

Measure X Citizens' Bond Oversight Committee

Meeting Agenda
October 22, 2020: 6:00 p.m. – 7:30 p.m.
Zoom Webinar link:

https://us02web.zoom.us/webinar/register/WN x1WlwsvuQaWgnoTL1mTKUQ

Notice about Public Participation at Committee Meetings: The Committee welcomes public input. If a member of the public would like to comment on an agenda item, please type the agenda item and your comment in the chat box. Comments on agenda items will be taken at the time the item is discussed by the Committee. To comment on items not on the agenda, please put your comment in the chat box, and it will be addressed under the agenda item titled "Public Comment." No response on behalf of the Committee will be given at this time and Committee action is not permitted on items presented under this agenda item.

1. Call to Order – <i>Chair</i>	
2. Roll Call	
3. Approval of Agenda - <i>Chair</i>	Action (Roll Call)
4. Approval of the July 23, 2020 Minutes - Chair	Action (Roll Call)
5. Public Comment Three (3) minutes per speaker (Six (6) minutes if an interpreter is needed). The purpose of this agenda item is to give members of the public the opportunity to inform the committee of any issues of concern within our jurisdiction.	Information
6. Communications Received by Committee Members	Information
7. Staff Reports – Superintendent/President Dr. Kathleen Rose	Information
8. Preparations for Annual Report – Mike Chegini/AKG	Information
9. Program Overview and Project Updates – <i>Matt Kennedy/AKG</i>	Information
10. Financial Updates – <i>Ann Kennedy/AKG</i> a. Bond Sale Executive Summary b. FY19-20 Q4 Financial Reports	Information Action (Roll Call)
11. Review Member Term Chart	Information
12. Proposed Future Meeting Dates: <i>Chair</i> a. January 21, 2021 b. April 22, 2021 c. July 22, 2021	Information
13. Topics for Next Meeting: a. Annual Report Draft Presentation b. Financial and Performance Audit Report	Information
14. Adjournment - <i>Chair</i>	

Citizens' Bond Oversight Committee

Meeting Minutes - DRAFT July 23, 2020 – 6:00 p.m. Zoom Conference Call

Present: John Gould Community At-Large

Gordon Machado Business Community

Jim Rogers Senior Citizens' Organization

John FlahertyCommunity At-LargeJudi JohnsonTaxpayers AssociationElvira RobinsonSupport Organization

Absent: Natalie Rusterholz Student Representative

Staff: Dr. Kathleen Rose Superintendent/President

Michael Renzi Vice President, Administrative Services

Jan Bernstein-Chargin Public Information Officer
Ann Kennedy Financial Manager, AKG
Matt Kennedy Program Manager, AKG

Mike Chegini Communications Manager, AKG

Carol Anderson Program Support, AKG

1. CALL TO ORDER

The meeting was called to order at 6:03 PM with a quorum by John Gould.

2. APPROVAL OF AGENDA

Elvira Robinson made a motion to approve the agenda, seconded by Gordon Machado. The agenda was approved as presented by a roll call vote.

3. APPROVAL OF JULY 23, 2020 MINUTES

Judi Johnson made a motion to approve the minutes, seconded by Gordon Machado. The minutes were approved as presented by a roll call vote.

4. ELECTION OF CHAIR AND VICE CHAIR

A yearly election was held for the Chair and Vice Chair positions.

- a. <u>Chair</u> Judi Johnson made a motion to elect John Gould as Chair, Jim Rogers seconded the motion. The motion was approved by a roll call vote. The motion carried.
- b. <u>Vice Chair</u> Jim Rogers made a motion to elect Judi Johnson as Vice Chair, Gordon Machado seconded the motion. The motion was approved by a roll call vote. The motion carried.

5. COMMENTS FROM THE PUBLIC

There were no comments from the public.

6. COMMUNICATIONS RECEIVED BY COMMITTEE MEMBERS

There were no communications received by committee members. The committee requested that the meeting packets be mailed to them two weeks prior to the meeting.

