

MINUTES

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD SPECIAL TELEPHONIC MEETING

Friday, November 20, 2015
President's Conference Room, Sierra Vista Campus
1:00 p.m.

1. GENERAL FUNCTIONS

1.01 Call to Order

Mr. DiPeso called the special telephonic meeting to order at 1:02 p.m., and Ms. Mountjoy took attendance via roll-call.

Board Members Present:

Mr. David DiPeso
Mr. Danny Ortega
Mr. Tim Quinn
Mrs. Jane Strain

Board Member(s) Absent:

Mr. Dennis Nelson

2. New Business

2.01 **Guaranteed Maximum Price (GMP) for Renovation of the Downtown Center (DTC)**

Dr. Rottweiler provided background information on events leading up to the GMP, and stated that, in addition to approving the GMP with Diversified Design and Construction, Inc., not to exceed \$12,421,506, he is also requesting the Board approve the Total Project Cost not to exceed \$15,271,797 for the renovation of the DTC. This is the total cost for all things believed to be related to this project, and would actually span three fiscal years. This 'not to exceed' provides the capacity to go up to that amount. As previously shared with the Board, we already realized some cost savings that has the total cost coming in closer to \$15,050,000, and he expects additional hundreds of thousands of dollars in savings. That budget also has an owner contingency of a quarter million dollars. Those resources are in place should the Board or the college choose to do some change orders on some processes that would be underway. It also consists of a Construction Manager @ Risk contingency of just short of a half million dollars. Typically, a portion of those are returned to the owner at completion. Dr. Rottweiler stated he would expect the cost of this project to be well under \$15M, but he is requesting the Board's approval not to exceed \$15,271,797, recognizing we have already seen significant costs. Should the Board choose to approve that motion, it would also authorize the president to enter into a construction contract with Diversified Design and Construction, Inc. to begin construction. Part of the reason for this special meeting is to insure they can get the contracts signed. If the Board chooses to move forward at this meeting, we will stay on schedule for completion and move in for the start of Fall 2016. Dr. Rottweiler recommended these to the Board for approval.

Mr. Ortega moved and Mrs. Strain seconded a motion to approve the Guaranteed Maximum Price with Diversified Design and Construction, Inc., not to exceed \$12,421,506. There was no further discussion by the Board. The Board unanimously approved. MOTION CARRIED.

Mr. Quinn moved and Mr. Ortega seconded a motion to approve Total Project cost of \$15,271,797 for the renovation of the Downtown Center. There was no further discussion by the Board. The Board unanimously approved. MOTION CARRIED.

Mrs. Strain moved and Mr. Ortega seconded a motion authorizing the president to approve the construction contract with Diversified Design and Construction, Inc. There was no further discussion by the Board. The Board unanimously approved. MOTION CARRIED.

Dr. Rottweiler stated he had sent an email to the Board outlining potential financing options. The amount was set at \$8M over a 15-year term, callable at ten years, and refunding all existing current bonds. Our current plan, as outlined in the email, is to take this to the JCCR, and then bring it to the January 2016 Board meeting to approve of which financing they would prefer. If the Board should have any questions or concerns, he would be happy to have a work session or provide information at an upcoming Board meeting, or they could just move forward upon current recommendations. Dr. Rottweiler stated that, at the current time, his recommendation would be to take the \$8M option; it would add approximately an additional \$650,000 to our debt service and would leave approximately \$14M in the Board's fund balance. It was determined that the Board did not need a work session, and that members were comfortable with the options presented. Dr. Rottweiler stated he would update the Board at the December 2015 meeting, and then bring an action item to the January 2016 meeting for approval.

Dr. Rottweiler thanked the Board for taking time for this special meeting, as it will keep the project on schedule. He stated he thinks the outcome will be something the college can be very proud of, and the Board will be seen as visionaries for their leadership in the renovation of an outstanding facility. He reminded the Board that the facility is just shy of 100,000 sq. ft.; greater than an third of what we currently have in Sierra Vista. It's adding significant square footage at a cost of \$150 per sq. ft. Mr. Ortega thanked Dr. Rottweiler for his hard work and for providing the detailed information – it made the decision making process much easier.

3. ADJOURNMENT

Mr. DiPeso adjourned the meeting at 1:10 p.m.

Respectfully Submitted:

Loretta Mountjoy, Executive Assistant to the President

Mrs. Jane Strain, Secretary of the Governing Board