of the Board of Trustees for taking this action. Members are encouraged to share this information with the public.

➤ Proposition 39 General Obligation Bonds Measure Q Financial and Performance Audits for the fiscal year ended June 30, 2019

Mr. O'Connor reviewed and referenced various pages of the audit confirming a clean opinion and no findings. This too is available to share with the public. It is now the responsibility of the members to accept and receive, attesting to the financial and performance audit reports.

Paul Gonzales made a motion to receive and accept the Financial and Performance Audits Revenue Bond Construction Fund (Measure Q) for the period ending June 30, 2019. Irma Avila Macias seconded the motion and the motion passed unanimously to receive and accept as presented.

8. Santa Ana College Update – Flores

Dr. Flores provided a brief update on the activities of Santa Ana College including current enrollment (which is currently in decline), impacts of COVID-19 and adaptation to online, face-to-face, hybrid and athletic conditioning (outdoor) courses. She discussed PPE availability, capacity limitations, COVID testing availability, and precautions to protect the safety of faculty, staff and students. Intersession and spring semester will remain very similar to fall schedule with limited face-to-face courses. Student Services are available in person but by appointment only and staff assigned to a staggered schedule. Staff and students are encouraged to take advantage of the free testing and to date 20,600 tests have been administered. She also reported on the activities of Art professor Darren Hostetter receiving a grant to complete a mural in Orange County for Black Lives Matter. With the opening of the college to students, the child development center has opened three classrooms with 10 children each that began Monday, November 2 through December 11, 2020. Through the Digital Dons program, 675 laptops were distributed and through the Don's Corner, 425 students received food distribution. The student newspaper recently received numerous prestigious awards with a total exceeding 27 placements since 1998.

9. Future Meeting Dates

Future meeting dates were discussed and tentatively set for 6:00 pm on January 14, 2021, May 13, 2021, and September 23, 2021. It was further determined that an additional meeting may be necessary in late October 2021.

10. Committee Comments

Members shared comments and expressed appreciation of Santa Ana College, the SAC Foundation and RSCCD. In conclusion, Jim Hossfeld announced his work has him assigned outside the local area and therefore resigned his position from the committee. He encouraged members to fill the vacancies on the committee. Mr. O'Connor commended Jim Hossfeld for his commitment, dedication and professional attributions as a member since 2015 and the chair since 2017.

11. Adjournment

A motion was made by Alberta Christy and seconded by Drew Hatcher to adjourn the meeting. The motion passed unanimously to adjourn at 7:49 p.m.