



INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
Friday, March 6, 2009
MINUTES

Call to Order

The meeting was called to order at 12:30 p.m., by John Nabors, Jr.

Members Present: Richard Borevitz, Maurice Haight, John Nabors, Jr. & George Weiner

Members Absent: Claudia Duran, Ginny McDonald, Michael McDowell

District Representatives: Bonnie Ann Dowd, Asst. Superintendent/Vice President,
Finance & Administrative Services
Mike Ellis, Director of Facilities
Phyllis Laderman, Director of Fiscal Services
Eileen Poole, Contracts Specialist

Guests: Laura Gropen

Public Comments

Public comments were solicited. There were none.

Approval of Minutes – December 5, 2008

MSC: Weiner/Borevitz. The minutes were approved and will be posted on the ICOC website.

District Reports

VP Dowd welcomed the members of the ICOC to the meeting and announced that Valarie Carlomagno is on medical leave; introduced Eileen Poole of the Contract Services department and explained that Eileen will be administratively assisting her with regard to the ICOC during Valarie's absence. Secondly, VP Dowd introduced Laura Gropen in her new position as Interim Director of Marketing Communications, discussed Laura's work experience and explained that Laura will be attending ICOC meetings in the future to assist her with public information communications on behalf of the ICOC. The committee members welcomed Eileen and Laura.

VP Dowd requested that Director Phyllis Laderman provide the members a budget update. Phyllis distributed and reviewed the Financial Data Report spreadsheet through February 28, 2009. Phyllis noted that the biggest expenditure since last reporting period is related to the North Education Center-CEQA/EIR Mitigation. In accordance with CEQA requirements and complying with the District's certified EIR for the site, the District purchased the required mitigation credits during this period. Richard Borevitz asked what interest rate the District is earning on unexpended bond proceeds. Phyllis responded that the District earned approximately 2.8% during the last period, which is

good considering the weak economy. Discussion continued with a question as to the safety of the principal. Phyllis stated that she is not concerned about any danger to the principal of our portfolio with the county; there have been no hits or hint of any hits against funds and the County is fairly conservative and has been making safe investment decisions. Discussion followed on the recent state financial budget and cash crisis. George Weiner asked if the State can take any of Proposition M cash funds during these hard economic times, and Phyllis responded that they cannot. She further explained that Palomar continues to monitor its cash position and has been fine from an operating cash balance and has not had to borrow funds; however, if we were to require additional cash as a result of the State cash situation, we would borrow from the county, which charges a reasonable rate of interest.

Richard Borevitz asked whether we have completed expenditures in reference to Project 2071003 North Ed Center – CEQA/EIR Mitigation. Bonnie explained that we had budgeted \$6M for the EIR development process and mitigation requirements identified upon completion and certification of the EIR. To date, the District has expended approximately \$3.7M. She further explained that the \$3.092M spent during this reporting period covered the purchase of habitat mitigation credits and endowment for maintenance in perpetuity. The District still has 2 biological habitat requirements to be mitigated. Bonnie further reported that the District is still within the allocated budget to complete the mitigation and close out the project. Richard further questioned if there were any early warnings or problems within any of the project budgets that the ICOC should be aware of. Director Laderman responded “no”, and that an audit recently was completed and the Independent Auditors were pleased and identified no concerns. Bonnie also noted that Kelley Hudson-Maclsaac, Manager, Facility Planning oversees the project programs; she and Kelley meet regularly to ensure that the projects remain on time and within budget. George asked if once the buildings are completed how the District will handle the operating cost. Bonnie responded that operation cost of a building cannot come from Prop M funds and must be funded by the District’s General Fund budget.

Bonnie then asked Director Mike Ellis to provide an update on construction progress to date for Series A projects. Mike distributed a handout outlining the current status of Prop M construction projects (Exhibit A) and reviewed it with ICOC members.

Some Highlights of Exhibit A are as follows:

Mike reported that in reference to bond & related costs the Facilities Department has hired all the key bond-related District personnel and they are working on Prop M projects. Mike also reported that in order to meet the needs of the instructional programs the District had to bring in modular classroom buildings to replace the space lost with the construction of the MIB and HS buildings. As a result, the budget for this line item has to be increased by \$500,000.