Dr. Rose told the committee that anytime a member receives communications regarding the CBOC they can always reach out to her by calling her office, emailing her, or texting her. The committee can also contact Jan Bernstein-Chargin, the District's Public

Information Officer. Damon Felice is also available should any questions arise regarding the San Benito County Campus project.

The committee was reminded of the Brown Act rule in which the committee should not have serial meetings, including by telephone or email. Members can direct communications to the Chair to be included in the agenda at the next scheduled meeting.

7. STAFF REPORTS

Dr. Rose informed the committee that the Fall semester is still in question in terms of in person or virtual classes.

The Board of Trustees has been very supportive during this time and has been working hard to assure the community that the District is focused on student success.

Dr. Rose reviewed the following topics:

- a. Budget Update to the Board of Trustees
- b. Call to Action letter from Chancellor Oakley
- c. BOT Resolution #1056 affirming the District's commitment to student success for black and African American students

Equity, Inclusion and Healing is the theme for GJCCD in the coming year. The District is committed to the work of equity.

8. PROGRAM OVERVIEW AND PROJECT UPDATES

Matt Kennedy gave a Measure X program overview and project update.

Ms. Johnson asked what it is we are looking for at Mariposa Peak? Mr. Kennedy answered that we are looking at the tiger salamander and an easement at Mariposa Peak provides a breeding pond and the ability for the tiger salamander to flourish.

Mr. Machado asked if Mariposa Peak is a location on the property? Mr. Kennedy responded that no, it is not on the property, but it is in the area.

Ms. Robinson asked if the \$59.9M budget is enough to pay for everything in Phase 1? Will there be excess? Mr. Kennedy does not believe there will be excess. The reason for the increase in budget is for the infrastructure that is required for this site.

Ms. Robinson asked what will we get for \$59.9M? Mr. Kennedy responded that the District will get a new building (or multiple smaller buildings), approximately 35,000 SF of educational space, infrastructure, roads and parking and a landscaped area. That is Phase 1 of development. Students will be able to complete a certificate or degree on site.

Mr. Machado asked where the funds came from to increase the SBCC project from \$52M to \$59.9M? Mr. Kennedy responded that the bond did not increase so reductions were made at the Gavilan campus.

Mr. Flaherty wanted to know if the black line on the map is our property line and is the retail area the District's? Mr. Kennedy responded that the District earmarked a spot on the map that would be a good location for retail, but it is not a part of the District's project. Mr. Flaherty asked if the firms submitting designs will include retail in their design and if the retail area will create revenue for the District.? Mr. Kennedy responded that the firms submitting designs will not be including retail. The retail area can create revenue for the District in the future. Mr. Flaherty asked if the infrastructure would accommodate the

whole site? Mr. Kennedy responded that the whole campus site is being zoned out, the future development areas and retail area are not part of Phase 1. All campus utilities will accommodate a total buildout of the site but won't be distributed to the undeveloped part of the campus.

Mr. Flaherty asked if we are anticipating any delays from State and Local governments on permits (DSA, Fish and Wildlife) due to reduction in services due to the coronavirus? Mr. Kennedy noted that while that is always a concern, everyone is doing their best to stay on track, and he does not see any major delays due to the virus.

Mr. Flaherty asked if Steinberg Hart is designing in flexibility in terms of physical infrastructure that may look different a year from now? Mr. Kennedy responded that Steinberg Hart is looking at the impact of Distance Education moving forward, ensuring spaces are flexible, data resources are adequate, consistent connectivity, and technology.

Mr. Machado asked if the construction market is good right now? Mr. Kennedy responded that we are dealing with a lot of unknowns right now. We were in an escalating construction market pre-covid. It is hard to say what the impact will be long range.

Mr. Rogers asked if the current theater will stay until the new Performing Arts Center is built? Mr. Kennedy responded that yes, the new buildings are sequenced. The buildings being replaced will remain until the new buildings are complete, this eliminates the need to create swing space.

