

**California State University Channel Islands
SITE AUTHORITY**

14 February 2005

M-I-N-U-T-E-S

The California State University Channel Islands Site Authority met on Monday, February 14, 2005. The meeting was held in the Training Room of the Administration Building, California State University Channel Islands (CSUCI), One University Drive, Camarillo.

Chairperson Considine presided and called the meeting to order at approximately 11:35 a.m. Roll call was given and all members were present except for Richard West. Ms. Kathy Long was not present for roll call, but arrived shortly after at 11:40 a.m.

Members Present:

R. J. (Jim) Considine, Jr., Chairperson
Charlotte Craven, Vice Chairperson
Debra Farar
Kathy Long
Linda Parks
Richard Rush

Members Absent:

Richard West

Others Present:

George Ashkar, CSU Chancellor's Office
Karen Carr, Legal Counsel to the Site Authority
Joanne Coville, CSUCI
Dennis Hordyk, CSU Chancellor's Office
Marlene Jones, Legal Counsel to the Site Authority
Elvyra San Juan, CSU Chancellor's Office
Elizabeth Velasco, Secretary to the Site Authority

Chair Considine called for the approval of the minutes of the November 15, 2004 meeting. Ms. Craven moved to approve the minutes, Dr. Rush seconded, and the motion carried unanimously. Ms. Craven also motioned to approve the 2005 Calendar of Meetings, Dr. Farar seconded and the motion carried unanimously.

The public comment period was opened pursuant to Government Code Section 11125.7.

Chairperson Considine called for comments.

David Carlson, a CSUCI staff member and resident of University Glen, requested that revised bills for special taxes be prepared for the homeowners as agreed to at the May 10, 2004 Site Authority meeting. The homeowners recently sent a written request dated February 9, 2005 to the members of the Site Authority asking that new tax bills be sent to all the homeowners by February 28, 2005. Ms. Coville agreed to have the tax bills revised and resent to the homeowners by the date requested.

Patty Johnson, a resident of University Glen and employee of the Ventura County Superintendent of Schools, expressed the need for better communication between the University Glen Homeowners Advisory Council (UGHAC), the University, University Glen Board of Directors, and the Site Authority Board. Ms. Johnson mentioned that the UGHAC will have a website soon and a budget of its own, which will be provided to the University Glen Board in the next week.

Nancy Mazingo, a CSUCI faculty member and resident of University Glen, elaborated on the issue of communication and gave one example of miscommunication involving barking dogs. It was not clear to the homeowners which public safety department or agency is responsible for responding to such complaints. Ms. Carol Cory from the University Glen Sales Office responded that if two or more people file a complaint about any one instance then the County Animal Control will respond. Dr. Jeanne Grier, a fellow faculty member and homeowner, remarked that there are two offenders, one on each block of Anacapa Drive. Dr. Grier also cited that the ground sublease states that the Site Authority has the right to remove pets in the neighborhood that cause a disturbance. Ms. Carr and Ms. Coville confirmed that there is a process in place whereby Ms. Caroline Doll sends a letter to the offender and notifies the UGHAC.

Mr. Ron King, a resident of University Glen, inquired as to whether the waiting list for new home purchases is confidential or public as he and other homeowners felt this should be an open process. He also asked about certain exemptions which were granted by the University Glen Board to two residents, both school teachers, and whether the Board had the authority to do so. Ms. Coville explained that the University Glen Board approves these types of requests on a yearly basis. Mr. King also mentioned that two people on the waiting list received unsolicited calls by a mortgage broker. Dr. Jeanne Grier indicated that she knew who the two individuals were and Mr. Considine asked that she share that information with Dr. Rush. Mr. Considine stated that this discussion will be brought to the UGHAC after the Board has researched the matter.

