



**Regular Meeting Minutes  
Monday, May 15, 2023**

The California State University Channel Islands Site Authority (SA) met on Monday, May 15, 2023, at 11:30 a.m. virtually via teleconference (Zoom webinar).

Site Authority Board Chairperson John Broome, Jr. called the meeting to order at 11:30 a.m. A quorum was established.

Members present:

John Broome, Jr., Chair; Councilmember Laura Hernandez, Vice Chair; Assistant Vice Chancellor Robert Eaton; Trustee Larry Adamson; Supervisor Jeff Gorell; Supervisor Vianey Lopez; President Richard Yao

Regrets:

None

Alternates present:

Supervisor Kelly Long; Councilmember Martita Martinez-Bravo; Laurie Nichols, AVP Administrative Services/HRO

Others present: Marc Mootchnik, University Counsel; Stephanie Bracamontes, Controller; Thomas Hunt, AVP Facilities Services; John Lazarus, Executive Director of Operations; Barbara Rex, SA Treasurer; Minna Chang, Auxiliary Accounting Manager; Terry Tarr, Associate Architect; Celina Zacarias, Executive Director of Community & Government Relations; Christina Sotelo, Secretary

**OPENING STATEMENTS**

Chair Broome called for public comment (pursuant to Government Code Section 11125.7).

Public Comment Period

Mary Kennedy thanked the board for sharing information about the proposed budget. Ms. Kennedy thanked Councilmember Martita Martinez-Bravo for serving on the Audit Committee. Ms. Kennedy requested a community member be appointed to the Audit Committee or attend the entrance and exit meeting. Ms. Kennedy expressed her concern about the reserve account for the water and sewer infrastructure. The concerns are elaborated in the submitted public comment document.

Sandi Boyd spoke on behalf of the Homeowners Advisory Council. Ms. Boyd thanked Barbara Rex for the investment policy agenda item. Her requests for the details of the investment policy can be seen in her public comment document.

Tom Bokhart expressed his concern with the Reserve account associated with the Water and Sewer infrastructure. Mr. Bokhart is concerned about the plan to increase the fee for water sewer reserves when the townhome reserve also needs to be increased. In his public comment document, he goes into detail on his request to establish a plan to properly fund the townhome reserves before diverting funds to the water reserves. He thanked John Lazarus for being transparent during the budget process.

Toby Wheeler, a townhomes owner, and Homeowner Advisory Council member stated his concerns about the reserves. His request is to discontinue any unnecessary projects until the reserve funds have improved. Mr. Wheeler expressed his frustration with the process of acquiring the UGCAM monthly report. The concerns are fully elaborated in a follow-up letter Mr. Wheeler provided.

Carolyn Phillips has been a single-family homeowner since 2009 and served on the Homeowners Advisory Council for four years. She expressed her concerns for the 2023-2024 budget to be approved. She requested the board to analyze the budget to prior budgets before approving.

Patrick McClone, a townhome owner since 2006, expressed his concern with the reserves. Mr. McClone requested a proper investigation on where the reserve funds have been spent.

Rod Vasquez, a professional engineer with Consulting West expressed his concern with Anacapa Canyon, University Glen and the university evacuating in the event of an emergency.

Chair Broome thanked everyone for their comments.

#### Board Member Comment Period

Chair Broome asked if there were any comments.

No further comments were made.

#### **CONSENT AGENDA**

- ACTION: Approval of Site Authority Board Minutes of February 27, 2023 (Sotelo)
- INFORMATION: Anacapa Canyon Project Update (Lazarus)
- INFORMATION: Site Authority Operations Report (Lazarus)
- INFORMATION: CI Power/CAISO Update (Hunt)
- INFORMATION: Financial Report (Bracamontes)

#### Approve Consent Agenda

Motion was made by Robert Eaton to approve the consent agenda. The motion was seconded by Laura Hernandez and carried unanimously by roll-call vote.