9. PROGRAM FINANCIAL UPDATES

Ann Kennedy reviewed the 2019-2020 3rd quarter Project Summary Report and Whole Program Report with the committee. These reports are from inception of the bond program through the 3rd quarter of 2019-2020.

Elvira Robinson made a motion that the 2019-2020 3rd Quarter Project Summary Report and Whole Program Report be received and accepted by the committee as presented. Gordon Machado seconded the motion. Approved by roll call vote, the motion carried.

Mr. Machado asked if the interest earned stays with the bond program? Ms. Kennedy responded that by law there are only two things you can do with interest earned: It can go back into the program or it can go back to the taxpayers. Most programs have a higher need than the bond authorization from the voters so the interest goes right back into the bond program.

10. BOND LIST REVISION #1

Ms. Robinson asked how a revision is allowed under a bond measure? What authorizes a board to revise the bond budget? What role does the CBOC have in a bond revision? Ms. Kennedy responded that taxpayers approve the types of projects as set forth in the ballot language. The ballot language sets the type of projects and gives the Board direction. The Board sets the specific projects within the guidelines of the ballot measure. The Bond List Revision (BLR) process was started as a best practice to ensure the District is always compliant.

Any changes to the name of a project, the scope of a project or the budget of a project must go to the Board of Trustees for approval and the project list must always equal the total of the bond measure plus interest earned.

The CBOC reviews expenditures and has no say over budget in their duties. The movement of money is the sole responsibility of the BOT. Any approved BLR's will be brought to the CBOC at their next meeting.

Ms. Johnson noted that the CBOC, as a committee, can make a recommendation to the BOT, however Ms. Robinson noted that the decision has already been made to the BOT and feels that the CBOC should be given notice when a BLR will be on a Board agenda. It was agreed that in the future, if a BLR will be on a Board agenda, when the Board agenda is posted, Ms. Anderson will send the BoardDocs link for that meeting to the CBOC members.

Ms. Kennedy reviewed Bond List Revision #1, noting the changes made and what drove the request. This BLR was an overall adjustment to the bottom line. The process of creating a BLR is as follows:

- a. AKG gathers information from the engineers, architects and cost estimators and looks at the options.
- b. AKG presents the options to the Bond Executive Team (District Leadership)
- c. Once an option is decided on, the BLR document is created with the necessary back-up and is presented to the BOT for action.

Dr. Rose noted that the 5-year Capital Outlay plan is approved annually by the BOT and is an important document, showing the District's cap load capacity, what spaces are available and where there is room for growth.

Ms. Robinson noted that a large portion of the funding for the Performing Arts Center (PAC) was reallocated to other projects and doesn't see a building being built for \$20M. Ms. Kennedy noted that the District did not receive state funding for the PAC. If we cannot achieve state funding and private donations, the \$20M would provide for a substantial renovation of the current building.

11. MEMBER TERM CHART

Ms. Kennedy reviewed the term chart, noting that we will bring the chart to every meeting to ensure that we are tracking term end dates.

12. <u>FUTURE MEETING DATES</u>

The following CBOC meeting dates were agreed upon:

- October 22, 2020, Zoom
- January 21, 2021, Zoom

13. TOPICS FOR NEXT MEETING

In addition to the standing agenda topics, we will begin our annual report preparations. Unless requested by the committee there are no special items scheduled for the next meeting.

14. ADJOURNMENT

A motion was made by Elvira Robinson to adjourn the meeting. The motion was seconded by John Flaherty. The meeting was adjourned at 8:15 p.m.

FY19-20 Annual Report Planning Calendar

10/22/20: Select volunteers for working group.

12/11/20: 1ST draft of annual report sent out.

12/18/20: Review & feedback due.

1/15/21: Final annual report draft sent out.

1/21/21: Annual report draft presentation at CBOC meeting.

1/29/21: Incorporate any edits from CBOC meeting, prepare for final publishing.

Feb/Mar 2021: Present annual report at Board meeting and publish online.





