



**EL CAMINO COLLEGE**  
**Office of the Vice President - Administrative Services**

**MINUTES OF THE**  
**CITIZENS' BOND OVERSIGHT COMMITTEE MEETING OF**  
**November 18, 2020**

The Citizens' Bond Oversight Committee met at 3:30 p.m. on Wednesday, November 18, 2020 via Zoom Conference Call.

The following Oversight Committee Members were present, Lou Bahar, Laurie McCarthy, Dr. Don Brann, Faith Adams, Gino DiGregorio, Chris Taylor and Jess Negrete was absent.

Also present was Dena Maloney, Jorge Gutierrez, Ann O'Brien, Marc Stevens, Iris Ingram, and Jeff Hinshaw.

Public Comment:

Minutes of the Citizens' Oversight Committee of July 15, 2020

It was moved by Gino DiGregorio and seconded by Lou Bahar that the CBOC approve the minutes of July 15, 2020. Committee member Bahar, McCarthy, Adams, DiGregorio and Brann voted yes. Motion carried.

Measure "E" Agendas:

Jorge Gutierrez reviewed the following information from the Measure E section of the July, August, September and October Board of Trustees' agendas.

July 20, 2020

7.11 Measure E Category Budget and Balances - this is a breakdown of the budget expenditures and the balance of each project for the two bond measures.

**Question:** *Do we still have activity remaining from the first bond?*

**Answer:** *Very small amount of money left on that box.*

**Question:** *We have about \$2 million now left in the first bond, is there a spend-out plan and when will we be closing those funds out of the first bond.*

**Answer:** *Actually, we have done review and on the October 19 agenda, you will see where we have reallocated remaining dollars to fund projects that did not have budgets that were high enough.*

7.13 Measure E Purchase Order (PO) and Blanket Purchase Order (BPO)

10.2 Resolution No. 07-20-2020A - Resolution of the Board of Trustees of El Camino Community College District, authorizing the issuance of El Camino Community College District (Los Angeles County, California) Election of 2012 General Obligation Bonds, Series 2020C

10.3 Resolution No. 07-20-2020B - Resolution of the Board of Trustees of El Camino Community College District, Authorizing the Issuance of the El Camino Community College District (Los Angeles County, California) 2020 General Obligation Refunding Bonds.

11.1 Change Order #14 – ACC Contractors – Administration Building

11.2 Change Order 1 – ACCO Engineered Systems – Central Plant Retro-Commissioning

August 17, 2020

7.21 Change Order 1 – Resource Environmental – Demolition of Existing Student Services and Student Activities Center – a credit back to the district because they did not use all the allowances that was earmarked for this projects.

- 7.22 Change Order #2 – ACCO Engineered Systems – Central Plant Retro-Commissioning – adding another chiller into the central plant, which will be able to handle the two additional buildings that will soon be under construction, which is the Behavioral Science and Art Complex.
- 7.23 Change Order 5 – Tilden-Coil Constructors – Pool and Classroom Building Project - reclaimed water system. The district continues its efforts to reuse water at the campus as part of water conservation measures and the second item on this change order is dealing with sewer line at the campus.
- 7.24 Measure E Purchase Order (PO) and Blanket Purchase Order (BPO)  
**Question:** *Are the projects going along swimmingly or are there some of the items that are causing unanticipated delays in an agreement between the District and a contractor?*  
**Answer:** *we only have one project that has caused us a little bump in the road, which is being handled. All the other projects have been completed and the contractors did what they were supposed to do and on time. We are currently involved in a dispute with one contractor, the one that built our Gymnasium, and we hope to have that resolved by the end of the calendar year. We cannot discuss the specifics of the dispute, but the board of trustees will be the final authority on this agreement.*  
**Question:** *Noticed as you are going through the items here, a line item for the planetarium. We wanted to know more about this item. Where is it located on campus?*  
**Answer:** *the planetarium is located on the Manhattan Beach Boulevard side of the campus. It is between the new Student Services Building and the Industry & Technology building. The first bond measure paid for a little bit of renovation and a new piece of equipment for that particular facility.*
- 7.25 Measure E Category Budget and Balances
- 11.1 Construction Management Services Task Orders for Behavioral Sciences and Arts Complex Project – We have awarded a contract to Lundgren, they are the new construction management company for the Behavior Science and Arts Complex. The two project will be about \$32M and will be built simultaneously.
- 11.2 Change Order 15 – ACC Contractors – Administration Building
- 11.3 Notice of Completion – ACC Contractors, Inc. – Administration Building Project
- 11.4 Music Building Architectural and Related Design Professional Services

September 8, 2020

- 7.5 Contract – Atlantic Relocation Pool/Classroom Building –contractor will be involved in the implementation of the move of supplies and materials for staff from different locations on campus to the new Pool facility. The move has been completed, we are now trying to get the dates together of when the staff can go in and unpack their materials and supplies.
- 7.6 Measure E Purchase Order (PO) and Blanket Purchase Order (BPO) – purchases and costs that were incurred with bond monies.
- 7.7 Measure E Category Budget and Balances
- 10.1 Investment Banking Firm for El Camino Community College District GO Bond Sale & Refunding - Nearly six months ago we began the process for a bond issuance and refunding. After interviewing five (5) firms, the evaluation panel selected Morgan Stanley as the Senior Manager and Backstrom McCarley Berry as Co-Manager as the firms that will be the investment bankers for the college.
- 11.1 Notice of Completion – Resource Environmental Inc. – Existing Student Services and Student Activities Demolition Project – the demolition project is completed and the lot is vacant. Soon construction will begin on the new Behavioral Science and the Art Complex.
- 15.4 Bond Project Status Report – update on the each of the bond project
- Administration building it is completed and has been occupied. ACC will be the contractor for the Behavioral Science and the Arts Complex.

