

**Additional Information
June 26, 2018 Board Meeting**

The following additional information was provided regarding the June 26 Board meeting agenda:

Item 3.a, 2018-19 Tentative Budget:

1. I'm assuming this will not be a block vote item? **That is correct, this will not be a block vote item.**
2. **Page 1:** What has caused the difference in contingencies between 18-19 and 17-18? **The \$17.4 million increase in contingencies between the 17-18 Tentative Budget and the 18-19 Tentative Budget is attributable to:**
 - **\$8.5 million currently set aside to cover the reduced FTES**
 - **\$9.3 million additional set aside towards future STRS/PERS rate increases**
 - **\$0.4 million decrease in other general contingencies, associated with activity that was established or cleared out between the tentative budget periods**
3. **Page 3:** Schedule A shows a surplus of \$10 Million. Why is this not the same number as on page 1? **Page 3.a.1 shows the total General Fund, which includes the on-going (current year) fund, the carryover funds, those funds set aside (specifically designated), self-supporting funds, and categorical funds. Our tentative budget is really a placeholder budget as we focus most closely on the ongoing structure of the District. The other general funds are not fully adjusted until all year-end closing entries are completed.**

Schedule A is a look at the components that comprise the On-going activity of the District, which is a portion of the total General Fund, and a comparison of this activity is therefore provided in Schedule A. This is where we look to determine whether the District has a structural deficit or excess. Revenue less Expenditures of negative \$10.26 million is included in our Tentative Budget. As subsequent developments arose, we tried to incorporate that information into Schedule A to try to bring forth as current a picture as possible. Therefore, primarily as the result of proposed salary and fringe benefit increases, we anticipate a structural deficit of \$15.9 million as shown on Schedule A. We have then incorporated other one-time adjustments that represent activity directly associated with our on-going activity. These adjustments bring our financial position for 2018-19 to a positive \$10.97 million.

Item 3.b, 2018-19 Property and Liability Insurance via ASCIP:

1. Are there any other providers for insurance? **Yes, there are other options available, but staff believe that ASCIP is the best option for the District. ASCIP is a Joint Powers Authority (JPA) specifically created to provide insurance, employee benefits, and workers' compensation coverage for public education. ASCIP is a public agency and its sole purpose is to provide for the needs of its member districts.**

NOCCCD only uses ASCIP for the property and liability coverage. The District has done an analysis and has determined that the District should stay self-insured for workers' compensation coverage with a \$500,000 deductible per claim. The District purchase excess workers' compensation coverage for claims over \$500,000.

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In addition to property and liability coverage, the District will use ASCIP to provide insurance coverage for the District's Bond Program. Owners Contract Insurance Program (OCIP) allows the District to consolidate all the insurance for a project, regardless of the various contractors. ASCIP also provides safety training, contract review, and other services as needed as a part of the Property and Liability program.

2. Should we be competitively bidding this? **Insurance through the JPA is not required to be competitively bid. Additionally, District staff is involved at both the Executive Board level and on the Claims Committee to assure that the District is receiving appropriate services for its premiums.**
3. Does it cover all foundations? **Yes, all of our foundations are covered for liability up to \$1 million.**
4. What if we change foundations? Would it be covered? **Yes, we just need to notify ASCIP of any changes.**

Item 3.c, NOCE Laptop Equipment Purchase: **Attached is a revised page 3.c.2 due to an error contained in the recommendation, and a corrected docket to also reflect the noted correction (on page 2).**

1. Since these 400 computers are being placed at off-site locations, what measures do we have in place to ensure the security of these computers and this investment? **NOCE worked with the District Internal Auditor to develop a plan for securing the laptops purchased for community-based locations. The laptops will be kept in a locked cart which will be kept in a locked room. If the room cannot be kept locked at all times, a device preventing the cart from moving will be installed.**
2. Has the District provided for maintenance for the additional computers? **The laptops will have a 3-year warranty. Additionally, NOCE is purchasing a remote-maintenance software to deliver regular updates. Two professional experts will be hired to help with the deployment of the laptops. NOCE IT will evaluate the amount of effort required to support the devices and make a decision in the future if any staffing changes are required. The District IS team will not be required to maintain the devices as they will not connect to any internally facing resources.**