MEASURE X

Program Update

Citizens' Bond Oversight Committee Meeting, October 22, 2020











Project Updates

- 1. San Benito County Campus Update
- 2. Gavilan College Gilroy Campus Update
- 3. District Wide Standards and Design Guidelines
- 4. Year in Review











MEASURE X BOND PROGRAM



San Benito County Campus Update

3

San Benito County Campus Update



Incidental Take at Mariposa Peak

• Incidental Take at Mariposa Peak is in review with the California Department of Fish and Wildlife

Dividend Homes shared cost items

Negotiations continue with Dividend Homes on shared cost items

Facilities Program

Steinberg Hart has completed the Facilities Program for Phase 1

Infrastructure

 Felice Consulting Services is working with local agencies for sewer, water, power, gas and data to be delivered to the site

Request for Proposal for Design-Build Entity

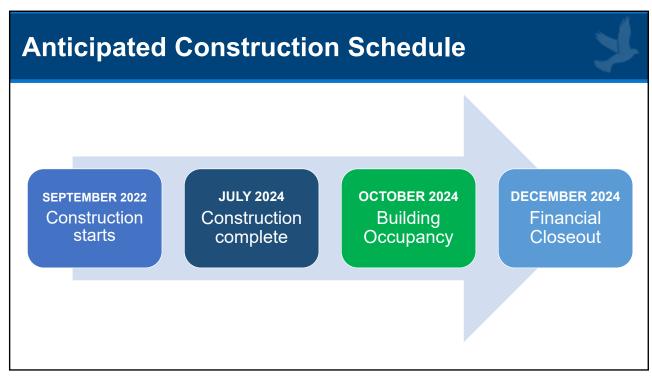
- Request for qualifications is complete
- 16 firms qualified, 3 firms were shortlisted to provide proposals for the construction of Phase 1

Anticipated Selection Process Schedule September 29 First Individual Proposer Meeting October 23 Second Individual Proposer Meeting October 27 Last Day to Submit Questions November 3 Final Addendum Issued November 17 Design-Build Proposals Due November 30 Zoom Interviews December 8 Best and Final Offers Due (If Requested) December 9 Notice of Intent to Award

December 10 - January 7 Contract Negotiations

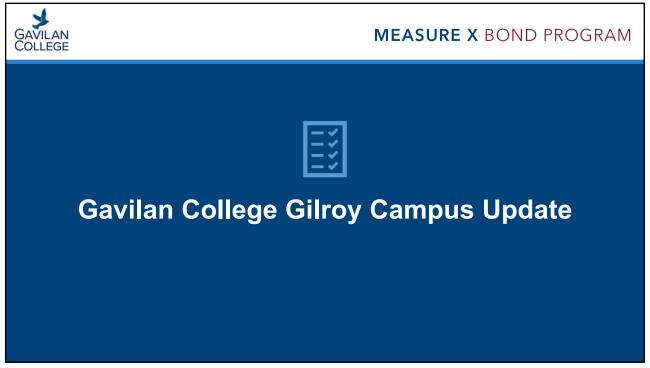
January 12 Board Approval
January 13 Notice of Award

5





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Gavilan College Gilroy Campus Update



Completed in May 2020

Library and Student Resource Center Project

- Programming completed October 2020
- Criteria documents for Design-Build proposal underway

Pedestrian Bridge Project

- Construction documents complete
- Division of State Architect (DSA) plan approval anticipated November 2020

