

**Minutes of the Study Session of the Board of Trustees  
San Mateo County Community College District  
January 14, 2015, San Mateo, CA**

**The meeting was called to order at 6:02 p.m.**

**Board Members Present:** President Patricia Miljanich, Vice President Dave Mandelkern, Trustees Richard Holober, Tom Mohr and Karen Schwarz

**Others Present:** Chancellor Ron Galatolo, Executive Vice Chancellor Kathy Blackwood, College of San Mateo President Michael Claire, Cañada College President Larry Buckley

**Pledge of Allegiance**

**DISCUSSION OF THE ORDER OF THE AGENDA**

None

**MINUTES**

It was moved by Trustee Schwarz and seconded by Trustee Holober to approve the minutes of the meeting of December 10, 2014. President Miljanich asked that the minutes be amended to include her request that the discussion regarding rotation of Board officers include the opportunity for newer members of the Board to serve as president. The motion to approve the minutes as amended carried, all members voting "Aye."

**STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

None

**NEW BUSINESS**

**APPROVAL OF PERSONNEL ACTIONS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (15-1-1A)**

It was moved by Trustee Holober and seconded by Vice President Mandelkern to approve the actions in Board Report No. 15-1-1A. The motion carried, all members voting "Aye."

**STUDY SESSION**

**DRAFT FACILITIES MASTER PLAN UPDATE (15-1-1C)**

Chancellor Galatolo said the draft Facilities Master Plan provides the early stages of plans for the next phase of the Capital Improvement Program (CIP3) and seeks Board input to be included in the final Facilities Master Plan. José Nuñez, Vice Chancellor of Facilities Planning, Maintenance and Operations, said Facilities Master Plans were completed in 2001, 2005 and 2011. He said construction is now 75% to 80% complete on the three campuses; the intent of this document is to show how the work will be finished.

Trustee Schwarz said she understands that this document is an update of the 2011 Facilities Master Plan. She said it would be helpful to learn what changes have been made since the 2011 Plan was presented. Vice Chancellor Nuñez presented and discussed with the Board the projects that are included in the 2015 Master Plan Amendment at each College.

**Skyline College**

*New Construction:* Building 1, Social Science/Creative Arts Programs – demolition and reconstruction; Environmental Sciences Building – new; Energy Management Programs – new; Boiler Plant – new

*Future New Construction:* Kinesiology/Wellness Building (not included in current construction program)

*Modernization/Renovation of Existing Facilities:* Building 2, Workforce/Economic Development Center – to be state funded; Building 5, Library/Learning Resource Center; Building 14, Early Childhood Education (Loma Chica); Utilities Plant

*Demolition of Existing Facilities:* Building 19, Pacific Heights; Portable Buildings 3A through 3E

*Proposed Site Development:* South Pedestrian Gateway; Parking Expansion; Renewable/Energy Efficiency Improvements

*Potential Building Sites:* Housing Development

#### College of San Mateo

*New Construction* – Building 5, Workforce/Allied Health Programs – expansion; Building 8, Kinesiology/Wellness – demolition and reconstruction; Buildings 12 & 19, Center for Innovation and Emerging Technologies – demolition and reconstruction

*Modernization/Renovation of Existing Facilities:* Building 1, Public Safety/Multi-Disciplinary; Building 3, Humanities/Arts; Building 7, Facilities Maintenance Center (discussing moving facilities management function out of this building and into Building 34, making work in Building 7 minimal); Building 9, Library/Information Technology Services; Building 17, Student Support Services; Building 34, Fire Science/Facilities Management (ITS will move out of Building 34 and portions of Building 34 will be reconfigured to house facilities management and planning functions)

It was noted that the modernization/renovation of Buildings 7, 17 and 34 are low budget projects.

*Demolition of Existing Buildings:* Building 20, Horticulture and Building 20A, Greenhouse – will address after ruling from Superior Court on pending litigation, including CEQA process

#### Cañada College

*New Construction:* Math/Science/Engineering Building – new; Building 1, Kinesiology/Wellness – demolition and reconstruction (staff has discussed other funding sources; not bond funded presently)

*Modernization/Renovation of Existing Facilities:* Building 3, Performing Arts Center; Building 9, Library/Student Resource Center (funding to be determined); Building 13, Multi-Disciplinary Instructional Center; Building 16 and 18, Instructional Buildings (secondary effect buildings; low cost)

*Proposed Site Development:* North Quad Development; Parking Expansion

In response to questions from Donna Bischoff, a member of the public, the Board and staff discussed the concept for the proposed Kinesiology/Wellness Building at Cañada College, along with the operation of the San Mateo Athletic Club located in Building 5 at College of San Mateo.