With regard to NS Building Completion & Equipment, Mike reported that there are currently 102 projects and/or pieces of equipment needed for completion with 46 already done. Approximately 8-10 projects are sitting in DSA awaiting approval and we



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are still working on some of the other projects. This building was built with State Capital funds with a \$5.2 M budget augmentation from Prop. M.

The S-Building project (Health Sciences) went out to bid in December 2008 seeking General Contractors. However, once bids were received, the District received some protests on the bidding process and requested that the Governing Board reject all bids and re-bid the project as a multi-prime delivery method. Mike gave a brief overview of the multi-prime delivery method and reported that bids closed on March 5, 2009 and that all bids came in under budget. Discussion continued on the multi-prime delivery method vs. hard bidding. Mike advised that construction for the Health Sciences building is still on schedule to begin in April, 2009.

Bonnie reported that the District continues to look for land in the southern portion of the district. Recently the District contracted with Cushman & Wakefield of San Diego, Inc., (hereinafter C&W) to act as its sole agent in the search for land in the southern part of our District. Bonnie explained that C&W came highly recommended to us by our real estate attorney and the District is pleased with their selection. George asked if the seller would be responsible for paying the commission to C&W. Bonnie replied that in the contract C&W will initially look to the seller for payment of the commission and/or fee; however, if seller refuses then the District is responsible for the commission to be paid to C&W in accordance with the annexed schedule. She also mentioned that C&W receives no payments from the District unless a purchase occurs. George also asked if C&W has a good reputation and Bonnie informed him that they do and that she believes the District has the A+ team working on this pursuit between the brokers headed by Steve Rosetta and the land attorneys from Allen Matkins, Tom Crosbie and Jeff Chine.

The Multimedia Lab & Planetarium – The Architects are finishing up and the plans are scheduled for submission to DSA this spring. Mike handed out copies of a letter he received from the Department of State Architect (DSA) stating that due to the State fiscal situation DSA along with other state agencies are required to furlough 2 days per month. Consequently, the productivity at DSA will drop by 25% each month. Mike further explained that the delay in getting plans, change orders, and field reviews approved could critically impact our projects and timelines. DSA has asked community colleges to write letters to the Governor addressing this matter in their defense. Richard asked if the District can find a consultant in order to get items through DSA quicker. Mike's response was that we inquired about that in the past; however, DSA takes its order from the Department of General Services.

San Marcos Campus CEQA/EIR Study – Notice of Preparation (NOP) has been sent out and is currently going through the first screen check of the Program Environmental Impact Report. The District anticipates a final draft ready sometime in spring/summer of 2009.

Escondido Center North Wing Retrofit – Due to the DSA approval process and the District's class scheduling this project will be scheduled for construction during spring 2010.



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Industrial Technology Building – Plans were completed and submitted to DSA on March 4, 2009. The District hopes to start the bidding process in September 2009 with classes begin scheduled for the spring semester 2011. Mike reviewed the design of the IT Building with committee members. Mike informed the ICOC that the T-Building renovation plans are in design development phase and showed members where the building will be relocated.

The Arboretum Improvement Plan – The architect team has been working with PBS&J, our CEQA/EIR consultant, on any protected areas within the Arboretum boundaries. There is a significant archeological site within the Arboretum that must be considered during preliminary design. Mike pointed out the area in the Arboretum that is impacted. The ad hoc committee is expected to meet the end of this month to continue discussion on the design. Mike stated that it has been an exciting project with lots of good ideas from the ad hoc committee.

Infrastructure Improvements – Current plans are sitting in DSA for approval. SDG&E have their plans ready. We are still hoping to coordinate the plans with SDG&E and hopes to complete this project in two phases to minimize impact to the campus community.

Child Development Center – The project has been put on hold due to the state budget situation.

LL Building Remodel – The FPP (Final Project Plan) has been submitted, however, we have been told that state funding is going to be delayed at least two (2) years.

