

Adopted

HARTNELL COMMUNITY COLLEGE DISTRICT

BOND OVERSIGHT COMMITTEE MEETING

Minutes

January 18, 2006

PRESENT	Harry Gamotan, Chair Javier Aldape Donald Young Edward Valeau
ABSENT	Sean Dendy, Joey Lasnik, Juan Sanchez, and vacant position (taxpayers' organization)
PRESENTERS	Larry Carrier, Robert Yin, Guy Hollins, Damon Felice
GUESTS	Ria Megnin – Salinas Californian, Carmen Rossi – Townsend Management
CALL TO ORDER	The meeting was called to order at 3:04 p.m. by Chairman Harry Gamotan. Chair Gamotan asked all members and visitors to introduce themselves.
ADOPTION OF AGENDA	By consensus, the agenda was adopted as printed. Dr. Valeau asked that time be set aside at the end of the meeting in memoriam of Nabor Nuñez. He noted that Nabor will be sorely missed. The College will pay tribute to him by placing his name on the Parking Structure plaque as Project Manager.
MINUTES	By consensus, the minutes of December 14, 2005 were approved as written.
PUBLIC COMMENT	Chair Gamotan called for public comments. No comments were made.
BOND OVERSIGHT COMMITTEE MEMBER COMMENTS	Chair Gamotan called for comments from the Bond Oversight Committee members. No comments were made.

**INFORMATION
ITEMS:**

Introduction

Dr. Valeau stated that the TMI team would be giving a full cost accounting report to the Board of Trustees in February after reporting to the Bond Oversight Committee. He stated that it is appropriate for the Bond Oversight Committee to recommend the cost accounting report to the Board, after consensus.

**Status of Current
Measure H Contracts**

Mr. Felice distributed copies of the new cost accounting format which had been previously requested by the Bond Oversight Committee. He stated that he and Mr. Aldape had met several times to come up with a new format that would address the concerns of the Committee, especially making it a more easily understandable/readable document.

By consensus, the new cost accounting format for the Hartnell Community College Capital Construction Budget Phase I was approved.

Dr. Valeau stated that the new format for the Hartnell Community College Capital Construction Budget Phase I will be shared with the public after it has been presented to the Board of Trustees at their February 7th meeting. Dr. Valeau asked that Chair Gamotan make the formal presentation to the Board.

Chair Gamotan thanked Mr. Aldape and Mr. Felice for their work in preparing the new full cost accounting format.

Mr. Felice and Mr. Hollins reported on the status of current contracts as follows:

- Parking Structure will be open on Monday, January 23, for student and staff use – gates opening at 6:45 a.m.
- Sod is in
- Panels are up
- Towers are being cleaned
- Street sweeper will be cleaning facility prior to opening
- Skylight restoration in Steinbeck Hall is in process – 98-99% completed
- Performing Arts building HVAC is underway – new units will be installed this week
- Parking lot by the College's track will be swept and striped
- Parking Structure budget is \$21,900,000 – forecasting \$23,000,000 – over budget due to cost of steel and cement

- Cost of each parking stall will be \$21,000 – original price estimate was \$16,500 – over budget due to cost of steel and cement
- Had 25% increase in cost of piles as we never hit bedrock

Mr. Felice stated that the Grand Opening of the Parking Structure will be on Friday, February 17, time and events to be determined.

Mr. Aldape suggested that the \$23,000,000 figure be added to the new cost analysis report shown as a forecast. Mr. Felice stated that he would add the figure either on a cover sheet or on a backup sheet.

Dr. Valeau noted that as promised to the community, and directed by the Bond Oversight Committee and the Board of Trustees, the tennis courts will be back in operation in late spring. He stated that given the College's fiscal restraints, we will be looking closely at the cost for keeping the tennis courts open at night. Mr. Yin suggested the possibility of having night light meters installed.

College Construction Update

Even though some construction on campus is not funded by Measure H, as a courtesy to the Bond Oversight Committee Mr. Yin gave an update on the Center for Assessment and Lifelong Learning (CALL). He stated that the CALL will be going out to bid in July or August, pending DSA final approval. Construction should begin in September.