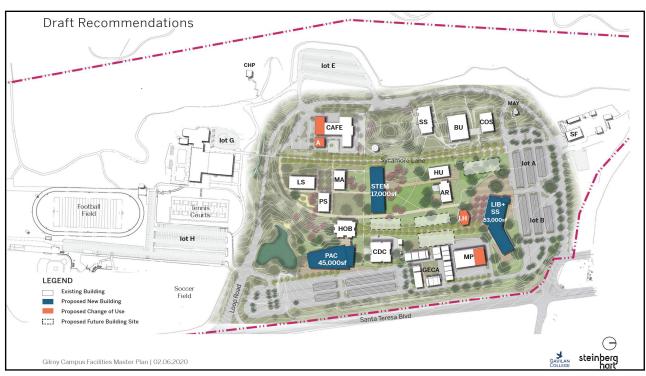
Fire Alarm Project

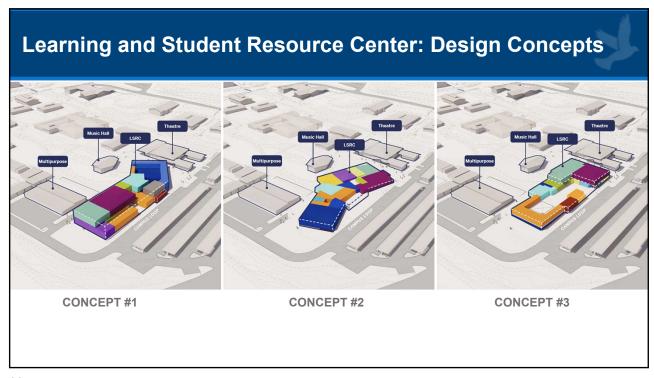
- Division of State Architect (DSA) construction documents approved October 2020
- Bid documents are being prepared for public bid

Facility Assessments

- Structural Assessment (canopies, covered walkways, trellises)
- Mechanical, Electrical and Plumbing Assessments (boilers, hot water piping and controls)
- Accessibility Assessment and ADA Survey of existing campus

9





11



MEASURE X BOND PROGRAM



District Wide Standards and Design Guidelines

District Wide Standards and Design Guidelines

Steinberg Hart is creating District Wide standards and design guidelines to guide the development of all Measure X projects

Complete:

- ✓ District product and systems standards
- ✓ Room type standards
- ✓ Design guidelines (available on Measure X website)
- ✓ Material guidelines

Underway:

- Information Technology and Audio-Visual standards
- Furniture, Fixtures and Equipment (FF&E) standards
- Wayfinding and Signage

13



MEASURE X BOND PROGRAM



Year in Review

Year in Review

 Watch the video here: https://vimeo.com/448727360









15





Executive Summary

Gavilan Joint Community College District Measure X, Series B & B-1 Bond Issuance

On October 1, 2020, the Gavilan Joint Community College District sold its second installment of bonds from the Measure X bond authorization. Gavilan took advantage of near historically low municipal bond interest rates and issued a combined \$105 million in bonds between Series B and B-1.

Series	Gavilan Joint CCD Election of 2018 GO Bonds, Series B	Gavilan Joint CCD Election of 2018 GO Bonds, Series B-1			
Par Amount	\$40,000,000	\$65,000,000			
Final Maturity	August 1, 2050	August 1, 2050			
Optional Prepayment	Any day on or after August 1, 2030 without penalty	Any day on or after August 1, 2030 without penalty			
Interest Type	Tax-Exempt	Taxable			
Avg Interest Rate	2.71%	2.83%			
Total Debt Service	\$64,057,582	\$97,616,221			
Repayment Ratio	1.60 to 1	1.50 to 1			

The Series B-1 bonds were sold as federally taxable bonds in order to fund certain projects that per IRS rules did not qualify for tax-exempt status and to provide funding for projects that would take longer to complete than the IRS requirement to spend tax-exempt bond proceeds within three-years of issuance. The low interest rate environment and relatively small difference in interest rates between tax-exempt and taxable bond made conditions favorable to fund these projects with one issuance rather than splitting the issuances into multiple series to be issued over several years.

While issued in a low interest rate environment, Gavilan will have the option to refinance these bonds in the future. At any time after August 1, 2030, if interest rate conditions at the time allow, both the Series B and B-1 bonds may be refinanced to further reduce the bond payments and lower taxes on Gavilan taxpayers.

The Series B & B-1 financings closed on October 15, 2020. Following the issuance of these bonds, and the combined \$38 million issued in the Series A & A-1 bonds in 2019, Gavilan has \$105 million of Measure X bond authorization remaining to be issued.

