

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
2323 North Broadway, #107
Santa Ana, CA 92706

Board of Trustees (Regular meeting)

Monday, April 14, 2014

MINUTES

1.0 PROCEDURAL MATTERS

1.1 Call to Order

The meeting was called to order at 4:38 p.m. by Mr. Jose Solorio. Other members present were Ms. Claudia Alvarez, Ms. Arianna Barrios, Mr. John Hanna, Mr. Larry Labrado, Ms. Nelida Mendoza Yanez, Mr. Phillip Yarbrough, and Mr. Jorge Sandoval.

Administrators present during the regular meeting were Mr. John Didion, Mr. Peter Hardash, Dr. Raúl Rodríguez, and Mr. Juan Vázquez. Ms. Anita Lucarelli was present as record keeper.

1.2 Pledge of Allegiance to the United States Flag

The Pledge of Allegiance was led by Mr. Labrado, Vice President, Rancho Santiago Community College District (RSCCD) Board of Trustees.

1.3 Administration of Oath of Allegiance to Jorge Sandoval, April 2014 Interim Student Trustee

Mr. Yarbrough administered the Oath of Allegiance to Mr. Jorge Sandoval. The board welcomed him as the April 2014 student trustee.

1.4 Recognition of Students

The board recognized Mr. Haroon Khan, student at Santiago Canyon College, and Mr. Mario Quintero Salazar, student at Santa Ana College, for their scholastic achievements, leadership, and service to the campus community and the Rancho Santiago Community College District.

Mr. Solorio recognized Ms. Teresa Mercado-Cota as the recipient of the Viola Myre Orange County Volunteer of the Year Award presented by the Orange County Hispanic Chamber of Commerce on April 12, 2014.

1.5 Approval of Additions or Corrections to Agenda

It was moved by Mr. Yarbrough and seconded by Ms. Alvarez to approve an addendum for Item 6.2 (Classified Personnel) and include the answers provided by staff to Ms. Alvarez, Mr. Hanna, and Mr. Yarbrough's questions in the April 14, 2014 minutes. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Labrado, Ms. Mendoza Yanez, Mr. Solorio, and Mr. Yarbrough. Student Trustee Sandoval's advisory vote was aye.

1.6 Public Comment

Mr. Nathan Banditelli, Ms. Colleen Mangali, and Ms. Teresa Paz; representatives of California School Employees Association, Chapter 888, introduced themselves and other members representing Chapter 888 that were present. They spoke regarding Child Development Centers (CDC) entering negotiations recently and the services CDC provides the district.

1.7 Approval of Minutes

It was moved by Mr. Yarbrough and seconded by Mr. Labrado to approve the minutes of the meeting held March 24, 2014. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Labrado, Ms. Mendoza Yanez, Mr. Solorio, and Mr. Yarbrough. Student Trustee Sandoval's advisory vote was aye.

1.8 Approval of Consent Calendar

It was moved by Mr. Yarbrough and seconded by Mr. Labrado to approve the recommended action on the following items (as indicated by an asterisk on the agenda) on the Consent Calendar, with the exception of Item 4.3 (Investment Banking and Underwriting Services Agreement with Piper Jaffray & Co.), removed from the Consent Calendar by Mr. Hanna. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Labrado, Ms. Mendoza Yanez, Mr. Solorio, and Mr. Yarbrough. Student Trustee Sandoval's advisory vote was aye.

3.1 Approval of Upward Bound Summer Residential Program Contract

The board approved the agreement between Chapman University and Santa Ana College (SAC) Upward Bound Program for 2014.

3.2 Approval of Nursing Program Agreement – Placentia-Yorba Linda Unified School District

The board approved the clinical affiliation agreement with Placentia-Yorba Linda Unified School District located in Placentia, California.

3.3 Approval of Pharmacy Technology Agreement Renewal – AHMC Anaheim Regional Medical Center

The board approved the contract with AHMC Anaheim Regional Medical Center in Anaheim, California.