Dr. Jeannie Grier, a resident of University Glen and a CSUCI faculty member, argued that the homeowners were not involved in the decision-making process or adequately informed of certain issues in which the homeowners had an interest. The issues are primarily the WAVE (an electric shuttle demonstration project), parking, landscaping and common areas. With regard to the WAVE, Dr. Grier explained that the problems are the route that the bus takes down a narrow thoroughfare (namely Anacapa Island Drive), and the frequent use of a diesel bus when the electric bus is under maintenance. A survey was done two weeks ago and the project ends in June. Dr. Grier stated that parking was removed in two locations and the affected homeowners

were not informed. Also, the landscaping service provider was changed and the homeowners were not consulted. Dr. Grier believed there to be conflicting information with regard to common areas. Dr. Grier maintained that Alliance should be consulting with the homeowners about maintenance and improvement to these areas as described in the management agreement between Alliance and the CSUCI Site Authority, citing section 2.02 (h). Dr. Grier stated that common areas need to be defined and that Alliance should provide the homeowners with periodic budgets upon which CAM charges are based.

Mr. Considine agreed that the level of communication needs to be improved. He encouraged the homeowners to take advantage of the open forums available to them to address their concerns. Mr. Considine also directed staff to distribute the University Glen and Alliance budgets to the homeowners as requested. With regard to landscaping, the homeowners had been notified via a newsletter about the change in landscaping service. The common areas can be defined and any areas of question can be resolved by the appropriate staff. As for the bus, the demonstration project is the result of a federal grant through the Ventura County Transportation Commission (VCTC) and it is unlikely that the terms of the grant can be modified at this point. Since the project ends in four months, Mr. Considine asked the homeowners to tolerate the bus for a short while longer.

Ms. Cory remarked that 20% of the homeowners responded to the survey about the WAVE and the responses were varied. The main issues were the use of the diesel bus and the route it takes. She added that, with regard to the landscaping, a color rendering showing the location of the common areas is in the process of being sent to the homeowners.

Ms. Long inquired further about the diesel bus and Ms. Coville explained that the university is working with the VCTC to resolve the WAVE's mechanical difficulties. When the electric bus is out of service, the County only has a diesel bus to replace it. The electric bus has frequently been out of service.

There being no further comments, Chair Considine closed the public comment period of the CSU Channel Islands Site Authority meeting.

Mr. Considine called for board member comments. Ms. Long reiterated the need to improve communication with the homeowners.

Ms. Carr introduced new legal counsel for the Site Authority, Ms. Marlene Jones. Chair Considine welcomed Ms. Jones and thanked Ms. Carr for her service.

Mr. Considine announced that a new alternate member of the Site Authority, Councilmember Keith Millhouse, City of Moorpark, was recently selected to replace Dr. Manuel Lopez by the Ventura County City Selection Committee.

With regard to Item 7, Election of Officers, Mr. Considine called for nominations. Dr. Rush nominated Charlotte Craven as Chair and all members were in favor. For the position of Vice Chair, Dr. Rush nominated Debra Farar and all members were in favor. Mr. Considine continued as Chair for the remainder of the meeting as advised by counsel.

Moving to Item 8, President's Report, Dr. Rush remarked on the University's accreditation review by the Western Association of Schools and Colleges (WASC). In the next week, he will travel to San Jose to attend a WASC Commissioners Meeting where the decision will be made with regard to our status for candidacy. Secondly, the bids for the Library have been received and we have a successful bidder, PCL Construction, with a bid of \$44M. Thirdly, the University recently held a dedication ceremony for the Science Plaza and the dolphin statue designed by renowned sculptor Bud Buttons and generously donated by the Broome Family. Fourthly, in January, VCTC voted to approve, in concept, the immediate improvement of Lewis Road and, at their February meeting, they approved the financing for the construction. Safety is a major issue as Lewis Road has worsened as a result of erosion caused by the recent rains. Dr. Rush thanked both County Supervisors, Ms. Long and Ms. Parks, for their assistance and service on the Commission. Fifthly, Dr. Rush announced that we are in the process of recruiting new faculty and there are approximately 60 candidates interviewing for thirteen positions. Lastly, Dr. Rush provided the current student enrollment figures as well as the enrollment target for next year.

