

WEST HILLS COLLEGE LEMOORE
555 College Avenue
Lemoore, CA 93245

CITIZENS' BOND OVERSIGHT COMMITTEE for
Measure E – School Facilities Improvement District (SFID) No. 3, Lemoore Area
Minutes
October 12, 2011 4:00pm
West Hills College Lemoore
555 College Avenue
Lemoore, CA 93245
Golden Eagle Arena 2nd floor conf. rm.

Members Present:	Members Absent:	WHCL/WHCCD Staff	Other Present
Les Brown, Chair Buddy Brooks Tom Hernandez, Vice Chair Lynda Lahodny Donna Elliott Linda Balcazar Maureen Azevedo		Ken Stoppenbrink, Vice Chancellor of Business Services Don Warkentin, President Glenda Oliver, Admin. Asst.	Richard Treece, AP Architects

1. Tour of new Golden Eagle Arena

A tour of the new Arena was offered to any interested.

2. Call to Order

Les Brown called the meeting to order at 4:10 p.m.

3. Action Items

- Citizens' Oversight Bond Meeting Minutes of May 11, 2011

The minutes of the May 11, 2011 meeting were approved on a motion by Maureen Azevedo, it was seconded by Buddy Brooks, all were in favor, the motion passed.

4. Information/Discussion/Presentations

A. Update Golden Arena Project

Mr. Warkentin stated that the punch list items are still currently taking place and the contractor is there to provide oversight. Punch list items should be completed by the end of the month. Next week the trees and shrubbery will be planted.

B. Review of Measure E and SFID No. 3

Ken Stoppenbrink reported that Series A and B have been issued. Series B was in the amount of \$12.3 million. There is \$6 million still to be issued with approximately \$10 million remaining. There are not enough monies to bring the student union as we also have the

Avenal and Riverdale projects. There will be enough money with Series C. There was a drop in assessed valuation; however, forecasting out they are making assumptions of a 3% growth. Buddy Brooks asked if this was based on a formula. Ken responded that this is based on an educated guess by the consultants. These projections are critical as this is going to tell us what we are authorized to sell to not exceed to the tax payers. Decisions are based on assumptions. Page 3 demonstrates where we are right now. We have no bonding capacity to sell anything on Series C on the remaining \$12 million. You can see from the forecast how that plays out. What we don't know is how accurate the forecasts are. Part of the process is we have to hire a consultant to look at the entire district to come up with an accurate forecast of what is current, and where it's going. If the forecast and actual numbers come out different we will approach the adjusters to make adjustments. It may be two to three years before they can be sold. SFID is currently unable to issue additional bonds since the tax rate exceeds the Prop. 39 \$25 per \$100,000 of assessed value. How is bidding affected? Ken responded it helped us. There was \$4-5 million saved. The economy is still very weak. We don't expect big inflation issues. The economists do not see a significant change in the economy for three to four years. Buddy Brooks questioned if we are going to bid and not having the money would it be phased. Ken replied that we have enough resources to take care of Avenal and Riverdale. We need the other bond to move on and gain a stamp of approval from DSA in spring of 2013. It would then be 2015 before the project can be bid. We will move forward with plans and these will bring expenses, but we won't go out to bid until we know we can sell the bonds. If bonds sold quickly you can save administrative expenses. Our consultant looks at these values on an annual basis. In Avenal we have the power generation plan. Maybe in a year we may have another evaluation. In Fresno County, the new assessor has already put the farmers on notice. There is a lot of farmland in Kings County also. Every summer all this information flows through to Fresno County due to them as fiscal agent for the entire district. This process has to be sent to the Board of Supervisor's board meeting in August and they establish what the new rates will be one time per year. Next year there will likely be a better impact.

C. Series C Bond Sales

This item was addressed in item B.

D. Measure E Facility Projects/Student Center

Richard Treece distributed the completion recap for Measure E. There are no yellow highlighted items as there have been no changes since the last meeting. Through September they have reconciled to the penny. Richard asked if there were questions. He also brought a student union floor plans update. The plans are moving into more details: mechanical, electrical. Les Brown questioned the Measure E responsibility that this committee has and where are we in that process. Richard responded that it will be ongoing until the resources are spent. There has to be an oversight committee; and thus, the reason to stagger the committee members. Buddy Brooks questioned the allocation for the student center and the amount of \$11 million as compared to the contractors of \$7.5 million. Richard explained the costs as they were broken out on the recap. Ken stated that all resources for the student union are from the bond, not the state. All the drawings have to go through the Division for plan check. It is a slow process as the DSA goes over all issues: fire, ADA, structural compatibility, ETC. They send the final plans back to DSA. It is a nine month process waiting on DSA. Maureen Azevedo asked if these are the ones that approve or make changes. Ken Stoppenbrink replied that it is comparable to what the local city building process but from the state. Buddy asked if this

process is ever walked through. Les asked if we have enough funds to build the student center. This is not a state bond project, but rather Measure E funded. Ken replied that there are enough funds to build this project; however, a cash flow concern could occur depending on when we can sell bonds. AP Architects is in the process of getting this estimated. The drawing represents 20,000 square feet for the student center. The kitchen equipment alone will cost a \$1 million as commercial kitchens are expensive. Buddy questioned if \$400-500 a square foot is still correct. Richard responded affirmatively. Hopefully by October they can send out for bid to start construction. Once the DSA approves a set of plans there is an automatic two year period that the plans are good. They expire as codes change. You can get an automatic one year extension. The DSA has been known to give extensions. Mr. Warkentin asked that AP Architects bring a 3D illustration as they prepare for the Board to the next meeting.

Mr. Warkentin provided a brief update on Avenal and Riverdale stating that Avenal has been allocated \$2 million and Riverdale \$1 million. He and the chancellor have met with Avenal and Riverdale folks and they are to meet again in December. Avenal is still looking for a site and hopefully they will have an answer by December. Riverdale is further along as they have chosen to remodel their science labs with state of the art technology. WHC Lemoore will be able to use the lab for night classes. AP Architects is working on a drawing. The hospital location is a possibility for Avenal. The problem with using resources to purchase property is that it leaves little left over for building. Donna Elliott commented that a concern with the Avenal property by the hospital is that it is not stable ground during rain.

5. Reappointment of committee members: James Brooks, Les Brown, Tom Hernandez, Lynda Lahodny

Maureen Azevedo motioned to approve the reappointment of the above listed committee members for a second term; it was seconded by Donna Elliott, all were in favor, the motion passed. Mr. Warkentin explained that per the bylaws committee members were initially elected for two year terms with the exception of two members to serve a one year term. The one year term members are Donna Elliott and Linda Balcazar.

6. Announcements

The next meeting will be the annual organizational meeting. The consensus for the next meeting date was Wednesday, January 25, 2012. Currently under the bylaws, there will be no more than two terms without sitting out. Revised bylaws are to be considered.

7. Committee Member Comments and Requests

Les Brown asked if there were comments or for requests. Concerning the handouts presented today, Tom Hernandez requested that the print be enlarged.

Richard Treece will prepare a draft of the annual report to the Board and bring it for review to the next meeting.

Mr. Warkentin announced the upcoming Golden Eagle Arena Open House and Dedication Ceremony to be held on November 2, 2011.

8. Adjournment

The meeting was adjourned at 4:51 p.m.