Item 3.d, NOCE/AEBG Branding Marketing Contract: Will the proposal with Interact Communications provide a web presence? **The deliverables for the initial contract include a comprehensive marketing plan and accompanying publications only. Depending on findings of the marketing research and the outcomes of the marketing plan, the NOCRC Consortium may choose to contract out for the website development.**

Item 3.e, Agreement for Legal Services with AALRR:

1. Has the District done an evaluation of the legal services of AALRR? **We do one every year after year-end has been completed. This allows us to have a full-year of expenses for comparison purposes. Staff expects the information to be submitted in September.**

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2. Please confirm my recollection, is not AALRR one of several legal firms the District uses for services. **Yes, AALRR is our general legal counsel. The other firms are:**

1. **Currier & Hudson – policy review and investigations**
2. **Liebert Cassidy Whitmore – HR legal services**
3. **Gatzke Dillon & Balance – Environmental Impact Report (EIR)**
4. **GCL Legal Group – general legal or personnel matters**
5. **Devaney Pate Morris & Cameron (DPMC) – bond projects**
6. **Declues, Burkett & Thompson – general finance and facilities counsel**
7. **Stradling Yocca Carlson & Rauth – general finance and facilities counsel**

3. How much overall in a fiscal year has the District spent on legal services?

	2015-16	2016-17	2017-18 (to
AALRR - General	\$256,698	\$257,34	\$226,941
AALRR - Construction	\$81,092	\$26,014	\$30,355
Subtotal	<u>\$337,790</u>	<u>\$283,35</u>	<u>\$257,296</u>
Investigation Work	\$228,42	\$174,15	\$100,674
Other Construction	\$2,714	\$64,505	\$35,343
Property & Liability	\$80,547	\$43,932	\$10,082
Worker's Compensation	\$89,361	\$92,05	\$60,170
Total	<u><u>\$738,836</u></u>	<u><u>\$658,000</u></u>	<u><u>\$463,565</u></u>

4. What percentage of those services are provided by AALRR? **The percentage of legal services paid to AALRR are 46% and 43% for the 2015-16 and 2016-17 year respectively. For the fiscal year 2017-18 the percentage is currently 56%.**

Item 3.h, Renew Consulting Agreement with Cambridge West:

1. What additional work is Cambridge West completing for our District? **Cambridge West provided the campuses assistance with the management of their capacity/load ratios as well as overall facilities planning, including the development and planning to enhance the probability of receiving state capital outlay funding. In particular, during the 2018-19 fiscal year, they will develop a new FPP (Final Project Proposal) for the Fullerton College Performing Arts Complex and one additional IPP (Initial Project Proposal), to be determined by Cypress College. Both projects will be submitted as part of the next year’s Five-Year Construction Plan to compete for future state capital outlay funding.**
2. Do we need to disclose that C.M. Brahmbhatt previously worked for the District or has it been long enough where it is no longer relevant? **Information is included in the third paragraph of the agenda item. Staff believe it does not hurt to include information regarding C.M. Brahmbhatt’s employment with NOCCCD.**

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Item 4.a, North Orange County Allied Health Careers Opportunity Partnerships Programs:

1. Since this program has two months remaining, how many students were served and what were the results in student success and completion? **Twenty-two students were active members of the Academy for Career Exploration (ACE) and received the benefits of connecting with mentors and allied health professionals, assistance with transfer to CSUF, career exploration through field trips and guest speakers, access to campus and community activities and events. Additionally, thirteen students reached the 120 hours required to receive the \$1,200 stipend. Moreover, seven students are attending the 2018 CSUF Summer Bridge Program and will be eligible to receive a \$2,000 stipend.**
2. Is there a list or developed partnerships that are willing to take interns? **A list of volunteer opportunities with various community allied health organizations was developed and supplied by CSUF for students to access in order to complete a portion of their program hours.**