1.8 Approval of Consent Calendar – (cont.)

3.4 Approval of Amendment #1 to OTA Agreement – Long Beach Memorial Medical Center

The board approved the agreement amendment with Long Beach Memorial Medical Center in Long Beach, California.

4.1 Approval of Payment of Bills

The board approved payment of bills as submitted.

4.2 Adoption of Resolution No. 14-10 – Establish General Obligation Bond Fund with Orange County Treasurer

The board adopted Resolution No. 14-10 to establish the General Obligation Bond Fund with the Orange County Treasurer as presented.

4.5 Approval of Agreement with Ninyo & Moore for Materials Testing and Inspection Consulting Services for Dunlap Hall Renovation Project at Santa Ana College

The board approved the agreement with Ninyo & Moore for materials testing and inspection services for the Dunlap Hall renovation project at SAC as presented.

4.6 Approval of Amendment with Knowland Construction Services for DSA Inspector of Record, Testing & Inspection Services for Planetarium, Parking Lot #11 and Temporary Village at Santa Ana College

The board approved the amendment with Knowland Construction Services for DSA Inspector of Record, testing and inspection services for the planetarium, parking lot #11, and temporary village project at SAC as presented.

4.7 Approval of Agreement with Knowland Construction Services for DSA Inspector of Record, Testing & Inspection Services for the Dunlap Hall Renovation Project at Santa Ana College

The board approved the agreement with Knowland Construction Services for DSA Inspector of Record, testing and inspection services for the Dunlap Hall renovation project at SAC as presented.

4.8 Approval of Release and Settlement Agreement between Optima RPM, Inc. and Rancho Santiago Community College District (RSCCD) for Building “G” Renovations Project at Santa Ana College

The board approved the Release and Settlement Agreement between Optima RPM, Inc. and RSCCD for the Building “G” renovations project at SAC as presented.

4.9 Approval to Reject all Bids: Bid #1218 - Off-Site Improvement Project at Santa Ana College

The board approved rejection of all bids in Bid #1218 – Off-Site Improvement Project at SAC as presented.

1.8 Approval of Consent Calendar – (cont.)

4.10 Approval of Agreement with WLC Architects, Inc. for Architectural and Engineering Consulting Services for the Building “D” Renovations at Santiago Canyon College

The board approved the contract with WLC Architects for Building “D” renovations at SCC as presented.

4.11 Award of Bid #1221 – Purchase of Two FANUC Robot ARC Mate OiA Welding Robots & Lincoln Electric System 5 Single Zone/Fixed Table Systems

The board accepted the bid and approved the award of Bid #1221- Purchase of Two FANUC Robot ARC Mate OiA Welding Robots & Lincoln Electric System 5 Single Zone/Fixed Table Systems to Cameron Welding Supply as presented.

5.1 Approval of Resource Development Items

The board approved budgets, accepted grants, and authorized the chancellor or his designee to enter into related contractual agreements on behalf of the district for the following:

| | |
|--|-----------|
| - Kaleidoscope Project II (SAC) - <i>Augmentation</i> | \$22,500 |
| - Seeds to Trees – Digital Media Training (District) - <i>Adjustment</i> | -\$10,000 |

1.9 Public Hearing – Adopt certain findings prerequisite to award of energy service contract under Government Code Sections 4217.18 for Request for Proposal #13/14-45 for the LED Lighting Conversion at Santa Ana College

There were no public comments.

2.0 INFORMATIONAL ITEMS AND ORAL REPORTS

2.1 Report from Chancellor

Dr. Raúl Rodríguez, Chancellor, provided a report to the board.

Dr. Rodriguez reported the following will be discussed in closed session:
Conference with Real Estate Negotiator (pursuant to Government Code Section 54956.8)

Agency Negotiator: Dr. Raúl Rodríguez, Chancellor
Property Address: 4540 E. Riverdale Avenue, Anaheim, California
Negotiating Parties: Orange Unified School District
Under Negotiation: Sale of Property

2.2 Reports from College Presidents

Mr. Juan Vázquez, President, Santiago Canyon College, provided a report to the board. Mr. Vázquez reported the first draft of the self-evaluation report has been distributed and committee members are awaiting feedback from staff.