Whole Program Report

Measure X Bond Program

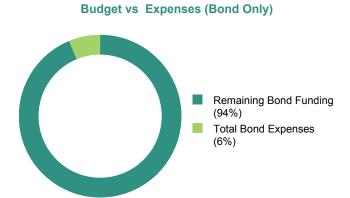
Reporting Period: Inception through 6/30/2020

Funding Sources (Budget)

Cost Status

Actual Expenses To Date

Budget Group	Total Budget	Bond	State	Other	Remaining Balance		
A&E, DSA, Oversight & Other	\$65,083,671	\$3,454,539	\$0	\$0	\$61,629,132		
Construction & Contingency	\$175,391,858	\$11,868,623	\$0	\$0	\$163,523,235		
Furniture & Equipment	\$7,884,740	\$144,914	\$0	\$0	\$7,739,826		
Unallocated Interest	\$278,762	\$0	\$0	\$0	\$278,762		
Totals:	\$248,639,031	\$15,468,076	\$0	\$0	\$233,170,955		





(3%)

Budget Categories Chart

Notes:

Bond and Bond Authorization: Measure X

Allocated Interest Earned: Interest earnings allocated to projects
Unallocated Interest Earned: Interest earnings not yet allocated to specific projects

State: State Funding

Other: Contributions from other funding sources

Expenses in the "Actual Expenses to Date" columns: Paid and Accrued expenses through the reporting period end date

"Unallocated Interest" is not included in the Budget Categories Chart calculation

Rounding factors may apply.

Project Summary Report

Measure X Bond Program

Reporting Period: Inception through 6/30/2020

Project Number	Project Name	Bond Budget	Bond Exp. To Date	Qtr Bond Expense	Budget Remaining	Start Date	End Date	Cost Status	Sched Status
San Ben	ito County Project List								
Board A	pproved								
3101	San Benito County Campus	\$59,900,000	\$876,643	\$663,036	\$59,023,357	4/19/2019	5/31/20	24 ✓	✓
	Total Board Approved	\$59,900,000	\$876,643	\$663,036	\$59,023,357				
	Total San Benito County Budget	\$59,900,000	\$876,643	\$663,036	\$59,023,357				
Gavilan	College Project List								
Board A	pproved								
3201	Site Improvement, Security and Infrastructure	\$38,400,000	\$215,778	(\$86,675)	\$38,184,222	8/14/2019	7/12/20	21 🗸	\checkmark
3202	Library and Student Resource Center	\$50,600,000	\$144,275	\$144,275	\$50,455,725	3/18/2020	6/18/20	25 ✓	\checkmark
3204	STEM Center	\$25,100,000	\$0	\$0	\$25,100,000	10/3/2022	2/3/20	28 🗸	\checkmark
3205	Visual and Performing Arts Complex	\$20,700,000	\$0	\$0	\$20,700,000	12/17/2024	3/25/20	30 🗸	✓
3206	Future Projects	\$5,000,000	\$0	\$0	\$5,000,000				
	Total Board Approved	\$139,800,000	\$360,053	\$57,600	\$139,439,947				
Consolio	dated								
3203	Site Improvements and Security	\$0	\$0	(\$50,300)	\$0				
	Total Consolidated	\$0	\$0	(\$50,300)	\$0				
	Total Gavilan College Budget	\$139,800,000	\$360,053	\$7,300	\$139,439,947				
District a	and District-Wide Project List								
Board A	pproved								
3207	IT Infrastructure	\$5,900,000	\$239,999	\$239,999	\$5,660,001	11/1/2019		✓	✓
3995	Debt Service and Project Completion Costs	\$18,400,000	\$12,097,693	\$13,984	\$6,302,308				
3999	Program Mgmt, Planning and Support	\$10,000,000	\$1,893,689	\$560,560	\$8,106,311				
	Total Board Approved	\$34,300,000	\$14,231,381	\$814,543	\$20,068,619				
	Total District and District-wide Budget	\$34,300,000	\$14,231,381	\$814,543	\$20,068,619				
3997	Program Contingency	\$7,360,269	\$0	\$0	\$7,360,269				
3998	Catastrophic Contingency	\$7,000,000	\$0	\$0	\$7,000,000				
	Unallocated Interest Earnings	\$278,762	\$0	\$0	\$278,762				
	Measure X Bond Program Total:	\$248,639,031	\$15,468,076	\$1,484,879	\$233,170,955				

