



**MEETING OF THE MEASURE H
CITIZENS' BOND OVERSIGHT COMMITTEE
TUESDAY, October 22, 2019
MINUTES**

The Measure H Citizens' Bond Oversight Committee held their regular quarterly meeting on Tuesday, October 22, 2019 in the Board Room of the Shasta College Administration Building located at 11555 Old Oregon Trail, Redding, California.

1. Open Session

1.1 Call to Order

The meeting was called to order by Joe Ayer at 5:05 p.m.

1.2 Welcome New Members:

- Hana Lynn – Shasta College Student Representative
- Fabio Robles – At-Large Representative (Trinity County)
- Robert Steinacher – At Large Representative (Tehama County)

Hana Lynn moved from Michigan to Redding to attend Shasta College. She is majoring in sociology, and plans to transfer to UC Berkeley in two years. She currently lives in on-campus housing at the dorms.

Fabio Robles has two daughters, lives in Redding and commutes to Weaverville each day to work as the Deputy Superintendent for the Trinity County Office of Education.

Bob Steinacher is a former Shasta College Board of Trustees member. He served eight years on the Board, and is a farmer in Corning where he grows organic figs and walnuts. Bob said his reason for wanting to sit on the CBOC is he wants to stay involved and connected in his community.

Each CBOC member gave a brief introduction of themselves to the new members.

1.3 Roll Call

| COMMITTEE MEMBERS PRESENT | | AREA OF REPRESENTATION |
|---------------------------|--------------------------|-------------------------------|
| X | Joe Ayer, Chair | Taxpayers' Association |
| X | Rick Fauss | Business Organization |
| | Steve Hosler, Vice Chair | Senior Citizens' Organization |

| | | |
|---|-------------------|--|
| X | Hana Lynn | SC Student Representative |
| X | Robbie Middleton | College Support Organization |
| X | Paula Percy | At-Large Representative |
| X | Fabio Robles | At-Large Representative (Trinity County) |
| X | Robert Steinacher | At-Large Representative (Tehama County) |

| GUESTS |
|---|
| Theresa Markword, Bond Program Manager |
| Sherry Nicholas, Executive Assistant for Administrative Services / Recorder |
| Morris Rodrigue, Assistant Superintendent / VP Administrative Services |
| Dr. Joe Wyse, Superintendent/President |

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

There were no requests.

2. APPROVAL OF MINUTES

2.1 Approval of the July 23, 2019 meeting minutes (Attached)

Motioned by Robbie Middleton and seconded by Rick Fauss. Discussion-none.
Motion passed unanimously.

3. INSTITUTIONAL REPORTS

3.1 Bond Financial Overview (Attached)

Theresa Markword said the areas in red are new information since the last meeting. We are collecting interest on the funds we haven't expended yet. To date we have earned \$935,311 in interest. These dollars will eventually be allocated to fund more bond projects.

Joe Ayer asked if we budget the interest. Joe Wyse said we wait to allocate those funds when are closer to the end of the bond projects. There is no timeframe on interest funds, but we must spend at least 85% of the bond funds in the first three (3) years from each issuance date. The interest will be accumulated, tracked and then applied to projects.

In the Budget Change Detail section, the text in blue represents budget decreases and the text in red represents budget increases to projects, or new projects.
Theresa Markword gave a review of the budget changes on page 2, and explained when bids come in, 10% of the construction contract amount is initially estimated for furniture,

fixtures and equipment. These are estimates only. For example, we estimated 10% of \$3.2 million for furniture, fixtures and equipment costs for the Tehama Campus Student Services building, but the construction contract came in much higher at \$4.9 million, so we have to adjust the amount for furniture, fixtures and equipment. The CBOC members questioned the bid award amount versus the original construction cost estimate for the Student Services building, and it was explained that the increase was mainly due to the 30% escalation in construction costs being experienced throughout the state. Even though the bid award is higher than anticipated, the north state is doing much better than Sacramento or the Bay Area on escalation increases. The Campus Safety Warehouse costs also increased, and the appropriate adjustments have been made.

Theresa Markword said as we get toward the end of a project and we come in under budget, funds are released back into the budget. One example of this is the Athletic Fieldhouse (page 2) where approximately \$743,000 was released back to be utilized for other projects.