## INFORMATION AND ACTION ITEMS

### INFORMATION: CAM Reserves/CAM Fees Presentation (Nichols/Rex)

Laurie Nichols provided information on the CAM Fee Reserve report with a presentation. The California State University Channel Islands Site Development Act of 1998 was the California State legislation that created the Site Authority. Ms. Nichols explained the legislation was created to help finance and develop the Channel Islands campus. It delegated the Site Authority the power to serve as a government authority to the East campus area. The presentation goes into detail of leases and subleases. She explained the housing program objectives as stated from the ground sublease. The presentation explains the roles and responsibilities of the Site Authority. Ms. Nichols provided information on the monthly housing expense comparison to a Camarillo home. Living in University Glen provides a 25% savings when comparing expenses to a Camarillo townhome. Ms. Nichols introduced the roles and responsibilities of the Budget Advisory Group, Community Advisory Group, and the Homeowners Advisory Group. Along with the roles and responsibilities of Kennedy Wilson Properties and University Glen Common Area Management. Ms. Nichols deferred to Barbara Rex for the remaining presentation.

Barbara Rex explained how the budget preliminary report was drafted by University Glen Common Area Management in February. It is then reviewed by the Site Authority Executive Director and the Budget Advisory Group. Updates are made between February and April. The budget is then presented to the board at the May meeting. Ms. Rex explained Best Practices as it relates to the Reserve Study. There are two types of Reserve Studies. Level 3, which is a “no site visit” and reviewed annually. Level 1, which is a “site visit” and a more intensive study that occurs every three years. As advised by the consultants Complex Solutions the recommended target for townhomes is to reach 70% of the reserve estimate. Allowing enough reserves to avoid a special assessment if there is an unexpected expense. Ms. Rex explained in detail the three different reserves, Common Area, Single Family and Townhomes. She used the presentation to provide in-depth details of the reserve studies done over the past four years. Ms. Rex explained in 2020 a townhome reserve analysis was conducted by the Interim Director of Operations of the Site Authority. Ms. Rex assured the board that the single-family reserves are in a strong position. She explained the reserves for the townhomes require attention to ensure financial strength. The Site Authority made Common Area Management Fee payments for the townhome rentals leased from 2008 to 2017. The Site Authority made additional contributions to the townhome reserves based on the 2020 analysis.

Larry Adamson asked for clarification on the variations from year to year on the three reserve studies for the townhomes. Ms. Rex mentioned the high key figure components, that being the townhome roofs being done, and the HVAC being done. John Lazarus stated that the costs for the roof repair and HVAC replacement were inserted into the reserve study but were much higher than it had originally been projected to cost. Mr. Adamson mentioned the costs of construction have increased 50%. Mr. Lazarus emphasized the reserve study looked at the current value of reserves at that time. Robert Eaton mentioned the reduction of Common Area Maintenance Fees in 2020 and suggested in the future, the excess income should be placed in the reserve fund instead of reducing the fees. Mr. Eaton mentioned the Homeowners Advisory Council and asked how they are elected. He asked how the members of the Community Advisory Group and Budget Advisory Group are selected. He asked what the input the residents have during the process. He questioned if there is an opportunity for comments on the budget

preview that is presented to the Homeowners Advisory Council and Budget Advisory Group before being presented to the board. Mr. Lazarus stated the budget is crafted by Kennedy Wilson, with the help of the Budget Advisory Group. It is presented to the Homeowners Advisory Council and the Community Advisory Group. Changes to the budget included renegotiating the property management fees and a new earthquake insurance policy. The budget is presented in February and presented every month after that until the board meeting. Mr. Lazarus explained the Budget Advisory Group is composed of two representatives from the Homeowners Advisory Council, one representative from Kennedy Wilson Multifamily and one representative from Kennedy Wilson Mission Hills. The University Glen Common Area Management manager acts as the chair for the Budget Advisory Group.

Mr. Eaton acknowledged that other residents recognized the financial position and approved of the increases. He asked who decides the budget that includes the activities such as the parades and movies at the park. Mr. Lazarus stated that most of the Budget Advisory Group approved of that spending.

Martita Martinez-Bravo asked about the residents' request to create a standing committee of the Site Authority. She asked if it could include community members. Mr. Lazarus stated they can create another committee. Marc Mootchnik stated that legally there is no prohibition in creating another committee.