Project Summary Report

Measure X Bond Program

Reporting Period: Inception through 6/30/2020

Report Notes & Definitions

Start Date: Scheduled start date or first expenditure, whichever comes first.

End Date: When project is available for intended use.

Bond Expenses To Date: Represents paid and accrued expenses through the reporting period end date.

* Uncategorized: Projects consist of District wide project administration and other operating expenses.

Projects will not be listed in the "Complete" phase until they are financially complete.

Funding Sources: Measure X Rounding factors may apply.

Project Status Guidelines



Ok: Project has normal range of issues.

Cost (Contingency): ¹ Contingency ≥ 5% of Budget Remaining

Schedule Large Capital Projects (Required Occupancy Date - Forecast Completion Date): 2 > 2 Months Schedule Contingency Schedule Other Projects (Required Occupancy Date - Forecast Completion Date): 2 > 1 Months Schedule Contingency



Caution: Project has significant issue(s), however, project team has a solution and/or options.

Cost (Contingency): ¹ Contingency < 5% and ≥ 3% Budget Remaining

Schedule Large Capital Projects (Required Occupancy Date - Forecast Completion Date): 2 > 1 and < 2 Months Schedule Contingency Schedule Other Projects (Required Occupancy Date - Forecast Completion Date): 2 ~ 1 Month Schedule Contingency



Problem: Project has significant issue(s), without a current or near term solution.

Cost (Contingency): 1 Contingency < 3% of Budget Remaining

Schedule Large Capital Projects (Required Occupancy Date - Forecast Completion Date): 2 < 1 Month Schedule Contingency

Schedule Other Projects (Required Occupancy Date - Forecast Completion Date): 2 < 2 Weeks Schedule Contingency

- 1 Budget Remaining = Total Budget Cost to Date Encumbered
- ² Forecast Completion Date = Project is ready to be occupied for its intended purpose (Work is usably complete including equipment installation and outfitting. Some punch list items may remain and financial closeout may still be pending).

As the Measure X Bond Program and the individual Measure X Bond Projects move toward close out and the final expenditure of funds, the Project Status Guidelines for a Caution or Problem Project (as defined above) no longer includes the use of Contingency in it's definition since Contingency must be spent for Program/Project closeout.

Budget, cost to date and encumbrance data used to calculate the budget remaining for the Cost Statuses is based on current data as of the run date of this report.

Problem Project Details

N/A



Gavilan Joint Community College District Measure X Citizens' Bond Oversight Committee

			Term 1			Term 2		
Name	Representing	Board Appointment	Term Start Date	Term End Date	Board Re-Appointment	Term Start Date	Term End Date	Notes
Natalie Rusterholz	Student	6/9/2020	6/9/2020	6/9/2022				
Elvira Robinson	Support Organization	10/8/2019	10/8/2019	10/8/2021				
Gordon Machado	Business Community	4/12/2019	4/12/2019	4/12/2021				
Jim Rogers	Senior Citizens' Organization	4/12/2019	4/12/2019	4/12/2021				
John Flaherty	Community-At-Large	4/12/2019	4/12/2019	4/12/2020	4/14/2020	4/14/2020	4/14/2022	
John Gould *	Community-At-Large	4/12/2019	4/12/2019	4/12/2021				
Judi Johnson **	Taxpayer Association	4/12/2019	4/12/2019	4/12/2021				

^{*} Elected as Chair on July 23, 2020

^{**} Elected as Vice Chair on July 23, 2020