

SANTA CLARITA COMMUNITY COLLEGE DISTRICT
Independent Citizens' Bond Oversight Committee

November 9, 2021

MINUTES
(Approved)

College of the Canyons

26455 Rockwell Canyon Road, Santa Clarita, California 91355

Virtual Zoom Webinar: <https://canyonsonline.zoom.us/j/96038567945>

Members Present: Mr. Kevin Holmes, Chair
Ms. Barbara S. Cochran
Mr. Don Kimball
Mr. Michael Lebecki
Mr. Collin Schneour, Associated Student Government Representative

Members Absent: Mr. Calvin Hedman
Mr. Spencer Leafdale

Others Present: District Administration

Dr. Dianne G. Van Hook, Chancellor
Ms. Sharlene Coleal, Asst. Superintendent/VP, Business Services
Mr. Jim Schrage, Asst. Superintendent/VP, Facilities Planning, Operations & Construction
Dr. Omar Torres, Asst. Superintendent/VP, Instruction
Dr. Ryan Theule, Asst. Superint./VP, Canyon Country Campus and Grants Development
Dr. James Temple, Asst. Superintendent/VP Technology
Dr. Jasmine Ruys, Asst. Superintendent/VP, Student Services
Mr. Eric Harnish, Vice President, Public Information, Advocacy & External Relations
Mr. Jason Hinkle, Associate Vice President, Business Services
Ms. Balbir Chandi, Director, Fiscal Services
Mr. John Green, Managing Director, District Communications

District Staff

Ms. Gabriella Amezcua, Accountant
Ms. Cynthia Rodriguez, Administrative Assistant V
Mr. Jon Young, Business Services Analyst

Guests

None

1. PRELIMINARY FUNCTIONS

1.1 Quorum Established

Mr. Jason Hinkle, Associate Vice President, Business Services stated that the Independent Citizens' Oversight Committee meeting would be conducted via Zoom Webinar and would follow the amended Brown Act provisions regarding teleconferencing, as noted in Assembly Bill 361 and would also be conducted pursuant to California Government Code Section 54953, as amended by Governor Newsom's Executive Orders. He confirmed that the members of the committee were at their home residences and participating by remote video. Mr. Hinkle then asked each of the committee members the following questions:

- "Can you hear me well?"
- "Were you able to hear our proceedings up until now?"
- "Do you have a copy of the agenda and materials for this meeting?"

All committee members in attendance responded “yes” to all of the questions above:

- Kevin Holmes
- Barbara Cochran
- Don Kimball
- Michael Lebecki
- Collin Schneour

Mr. Jason Hinkle declared that a quorum had been established and called the meeting to order at 2:35pm on November 9, 2021. Mr. Jason Hinkle proceeded to state that he had one more announcement in regard to public comment as follows:

“On September 16, 2021 the Legislature amended the Brown Act provisions regarding teleconferencing during the proclaimed state of emergency and it became effective October 1, 2021. The district will now use a new procedure for public comment, as noted in the agenda announcement. Members of the public participating on-line via Zoom may address the Committee for public comment by using the Q &A function or, if they are calling in, dialing star nine by using the protocols and procedures noted on the agenda announcement. The Committee Chair, with the assistance of district staff, will call on the member of the public at the appropriate time and allow a member to provide public comment live. Public comment will be accepted, up until the Committee Chair calls for a motion on the item being addressed. The District will no longer read emailed public comments aloud during the meeting. As a reminder, Board Policy 2350 limits each speaker to three minutes per topic and 20 minutes per subject. We ask the public be patient as we navigate through the process. Thank you very much. Chairman Holmes, we have a quorum, you may proceed.”

1.2 Welcome Guests

Mr. Kevin Holmes welcomed all Committee Members and guests and asked Mr. Jason Hinkle to please call out the names of the guests so they could briefly state their name and affiliation. Mr. Jason Hinkle proceeded to call out the guests and each guest introduced themselves and greeted the Committee. The list of attendees and guests is indicated at the top of the minutes. Mr. Kevin Holmes welcomed the guests and thanked them for attending. He then indicated the meeting would move on to item 1.3 Approval of Resolution.

1.3 Approval of Resolution

Mr. Kevin Holmes indicated that in order to move to the virtual meeting format, the Committee would need to approve the Resolution No. 2021/22-01, Resolution to Implement Teleconference Requirement During a Proclaimed State of Emergency. Mr. Kevin Holmes asked Mr. Jason Hinkle if it was necessary to read the entire Resolution prior to voting. Mr. Jason Hinkle stated that it was not necessary to read the Resolution if everyone had read it in advance. Mr. Jason Hinkle conducted a roll call. All members of the committee agreed with the motion to approve the Resolution. Mr. Jason Hinkle indicated that the motion passed.