Larry Adamson asked about the new reserve fund created for water and sewers. Mr. Lazarus stated it is not a new reserve fund, it is the cost for the Water Rate Study. The Water Rate Study includes operating costs, the cost to provide water and sewer to the community and includes creating a reserve fund. Mr. Adamson also asked for the amount budgeted for community activities. Mr. Lazarus confirmed the total for proposed 2023 - 2024 budget is \$13,200.

Laura Hernandez asked to create a new committee or expand the existing committees. She asked about the Water Rate Study and how far back we have not been collecting fees. Mr. Lazarus confirmed that the residents were not charged until July 2022.

**ACTION: Approval of 2023-24 UGCAM Budget (Lazarus/Rex)**

John Lazarus stated the 2023 – 2024 proposed budget is rising from \$2,360,000 to \$2,743,000 if approved by the board. Inflation being the driving cause of the increase. The Water Rate Study will increase from \$45,342 to \$92,531. The management fee was renegotiated as an extension of a current contract. The management fee rose from \$303,000 to \$330,000. Mr. Lazarus emphasized the importance of a stable reserve fund. The recommended reserve fund contribution level for 2022 is \$230. The contribution for the 2023 budget is \$115.

Laura Hernandez asked for more information on the proposed budget and any changes. Mr. Lazarus stated a large portion of the budget is landscaping for \$457,000. He explained utilities increased by \$218,000. E.J. Harrison prices rose from \$223,000 to \$250,000. Maintenance costs rose from \$347,00 to \$360,000. Mr. Lazarus explained the decreased fee and other benefits of the new earthquake insurance policy.

Vianey Lopez expressed her concerns about approving the budget. She asked the Site Authority to work with the residents to ensure that their comments are heard.

Larry Adamson mentioned the budget increase is around 16% within a period of 9% inflation. He expressed his approval of the budget, stating it is a fair approach by the Site Authority and Mission Hills management to deliver necessary services and being fiscally responsible.

Motion was made by Robert Eaton to approve the action item. The motion was seconded by Vianey Lopez and carried unanimously by roll-call vote.

**ACTION: ACTION: Approval of 2023-24 Operating Budget & Capital/Reserves Budget (Lazarus/Rex)**

Barbara Rex explained the 2023 - 2024 revenue is \$14 million with expenditures of \$12 million. The Site Authority revenue overall is at an increase of \$342,000. The Anacapa Canyon phase one ground lease revenue was \$2.8 million with expenditures of \$2.2 million. The Kennedy Wilson apartments and town center recommended budget revenue is \$768,000 with expenditures of \$457,000 for a net of \$311,000. Ms. Rex explained the \$2.8 million total budget will allow for \$498,108 to be transferred to reserves. Projected revenue for the 109 Anacapa Canyon home sales is \$24,000 per home. Twenty-five homes are expected to be sold in 2024. Ms. Rex mentioned the CI Power and Operations and the California Department of Water Resources five-year Electricity Reliability Reserve Agreement. The Agreement is to ensure power in extreme emergency events, with a revenue of just under \$900,000. The recommended budget includes \$2 million of operating income with \$14.3 million in revenue and \$12.2 million in expenditure.

Motion was made by Laura Hernandez to approve the action item. The motion was seconded by Larry Adamson and carried unanimously by roll-call vote.

**ACTION: Approval of Investment Policy (Rex)**

Chair Broome stated the Investment Policy was presented at the last board meeting. He asked for any comments from the board.

Larry Adamson asked if the Investment Policy should be consistent with the quoted statutes from a public comment. Mr. Eaton stated that the policy stipulates that funds are invested in high quality, fixed income securities. He explained these are mainly U.S. Treasury Bonds and U.S. Treasury Notes. Cal Trust is designed specifically to help entities such as the Site Authority invest in high quality, fixed income securities. Cal Trust is also consistent with the California State code on investing in high quality, fixed income securities. Mr. Adamson stated with interest rates rising, values of interest-bearing securities go down but not on a realized basis. Reassuring any losses are paid off or reinvested. Chair Broome thanked Mr. Adamson for his comments.