On October 3, 2019 we received the Series B issuance of \$40,000,000 with half of the issuance being tax exempt, and the other half taxable. The taxable portion does not have the same requirement as the tax exempt portion where 85% of the issuance amount has to be spent within the first three years of the issuance date. The interest rates whether taxable or non-taxable were very close, with the average interest rate at 3.26%.

3.2 Update on Bond Projects (PowerPoint Attached)

Veteran's Support and Success Center

Started in April 2019 with a completion date of January 2020. Joe Ayer asked what percentage of our student population are veterans. Joe Wyse said we serve 300-350 veteran students each year.

Regional Public Safety Training Center (RPSTC) Classroom Buildings

Started June 2019 with an estimated completion of April 2020. This is for construction of two classroom buildings. One classroom building will be used for community agency groups for trainings and it will have shower/locker rooms. The other classroom building will be specific to the college Fire Academy, Administration of Justice, and EMT programs.

Northwest Campus Infrastructure Project

This project is adjacent to the RPSTC Classroom Buildings and includes a parking lot as well as necessary sewer lines.

CTE Building and Covered Storage

Started June 2019 with a completion date of May 2020. The foundation has been poured, and construction is underway. This building will house the Advanced Manufacturing and Machining Programs. This building will also allow us to accommodate industry partners. There will also be an open covered storage area which will be a shared space for the CTE programs in the 2400/2500/2600/2700 quad.

Tehama Campus Student Services Building

Started September 2019 with a completion date of October 2020. The Ground Breaking Ceremony for this project is tomorrow at 10:00 AM. The foundation is in and footings are being poured.

Campus Safety Interior Renovation

Started in January 2019 and to be completed this month. A new archaeology storage shed has been constructed, and it is now located next to the archeology lab which is much more beneficial to the program.

Solar Project East Lot

Still waiting on PG&E to complete network and distribution upgrades. Started October 2018 with a possible completion date of December 2019.

Storage Warehouse

Located behind the new Campus Safety building. The warehouse will be used for museum items which are currently stored at an offsite location, and will also be used to house secure records storage and campus safety items.

Campus Safety and Security Site Work and ADA Paths of Travel

Projects were started June 2019 and completed October 2019.

Campus Wide Infrastructure Project

Ongoing project. Many of the other projects are affected by this project.

DSA Projects

Received DSA approval on the CIS Building project and we are in the process of going out to bid.

200 Building (Library) Renovation

This project is in the predesign phase. Through the Chancellor's Office there could be state money available. A final project proposal (FPP) was submitted in July. We hope to get to the next level of scrutiny. If we are approved, the dollars will be for a library renovation which could cost \$18 to \$19 million. Joe Wyse said if approved, the college would pay around \$5 million, and then the state would pick up the rest for a possible 25% match. Morris Rodrigue said they are optimistic about being approved. Joe Wyse said the good part is receiving a large amount of state dollars, the bad part is the

continued increase in cost escalation. If the construction cost comes in higher than what was approved, the state won't move forward with the project unless the college picks up the additional required funding. This would not be funded until 2025. More information should be available in late November 2019.

Current and Upcoming Projects:

- Infrastructure Project (near completion): Sewer pipes re-sleeved/replaced
- 200 Building Exterior Infrastructure – ADA Walkways and Patio (near completion)
- Changed out air compressors
- Installed sewer lines to the public safety training grounds
- College Main Campus Keying and Access Control: Bid awarded 10/16/19 for materials and labor for wiring all building on the main campus (hardware procurement/installation to be bid separately)
- Storage Building: Located behind the Campus Safety building (estimated completion is February 2020)
- Farm Building and Shade Structure Project (PAA ratified by the Board 10/16/19)

Completed Projects:

- 2400 Building- Electrical Equipment Upgrade
- Athletic Fieldhouse with Restrooms
- Gymnasium Air Conditioning
- HSUC Folding Wall Replacement
- Interior/Exterior Lighting (Combined Prop 39 and Bond project)
- Northeast Campus Infrastructure
- RPSTC Phase One (Infrastructure and Fire Training Props)
- SC Safety and Security Standards

4. DISCUSSION ITEMS

4.1 New Member Training (PowerPoint)

Theresa Markword reviewed the following with the committee:

- Introductions of members and facilitators

CA Ed Code states the following:

- Purpose of the CBOC Committee is to inform the public concerning the expenditures of bond revenues.
- Members are to review and report on the proper expenditures of taxpayers' money for school construction.