The Board discussed the importance of having the projects listed in the Facilities Master Plan aligned with the project list for the bond measure (Measure H). They also discussed bond funding vs. other sources. Chancellor Galatolo said projects are estimated to cost approximately \$65 million more than the \$388 million provided by the bond; he said he is confident that this money can be found through other sources.

The Board discussed the impact that the projects will have on teaching and learning. It was noted that the planning process was participatory, involving representatives from the Colleges, and that the 2015 Amendment is grounded in each of the College's Educational Master Plans.

Vice Chancellor Nuñez asked the Board to address questions and comments to himself or Barbara Christensen. He said the intent is to ask for Board approval so that staff can begin the CEQA process. Maxine Terner, a member of the public, asked when the Board will take action. Vice Chancellor said the Board will be asked to take action at a future meeting, after they have had time to submit questions and comments.

**PRESENTATION ON LEASE-LEASEBACK DELIVERY METHOD FOR CAPITAL PROJECTS (15-1-2C)**

Chancellor Galatolo said the design-build method, in which the owner, general contractor and architect work together to develop a building, has worked well for the District. He said tonight staff will introduce the Lease-Leaseback (LLB) delivery method. He said the advantage of this method is that the owner has more control over the design and greater budget control throughout the design phase.

Karen Powell, Director of Facilities Maintenance and Operations, provided an overview of LLB. She said it is an alternative project delivery method in which the District leases a property site to an entity for \$1.00 minimum; the lease requires the entity to construct a building on the subject property for a specified price; and the title to the subject property and buildings vest in the District at the expiration of the lease. Ms. Powell said LLB was originally intended as a financing vehicle, but need not be used as such. She said it allows the owner to select a contractor through the Best Value evaluation process based on qualifications and pricing. She added that LLB requires prevailing wages to be paid on the project.

Ms. Powell said that with the LLB method, in contrast to Design-Build, the owner holds the design contract; Gross Maximum Price (GMP) can be negotiated after subcontractor bids are secured and reviewed by the owner; the owner has input into the subcontractor bid packaging process; the owner reviews the actual subcontractor bids; and the owner may direct the contractor to re-bid subcontracts.

Ms. Powell said GMP is the amount that the contractor guarantees that the cost of the work will not exceed. It is the sum of the cost of the work, including subcontractor bids, contractor costs, and contingency (negotiated). The GMP is subject to additions and deductions due to changes in the scope of work and can include errors and omissions that were not reasonably inferable, owner scope changes, and unforeseen conditions including force majeure.

Ms. Powell said LLB involves specific contractual documents: a pre-construction services agreement, a construction services agreement, a site lease, and a facilities lease. Vice President Mandelkern asked if the contractor is generally the same in the pre-construction and construction phases. Ms. Powell said they most often are the same. Trustee Holober asked if there generally will be competition, allowing the District to choose a more economical option. Chancellor Galatolo said three or four general contractors will typically come with open book proposals.

In summary, Ms. Powell said that with the LLB process:

- Owner issues Request for Qualifications for contractors for pre-construction and construction services
- Owner establishes an interview panel to review the submitted Statements of Qualification and develop short list of contractors
- Once approved by the Board, owner enters into a pre-construction services agreement with the selected contractor
- Either as part of pre-construction or construction services, the contractor conducts open book process to competitively bid each trade with multiple subcontractors
- When GMP has been agreed upon, owner enters into a construction services agreement with the contractor to construct the project
- Owner enters into a site lease and a facility lease with the contractor
- Project team proceeds to manage construction using standard project management protocols and relationships among owner, architect and contractor

Ms. Powell described LLB best practices which are recommended by owners with successful LLB experience. It was noted that the Foothill-De Anza Community College District uses LLB exclusively and SMCCCD staff have talked with them at length about their experience.

Trustee Holober asked if the GMP is locked in or if there is the possibility for escalation. Ms. Powell said there can be escalation during the process but the GMP is locked in once the construction services agreement is completed.

Vice President Mandelkern asked for which projects the District would consider use of LLB. Chancellor Galatolo said LLB would be used for projects in which the District would like greater control over design, such as the

Environmental Sciences Building at Skyline College. He said Design-Build might be used for projects with more straightforward structure.