Motion to Approve: Ms. Barbara Cochran Second: Mr. Kevin Holmes Record of Vote: 5 – 0
(2 Members Absent)

1.4 Approval of Agenda

Mr. Kevin Holmes then stated the Committee would move on to agenda item 1.4 Approval of the Agenda. Mr. Jason Hinkle conducted a roll call. All members of the committee approved the agenda. Mr. Jason Hinkle indicated that the motion passed.

Motion to Approve: Mr. Michael Lebecki Second: Ms. Barbara Cochran Record of Vote: 5 – 0
(2 Members Absent)

1.5 Approval of Minutes

Mr. Kevin Holmes then stated the Committee would move on to agenda item 1.5 Approval of the Minutes from the Committee's meeting on January 28, 2021.

Mr. Don Kimball made a motion to approve with one correction on page 2 of the minutes where he nominated Mr. Kevin Holmes as Committee Chair. He noted that his name was misspelled in the minutes. Mr. Kevin Holmes proceeded to state that there was a motion to approve the minutes subject to the spelling correction and asked if anyone would second. Mr. Jason Hinkle conducted a roll call. All members of the committee approved the Minutes. Mr. Jason Hinkle indicated that the motion passed.

Motion to Approve: Mr. Don Kimball

Second: Ms. Barbara Cochran

Record of Vote: 5 – 0
(2 Members Absent)

2. FINANCIAL

2.1 Review of Life-to-Date Expenses by Project (Measure E) – As of September 30, 2021

Mr. Kevin Holmes then stated the Committee would now move on to agenda item 2.1 Financials. Ms. Sharlene Coleal indicated this would be a cumulative financial and project update through **September 30, 2021** and that in the packages sent out to the Committee were included the quarterly updates for March and June of 2021. She reminded the Committee that the audit for fiscal year 2020-2021 was currently in progress.

Measure E Authorization: On June 7, 2016 the voters passed a ballot measure authorizing **\$230 M** in General Obligation Bond Funds. The 1st issuance of Measure E was issued in April 2017 in the amount of **\$50,000,000**. The total interest earnings from this issuance are in the amount of **\$1,772,975**. The 2nd issuance of Measure E was issued in August 2019 in the amount of **\$85,000,000**. The current and estimated interest earnings are in the amount of **\$1,905,632**. Total proceeds from issuances, interest and remaining funds from Measure E are **\$138.7 M**.

Measure E Total Proceeds:

April 2017 Bond Issuance #1	\$ 50,000,000
August 2019 Bond Issuance #2	<u>\$ 85,000,000</u>
Total Bond Issuance Proceeds	\$135,000,000
Bond Issuance #1 Interest	\$ 1,772,975
Bond Issuance #2 Estimated Interest	<u>\$ 1,905,632</u>
Total Interest Earned	<u>\$ 3,678,607</u>
Total GO Bond Proceeds	\$138,678,607

Ms. Sharlene Coleal indicated that the remaining Measure E authorization of \$95 million will be issued sometime in 2022 and that Mr. Jim Schrage would share the details of what would be included in that issuance in his presentation later in the meeting.

Issuance Premiums

Ms. Sharlene Coleal summarized that the total proceeds of **\$138M** included the first two issuances along with the interest and were issued with premium bonds which allowed the District to pay for the **\$3.8 M** cost of issuance and debt repayment.

• April 2017 Bond Issuance #1	\$3,499,569
• August 2019 Bond Issuance #2	<u>\$ 331,500</u>
• Total Premiums Received through Issuance:	\$3,831,069

Life to Date GO Bond Expenditures:

The April 2017 bond issuance #1 in the amount of **\$51,772,975** has been fully expended as of June 30, 2020. The August 2019 bond issuance #2 including interest totaling **\$86,903,632** has **\$28,286,706** in expenditures as of September 30, 2021 leaving a balance of **\$58,618,926**. The total expenditures of **\$80,059,618** is **58%** of the total funds issued, plus interest.

