



INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
Friday, June 6, 2008
MINUTES

Call to Order

There was a delay in calling the meeting to order due to a lack of quorum. Upon achieving a quorum, Dr. Dowd asked for a volunteer to chair the meeting due to the absence of both the chair and vice-chair. The committee requested that Dr. Dowd chair the meeting. The meeting was called to order at 12:37 p.m., by Dr. Bonnie Ann Dowd.

Members Present: Richard Borevitz, Maurice Haight, Michael McDowell, & George Weiner

Members Absent: Ginny MacDonald, John Nabors, Jr., & Pulkit Kanotra

District Representatives: Robert Deegan Superintendent/President
Bonnie Ann Dowd, Asst. Superintendent/Vice President,
Finance & Administrative Services
Mike Ellis, Director of Facilities
Phyllis Laderman, Director of Fiscal Services
Valarie Carlomagno, Administrative Assistant

Guests: Claudia Duran, ASG Vice President

Public Comments

Public comments were solicited. There were none.

Approval of March 7, 2008, Minutes

MSC: Borevitz/McDowell. The minutes were unanimously approved as written and will be posted on the ICOC website.

District Report

Dr. Dowd introduced and welcomed Claudia Duran, the newly elected Associated Student Government (ASG) Vice-President and indicated that Ms. Duran has applied for the Student vacancy to the ICOC. Dr. Dowd announced that Maurice Haight has submitted an application for re-appointment to the ICOC and that John Nabors, Jr. would be applying, as well. The ICOC members and staff then introduced themselves to Ms. Duran and gave a brief statement of their background and their role on the ICOC.

Construction Projects Review:

Mike Ellis (Facilities Department Director) provided a handout on the status of Prop M construction projects (Exhibit A) and reviewed it with ICOC members.

Delivery began on the sixteen (16) modular buildings on June 2nd into Lot #2, and the units will be ready for classes at the beginning of the fall semester.



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On the North Education Center in Fallbrook, Mike Ellis reported that upon certification of the EIR, the next step will be pulling grading permits, which should occur within three to six months of certification. Dr. Dowd updated the ICOC on the status of the EIR sharing that at a meeting with the County and Cal Trans, the issues raised by the agencies have been whittled-down to a few items. Her recommendation to the Governing Board will be to certify the EIR at the July 8th Governing Board Meeting, even if the County has not signed-off on the report. Dr. Dowd also shared that it appears there will be less mitigation than originally anticipated with regard to traffic lights, saving the College costs.

On the S-Building (Health Sciences) Project, Mike Ellis indicated that anything of use or value from the S, CH, ES & LS buildings has been salvaged such as equipment, desks, file cabinets, etc., and has netted \$18,000 on the e-auction recently conducted. Also, it was determined that it was more cost effective and efficient to hire one contractor to handle the demolition of the S, CH, ES & LS buildings, rather than bid demolition of each building separately. Mike reported that construction fencing is currently going up around the project site and demolition should begin within the next few weeks. Demolition will be completed by the beginning of the fall semester and construction should begin in September.

With regard to the Multimedia Lab & Planetarium Project, the original architect that was hired has backed out of the project because it fell underneath their threshold for size and project cost. Tbp Architects have been selected and are working with the user group. The anticipated submittal to DSA is spring 2009. Construction is scheduled to begin in summer 2009, and take approximately 12 months for projection completion. Facilities coordinated with planetarium staff to strip everything useable out of the building and it's being stored in the NS building. Dr. Dowd reported that after approval by the Governing Board at their last meeting, the college donated two salvaged telescopes to the Palomar Observatory.

On a side note, Dr. Dowd also stated that 200 computers have been donated to Vista High School and replaced with new computers from the District's Prop M computer technology funds. She indicated that this is a win/win situation for both parties, as Vista High School was in desperate need of computers for students and the District would not have to pay to have these computers of nominal value taken away as e-waste. Michael McDowell indicated that this would be another opportunity to share on the website the leveraging of Prop M monies and equipment so the public can be assured the District is utilizing the funds in a fiduciary manner.

Mike Ellis reported that the Industrial Technology Building Project was modified from its original scope in the Master Plan in response to academic/program need. In addition, the District is identifying what projects could be moved forward from their original schedule on Master Plan 2022 to spend down Series-A funds, while minimizing campus disruptions. The Industrial Technology Building is not near the MIB or S-Building project sites, so it would have less impact on the campus than other projects being considered. The District decided to move up the start date of the IT Building project from the original start date of 2014-15. This should result in a savings of \$3M in inflationary costs built into the project. Where possible, the District is trying to expedite projects that won't



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impact other projects and/or instructional services to save those built-in inflationary costs. Any realized savings will go back into the Prop M contingency funds.