2.2 Reports from College Presidents – (cont.)

There was no representation from Santa Ana College.

2.3 Report from Student Trustee

Mr. Jorge Sandoval, Interim Student Trustee, provided a report to the board.

2.4 Reports from Student Presidents

Mr. Yuh Hwan Ko, Student President, Santiago Canyon College, provided a report to the board.

2.5 Reports from Academic Senate Presidents

The following academic senate representatives provided reports to the board:

Ms. Corinna Evett, Academic Senate President, Santiago Canyon College
Mr. John Zarske, Academic Senate President, Santa Ana College

3.0 INSTRUCTION

All items were approved as part of Item 1.8 (Consent Calendar).

4.0 BUSINESS OPERATIONS/FISCAL SERVICES

Items 4.1, 4.2, and 4.5 through 4.11 were approved as part of Item 1.8 (Consent Calendar).

4.3 Approval of Investment Banking and Underwriting Services Agreement with Piper Jaffray & Co.

It was moved by Mr. Yarbrough and seconded by Mr. Labrado to approve the agreement with Piper Jaffray & Co. to provide investment banking and underwriting services for the issuance of Measure Q bonds as presented. Mr. Hanna thanked Dr. Rodríguez for the answers to his questions and thanked Mr. Yarbrough for asking that the questions/answers be attached to the minutes during consideration of Item 1.5. Mr. Hanna indicated the chancellor assured the board that the district is not utilizing a financing mechanism for the issuance of Measure Q bonds. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Labrado, Ms. Mendoza Yanez, Mr. Solorio, and Mr. Yarbrough. Student Trustee Sandoval's advisory vote was aye.

4.4 Adoption of Resolution No. 14-15 – Agreement for Energy Conservation Services with Sun Industries for LED Lighting Conversion at Santa Ana College

It was moved by Mr. Yarbrough and seconded by Mr. Labrado to adopt Resolution No. 14-15 for the agreement for Energy Conservation Services with Sun Industries for the LED conversion project at Santa Ana College. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Labrado, Ms. Mendoza Yanez, Mr. Solorio, and Mr. Yarbrough. Student Trustee Sandoval's advisory vote was aye.

5.0 GENERAL

Item 5.1 was approved as part of Item 1.8 (Consent Calendar).

5.2 Board of Trustees Cast Ballot for California Community College Trustees (CCCT) Board of Directors Election – 2014

It was moved by Mr. Hanna and seconded by Mr. Labrado to cast a vote for the following candidates for the Board of Directors Election – 2014: Paul Gomez, Adrienne Grey, Pam Haynes, Nathan Miller, Jim Moreno, Lorrie A. Denson, Laura Casas, and Stephan Castellanos. Mr. Hanna thanked the chancellor for working with Townsend Public Affairs on the distribution of questions relating to adult education to the CCCT Board of Directors candidates. Mr. Hanna indicated answers to these questions assisted the board in the selection of the abovementioned candidates. Discussion ensued. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Labrado, Ms. Mendoza Yanez, Mr. Solorio, and Mr. Yarbrough. Student Trustee Sandoval's advisory vote was aye.

5.3 Board Member Comments

When surveying students regarding intersession, Mr. Sandoval asked Mr. Ko to include communication to the students on the importance of enrolling in intersession classes.

Mr. Sandoval indicated the students are in favor of SB 850 (baccalaureate degree pilot program) and encouraged board members to support SB850.

Ms. Barrios, Ms. Alvarez, and Mr. Solorio congratulated Mr. Labrado on the birth of his first grandson.

Ms. Barrios reported she enjoyed attending the Ruben Salazar film screening held at Santa Ana College on April 3.

Ms. Barrios announced she will be testifying on behalf of the Small Business Development Center (SBDC) at the Capitol Building in Sacramento next week.

Ms. Alvarez thanked the chancellor for the answers to the questions she asked regarding Items 4.5 and 4.7, but indicated she was not satisfied with the answers provided because of the policies followed in making the recommendation. She encouraged the chancellor to discuss the selection/qualification process of the firms the district uses with her. Ms. Alvarez understands the district hires qualified firms, but is concerned the district has a pattern of repeatedly hiring the same firms. Ms. Alvarez asked that her concerns be reviewed by the Board Policy Committee.