Vice President Mandelkern asked if there is a difference in the way plans get changed during the process due to input from the Colleges. Vice Chancellor Nuñez said District staff seeks involvement from administration and faculty by conducting meetings with the Presidents' Cabinets at each of the Colleges. Trustee Mohr said faculty are asked to help staff understand what their needs are within cost constraints. Trustee Holober said that the dialogue needs to include the cost starting point and ending point in order to be able to discuss where cuts can be made.

Trustee Mohr asked if a Project Labor Agreement (PLA) can be used in conjunction with LLB. Ms. Powell said it can.

Trustee Schwarz said she is impressed with LLB and is pleased to have additional options. She asked if a new PLA is needed. Vice Chancellor Nuñez said an amendment to the current PLA is needed.

Vice President Mandelkern said the presentation was very interesting and he likes the fact that the District has greater control over the selection of subcontractors. He said he has some concerns regarding LLB, including:

- What would happen if a contractor fails financially before the lease terminates. Eugene Whitlock, Vice Chancellor of Human Resources and Employee Relations, said language would be built into the contracts specifying that failure to perform or bankruptcy cannot legally encumber the property.
- Whether future staff/Board members would use the method as a financing mechanism. Chancellor Galatolo said the Board approves projects one at a time.
- Whether the process potentially could be exclusionary, rewarding those contractors with whom the District has an existing relationship. Chancellor Galatolo said it is incumbent on the District to be open and inviting. He said the District would like to develop relationships with other contractors, such as Level 10 Construction and Bloch Construction, both of which have done work for other districts using LLB.

Trustee Mohr, noting that LLB is being used by 80% of school districts, including 95-98% of K-12 districts, said he believes that abuse would have been detected had it been occurring.

Vice President Mandelkern suggested that the District might use LLB for one project and monitor its success. President Miljanich recommended that staff continue to connect with other districts who have used LLB.

#### **DISCUSSION OF AGENDA ITEMS FOR BOARD OF TRUSTEES RETREAT (15-1-3C)**

Chancellor Galatolo said staff has some proposed items for the agenda for the Board Retreat to be held on January 31 at the Cañada Vista clubhouse, including:

- Review of Progress on 2014 Board Goals
- Strategic Plan
- Budget update/Resource Allocation Model
- Pre-apprenticeship Initiative

Trustee Holober said he would like to have the Board work through details on the pre-apprenticeship initiative before bids are solicited. He said discussions with the building trades are important but are not the only factor. He said discussions should include methods to leverage the money spent on construction to open jobs to populations in the County who could benefit from these avenues. Trustee Holober said he will bring information on what one other entity has required and will also do additional research.

Trustee Mohr said discussion of the Strategic Plan should include the content of the Plan, how it is laid out, the role of the Board, how data will be used, and the goals and actions of the Colleges. Vice President Mandelkern agreed and said adequate time should be allotted so that the Board can be well-informed.

Trustee Holober said he would like to have a review of the MediFit contract on a future agenda. Tom Bauer, Vice Chancellor of Auxiliary Services and Enterprise Operations, said he will present an information report at a Board meeting in February or March.

Ms. Turner asked if the public is allowed to attend the Retreat. She was told that this is a public meeting and was given information on the time and location of the meeting.

Trustee Holober said he will be out of town on March 11 and will try to participate in the scheduled study session via telephone. Vice President Mandelkern said he has a conflict the week of April 29; staff will examine changing the date of the April 29 regular meeting.

**RECESS TO CLOSED SESSION**

President Miljanich said that during Closed Session, the Board will hold a conference with Agency Labor Negotiator Eugene Whitlock; the bargaining unit is AFT.

The Board recessed to Closed Session at 9:05 p.m.  
The Board reconvened to Open Session at 9:30 p.m.

**CLOSED SESSION ACTIONS TAKEN**

President Miljanich announced that at the Closed Session just concluded, the Board took no actions.

**INFORMATION ITEM**

**DISCUSSION OF BOARD OF TRUSTEES ANNUAL ROTATION OF OFFICERS (15-1-4C)**

The Board discussed rotation of officers as conducted at the annual reorganization of the Board each December. Discussion included allowing newer members of the Board a chance to serve as President.

**ADJOURNMENT**

It was moved by Vice President Mandelkern and seconded by Trustee Mohr to adjourn the meeting. The motion carried, all members voting "Aye." The meeting was adjourned at 10:16 p.m.

Submitted by

Ron Galatolo, Secretary

Approved and entered into the proceedings of the January 28, 2015 meeting.

Dave Mandelkern, Vice President-Clerk