Library/Learning Resource Center – Project was in the Governor's state budget for 2008-09, but has been removed due to the state budget crisis. We are expecting this project to be in the state budget for 2010-11.

Escondido Center Improvements – Phase 1- The Instructional Planning Council and other key members will start working on the Educational & Facilities Master Plan. Bonnie advised the Committee that LPA, the District's Architect, has been given the task to look at the current Educational & Facilities Master Plan and to update the educational plan by involving the campus community as to what their current and future needs will be. The Educational Plan will then be incorporated into the Facilities Plan. VP Dowd, President Deegan, and VP Cuaron will interview Educational Planning consultants to perform the given task under the direction of LPA. Once a consultant firm has been selected the task force will begin its work to update the educational plan portion of MP2022.

Multidisciplinary Instructional Building (MIB) - Mike brought the committee up-to-date on the construction progress of the MIB, including a narrative on the current blasting of the granite (rock) at the site.

Information Services Technology Projects – Mike provided an update on the three projects currently in progress: A-Building Generator; Telecommunication Upgrade; and



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Computer Technology System Upgrade. In reference to the Computer Technology System Upgrade, Richard Borevitz asked what we do with the obsolete computers. Bonnie explained that if there is no need for the computers within the District we will donate them to other educational institutions or auction off the computers.

Energy Savings & Sustainability Projects for 2009 - Mike distributed a handout (Exhibit B) regarding the District's commitment to energy savings and sustainability. Bonnie notified the committee that with the assistance of LPA Inc., Architect of Record for the MIB, the District is intending to pursue LEED certification on the MIB and currently are in discussion with Carrier Johnson, Architect of Record, for HS Building. Any monies awarded the District by SDG&E under its Savings by Design incentives program will be deposited in a separate District fund to be used towards payment of the LEED certifications and energy maintenance cost.

State Budget Crisis Impact

Bonnie informed the ICOC that the Governor of California has signed a new budget, called an 18-month budget, which goes through FY 2009-10, which the legislators approved in February. Under this new budget community colleges have fared well compared to K-12 schools, but we are proceeding cautiously awaiting the outcome of the ballot measures going before the voters on May 19, 2009, which if they fail are bound to result in cuts for community colleges.

George Weimer asked how the ballot measures were polling. Bonnie replied that presently the measures were not polling in favor of passage.

This concluded the District's operating reports to the ICOC Committee.

ICOC Annual Report

Bonnie reported that she and Laura Gropen have collaborated on a draft of the 2007-08 ICOC Annual Report. Bonnie asked Laura to distribute a draft copy of the report, which was then reviewed as to contents and presentation. Bonnie advised the members that this document was a preliminary draft based upon discussion with the sub-committee as to format and content and requested that members review and send her any deletions, additions, or comments by the end of March or first week of April so the annual report can be finalized for presentation to the Palomar College Governing Board and distributed accordingly.

Bonnie also reminded the ICOC that their Bylaws require that a narrative annual report be given to the Governing Board by the end of the fiscal year. She recommended that the ICOC consider doing a presentation at the June 9, 2009 board meeting. George replied that prior to the Board meeting the ICOC members should discuss the annual report and presentation. Bonnie reminded the committee that they meet on June 5th. There was concurrence that the committee would prepare for the Governing Board presentation at that meeting. Bonnie said that an item will be placed on the next meeting's agenda.



Upcoming Vacancies of Committee Members

Bonnie reported that the term of four (4) committee members will expire in June 2009. She said that she will send out a notice toward the end of April. The vacancies will be published to solicit applications and all current ICOC members are eligible to re-apply and encouraged to commit to a second term.

Comments From Members Generated the Following:

All members present thanked Laura for doing an outstanding job on the 2007-08 ICOC Annual Report document especially considering the limited time she has been in her position.

Adjournment

There being no further business, meeting adjourned at 2:13 p.m. The next meeting is June 5th. Agenda and minutes will be distributed prior to that meeting with a call for agenda items in advance of their distribution.