

North Orange County Community College District
Citizens' Oversight Committee
June 1, 2022
DRAFT - UNAPPROVED MINUTES

Members Present: Paulette Chaffee, Sueling Chen, Beverly Falco, Dr. Carla Skorin, Dr. Richard Rams, Danielle Thomas

Members Absent: Gail Lyons, Cassandra Perez, Keron Thomas; Fiza Valiulla

Other Employees/Guests Present: Mary Bell, Blake Boehm, Allison Coburn, Dr. Gilbert Contreras, Will Duong, Eduardo Escobedo, Geoff Hurst, Megan Moscol, Alexander Porter; Valentina Purtell; Alejandra Ramirez, Oscar Saghie, Dr. JoAnna Schilling, Irina Thornton, Leslie Tsubaki, Fred Williams, Richard Williams

Call to Order: The meeting was held on the Cypress College Campus. Dr. Richard Rams called the meeting to order at 4:07 PM and led the group in the Pledge of Allegiance.

Public Comments: No public comments were received.

Approval of Minutes: The minutes from the March 2, 2022, meeting were approved.

Committee Memberships - The taxpayers' association and Cypress College Student Association memberships remain vacant. The District will continue to solicit for these positions.

2022 General Obligation Bonds – Series C - The District has spent-down nearly \$40M of the Series B funding. In preparation for upcoming construction projects, the District has been discussing the issuance of Series C Bond funds with its financial advisors. The exact amount has not yet been determined.

Guest, Blake Boehm, Financial Advisor, KNN Public Finance provided an update on the General Obligation Bonds Series C.

Meetings will be scheduled in early August with the county treasurer/tax collector to review the District's finance plan, debt structure, corresponding tax levy, and other components. In addition, the District will meet with major credit rating agencies such as Moody's Investor Services and S&P Global at the end of July/early August. These meetings will be held to review the District's assessed valuation, finances, demographics, management team, financing plan, as well as anticipated interest and principal repayment. The goal will be to replenish the capital outlay facilities fund with Series C Bonds by October 1, 2022.

Staff anticipates going to the Board of Trustee's (BOT) for approval at the August 23, 2022, meeting. There will be an authorizing resolution and a series of corresponding financing documents that will be submitted for approval. The authorizing resolution will document parameters of the forthcoming sale and corresponding documents, which will be part of the financing process.

Upon approval, the District will be able to market the bonds to investors, and lock in the rates through the bond pricing process, which is targeted for Thursday, September 8. The District will be working with its previous bond underwriters, including Piper Sandler and Morgan Stanley. The underwriters are the liaison to the marketplace and will secure interest rates from institutional investors. District staff and KNN Public Finance will ensure the District borrows at the lowest possible rate, given the market conditions at the time of sale.

Approximately two weeks thereafter, the official closing transaction will occur. This will include delivering bonds to investors, funds deposited into the capital projects account and made available for the District to use on capital projects. Series C is estimated to be between \$100M to \$150M; final numbers are under evaluation based upon current cash flows.

Questions/Comments:

1. **Fred Williams** – The District has been pleased with their underwriters and have received very good pricing rates, compared to other districts, however, staff will continue to monitor as rates continue to rise.

Measure J Update – Including Safety Reports:

COVID-19 and Geopolitical Reverberations – Eduardo Escobedo reviewed the current conditions of the regional construction industry. Currently, there is a labor shortage, particularly for high-skilled labor, and material costs continue to increase. These factors will impact upcoming project bids and will most likely extend into 2023.

Current IPP and FPPs

Anaheim

- Anaheim Campus Tower First Floor Life/Safety Renovation – FPP Approved

Cypress

- Fine Arts Building Renovation – FPP Approved

Fullerton

- New Performing Arts Complex – FPP Approved
- Renovate Building 300 – FPP in Review
- STEM Vocational Center – FPP Submitted

The District is increasing budgets, and the BOT has been advised of project cost escalations. However, the District has been successful in securing State-matching funds for its projects and is pleased to report that four projects are included in the Governor's May Revise.

Cypress College Updates – Alexander Porter provided the Committee with detailed updates of the major projects at Cypress College:

Fine Arts Building Renovation – The former SEM building will serve as the swing space for the Fine Arts division during the renovation.