A discussion ensued regarding the types of bid processes that could be utilized including:

- 1) pre qualified lump sum bid – the college would obtain a pool of selected bidders who must be able to provide sufficient insurance, bonding, previous experience with the DSA, contractor would be financially sound etc.;
- 2) hard bid – the college would have less control over who is bidding with regard to insurance capacities, bonding, DSA experience, etc; and
- 3) the college would select a general contractor based on their competitive fee and relative experience – they would then manage the bid to sub-contractors. It was noted that this type of project might be too small for this type of bid.

Mr. Carrier stressed that it is vitally important that the firm have bonding capacity, which is related directly to the company's cash assets. Mr. Yin recommended that the total volume of the bided project should not exceed one-third of the companies total bonding

capacity (typically). Mr. Yin also stated that with the pre qualified lump sum bid process could potentially increase local participation. Dr. Valeau noted that internal risk management must be considered. He stated that he has difficulty saying to the community that we are lowering the bar so that there will be community participation when there could be a likelihood of problems with the structure in the future. He further noted that the Board has directed that we keep and support the most dollars in our community while getting the best quality for the best product for the college and its students. He stated that the “bottom line” is quality for a reasonable cost and opportunities for all to participate. Dr. Valeau stated that the community deserves the best construction they can get.

By consensus, a recommendation was made to not lower the bar on the pre qualification process.

By consensus, a recommendation was made to use the following bid process:

pre qualified lump sum bid – the college would obtain a pool of selected bidders who must be able to provide sufficient insurance, bonding, previous experience with the DSA, contractor would be financially sound etc.;

Mr. Yin will draft a pre qualification document and bring it to the Bond Oversight Committee for review.

Mr. Carrier stated that a traffic study has been completed on the Environmental Impact Report (EIR) for the main campus. The City has made requests of us, some of which we are not agreeing to. Mr. Maas will be meeting with the City to discuss mitigation of their requests.

Mr. Carrier stated that the EIR for East Campus is still in the talking stages. Dr. Valeau noted that the Applied Technology Center on East Campus will be on the next State bond election.

Measure H Financial Report

Mr. Carrier distributed a copy of the final audit document as provided by independent accountants, Vavrinek, Trine, Day & Company, LLP. He stated that the independent accountants looked at the College’s methods, agreed with the College’s procedures as stated, found that internal controls are in place, and tested one-third (33%) of all dollars spent, which is a very large sample to use. The accountants found no exceptions in any category. He stated that this is the College’s second clean audit on Measure H.

Dr. Valeau complimented Mr. Carrier and Carmen Rossi (TMI) for their work regarding financial procedures and record keeping. He stated that this shows the integrity of the College which is consistent with its responsibility to the concerns of the community.

**COMMITTEE
MEMBERSHIP**

Chair Gamotan stated that we have two candidates who have applied for the Bond Oversight Committee to fill the bona fide taxpayer representative position. Dr. Valeau asked that interviews be scheduled as soon as possible.

Chair Gamotan noted that one member of the Bond Oversight Committee had not been in attendance for the past several meetings. He stated that he had called and emailed the member receiving no response. Dr. Valeau suggested that a letter be sent to the member regarding his lack of participation, stating that there would be an action item at the next Committee meeting to declare his position vacant.

By consensus, a letter will be sent to the member who has not been attending Committee meetings stating that his position will be declared vacant at the next meeting of the Committee.

Interim Vice Chair

Due to lack of attendance by the member as noted above, Chair Gamotan asked that Mr. Aldape assume the Vice Chair position on the Committee.

By consensus, Javier Aldape was approved as the new Vice Chair of the Committee.

**FUTURE AGENDA
ITEMS**

The following items were suggested:

- 2006 Audit Procedure – Committee and Board of Trustees to jointly receive oral report from auditors - Discussion
- Phase II – 50/50 funding from state - Discussion

**NEXT MEETING
DATE**

Chair Gamotan suggested that the Committee meet once a month instead of meeting quarterly. It was suggested that the meetings be held on the second Monday or second Wednesday of each month at 3:00 p.m. in the College's Board Room.

By consensus, the Bond Oversight Committee will meet once a month, date and time to be determined.

MEMORIAL

A moment of silence was observed in honor of Nabor Nuñez.

Bond Oversight Committee
January 18, 2006

By consensus, a letter will be sent to Nabor Nuñez' family expressing grateful appreciation for all that he accomplished for the College and for his services to the Bond Oversight Committee.

ADJOURNMENT

There being no further business, Chair Gamotan adjourned the meeting at 4:33 p.m.