



The Citizens' Bond Oversight Committee

CBOC Mid-Year Report to the Community for 2005

October 2005

Report 3

Introduction

Your Prop. R program is mid-way through its third year and there is much to be excited about. Amid the excitement however, the Citizens' Bond Oversight Committee has continued concern about the substantial increases in the cost of construction material, labor and projects.

Your CBOC believes the community should be aware of these cost increases and the effect they are having on the Prop. R program. Therefore, this first ever Mid-Year Report is intended to give you a summary of both the successes to date in delivering projects, and the impacts of higher than expected costs on the remainder of the program.

As always we welcome your input and questions.

Sincerely,

Ernie Ewin
Chairman, CBOC

Arkan Somo
Chair, Communications Sub-Committee



Cuyamaca Science and Technology Mall

Progress Report

Role and Responsibility of CBOC

Your CBOC is an independent review committee for the Prop. R program. Our basic questions: Are your Prop. R property taxes being spent as outlined in the ballot measure? Are Prop. R revenues not being used to pay teacher or administrator salaries? Is the District attempting to identify cost saving measures? We monitor project progress and District Prop. R expenditures to answer these questions. One role we do not have is to review and approve projects. This is the responsibility of the elected Trustees on the GCCCD Governing Board.

CBOC Update

Made up of eleven appointed members, the CBOC represents a cross section of East County residents. We wish to thank Bill Garrett, Harriet Stockwell and Rick Walker, whose terms expired in 2005, for their service – and we welcome Patricia McCormack, Lu-Gray Hill and Don McCloud who have been appointed to fill the vacancies.



Grossmont College Science Building

Good News

- Grossmont College Learning Resource and Technology Center – completed
- Cuyamaca College Automotive Technology Center – completed
- Grossmont College Central Cooling Plant expansion – construction 95% complete
- Cuyamaca College Central Cooling Plant expansion – construction 90% complete
- Grossmont Entrance Road Project to improve safety – construction 80% complete
- Grossmont College Science Building – construction 20% complete
- Grossmont College Digital Arts and Sculpture Arts building complex – project design completed and bids received. Construction began on September 25, 2005
- Cuyamaca College Communication Arts Building – project design completed and bids received. Construction began in late October 2005.
- \$16 million in repair, renovation, and energy conservation improvements have been completed District-wide.

We are pleased to report that the District has made tremendous progress in "moving forward" on so many important projects. Both Grossmont College and Cuyamaca College students will benefit from their new facilities and renovations. In addition, because Prop. R funds have been available to use as matching monies, the District has been able to secure \$21 million in State funds.

Soaring Construction Costs

Prop. R was intended to provide funding for about one-half of the Master Plan list of projects identified for each college, plus \$110 million in repair, renovations, and energy conservation projects. However, construction costs have soared. Why?

- The emergence of the Chinese economy and its drain on world-wide steel and concrete supplies.
- The high number of California school bond measures and over-all booming construction market in San Diego – making skilled construction labor in high demand.
- The recent hurricane disasters and their indirect impact on material markets in southern California.
- \$3.00/ gallon fuel prices impact on all construction trades and materials that have high-energy production requirements, like asphalt and concrete.

How have market conditions impacted GCCCD Prop. R projects? Here are three examples:

- Digital Arts construction costs increased from \$9.8 to \$17.5 million
- Science Building construction costs increased from \$12.9 to \$19.7 million

- Communication Arts construction costs increased from \$29.6 to \$40.8 million

As you can see, the District has to spend an extra \$25.7 million to move forward on just these three projects. These are funds coming directly from other planned projects on each campus. These projects that will not be done include a combination of new buildings and some renovation work.



Cuyamaca College Communication Arts Building

What is being done to minimize these costs as much as possible?

The District is reviewing priorities and approving project changes. For instance, Grossmont College is evaluating five alternatives to the plan to build a 2-level parking garage. The District is continuing the aggressive contractor outreach program to increase the number of qualified bidders. Competition results in lower bids and our goal is three (3) or more bidders for each project. The District is utilizing third party review of projects that will save dollars.

What can the CBOC do?

We will continue to monitor the process and assure that reprioritization of projects remains in conformance with the ballot measure. We will also be in communication with the District Governing Board as changes in the program are considered.

We are pleased to report that, as promised to the voters, all Prop. R funds that have been spent to date have been spent on projects outlined in the ballot measure and no Prop. R funds have been used to pay for teacher or administrative salaries.

We will continue to report to the community the status of the Prop. R Program and continue to monitor design and construction progress on a quarterly basis.

What can you do?

If interested, find out more. You can start by viewing the web site www.gcccd.edu, click on “construction news.”

If concerned about project priorities, find out more and discuss with District officials or Governing Board members.

Attend an upcoming CBOC meeting. Your ideas, suggestions, and concerns are welcome. Upcoming meetings are January 18, April 19, July 19 and October 18, 2006. Contact us to confirm location and time.

Wrap-Up

The Prop. R program is a big success, yet some planned projects will not be completed. Your CBOC did not want to wait until next February, when the next Annual Report is released, to inform you of these changes.

We hope this Mid-Year Report helps the community follow the Prop. R program during these turbulent times in the construction industry.



Grossmont College Digital Arts Building

Contact Us

Members of the community are welcome to attend the Quarterly CBOC meetings, scheduled for January, April, July, and October of 2006. For meeting dates, times, and locations, check the www.gcccd.edu Web site or call 619-644-7762. You may also email us at programinformation@gafcon.com.