Construction documents (CDs) are under review by DSA, with approval expected in late August, as the Campus Project Team, DLR Group, and the Architect of Record (AOR) continue planning.

Swing Space-Fine Arts (Old SEM Building) – was approved by DSA and bids are expected to be received by early June. The bid award process will be presented to the Board of Trustees at the June 14, 2022, meeting. Meanwhile, the swing space is being prepared to accommodate the programs.

Questions/Comments:

1. **Fred Williams** - Bids received for the swing space project looked favorable, with approximately \$1M in savings from the original estimate.

Campus-Wide Security Systems Upgrade – The project will occur in two phases: 1) Upgrading the video monitoring system (VMS), which includes the centralized system monitoring all cameras

and associated infrastructure across Campus; 2) the second phase will include replacing existing cameras and adding new cameras to improve coverage across Campus.

Questions/Comments:

1. **Sueling Chen** – *How long are recordings kept?* At minimum, recordings are retained for 30 days.

Culinary Arts Swing Space: Due to the waterproofing project at the Anaheim Campus, which is taking place on the first and second floors of the upper deck, where the Cypress Bistro is now located, Culinary Arts will relocate back to the Cypress Campus for the duration of the Anaheim waterproofing project. The Campus Project Team is working with HBI Architecture on the design and preliminary work for the temporary space housed in modular buildings with lab spaces, restrooms, and demonstration kitchens.

Questions/Comments:

1. **Fred Williams** - The Cypress Project Team was able to identify some used modular buildings previously used at Cerritos College, at a significant cost savings, to accommodate the Culinary Arts Program. Congratulations to the Cypress Campus Project Team.
2. **Sueling Chen** – *Does the Culinary Arts program award certificates?* Yes. Students can receive different certificates that would provide various job opportunities in the restaurant industry.
3. **Sueling Chen** – *Are the temporary buildings movable?* They are non-permanent, modular structures that are set in place on a built-out foundational space and utilities are brought out to the structures. Thank you to Allison Coburn and Alejandra Ramirez for obtaining these structures, which have been approved by DSA and has allowed Cypress to meet their deadlines thus far.
4. **Fred Williams** – In addition to these projects, there are a significant number of scheduled maintenance projects. What you are seeing here today is a small portion of the work underway.
5. **Fred Williams** – Alex Porter will be transferring over to Cal State Fullerton as Vice President of Administrative Services, so this will be his last meeting presenting to the Community Oversight Committee.

Fullerton College Updates: Oscar Saghie provided the Committee with detailed updates of the major projects at Fullerton College:

New Instructional Building and Central Plant Replacement: The Central Plant was completed in summer 2021, and the New Instructional Building was recently completed and certified by DSA.

Wilshire Plant Relocation and Performing Arts Complex: The existing Wilshire Building is within the current performing arts footprint. To avoid affecting the financing by the State Chancellor's office, the District has decided to address the projects in phases. The Wilshire Plant Relocation will be Phase 1, New Performing Arts Complex will be Phase 2, and Parking Lot No. 10 improvement will be Phase 3.

Building 300 Renovation: The District made the decision to de-scope the 500 Building from this project and per recommendation of the structural engineer and DSA, the Campus Project Team decided to move away from voluntary seismic to mandatory seismic improvement. The BOT approved hiring Westberg White as the new consultant and AOR at the May 24, 2022, meeting, after R2A Architecture withdrew from this project as the original AOR. The team met with DSA for

approval by the pre-application team, and the Campus is in process of finalizing the service agreement with Westberg White to proceed immediately with the design.

Questions/Comments:

1. **Fred Williams** – R2A was used for several District projects throughout the years but was recently acquired by another firm. R2A was not able to provide adequate staffing and was unable to proceed with the project design, thus another firm was needed to replace R2A. Congratulations to the Fullerton Team and Rick Williams for their great work in obtaining funding. FPPs are rarely submitted and approved with such a fast turnaround. Other projects have taken 10-plus years to receive funding, while this one was less than a year.
2. **Oscar Saghieh** – The biggest challenge will be meeting the DSA deadline/schedule; these are hard dates and cannot be missed or the State funding will be lost.
3. **Fred Williams** - November 21, 2023, is when the District must start construction.