Ms. Alvarez congratulated the students that were honored at the meeting and noted that both individuals were STEM (science, technology, engineering, and mathematics) students. She commended the faculty and staff that assisted the students in their education.

5.3 Board Member Comments – (cont.)

Ms. Alvarez and Mr. Solorio commended the students who participated in the Student Leadership Institute (SLI) on April 4-5. Ms. Alvarez reported that she delivered the keynote address and Mr. Solorio gave the closing remarks. Mr. Solorio indicated that in the past, the SLI event had been funded by district funds and is now funded by college foundation funds. He asks that consideration be given to fund this event with district funds in the future.

Ms. Alvarez and Ms. Mendoza Yanez extended condolences to the families of those students who died in the recent FedEx/bus tragic accident in Orland, California, The chartered bus was shuttling more than 40 passengers to Humboldt State University for a tour. Ms. Alvarez and Ms. Mendoza Yanez asked that the meeting be adjourned in memory of those students. Ms. Alvarez asked that staff at Santa Ana College contact the family of one of the surviving students that attends Middle College High School to make sure he is doing well. Ms. Mendoza Yanez mentioned two of the surviving students attended Century High School.

Mr. Hanna and Mr. Solorio welcomed Mr. Sandoval as the interim student trustee for April.

Mr. Hanna thanked Mr. Vázquez and SCC staff for the support given to the Community Foundation of Orange at its recent track and field competition.

Mr. Hanna, Ms. Mendoza Yanez, Mr. Labrado, and Mr. Solorio commended Ms. Mercado-Cota for her recent honor as the recipient of the Viola Myre Orange County Volunteer of the Year Award presented by the Orange County Hispanic Chamber of Commerce on April 12, 2014. They thanked Ms. Mercado-Coto on her service to the community on behalf of the Rancho Santiago Community College District.

Mr. Hanna stated that he enjoyed seeing the CDC classified employees at the board meeting and is interested in hearing reports (not relating to negotiation matters) from other classified employees.

Mr. Labrado announced the birth of his first grandson, Mr. Maxwell Lawrence Labrado.

Mr. Solorio reported that he and Mr. Hanna recently attended the Orange County Labor awards dinner and Mr. Solorio was able to present four individuals with RSCCD resolutions. He asked that future resolutions include the chancellor's official title (instead of Secretary to the Board), the possibility of board members' names, and the district logo. Mr. Solorio reminded board members that paper certificates are cost effective and available for presentations.

RECESS TO CLOSED SESSION

The board convened into closed session at 5:59 p.m. to consider the following items:

1. Public Employment (pursuant to Government Code Section 54957[b][1])
 - a. Full-time Faculty
 - b. Part-time Faculty
 - c. Classified Staff
 - d. Student Workers
 - e. Professional Experts

2. Conference with Legal Counsel: Anticipated/Potential Litigation (pursuant to Government Code Section 54956.9[b]-[c]) (1 case)

3. Conference with Labor Negotiator (pursuant to Government Code Section 54957.6)
Agency Negotiator: Mr. John Didion, Executive Vice Chancellor of Human Resources & Educational Services
Employee Organizations: California School Employees Association, Chapter 888
Continuing Education Faculty Association

4. Public Employee Discipline/Dismissal/Release (pursuant to Government Code Section 54957[b][1])

5. Conference with Real Property Negotiators (pursuant to Government Code Section 54956.8)
Agency Negotiator: Dr. Raúl Rodríguez, Chancellor
Property Address: 4540 E. Riverdale Avenue, Anaheim, California
Negotiating Parties: Orange Unified School District
Under Negotiation: Sale of Property

RECONVENE

The board reconvened at 7:05 p.m.

Closed Session Report

Ms. Alvarez reported the board discussed public employment, labor negotiations, public employee discipline, and real property negotiations. The board took no reportable action.

Public Comment

There were no public comments.