Item 5.b, Classified Personnel:

1. Human Resources Technician: This is a new job description. Is it also a new position or a revision? **This is a new job description that has not been previously approved by the Board.**
2. Please explain the need for the Human Resources Technician and how it fits in with the current organization. **After review, the Job Measurement Committee determined that this was the appropriate classification for the incumbent in Human Resources who applied for a job measurement review. The Job Measurement Committee recommendations were then forwarded to Chancellor's Staff for approval. The position will be a technical resource in the recruitment process to applicants and reports to the Manager of Human Resources. This matter is a reclassification and will not net a new position to the existing Human Resources staffing structure at this time. Pending Board approval of the job description, the reclassification request will be presented at the following Board meeting.**

REVISED PAGE

RECOMMENDATION: Authorization is requested that the Board of Trustees approve the purchase of laptop computers, computer servers and computing carts for **North Orange Continuing Education** ~~Cypress College~~ in the amount of \$188,140.28 plus shipping and tax using the State of California, WSCA-NASPO ValuePoint Cooperative Purchasing Program Contract MNWNC-117/7-15-70-34-007, to iT1 Source, LLC, an authorized Lenovo Computer Dealer. It is further recommended that the Board of Trustees authorize the District Director, Purchasing, to execute the purchase order on behalf of the District.

Fred Williams

Recommended by

Approved for Submittal

3.c.2

Item No.

- h. **Approval of Minutes of the Regular Meeting of June 12, 2018.**
- i. **CLOSED SESSION: Per the following sections of the Government Code:**

Per Section 54957.6: CONFERENCE WITH LABOR NEGOTIATOR IRMA RAMOS, VICE CHANCELLOR, HUMAN RESOURCES: Employee Organizations: United Faculty/CCA/CTA/NEA, Adjunct Faculty United Local 6106, CSEA Chapter #167, and Unrepresented Employees.

Per Section 54957: PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE.

Per Section 54956.9(a) CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION: One (1) Potential Case.

3. FINANCE & FACILITIES

- a. It is recommended that the Board approve the Tentative Budget for Fiscal Year 2018-19 for all funds of the District. It is also recommended that the Board set a public hearing for September 11, 2018, at the Anaheim Campus Board Room at or about 6:00 p.m. pursuant to §58301 of Title 5, California Code of Regulations, to provide the public with an opportunity to comment on the budget prior to the adoption of the Proposed Budget.
- [b] Authorization is requested to renew the property and liability insurance coverage with the Alliance of Schools for Cooperative Insurance Programs (ASCIP) and Schools Excess Liability Fund (SELF) for FY 2018-19.
- [c] Authorization is requested to purchase of laptop computers, computer servers, and computing carts for North Orange Continuing Education in the amount of \$188,140.28 plus shipping and tax using the State of California, WSCA-NASPO ValuePoint Cooperative Purchasing Program Contract MNWNC-117/7-15-70-34-007, to iT1 Source, LLC, an authorized Lenovo Computer Dealer.
- [d] Authorization is requested to approve the contract with Interact Communications, Inc. for consultant services and development/implementation of a marketing plan for AEBG/NOCRC in the amount of \$153,820.
- [e] Authorization is requested to extend the agreement with the law firm Atkinson, Andelson, Loya, Ruud, and Romo, effective July 1, 2018 through June 30, 2019, at the rates listed.
- [f] Authorization is requested to enter into a Commissioning Services Agreement with Enovity for the Fullerton College new Instructional Building and Central Plant Expansion in the amount of \$110,578, not inclusive of reimbursables.
- [g] Authorization is requested to approve the Furniture Standards documents to be utilized across the Bond projects as well as for day-to-day purchases.
- [h] Authorization is requested to renew the consulting agreement with Cambridge West Partnerships, LLC, and extend the term of the agreement through August 25, 2019, at the rate of \$160 per hour, for total fees not to exceed \$121,000.