DSA submission for the Theatre Addition and Remodel project is scheduled for the end of the year, with construction beginning in spring or summer of 2009.

The main goal of the Arboretum Improvement Project is to comply with ADA access requirements. It is anticipated that improvements will begin in spring or summer of 2009, or possibly sooner since the project does not impact classroom instruction.

On the Child Development Center Project, only one Final Project Proposal (FPP) can be submitted per year to the State and an FPP was already submitted this year for another project. The District will be submitting the FPP for the Child Development Center in 2009.

The LL Building Remodel will become the new Student Services Center and will serve as a convenient, one-stop location for Palomar students to access all student services. The FPP will be submitted to the Chancellor's Office by June 30, 2008.

Although approved in the proposed 2008-09 Governor's budget, the Library/Learning Resource Center project will unlikely be funded this year given the state's current fiscal challenges. A member suggested that perhaps the District could use Prop M monies to fund the state's portion to keep the project on track. Mike Ellis responded that the FPP the District submitted is the absolute final plan as far as the state is concerned and no changes can occur once the state approves it, and that includes funding sources. President Deegan explained that advocacy is still occurring on capital outlay funding; because the Library/LRC will be 88% funded by the state the District anticipates doing another project in series A that will not be funded by the state.

Regarding the MIB project, the FPP was submitted five years ago. Although the state factors-in inflationary costs, it is rarely adequate once the project is scheduled to begin. In addition, many of the disciplines in the MIB are computer-heavy, which has resulted in a \$3M shortfall. The District is transferring \$3M from Prop M funds to cover the shortfall, since the project meets a majority of the items included in the Bond language and the Governing Board's Resolution. The MIB project will be the first "multi-prime" project in Series A - the District will not be using a General Contractor. Rather, specialties are being bid separately and the subcontractors will operate under the supervision of the Construction Management firm appointed by the Governing Board for the MIB. Mike Ellis reported that General Contractors tend to have a "team" of people that they work with, some of which may even be from out of state. Often, this results in higher overhead costs and higher bids. While a multi-prime project does create additional work for the District's Purchasing and Facilities departments, subcontractors tend to employ more of the local workforce, which benefits the local economy. To date, bidding is coming in lower than anticipated for the MIB as the depressed economic climate is resulting in tighter, more competitive bids. Any cost savings on the project will be returned to the Prop M contingency fund.



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ICOC Member McDowell suggested that any costs overruns be explained on the ICOC website or in some public manner as a pro-active measure that keeps the public informed and maintains their trust. It is also a way to demonstrate how fund augmentation provides more efficient and state-of-the-art facilities, which in turn provides more opportunities to the community.

Information Services infrastructure projects are ongoing. Dr. Dowd reported that computers are being installed and has been a major collaborative effort between Information Services and Facilities with several people working Saturdays in order to accommodate the staggered delivery of the new computers, and other logistical needs.

In addition to Prop M projects, the District is working with SDG&E on several projects that will likely result in awards similar to those received in the past for sustainability.

Lastly, Mike Ellis reported there are 56 scheduled maintenance projects planned to occur this summer. He stressed that while new construction is important to move the college forward, it's still important to keep the campus looking pleasant and well-maintained for everyone's benefit.

Financial Data Report:

Phyllis Laderman presented the Financial Data Report through May 31, 2008. She pointed-out the interest received to date, as well as a negative expenditure under the PC North Education Center which resulted from the wrong Purchase Order being charged on an invoice. Phyllis further reported that the District's interim audit begins June 16th and will include an audit of Prop M funds. The final audit is scheduled for the end of October for FY2007-08.

ICOC Member Richard Borevitz inquired as to what the auditors look at when auditing Prop M funds. Phyllis Laderman responded that in a typical audit, Fiscal will give the auditors a file of all expenditures for the year and the auditor will pull numerous samples for review. The District's auditor is the firm of Vincenti, Lloyd & Stuzman. Through a variety of measure, the auditors will be verifying that the expenditures were appropriately authorized, that the correct accounts were being charged and that internal controls are in place. There will be a separate statement issued regarding Prop M funds that will confirm funds are being spent in compliance with the voter-approved Bond Resolution. This statement will be incorporated into the ICOC's annual report to the community. David Casnocha, the bond attorney, will also be reviewing the performance audit to ensure Bond Resolution compliance.