Motion was made by Larry Adamson to approve the action item. The motion was seconded by Robert Eaton and carried unanimously by roll-call vote.

#### INFORMATION: University Glen Community Advisory Group Update (Lazarus)

Site Authority and University Glen Common Area Management are planning a safety day for the University Glen residents during the summer. The safety day will focus on emergency evacuation plans. A presentation will be provided by California Fish and Wildlife on Living with Wildlife. Anacapa Canyon single family model home and townhome will be completed by the end Summer. Occupancy will begin in quarter one of 2024. Mr. Lazarus stated priority categories two and three in University Glen are at 28.6%. The decrease from the previous board meeting is due to the category numbers being updated based on a review of residents that were found to be past employees and/or retirees.

Laura Hernandez asked what kind of emergency planning is being done for Anacapa Canyon. Mr. Lazarus stated emergency planning was considered when designing Anacapa Canyon and fire and police agencies were consulted and approved of the plan.

#### INFORMATION: Early Childhood Care & Education Center (Yao)

President Yao stated there no major updates for the Early Childhood Care & Education Center. It is still a top capital programmatic priority for the University. The Early Childhood faculty divisional team is working on finalizing the programming, the research, and the associated programming costs. He thanked the Ventura County representatives for their support.

#### INFORMATION: Campus Update (Yao)

The President updated the Board on the following items:

- Preparing for the Spring semester to come to an end. Commencement taking place on campus the following weekend. CSUCI held the Campus Reading Celebration with the author, Dolen Perkins-Valdez and her book, *Take My Hand*. The Channel Islands Student Research conference took place on May 4<sup>th</sup>, 2023, with over 200 Channel Islands students presenting their research. Celebrated the Arts Under the Stars, where the Performing Arts Program presents performances in person and live streamed. Channel Islands hosted the autism community and running community on April 30, 2023, with the Aut2Run which is a 5k, 15k and 10k race for supporting the Autism Society Ventura County (ASVC).
- The Social Sciences Research Symposium was held at Channel Islands for the first time with representation from across the California State Universities.
- Celebrated the 20 years of service for the Center for Community Engagement on May 12, 2023. With faculty, students, staff, and community partners who participate in service-learning and community-based research projects.
- Enrollment had promising signs with a 26% increase in prospective students who registered for Admitted Dolphin Day. A 59% increase in registered students who attended the event. A 54% increase in the number of total attendees with over 1,700 attendees at CSCUI for Admitted Dolphin Day. The intent to enroll for classes is 648 first year students and 949 transfer students. This is higher than the budgeted planning of 591 first year students and 717 transfer students. Modifications were made to the onboarding process, such as transfer students being able to register as early as Spring.

The intent to enroll for the summer session is 415 full-time students. Annualized, adding another 200 plus to the State side enrollment for CSUCI. An executive steering committee focusing on retention across the divisional team has been working together for a year with promising progress.

- Channel Islands is hosting commencement with four in person ceremonies. They are expecting 1,700 students to celebrate their graduation. With a 68% participation rate, compared to 71% prior to the COVID pandemic. The Saturday commencement will be honoring Senator Hannah-Beth Jackson and the late Ventura County Supervisor Carmen Ramirez.
- On April 14, 2023, the Santa Barbara Zoo president CEO Richard Block and Channel Islands President Yao signed a Memorandum of Understanding to officially announce their partnership. Channel Islands will be the first zoo owned managed facility accredited by the Association of Zoos and Aquariums. A conservation center will be opened on the campus with collaboration from the zoo. It will be an interdisciplinary collaboration with the performing arts faculty and staff, who are developing a program for the zoo. Other collaborators are the art students who will contribute to an art exhibit featuring marine debris to highlight pollution problems facing the world's ocean, and the Spanish capstone course students who helped translate materials for the zoo's website.
- The Academic Master Plan was submitted and approved by the Chancellor's office for Channel Islands with major updates included.

#### **ADJOURNMENT**

There being no further business, the meeting was adjourned at 1:23 p.m.

#### **APPROVED**

California State University Channel Islands Site Authority Board

*Christina Sotelo*      08/14/2023

Christina Sotelo, Secretary

Date