Proper expenditures

Expenditures must conform to the list of specific facilities projects to be funded as presented to the District voters: Construction, Remodeling, Replacement, Furniture,

Fixtures and Equipment, Real Property Purchases and Real Property Leases. The Bond dollars cannot pay for operating expenses, such as faculty salaries, or other school operating expense. The Bond can only pay for salaries directly related to Bond Program activities.

Committee Responsibilities

Reviews

- Bond financial overview (issuances and expenditures)
- Annual independent financial and performance audits
- District Board responses to audit findings
- Facilities and grounds related to bond projects
- Efforts by the District to maximize bond proceeds through cost-saving measures

Reporting

- Annual report to the community (January of each year)
- Committee shall ensure that all Bond information is posted on the CBOC web pages

General Information

- All meetings are open to the public and the agendas are published on the website.
- The agenda is also physically posted at all District campuses.
- The agenda always allows an opportunity for comments, and speaker cards are available at each meeting.
- The CBOC follows the rules of The Brown Act (open and public meetings).
 - No special / off schedule meetings are allowed.
- A quorum is a majority of the number of committee members present. (Currently 5 out of 8 constitutes a quorum.)
- The CBOC roles are to review the expenditures and ensure that taxpayers' dollars are expended appropriately.

4.2 Block 7 Office Building Project (Downtown Redding)

Joe Wyse provided an aerial shot of the downtown Redding HSUC and the current parking structure. A concept drawing was shown to the committee.

The City of Redding has approved a redevelopment plan for the existing downtown covered parking structure which is in the process of being demolished as it has reached the end of its useful life. The McConnell Foundation and K2 Development Company are planning to build a five story office building with adjacent affordable housing structures, and they asked Shasta College if we would want to purchase some space in the office building. The Board of Trustees has authorized college administration to purchase three floors in the five story building. The District has an option to purchase the top floor, and

should this option be exercised, we would be an anchor tenant partner where we could receive market tax credits. This is still in the discussion phase with The McConnell Foundation and K2 Development Company. Their long term vision is to develop a location where people will gather downtown by creating a large park for farmers markets, a concert venue, and other types of community gathering spaces.

This project meets the expenditure requirement for bond funds for facilities. It is a perfect location for business operations and creates future community partnership opportunities. The proposed pre-plan would be to house Community Education, Foster and Kinship Care, CalWORKs, EWD, Grant Development, North State Together, Research, and a possible regional alliance center.

The Job Training Center, various other nonprofits, educational partners, Chico State University and United Way are all interested tenants. There will be no restrictions on leasing out the space. There is also an opportunity to partner with the Redding Chamber of Commerce to launch their Chamber University.

If Shasta College eventually becomes a two college district, the building would make a nice location for a district office. It all makes sense for long-term growth. This is the big picture and why the Board of Trustees agreed with the administration's decision to go forward with this project.

Joe Ayer asked where parking will be located. Joe Wyse said there will be a three story parking structure and 75 spaces would be designated Shasta College spaces. But, until the project is done, the next 30 months will be tough for parking. Anticipated completion of this project is 2022-2023.

4.3 Cost of Construction based upon Recently Awarded Bids (Attached)

This information is one page at-a-glance and will be kept current as bids come in for tracking the cost of construction projects. The committee reviewed each project listed on the document. No further discussion was noted.

5. ANNOUNCEMENTS

5.1 Next meetings of the committee:

- January 28, 2020
- April 28, 2020

5.2 Tehama Student Services Building Groundbreaking Ceremony

- Wednesday, October 23rd, 10:00 AM at the Red Bluff campus

6. PUBLIC COMMENTS

6.1 Comments from the audience

New parking permits for the committee are needed. Sherry Nicholas will assist with sending current permits to all committee members.

7. ADJOURNMENT

It was moved by Bob Steinacher and seconded by Robbie Middleton to adjourn the meeting. The vote was 7-0 in favor of adjournment. Committee Chair Joe Ayer adjourned the meeting at 5:57 p.m.

Submitted by:

Sherry Nicholas

Sherry Nicholas
Official Recorder