6.0 HUMAN RESOURCES

6.1 Management/Academic Personnel

It was moved by Mr. Yarbrough and seconded by Ms. Alvarez to approve the following action on the management/academic personnel docket. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Labrado, Ms. Mendoza Yanez, Mr. Solorio, and Mr. Yarbrough. Student Trustee Sandoval's advisory vote was aye.

- Approve Appointments
- Approve Changes of Classifications
- Approve Leaves of Absence
- Approve Adjusted Salary Placements
- Approve Stipends
- Approve Part-time Hourly Hires/Rehires
- Approve Non-paid Instructors of Record

6.2 Classified Personnel

It was moved by Mr. Yarbrough and seconded by Ms. Alvarez to approve the following action on the classified personnel docket. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Labrado, Ms. Mendoza Yanez, Mr. Solorio, and Mr. Yarbrough. Student Trustee Sandoval's advisory vote was aye.

- Approve New Appointments
- Approve Professional Growth Increments
- Approve Out of Class Assignments
- Approve Changes in Positions
- Approve Changes in Salary Placements
- Approve Leaves of Absence
- Ratify Resignations/Retirements
- Approve Temporary Assignments
- Approve Additional Hours for On Going Assignments
- Approve Substitute Assignments
- Approve Miscellaneous Positions
- Approve Instructional Associates/Associate Assistants
- Approve Community Service Presenters and Stipends
- Approve Volunteers
- Approve Student Assistant Lists

6.3 Approval of Agreement with Nicole Miller & Associates

It was moved by Mr. Yarbrough and seconded by Ms. Alvarez to authorize the chancellor or his designee to execute an agreement with Nicole Miller & Associates. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Labrado, Ms. Mendoza Yanez, Mr. Solorio, and Mr. Yarbrough. Student Trustee Sandoval’s advisory vote was aye.

6.4 Presentation of Continuing Education Faculty Association (CEFA) Initial Bargaining Proposal to Rancho Santiago Community College District

It was moved by Mr. Yarbrough and seconded by Ms. Alvarez for the board to receive the CEFA bargaining proposal and schedule a public hearing for April 28, 2014. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Labrado, Ms. Mendoza Yanez, Mr. Solorio, and Mr. Yarbrough. Student Trustee Sandoval’s advisory vote was aye.

6.5 Authorization for Board Travel/Conferences

It was moved by Mr. Yarbrough and seconded by Ms. Alvarez to approve the submitted conference and travel by a board member. The motion carried with the following vote: Aye – Ms. Alvarez, Ms. Barrios, Mr. Hanna, Mr. Labrado, Ms. Mendoza Yanez, and Mr. Solorio. Student Trustee Sandoval’s advisory vote was aye.

7.0 ADJOURNMENT

The next regular meeting of the Board of Trustees will be held on April 28, 2014.

There being no further business, Mr. Solorio declared this meeting adjourned at 7:06 p.m., in memory of the students who lost their lives by trying to achieve the American dream in going to visit Humboldt State University on April 11, 2014.

Respectfully submitted,

Raúl Rodríguez, Ph.D.
Chancellor

Approved: _____
Clerk of the Board

Minutes approved: April 28, 2014

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
Office of the Vice Chancellor of Business Operations/Fiscal Services

2323 N. Broadway
Santa Ana, CA 92706
(714) 480-7340 – Office
(714) 796-3950 – Fax

Date: April 14, 2014
To: Dr. Raul Rodríguez
From: Peter J. Hardash & Carri Matsumoto
Subject: Responses to Board of Trustees Requests/Questions

From Trustee Claudia Alvarez

Could you please inquire to the respective parties regarding items 4.5, 4.6 and 4.7 on tonight's agenda? Items 4.5 and 4.7 are specific to the Dunlap Hall renovation project. On item 4.5, the request is for approval for an agreement with Ninyo & Moore and 4.7 requests approval for agreement with Knowland Construction- both make reference to inspection services and both seem to be certified for DSA purposes.

What is the scope of services each will provide?