- Construction Technology - still at DSA, we are waiting for Division of State Architect to approve this project. The Division of State Architect are the state regulatory agency that has responsibility to review the plans, specifications on any project before we go out to bid. So all our projects are required to have that stamp of approval from that state agency.
- Will be going out to bid soon on the Construction Technology, Student Activities remodel project and the Café project.

**Question:** *On one of the project, the DSA review should have been completed in September and it is still ongoing?*

**Answer:** *It is still ongoing with them and we have been monitoring the progress. They have requested additional information on some structural integrity issues and the engineer has responded to them. Therefore, we submitted all the required information they need and are just waiting for them to approve the plans.*

**Question:** *is there a worry that it will exceed the time frame given or the budget or being late to the completion date?*

**Answer:** *Our goal is to consolidate these projects to go out to bid at the same time. So with the Construction Technology, Café and Student Activities relocation. We have build in slack for these reviews. These are considered relatively small projects and DSA ebbs and flows in terms of how quickly they can get something reviewed and approved. Sometimes their reviews takes a month or two, but we still can manage to do other things while we are waiting for their approval, but this is not considered something that we are worried about yet. With the virus, the office is closed so to do over the counter work is closed, but now everything is over emails.*

#### October 19, 2020

- 7.8 Change Order 3 – ACCO Engineered Systems – Central Plant Retro-Commissioning
- 7.9 Contract Amendment – Leighton Consulting, Inc. – Administration Building Replacement Project - provide additional services for the administration building for soil testing and technical work. The asphalt was old and it was a safety issue in front of a new administration building.
- 7.10 Measure E Purchase Order (PO) and Blanket Purchase Order (BPO)
- 7.11 Measure E Category Budget and Balances
- 11.1 Music Building Architectural and Related Design Professional Services – DLR is the architect we have selected to design the new Music building. We went through a comprehensive process to select the architect, we had a committee, a request for qualifications, interviews, and the committee selected the DLR based on their experience. We have started the design and review process with the stakeholders. Our goal is to submit the preliminary plans to the State of California for review and approval. We have received good news that we have been approved for a matching grant from the State for the construction of the Music building. So we are we are moving forward on this project to meet the timeframe and the deadlines that are established by the State. Therefore, the goal is to start, construction in 2022.

**Question:** *what was the matching fund?*

**Answer:** *We have received about \$24 million from the State out of their Prop 39-Capital Outlay Fund. Therefore, the state is committing 50% and then we are committing 50% of the total cost of the building.*

#### Bond Sale & Refunding Update

- We floated two bond measures, one in 2002 and one in 2012 to a total of about \$745 million dollars, the district has been spending down those funds, and periodically as we get to the crucial milestone, we sell more bonds. Additionally, we had some bonds that we had issued that we could get a lower interest rate on, so the district is refunding those to save the taxpayers some money.

- We began the process for selling and refunding the bonds about six months ago, we chose Morgan Stanley as the lead underwriter with assistance as the co-manager from Backstrom McCarty McCarley. Our financial advisors worked with us and helped us with the [presentation](#) to rating agency S&P and Moody's. The district had an impressive story to share with our rating agencies, particularly with regard to the area we serve, the assessed value of the properties in our service area and the fiscal management of the college and the stability of the college.
- Standard & Poor's rating services gave a long-term rating of "AA+" to the District's general obligation (GO) bonds and series 2018B GO bonds, which are related to the facilities bond approved by voters in 2012. The rating reflects the S&P view of District's sound financial policies and practices, its maintenance of strong available reserves, and its access to the broad and diverse Los Angeles County economy.
- In addition, Moody's Investors Service gave the District an "Aa1" rating, citing high levels of reserves and liquidity, a large tax base with healthy growth, and the operating flexibility inherent to California Community College Districts. Both agencies' ratings result in savings due to reduced borrowing costs, which are passed on to the taxpayers who approved facilities bonds in 2002 and 2012. The District's ability to issue the bonds at a low interest rate correspondingly reduce the burden of paying back the bonds on local taxpayers.

**Question:** *Does the community college have the home hold harmless this year that K-12 received?*

**Answer:** *Yes, all community colleges are under hold harmless with respect to enrollment through fiscal year 2022-23. It could very well be extended to FY2023-24.*

**Question:** *When do you think we will issue more bonds in the future?*

**Answer:** *We are probably looking at another issuance in about a year to eighteen months. We will have to hold and cannot exceed the threshold of \$24.83 of assessed valuation. We probably have about another \$50 million that we need to go out for to finish off some more projects, like the Music building and a couple of other projects. After that we will be pretty much done, It will be up to the board, whether or not they wish to go out for another bond election.*

#### Scheduled Future Meeting for 2021 @ 3:30pm

- March 17<sup>th</sup>; July 21<sup>st</sup>; November 17<sup>th</sup>

#### Open Discussion

Just wanted to give this committee information on what will be happening on the campus in the new few months. We are going to have six projects underway throughout the campus. We are going to have the Behavior Science, Arts Complex, Construction Tech, Bookstore Café, Student Activities and the Baseball field improvement.

#### Adjournment:

Move to adjourn meeting. The committee members adjourned meeting with a unanimous vote. Meeting adjourned at 4:33p.m.

**PURPOSE:** *To inform the public concerning bond revenue expenditures and to actively "review and report" on the expenditure of these funds. (Ed. Code sec. 15278(a))*