Ms. San Juan presented Item 9, Construction Status Update, and reported on construction activities in Phase 1C, D and E, and the Town Center. The rains have caused some delay with the progress of Phase 1C and the Town Center construction. The Town Center is 50% complete and off schedule by 60 days due to difficulty with the contractor and acquisition of commodities. With regard to the removal of the 66KV transmission line across the Phase 1C construction area, no progress has been made with Edison. Last, delegation of authority for capital projects has been transferred to the campus to manage state and non-state funded capital outlay projects with the exception of the East Campus Development.

Regarding Item 10, Mr. Hordyk presented the lease associated with Broome Library financing for the board's consideration. The lease is a result of a change in approach. Instead of the Site Authority financing the Library on its own, the CSU will finance the construction of the Library and other related facilities through the issuance of Systemwide Revenue Bonds (SRB). Upon completion of the Library, the CSU and Site Authority will enter into a ground and facilities lease, whereby the Site Authority will lease the Library from the CSU. In return, the Site Authority will make lease payments to the CSU, who will use the payments to make debt service payments on the SRB bonds. The Site Authority's payment obligation will be subordinate to the pledge of revenues related to its housing development activities. The University, through an operating lease with the Site Authority, will operate the Library. Therefore, the Site Authority is not expected to incur any additional costs associated with the operation of the facility. The total cost to construct and finance the Library, approximately \$56M, and related project expenditures, approximately \$7M previously financed in 2003, amounts to \$67M (as opposed to the \$70M cited in the written report). There was some discussion initiated by Ms. Parks regarding the draft lease, the subsequent operating agreement, and the payment arrangement. Mr. Hordyk explained that a final lease agreement, which will supersede the one presented at this meeting, will indicate the length of the lease and will be provided when the financing is completed. Essentially, this financing is repaying BANs that provided funding for renovated space and is constructing the University Library. Further, upon execution of the operating agreement, the University will assume the operational costs for the Library. Ms. Farar motioned to approve SA Resolution No.

05-02-01, Ms. Craven seconded and the motion carried unanimously. AYES: Considine, Craven, Farar, Long, Parks, Rush; NOES: None; ABSTENTIONS: None.

Mr. Hordyk presented the FY 2003/04 Financial Statements and reported that the independent auditors issued clean opinions for both the Site and Financing Authorities. Ms. Craven inquired why the Site Authority had not presented the management's discussion and analysis as stated in the second to the last paragraph of the Independent Auditor's report. Mr. Ashkar explained that the CSU issues consolidated financials for 23 campuses and provides the management's discussion and analysis, which takes a great deal of time and effort. Mr. Ashkar then gave a more in-depth briefing on the financials and addressed the main highlights of the reports. Ms. Parks stated that she previously requested signed audit documents, but according to Mr. Ashkar, KPMG refused to do so citing company policy.

Dr. Rush presented Item 12, Approval of Lewis Road Debt Service. Dr. Rush explained that in light of VCTC's approval to move forward with the Lewis Road construction and the issuance of bonds, he committed the University's Site Authority to pay a portion, \$300,000, of the Lewis Road debt service. Ms. Long remarked that the progress made to move the Lewis Road construction project forward was a great deal of work and she commended Dr. Rush for his presentation to the Commission. Ms. Parks motioned to approve the action (Resolution No. SA/FA 05-02-02), Ms. Craven seconded, and the motion carried unanimously. AYES: Considine, Craven, Farar, Long, Parks, Rush; NOES: None; ABSTENTIONS: None. Dr. Rush stated that the next step is for the Site Authority to follow-up in writing to VCTC.

Ms. Coville presented the Financial Update and Budget for FY 2004/05 for University Glen and Alliance Residential Management. Ms. Coville remarked that spending has been prudent, that Phase 1B rentals have been running slightly behind, and that the taxes for possessory property are increasing and will continue to increase with the construction of more rental property. There was some discussion regarding insurance (a non-budgeted item), maintenance and redecorating expenses. Board members suggested changes to the budget and Ms. Coville agreed to revise the budget accordingly.

There being no further business to come before the Board, the meeting adjourned at 12:55 p.m.

APPROVED:
California State University Channel Islands Site Authority



Signed: _____
Secretary to the Site Authority

Dated: 5/9/05 _____