• Bond Issuance #1	\$51,772,975
• Bond Issuance #2	<u>\$28,286,706</u>
• Total Expenditure	\$80,059,681

The next section will show the projects for which the expenditures were made. Ms. Sharlene Coleal provided a brief overview of approved projects to date totaling **\$80,059,681** in expenditures and stated that Jim Schrage would go through these in greater detail:

- CCC – Modernization (HVAC & Modular)
- PE West Modernization
- Boykin 105 Remodel
- Boykin Hall Modernization Phase 2
- Door & Lock Replacement Phase 2
- Student Center Modernization
- ADA Transition Plan
- CTE Building
- Parking Structure Valencia
- CCC - Central Plant
- CCC - Science & Lecture Building
- CCC - Student Services Learning Resource
- CCC – Classroom Building #3
- Technology
- Miscellaneous Repairs, Modernization & Site Improvements
- Project Management Services/Other

In the quarter ending September 30, 2021 there was another **\$1,201,128** spent on the following projects, many of those that were just mentioned, continue to have expenditures made.

- CCC – Modernization (HVAC & Modular)
- Boykin Hall Modernization Phase 2
- ADA Transition Plan
- CCC - Central Plant
- CCC - Science & Lecture Building
- CCC – Student Services Learning Resource
- Technology
- Miscellaneous Repairs, Modernization & Site Improvements
- Project Management Services/Other

Ms. Coleal stated that the Measure E General Obligation Ballot Measure provided for technology projects and that was part of the bond language that was approved by the voters. She went on to say that because the life of technology is shorter than the life of a building, there are bonds issued with a shorter term so they coincide with the life of the technology that would be purchased. There was also approval for scheduled maintenance repairs, facility modernization and site improvements to ensure that buildings are kept up to date as much as possible. The District was also allowed to use money for project management services, administrative costs, and administrative salaries and benefits for specific persons who are working 100% on construction projects that are funded by bonds.

Contractually Obligated/ Encumbered Funds:

Of the \$138 M available funds, \$80 M has been spent, leaving \$58 M unspent. The unspent funding has been allocated as follows:

Outstanding Board Approved Contracts/Purchase Orders:	\$24,189,629
Budgeted for Anticipated Project Costs:	<u>\$34,429,297</u>
Total Contractually Obligated/Budgeted:	\$58,618,926

Ms. Sharlene Coleal further explained that there are contractually obligated or encumbered funds; so, out of the **\$58 M** that we have outstanding, there are **\$24 M** in board approved contracts and another **\$34 M** that will be eventually board approved for contracts and other expenditures. The funding that hasn't been approved for any contracts is planned for additional facilities such as the health professions building and an M&O Warehouse and support building at Canyon Country so that we can receive deliveries.

The current Measure E funding with interest of **\$138 M** and the future issuance of **\$95 M**, with an estimated amount of interest would be **\$96 M**, for total of **\$235 M**. With the bond authorization of **\$230 M** with approximately **\$5 M** in interest, this will augment some of the projects. Total funds spent that are obligated total **\$266 M**, thus expanding the original **\$230 M** with other funding sources and interest. The future issuance of the **\$95 M** will fund the new Towsley Modernization projects as well as other existing projects.

• Current Measure E Issuances and Interest	\$ 138,678,607 (A)
• Future Issuances & Estimated Interest of Measure E	<u>\$ 96,325,000 (D)</u>
• Total Measure E Project Funds	\$ 235,003,607
• Measure M Contributions (E)	\$ 24,346,834 (E)
• Other Funding Sources (i.e. State Bond, Rebates & Prop 39) (F)	<u>\$ 7,037,992 (F)</u>
• Total Other Funding Sources	\$ 31,384,826
• Total Funds Spent/Obligated on Measure E Projects	\$ 266,388,433(G)

Ms. Sharlene Coleal presented additional charts detailing project costs for each of the major spending categories, including the Life-to-Date Expenditures by Category and Project and Detailed Measure E Expenditures – including other funding sources. Ms. Sharlene Coleal asked if anyone had any questions. There were no questions from the Committee or the audience.

Mr. Kevin Holmes thanked Ms. Sharlene Coleal for providing all the detail and reminded the Committee that the District reports to them on the use of the bond funds and ultimately the Committee is charged with overseeing these expenditures and reporting back to the Community and taxpayers and ensuring the bond funds are being spent appropriately. He further stated that financial statement and performance audits are conducted by an independent accounting firm at the end of the year based on this information. Mr. Kevin Holmes then stated that if no one has any

questions for Ms. Sharlene Coleal on the financial portion, then the meeting would proceed to item 3.1, Mr. Jim Schrage's construction update which will include more tangible detail of what the bond funds are being spent on.