- Ninyo and Moore is a consultant for material testing and inspection, which is a special testing service required for most projects. Knowland Construction is the DSA inspection service.

How do they differ

- Testing and inspection is for certain specific materials. For example, such special testing could include welding, soils or concrete. This is a specialized service for testing required on most projects and is typical. The project inspector is the certified Inspector of Record (IOR).
- Division of State Architects (DSA) inspection is related to the scope of the stamped approved plans and specifications, including, fire, life safety, accessibility and structural components.
- There are specific requirements by DSA for both testing and inspection consultants and the reports they must complete and comply with for these projects. These two services are not to be combined nor do companies do such as a matter of practice in the industry.

Is there an overlap in their experience and work they will address

- No

Could either one of the two handle the entire project on their own for less than the two contracts combined?

- No

Item 4.6 requests an amendment to a recent contract approved by the board only a month ago. The amendment doubles the costs. Although staff's report references the requirement by DSA for an additional inspector, it doesn't address the possibility of hiring an inspector from another qualified firm. I have previously expressed concerns about having one firm assigned to all projects. Unlike item 4.5 involving one building, this item in particular makes reference to "SAC projects including Tessman planetarium and parking lot 11 and the temporary villages.

What are ALL the projects included in this agreement (both the amendment and the original agreement approved by the board on March 10th?)

- The amendment to the agreement covers three projects that have been combined into one under the lease-leaseback delivery method for efficiency and construction delivery purposes. The three projects are: Tessman Planetarium, Lot 11 Site Improvements/Retention Basin and the Temporary Village Portables.

Why were they packaged together?

- The projects were packaged together under the lease-leaseback delivery method as one project to expedite construction delivery and execution in order to meet the target schedule and to save construction costs. This is a short duration project as the construction is phased together with completion by the end of October. This was done to increase efficiency and to mitigate impacts to the College by having only one contractor versus up to three working concurrently. Logistically, it would have severely impacted the campus to try and have three separate projects under construction by three separate contractors if not delivered in this fashion.

Why is staff recommending the same firm that had already agreed to do the entire list of projects for half the price?

- The DSA inspection firm assigned to this project under the already approved agreement is Knowland Construction. The request to add an additional Class II inspector was required by the DSA and not the District.
- It would be inefficient to have two different companies on this job when there is the same architect and contractor for all projects. Additionally, the two DSA Class II inspectors need to be on board at the start of construction and there would be a loss of time to switch inspection firms at this juncture.
- As it relates to item 4.7, that is for a Class I DSA inspector for the Dunlap Hall project which is a separate project and a longer duration of time which is why the cost is more. This is a different inspector, not to be confused with the Class II DSA inspectors for the other project.
- All of the inspectors have been interviewed and qualifications reviewed prior to making a recommendation.

Given staff is recommending the same firm that has the original inspector, did staff address how the two inspectors would specifically divide the work so each is responsible for specific projects?

- Yes. One inspector is required on the Tessman Planetarium only. The other inspector is for the Parking Lot 11/Retention Basin and Temporary Village projects. This is the request of the DSA.

Was there a separate meeting by the selection and interview committee after receipt of DSA's notice for an additional inspector?

- Yes. The committee conducted follow-up interviews with Knowland Construction and interviewed the second inspector on March 12, 2014 and deemed him acceptable for the project.
- The recommendation by the committee isn't simply awarded based on the company itself, or the number of projects they have been selected for previously. It is based on the appropriate inspectors available and qualified for the type of project.

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Date: April 14, 2014
To: Dr. Raúl Rodríguez
From: Peter J. Hardash
Subject: Responses to Board of Trustees Requests/Questions

From Trustee John Hanna

The April 13, 2014 Register carried an article titled "Schools continue illegal bond use, Attorney general says tacking on fees for banks and lawyers violates law."

The payment mechanism and amount are unclear ... to be negotiated. Please indicate whether the payment mechanism is or can be construed as selling bonds at a premium or could be called into question under the reasoning put forth in the 2011 letter by Attorney General Harris to Poway unified District as mentioned in the article.