Chapman-Newell Instructional Building and New Maintenance and Operations Building: Programming was approved, and these projects are now in design. In February 2022, 100% Construction Design was completed. Unfortunately, due to cost escalation, the design-builder estimated \$2.4M for engineering costs. Attempts have been made to reduce the cost; however, the projects remain over budget. The College made the decision to defer cost issues later on until the Guaranteed Maximum Price (GMP) negotiations. The design phase completion is expected later this month. A new estimated cost from the design-builder and estimator is expected by the end July. The team hopes that by the time DSA approves the plans, the market will have settled.

Questions/Comments:

1. **Fred Williams** – The total cost, including construction and soft costs, is \$12M more than what was originally budgeted. Value engineering solutions are under consideration but are not yet fully vetted. The District and Campus will make decisions on potential budget increases to the project based on the development of the design. There are several million dollars in savings from the previous Humanities Building project that could be reallocated to this project.
2. **Dr Gilbert Contreras** - A beneficial aspect to the long-term planning for the College is that there are areas that are being programmed into the Chapman/Newell Building that will not need to be programmed into the future Welcome Center. This will potentially result in savings of bond funds. On another note, there is a historic tree that is being preserved by the design team and incorporated into the final design for the Veterans' Resource Center at Fullerton.
3. **Beverly Falco** – *Could you expand on the programs at the Welcome Center that would be switching to this building?* The Welcome Center is the future home of typical student services' areas like accounting, financial aid, student health, behavioral health services, Extended Opportunity Programs & Services (EOPS), CalWORKS, and Foster Youth Success Initiative (FYSI). Some of those programs will be located in the Chapman/Newell property. Fullerton College has an independent behavioral health services program, which has been very important. Those areas will not need to be programmed into the future Welcome Center.

New Performing Arts Complex: Preliminary plans were approved earlier this year and working drawings proceeded. The Campus Project Team expects to have 50% Construction Documents (CDs) completed by the end of this month; and 100% CDs in August. At each of these milestones, the Campus expects to receive updated cost estimates. DSA submission is anticipated for September 2022.

On May 24, 2022, the Board of Trustees approved the design and entered into an agreement with Pfeiffer Partners. The Board also approved improvement to existing parking lot No. 10, as this parking lot will not be able to accommodate the increased traffic expected at the new Performing Arts Complex.

The College expects \$41M from the State and hopes that by the time the project is bid, the State may include additional money due to cost escalation. The \$120M estimate includes the overall project budget, including construction and soft costs. Current estimated construction costs are approximately \$83M to \$84M.

Questions/Comments:

1. **Fred Williams** - This has been a particularly challenging project due to the cost increases. The budget was \$70M; \$45M of which was from the State. The initial cost estimate was closer to \$120M. The District has been transparent about the challenges associated with this project with the BOT.
2. **Sueling Chen** - *Which parking lot will students/users be able for the use for this facility?* Campus Parking Lot 10 will undergo a small improvement project to improve traffic flow through the existing parking lot. In addition, a private bus stop and loading zone will be added to the lot. There is also a parking structure across the street that is shared with the city of Fullerton that can be utilized.

Anaheim Campus Updates: Richard Williams provided the Committee with detailed updates of the major projects at Anaheim Campus:

Swing Space – Interim Housing: The 100% Construction Drawings are in DSA review and bid documents are being prepared.

Swing Space for the Upper Deck project is underway. This project requires vacating the entire first floor of the campus for an estimated year and a half. Comments received from DSA were minor and staff will need to install a new fire hydrant to accommodate the 12 modular buildings used for swing space.

The Upper Deck will be cleared out and replaced, including waterproofing and seismic joints, and repaired. This will be a major renovation on the deck and the drainage system will finally be fixed.

Develop Interior and Exterior Signage: One of the long-awaited projects is the Interior and Exterior Signage at NOCE and Anaheim Campus, including branding and wayfinding signs. The project is currently in the design stage, with plans to submit to the DSA in about a month and a half. Additional signage is being developed for Culinary Arts.