3. FACILITIES

3.1 Construction

Mr. Schrage proceeded to present the construction update via PowerPoint. He stated that he would start his presentation with current construction projects, then the next phase of planned projects, and would end with completed projects.

Current Projects:

Mr. Jim Schrage stated that there are only three or four active projects right now with many projects already finished. Recently started is the repair of the Early Childhood Education building in Canyon Country that was burned during the Tick Fire in November 2019. The District has been working with the insurance company and their adjustors in addition to working to obtain DSA approval of the plans. The contractor award was approved at the last board meeting and work starts this week. The expectation is that the project should be completed in no more than six months, but certainly before the summer session. Mr. Jim Schrage stated that the Committee should feel free to ask any questions as he goes along. He continued that the chiller and boiler maintenance is ongoing and is a major function of the bond work, because the expenses in those plants are quite large and that the central plants supply all of our cold and hot water that we use for all of our heating and cooling at both campuses. This project was just completed at Canyon Country and is currently supplying everything in the Science Building.

He highlighted the Program Viability Committee that looks at existing space and programs and takes nominations for a new program they feel supports the Community. Bill Macpherson from Commercial Music Ensemble indicated that there is a huge demand for qualified commercial sound technicians for the upcoming job placement demand. To meet this demand, the District looked at a space in the Pico Hall building, room 107, which is in our arts building right next to the Performing Arts Center where a music classroom is being converted into a state-of-the-art sound studio. The plans and construction drawings have just been finished and the project is going out to bid in the next couple of weeks. The design was based on input from faculty and is in line with the needs of local industry so that students who participate in the program will be qualified to go out and start working immediately in the entertainment industry. The project cost is approximately **\$200 K**. Mr. Jim Schrage stated this is a classic modernization project where an existing space and function is transformed into another space and function.

The next project he reviewed was the Canyon Country Campus Learning Resource/Student Services Building which is expected to be completed June 30, 2022 or sooner. The project includes student services space on the first and second floors; the whole third floor will be a Library, The Learning Center and Reprographics; and the fourth floor will house administration, two classrooms and office space. Mr. Kevin Holmes asked how long ago the picture was taken. Mr. Jim Schrage indicated it was taken about a week ago.

The last building under construction is Boykin Hall modernization phase two which will be a complete overhaul and modernization of the entire three floors of the existing lab building which included moving all the furnishings out and storing them. The District is currently awaiting approval from the state to go to bid after it took 11 months to get DSA approval. The construction documents were submitted October of 2020 and approval was obtained September 2021. He explained that when state match funds are being requested, approval must be obtained from the state every step of the way and prior to going to the next step. The next step is asking DSA to approve the drawings, to make sure that they align with the original FTP drawings and space allocation. Notice was received yesterday, November 8, 2021, that the Chancellor's office gave approval and forwarded the construction package to the Department of Finance. The expectation is that approval to go to bid will be received the second week of December. CW Driver has been hired by

the District for this project. There is a parallel effort to put the bid documents together so once approval is received from the Department of Finance we are ready to put the project out to bid. Once the bid proposals are received, they are sent to the State to obtain approval to award contracts and then construction should take about 12 months. There will be a major improvement to the labs in the Aliso building. The Aliso lab, along with the Canyon Country Science building, COC will have one of the best lab facilities in Southern California or in the state, at least at the Community College level. It may rival four-year colleges so there is excitement to get the project going.

Future Planned Projects:

In the 5-year plan that was submitted to the state in July 2021, there is an instructional building at Canyon Country that is planned. It will entail removing modular buildings from quads three and four and replacing them with classroom/CTE space and a small performance gathering space.

Next is the Student Center modernization at the Valencia campus which will be transformed into a more modern, more approachable building for students. Currently, two thirds to one half of the building is reserved for cafeteria and kitchen, which is a huge amount of space we don't need for that purpose. That space will be modernized and converted into student services functions, consequently consolidating three different spaces around campus into one location. The food services will be out on the main walk across from Canyons Hall near the Bookstore.

At the Canyon Country campus, the plan is to create an 110,000 square-foot M&O Warehouse because there currently is no shipping, receiving or storage space. Mr. Jim Schrage indicated that there is a very good chance that the Student Center modernization and warehouse will be eligible for State match funds if a State bond passes in 2022.

For the ATC/CTE building, the District is looking for a place to put a building for welding, manufacturing, technology and construction technology because existing space has been exhausted on either campus. There is very high demand for these skills; so, it is imperative that there is a building that is substantial enough to provide programs that will allow students to be hired into well-paying jobs in a short amount of time. The College is currently looking at an off-site location.