- We are not planning to use the premium mechanism to pay for issuance costs. Although using the premium process for paying the costs of issuance, bond counsel and other expenses has been standard practice for many years in the bond investment market. Due to the scrutiny from the Attorney General's Office, many districts are not using the premium mechanism to pay for costs. These costs will be paid for from the original bond authorization. In the case of Measure Q, the costs of issuance will come from the \$198,000,000 authorization.

Also, please list the home office of Piper (and any satellite office in our District) as well as the companies it intends to split their fee with -- UnionBanc Investment Services LLC and Charles Schwab & Co. Please provide the same information and the names of the 11 investment banking firms not recommended by the Chancellor.

- Please see attached list.

Finally, please indicate whether the Administration is intending to finance any payments to banks and firms involved in Measure Q by selling bonds at a premium as described in the Register article and questioned as to legality by the Attorney General the 2011 letter referenced above. As stated above, the district does not plan on using the premium process to pay for issuance costs. These costs will be deducted from the principal G.O. Bond authorization of \$198,000,000.

- As stated above, the district does not plan on using the premium process to pay for issuance costs. These costs will be deducted from the principal G.O. Bond authorization of \$198,000,000.

Piper Jaffray & Co. Offices/Contact:

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Request for Qualifications (RFQ) mailed to:

Barclays Capital
10250 Constellation Boulevard, 24th Floor
Los Angeles, CA 90067

George K. Baum & Company
555 Capitol Mall, Suite 700
Sacramento, CA 95814

Comerica Bank
17011 Beach Blvd., Suite 100
Huntington Beach, CA 92647

De La Rosa & Co.
10866 Wilshire Blvd.
Penthouse Suite 1650
Los Angeles, CA 90024

Edward Jones
12341 Newport Avenue, Suite 100
Newport Beach, CA 92660

Goldman Sachs & Co.
Fox Plaza
Suite 2600
2121 Avenue of the Stars
Los Angeles, CA 90067

JP Morgan
660 Newport Center Drive
Newport Beach, CA 92660

Morgan Stanley & Co., Inc.
1999 Avenue of the Stars, Suite 2400
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Merrill Lynch
4695 MacArthur Court
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Office of the Vice Chancellor of Business Operations/Fiscal Services

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Date: April 14, 2014
To: Dr. Raúl Rodríguez
From: Peter J. Hardash
Subject: Responses to Board of Trustees Requests/Questions

From Trustee Phil Yarbrough

***4.3 Approval of Investment Banking and Underwriting Services Agreement with Piper Jaffray & Co. The administration recommends approval of the agreement with Piper Jaffray & Co. to provide investment banking and underwriting services for the issuance of Measure Q bonds as presented. Question: Since the negotiated rate is .65%, and the first bond issue \$70m, then the rate paid to Piper Jaffray is \$455,000. Is this correct, or can this be lower through negotiations? If so, describe these negotiations and of Piper Jaffray's motivation to negotiate on our behalf.**

- The rates for services will be negotiated for each issuance and will not exceed the 0.65% level. The reason I had this sentence added was because we are planning on submitting each of our bond sales for Orange County Board of Supervisors approval; the Treasurer's Office, as part of the process, will look at what rates for services are fair and competitive. The rates for services must be competitive based on (1) the credit rating, length of term and nature of the bonds sold (i.e. a new issue versus a refinancing), (2) the rates for services charged on other comparable issuances that are occurring at the time we are preparing an issuance of bonds for sale, which is public information and can be obtained directly from source documents and (3) the volatility of bond market conditions at the time of sale. The range of rates for services is in the order of 0.25% to 1.15%; larger issues are typically on the low end and smaller issues on the higher end.

4.9 Approval to Reject all Bids: Bid #1218 - Off-Site Improvement Project at Santa Ana College The administration recommends approval of rejecting all bids in Bid #1218 - Off-Site Improvement Project at SAC as presented. Question: Why are we re-evaluating the scope of services at this time? What changed to require this?

- The bids came in over budget. Additionally, staff has conducted a due diligence review and has performed reference checks. We do not recommend award at this time and we are re-reviewing the scope and delivery method for this project.