

OHLONE COMMUNITY COLLEGE DISTRICT

MEMORANDUM

Regular Agenda item

TO: Board of Trustees  
FROM: Gari Browning  
DATE: August 13, 2008  
SUBJECT: Authorization to Modify Measure A Bond Budgets

At the July 9, 2008 Board meeting, the Administration presented an update on the current status of the District's Measure A bond budget. It was concluded that approximately \$4.4 million in funds remain that can be reallocated to finance other projects. At that time suggestions were presented for new uses and augmentations to existing projects, however no action was requested from the Board. The Administration is now ready to ask the Board for approval to modify bond budgets as follows:

Student Services Building (SSB) Contingency

Current projections of known costs indicate that the SSB project will exhaust its contingency before completion. In addition, unknown future costs are expected. To cover these costs, and to provide a prudent reserve for completion of the project, the Administration recommends a \$1,500,000 augmentation of the overall SSB project budget. The revised SSB project budget (Project #2 on the attached spreadsheet) will be \$34,300,000.

Bond Staffing

To date, the District has not expensed any salaries of in-house administrators or staff to the bond. However, bond counsel was asked to render an opinion on the legality of using bond funds to pay the salaries of District employees who perform work related to bond projects. The attached email from bond counsel opines that District salaries can be charged to the bond, but only for time spent on work that originated exclusively because of the bond. Our District auditors have also stated that this is allowable, but that documentation must be kept that records the time spent on bond work.

There are currently four (4) positions within the District that perform job responsibilities due exclusively to bond projects. Administration is requesting approval to expense the following portions of position salaries to the bond:

<u>Position Title</u>	<u>Bond Salary Percentage</u>
Capital Projects Coordinator (50% position)	100%
Bond Accountant	75%
Director of Facilities	25%
Director, Purchasing and Contracts	25%

It is estimated that the above percentages will result in approximately \$135,000 charged annually to the bond budget for salaries. We recommend that one year's estimate of cost (\$135,000) be applied to Project #4 Bond Program Management to increase that budget amount to \$2,045,677.

#### Fremont Electrical Service Upgrade

During the summer of 2007, several electrical outages occurred to the Fremont campus that lasted for many hours each and resulted in cancelled instruction and classes being dismissed. In order to prevent continuation of these outages PG&E has recommended that additional equipment be installed on the incoming service conductors. This work is being planned to occur over the winter break to prevent impacts to the campus. The estimated cost for this upgrade is \$200,000. Without this budget approval the District will be unable to fund this needed work and unplanned outages will continue to occur during times of peak electricity usage at the Fremont campus. A new project #3-33 will be established in the amount of \$200,000 for this work.

#### Emergency Push-to-Talk Phones

Pay phones located on the Fremont campus now possess a feature that allows callers to make free calls to campus Police by dialing \*81. However, with the expansion of the use of cell phones the revenue from these pay phones has been steadily declining, requiring subsidization by the District to keep them on campus. This costs the District in the neighborhood of \$6,000 annually.

The District has received a proposal to install six (6) Push-to-Talk phones on the Fremont campus. These phones do not allow outside calling, but do provide immediate connection with campus Police in cases of emergency or urgent need. Additionally, these phones have speakers mounted on the stanchion that facilitate communication to the local area in times of emergency. The speaker capability can be controlled from the individual location or centrally from a computer or dial-in connection. The total estimated cost for the installations is \$120,000, including site work. Chabot-Las Positas District, Canada College, the College of Marin and Allan Hancock are among districts currently using these push-to-talk phones on their campuses. Project #3-34 in the amount of \$120,000 will be established.

#### Cancellation of Obligations for Photovoltaic Panels at Newark/Budget to Complete

At the time the original budget for the Newark Center (Project #1) was established, it was felt there was not sufficient funding for the purchase of the rooftop photovoltaic panels. Alternate funding sources were established by arranging for transfers in from the District's unrestricted general fund and from the Bookstore. Given the availability of bond funds and the urgent need of the Bookstore and the general fund to retain their budgets, Administration is recommending that those obligations be cancelled. The amount is \$1,622,605.

After cancelling obligations to the general fund and Bookstore, an add back to the budget of Project#1 OCNC in the amount of \$785,918 is required to cover remaining known future costs at OCNC. The revised total project budget will be \$109,700,000 (\$110,536,687 current budget less \$1,622,605 obligation cancellation plus \$785,918 add back equals \$109,700,000).

### Reduce Project #3-6 Security Safety Camera

To assist funding #3-34, reduce the budget for #3-6 Security Safety Camera by \$62,877.06 to a revised amount of \$448,053.94. This accounts for all current commitments on the project.

### Unallocated Contingency

The current amount in unallocated contingency is \$2,739,729.62. After considering all of the transaction in this memo, a balance of \$61,688.68 will remain.

Attachment "A" is a spreadsheet showing the transactions.

### RECOMMENDATION

The President/Superintendent recommends the Board of Trustees approve the bond budget modifications contained herein.