The Health Professions building is also completely out of space for our EMT, Medical Lab Technician and Nursing programs. The District is taking down the final modular at the Valencia campus in order to put a building at that location. Mr. Jim Schrage asked if there were any question so far.

Dr. Dianne Van Hook stated that she had a comment regarding the Advanced Technology Center indicating that it has been a discussion in different versions for about 25 years. She referenced that the building goes beyond welding and construction, it goes into manufacturing technology, supply chain and aerospace - all things that are emerging as high priorities in industries. In a meeting with Los Angeles County, the District was hoping to obtain funds to offset some of the cost of this building, as well as develop other strategic partnerships. The County was very excited about this project. Dr. Dianne Van Hook mentioned that there is a manufacturer who needs training for machining as well as processing what you would call the old assembly lines versus high tech machines. She has met with a huge construction company owner who is having challenges with his subcontractors who need up-skilling in all the various trades associated with construction. She stated that she also met with a major landscaper who has the same challenge. Additionally, the College has met with local aerospace, film and entertainment industry leaders. The Chancellor also met with the developers of Blackhall Studios who are proposing a 1.2 million square foot project on Railroad Avenue and a developer for a 650 square foot facility at the Industrial Innovation Park who are very interested in opportunities that will help the film and entertainment industry. She indicated she has never seen such a demand for talent, up-skilling and training. She stated she is glad that the College has funding with Measure E so that the College is not in the position of having to raise a significant amount of funds. The Chancellor also indicated there is a need for land,

preferably in one of the industrial complexes or nearby. A partnership to keep land costs down would be ideal. The project will be 66,000 square feet to start, with the hope of expanding and consolidating all economic development functions and EDC into a central workplace training solution location.

Mr. Kevin Holmes asked Mr. Jim Schrage if with all the work on Boykin and the planned work at the Student Center would mean that every legacy building will have been modernized or updated? Mr. Jim Schrage responded, that is a correct statement. Mr. Kevin Holmes asked Mr. Schrage if he has anything more to share. Mr. Jim Schrage indicated he was finished with his presentation. Mr. Kevin Holmes asked if anyone had any questions.

Mr. Michael Lebecki had a question about the concern for storage at each of the campuses or offsite. Mr. Schrage asked if Mr. Lebecki was referring to the storage that was needed to remove the contents of the Boykin building, which was taken care of, or if it was for the storage needed at the Canyon Country campus for receivables which was the reason for building storage space. Mr. Schrage clarified for Mr. Lebecki that storage is not an issue at the moment.

Dr. Dianne Van Hook asked about the storage for the furniture at the Student Services Library building. Mr. Jim Schrage indicated that the timing for the delivery of the new furniture is strategically scheduled so that it can be placed directly into the building eliminating the need to store or have double handling. Mr. Kevin Holmes asked Dr. Dianne Van Hook specifically what size of land the District is looking for. Dr. Dianne Van Hook deferred to Mr. Jim Schrage to answer. Mr. Jim Schrage responded that the need is approximately 3 –4 acres.

Mr. Kevin Holmes stated that since there were no other questions the meeting would move onto item 4.1 where the Committee asks for comments by Members that are in attendance, for any item that is not on the agenda.

4.1 General

Comments by Members of the Audience on Any Item NOT ON THE AGENDA

Mr. Kevin Holmes asked Mr. Jason Hinkle if there were any comments. Mr. Jason Hinkle stated that there were no additional comments. Mr. Kevin Holmes indicated that the Agenda item 4.1 is noted as an Action item although it appears there is no action required and asked Mr. Jason Hinkle to confirm that there is no action the Committee needed to formally take. Mr. Jason Hinkle confirmed there is no action that needed to be taken and there were no comments.

Mr. Kevin Holmes proceeded to close the meeting and asked if it was necessary to entertain a motion to adjourn or if the meeting can just be adjourned. Mr. Jason Hinkle stated the meeting can be adjourned without a motion.

Ms. Sharlene Coleal stated that before the meeting is adjourned, she wanted to remind everyone that there would need to be a meeting approximately the second week of January to receive the annual bond audit and performance audit. Kevin requested that we make a request for availability so we can get a date on calendar. Ms. Sharlene Coleal agreed that would be a good idea and a resolution to participate remotely will be an item for the next meeting.

5.1 ADJOURNMENT AND ANNOUNCEMENT OF NEXT MEETING

Mr. Kevin Holmes announced that the meeting is adjourned at 3:27pm.