Westberg White has been contracted to design a comprehensive color scheme and to improve wayfinding design for the first floor of the tower. User groups have been involved with the design of the directional signs and wayfinding for every floor that NOCE occupies.

Anaheim Campus Tower First Floor Water Intrusion Life/Safety Renovation: Construction is expected to begin in May/June 2023. The cost estimate is still under budget at this time. The State Chancellor's office has approved a six-to-eight-month project delay. This will allow the project to begin once the first and second floors are vacated.

Questions/Comments:

1. **Fred Williams** - Potholing was conducted as a response to ongoing leaks in the building. The District was able to determine that the structure is sound, not in danger of any collapse; and all of this information was used to apply for State funding. Obtaining State

funding for a safety project was a significant win for the District. It was a great accomplishment by the staff.

2. **Sueling Chen:** *Will the temporary Culinary Arts location remain at the Anaheim Campus or return to Cypress?* The Culinary Arts program will be brought back to Anaheim Campus following its temporary relocation at Cypress.

IT Network Refresh (all Campuses): Geoff Hurst provided the Committee with detailed updates of the IT Network Refresh Project:

The Campus Project Team continues to address supply chain issues. As a result, the project completion date has been extended to January 2023. The project team continues to work as much as possible with the available equipment. In the interim, the team has been focused on the Wi-Fi at each Campus, preparing for the students' return to class and to accommodate some of the changes observed on how students are using the Wi-Fi network access on and off campus.

Fullerton is ahead of the other campuses. The Campus is rolling-out its new Wi-Fi and trying various things. Anaheim is not far behind. At Cypress, the team is in process of setting up the indoor and outdoor access points. Each of the campuses are also being reviewed for wiring upgrades and network speed. In July the campuses will be switching over the current phone system to Voice over IP (VoIP).

This project is providing the campuses with four times increased wireless speed and 10 times the capacity.

Questions/Comments:

1. **Sueling Chen** - *What are the biggest risk and challenges that the project may face?* With respect to the network infrastructure currently in place, the team is putting in additional network security features. The biggest risk, typically with Wi-Fi, has to do with supply chain issues; there will be dead spots in various places until equipment becomes available to resolve this condition. Security threats to the network infrastructure and the ability to deal with them are of constant concern to the project team. There is another project outside Network Refresh that is built around shoring-up the security response District-wide to deal with any threats to security. A significant investment has gone into that. In addition, to make sure that the network across Campuses is connected in such a way that the District can see what is going on if these security threats occur.
2. **Fred Williams** – The District recently conferred with the Council on Budget and Facilities, as well as the District Planning Council, to secure \$3M in funding to accomplish what Geoff's team has planned for the next five years in terms of 24/7 monitoring and back-ups, ensuring that all systems are secured.

Financial Review - Fred Williams presented an update of the Measure J Bond finances as of April 30, 2022. Of the \$585M Bond Fund approved by the voters, \$250M of bonds have been sold. A summary of funds were reviewed. The Project Budget Variance Report for current projects at all three Campuses were outlined, and current and completed projects for each campus were reviewed.

Questions/Comments:

1. **Dr. Richard Rams** – *How recent are the dates and numbers in the 90-day look ahead report, and when was that report compiled?* The milestones are put in the month prior to any quarterly meeting.
2. **Dr. Richard Rams** - *For the items that came up in May, were those completed, or were there any delays?* Yes, they were completed. The District is producing two different

deliverables: 1) The report is published earlier than the presentation and does not include the most updated developments. 2) The presentation is updated just prior to the meeting date and includes the most recent developments. For the schedules, please refer to the presentation.

3. **Dr. Richard Rams** – *So, no delays are anticipated on the look-ahead report as of now?*
No, the 90-day look-ahead report is constantly updated.

Dr. JoAnna Schilling provided an introduction to the Cypress Campus, which included the oceanography labs, Mortuary Science program, pollinator garden, and the recently completed New Science, Engineering, and Mathematics, and Veterans' Resource Center Buildings.

Future meeting Dates:

September 14, 2022, at Fullerton College, hosted by Fullerton College

December 7, 2022, location TBD

Adjournment: The meeting was adjourned at 5:19 p.m.

UNAPPROVED