



**MEETING OF THE MEASURE H
CITIZENS' BOND OVERSIGHT COMMITTEE**

TUESDAY, October 23, 2018

MINUTES

The Measure H Citizens' Bond Oversight Committee held their regular quarterly meeting on Tuesday, October 23, 2018 in the Board Room of the Shasta College Administration Building located at 11555 Old Oregon Trail, Redding, California.

1. Call to Order

The meeting was called to order by Rick Fauss at 5:03 p.m.

2. Roll Call

COMMITTEE MEMBERS PRESENT		AREA OF REPRESENTATION
	Joe Ayer	Taxpayers' Association
X	Rick Fauss	Business Organization
X	Steve Hosler	Senior Citizens' Organization
X	Millie (Milagros) Israel	SC Student Representative
	Robbie Middleton	College Support Organization
X	Paula Percy	At-Large Representative
X	Larry (Lawrence) Russell	At-Large Representative

Guests
Dr. Joe Wyse, Superintendent/President
George Estrada, Director of Physical Plant
Theresa Markword, Bond Program Manager
Robert Fellingner, CBO Redding School District
Sherry Nicholas, Executive Assistant for Administrative Services/Recorder

3. Call for requests from the audience to speak to any item on the agenda

There were no requests.

4. Approval of the July 24, 2018 meeting minutes

Motioned by Larry Russell and seconded by Millie Israel to approve the minutes. **Motion passed 5-0.**

5. Update on Bond Projects (Attachment)

Student Services Building

The design concept is to make this a One Stop Shop. A special slide presentation was shared of the various planned areas of this project.

Regional Public Safety Training Center

An update of the project, which included current pictures was shared. A representation of what the fire props will look like was also shared. The foundations for the props are being prepared, and one prop is being delivered today and one will be delivered next week. Gifford Construction is responsible for the project infrastructure, and Trent Construction will be assembling the props on site. The CBOC members plan to tour this project area after adjournment of tonight's meeting.

Athletic Fieldhouse

The project is moving along smoothly. Mr. Estrada said this building design was preapproved by DSA which is why it is moving along quickly. The CBOC members plan to tour this project area after adjournment of tonight's meeting. Cerami and Browning Construction is the contractor.

Gymnasium Air Conditioning

Financially, the infrastructure portion of this project is separated out from the other costs of the project and are being tracked independently. Ms. Markword pointed out that when the bids are coming back they are including the exterior infrastructure costs. Mr. Russell asked if the HVAC system will be a vertical retrofit unit. Mr. Estrada said it is a hybrid system. Cerami and Browning Construction is the contractor.

Solar Project East Lot

Due to this project being under way, about 75% of the parking lot is currently closed. Pictures were shared that showed the rebar cages and concrete piers above the asphalt. They are making a lot of progress on this project. The CBOC members plan to tour this project area after adjournment of tonight's meeting. SunPower Solar is the energy provider and contractor.

2400 Building Electrical Upgrade Project

This project is currently looking at costing over \$100,000, with a current estimate at \$250,000. Completion of this project will allow all auto classes to now be based in the auto area, and create room for expansion of the diesel area.

Campus Safety Relocation Project

This project is currently in the bidding process. Bidding will close on October 30th. The Campus Safety Department will be moving to the old museum location which is closer to the main campus front entrance.

Projects under DSA Review

1. Veterans Center
2. CTE Building
3. Regional Public Safety Training Center – Classroom Buildings

Non-DSA Projects

1. 2400 Building Electrical Upgrade
2. HSUC Folding Wall Project
3. Main campus ongoing construction projects: Keying and Access Control and Safety and Security Standards
4. Campus Wide Infrastructure Projects: Water, Sewer, Storm Drain, Electrical and Technology

Mr. Russell asked about cost increases to the Public Safety Training Grounds Project. Mr. Estrada said cost escalation will not affect Phase One of this project, but may affect the next phases.

6. Review of Expenditures (Attachment)

Ms. Markword explained that some of the dollars have been shifted. One example is that \$1,000,000 was moved from Property Purchases to create an Unallocated Reserve. \$250,000 of the Unallocated Reserve was applied to the Regional Public Safety Training Center – Phase One project.

Dr. Wyse reminded the committee that we are currently using dollars from the first issuance of the Bond, and they expect to do a second issuance soon. Unfortunately, with the cost escalations they are faced with for various reasons (Carr Fire, supply and demand, etc.) they thought the dollars would go further than they are, so they will be reviewing all projects again to ensure that the dollars will be used as prudently as possible, with the ultimate goal still being that at all proposed projects are completed. Mr. Estrada added that escalation has been around 38%. Dr. Wyse said that there are many Bonds that have been approved state wide, and this reduces the supply of contractors and subcontractors available to work on our projects.

Mr. Estrada said due to the supply and demand and its effects on the escalation, a fear factor has been built into the bids. Additionally, the industry is also really lacking a trained labor force, and the new and younger workforce needs to be trained. Ms. Markword commented that the fires this year have really cut into the availability of contractors as well.

Ms. Markword pointed out how change orders are being itemized and tracked for each project. She will be keeping a running total on all change orders. Dr. Wyse said any change order over 10%, or any change order that together with prior change orders causes the cumulative total to exceed 10%, goes to the Board of Trustees for approval. Mr. Estrada said that they look at the change orders very closely, and have been able to reduce costs in some cases, such as with the Regional Public Safety Training Center where they didn't take out as many trees, thus saving some dollars on the project.

Ms. Markword noted that the Gymnasium Air Conditioning total cost was greatly affected by cost escalation, and in fact came in quite a bit higher than originally planned. Cerami and Browning Construction worked with the District to do a change order reducing the project total by \$341,000. As mentioned previously, there is also a reallocation of dollars on this project because a portion of it is truly an infrastructure project which affects other buildings.

Dr. Wyse said all the areas in red in the financial overview are new items since the last time this was presented to this committee. Putting new items in red should make it easier to read. Dr. Wyse also added that interest proceeds to date are approximately \$391,000. As this number increases, it will allow for extra money to be spent on some projects. Unfortunately, the interest rates are low, but the good news is they may start to increase since the investment pool is getting better returns now. They are watching and anticipating having extra dollars coming from increased interest earnings.

7. Comments from the audience

There were no comments.

8. Next meetings of the committee:

- April 23, 2019
- July 23, 2019

9. Adjourn

Motioned by Rick Fauss and seconded by Millie Israel to adjourn the meeting. The vote was 5-0 in favor of adjournment. Rick Fauss adjourned the meeting at 5:40 p.m. The Committee began their tour of several of the main campus project sites.

Submitted by:

Sherry Nicholas

Sherry Nicholas
Official Recorder