Richard Borevitz asked where interest earnings are deposited. Phyllis Laderman responded that they go into the Prop M funds at the County as contingency funds, but as interest rates fall and the bond is reduced through expenditures, future interest earnings are expected to be considerably lower than what it has been to date. She also informed the committee that the District will be having an "arbitrage audit" in the near future. This audit ensures public agencies don't get tax-exempt monies and invest at a profit. Effectively, the arbitrage audit limits profit on the tax-exempt monies over the life of the bond.

George Weiner inquired as to whether there is a time limit to expend Prop M funds. Bonnie responded that there is no time limit; however, the District will not be allowed to sell new bonds until 85% of the Series A funds are expended or there is a legitimate justification for needing to go out for additional funds without spending down to 15% of the first series such as a pending land purchase.

This concluded the District's report to the ICOC Committee.

Comments From Members Generated the Following:

- Richard Borevitz informed the committee that he has been in touch with a property owner selling 200+ acres of grassland at the end of Las Posas Street. Mr. Borevitz expressed his belief that this grassland would satisfy mitigation requirements related to the District's North Education Center EIR. Dr. Dowd responded that she had forwarded Mr. Borevitz's request to the District's mitigation consultant for his review and determination as to adequacy in accordance with the EIR.
- At the previous ICOC meeting, Ginny MacDonald requested a sign at the Fallbrook Campus stating "Future Home of Palomar College." She felt that this would be an excellent way to showcase Palomar College. Bonnie reported that the EIR has not been finalized nor the site approved by the state as the North Education Center. The request for this designation is scheduled for second reading at the State's September Board of Governors meeting. Mark Oggle has been tasked with creating a rendition for the billboard sign, which must be funded through General Funds, not Prop M funds; however, Mr. Oggle has been out on an extended sick leave.
- George Weiner inquired about the cost of the EIR and what it includes. Discussion ensued about the CEQA/EIR Mitigation Project for the North Education Center, which includes the cost of mitigation land as well as the environmental consultant, the traffic studies, consultants to assist with obtaining clearances from other agencies, etc. The San Marcos CEQA/EIR is separate and related to expansion on the main campus. Mr. Weiner questioned what would happen if the EIR were not approved and what the District's options would be. Dr. Dowd responded that if the EIR were not approved due to negligence on the part of the consultant, the District could take legal action against their Errors & Omissions insurance to recoup costs. She stressed that both consultants have been diligent in their efforts thus far and that the District has retained the highly-respected law office of Luce Forward to ensure the District is in compliance with CEQA guidelines for an EIR.
- As discussed previously, Ginny MacDonald and Michael McDowell have volunteered to begin formulating the Annual Report. Mr. McDowell indicated that he will get in touch with Ms. MacDonald in the near future to calendar

meeting dates. He also suggested that the ICOC consider including information in its discussion from a study by the Taxpayers Association on the effectiveness of ICOCs throughout the County in the report.

- Dr. Bonnie Dowd reported that she anticipates putting out a RFQ for an individual or firm to assist with program management. As Series-A projects are beginning to come on-line, it is becoming increasingly challenging for current District staff to manage the various Prop-M projects while still performing normal day-to-day operations. It is anticipated that the person or firm hired will also provide assistance to the ICOC in the preparation of its Annual Report, if needed.
- Due to a previous commitment, Dr. Bonnie Dowd indicated she will be unable to attend the regularly scheduled ICOC meeting on September 5th. Michael McDowell commented that he believes the ICOC should be sensitive to Dr. Dowd's schedule since she brings a high level of expertise to the meetings. He made a motion that the meeting be moved to September 12th, to accommodate Dr. Dowd's schedule (MSC: McDowell/Borevitz), which was unanimously approved. Dr. Dowd responded that she greatly appreciated the date change for the meeting.
- George Weiner thanked everyone involved in the Prop M projects for their dedication and hard work, which was affirmed by the other ICOC members. Dr. Dowd thanked the ICOC members for their dedication to Palomar College and encouraged them to continue to get the word out to the public on the District's efforts to improve service and resources to the community.

Adjournment

The meeting adjourned at 2:27 p.m.