MINUTES

1. The meeting was convened at 12:54 p.m. in Suite F of the Lifelong Learning Center, by John Winkleblack, Chairperson of the Facilities Committee.

2. Recommended approval of the minutes of the March 13, 2008 meeting.

3. Steve Schram and Neal Suntken presented bid information for the College Welcome Center facility. Bids were received from five general contractors, indicating the competitiveness of the market right now. A lack of subcontractor interest was noted and may have impacted the overall cost of the project. As the final bid documents were being prepared, the scope of the project was increased to include reinforcing sidewalks, sidewalk replacement, and tying in storm sewer utilities from adjacent buildings. The low bid was submitted by the J.H. Hespe Company of Norfolk.

A funding plan for the College Welcome Center was also reviewed. This project will be primarily funded by a revenue bond issue of the Northeast Community College Facilities Corporation. In addition to the proceeds of the bond issue, the balance of the facility fee account, the minor renovation budget for Maclay parking lot work and the remainder from the Auxiliary Fund Working Capital Account will be used. The College will make payments to the Facilities Corporation on a semi-annual basis from student facility fees.

The project is slated to begin immediately after graduation and is scheduled for completion by July 2009. The keep this project on schedule, College staff will work with Hespe’s to review the subcontractors’ bids to determine if there are any adjustments that can be made to lower the overall contract amount.

Members voiced concerns and discussion was held on the cost of the project. The legislature recently passed legislation that would allow community colleges to use design-build option which may reduce the costs of future projects. If a design-build option is utilized, assistance from a third party would be sought to assure that community college interests are guarded.
Following discussion, a consensus was reached by the Facilities Committee to recommend to the Board of Governors to award the contract for the College Welcome Center project to J.H. Hespe Company and authorize the administration to finalize and approve the contract documents including the final contract amount not to exceed $7,777,500.

4. Steve Schram introduced Mr. Bruce Leffler, bond underwriter from Ameritas Corporation. Northeast Community College has been working with Bruce Leffler and bond counsel, Richard Pedersen of Baird Holm, on preparing the necessary documents for the revenue bond issue on the College Welcome Center project.

Student facility fees are the primary source of funding and it is not anticipated that a secondary source of funding would be needed to make the bond debt payments. The next step in the bond underwriting process is for the Board of Governors to approve a resolution authorizing the college president to sign the necessary documents related to a contract for purchase. This agreement will be between the Northeast Community College Facilities Corporation and Northeast Community College. The corporation will issue the revenue bonds and will technically own the building. The College will use the student facility fees to make payments to the corporation so that the corporation can retire the debt. Once all of the bonds have been paid off, the ownership of the building will pass to the College.

Following discussion, a consensus was reached by the Facilities Committee to recommend to the Board of Governors to adopt the resolution authorizing a purchase on contract for the College Welcome Center to support the issuance of facilities bonds by the Northeast Community College Facilities Corporation in a stated principal amount of up to $8,500,000 of revenue bonds to pay costs of construction, improvements, and equipment of the facility. The resolution authorizes the College president to make final determinations as to terms of such purchase on contract and related bonds pursuant to Section 85-1511 (12). Revenues from the student facility fees and, if necessary, tuition are to be the agreed upon source of payment, in accordance with the coordinating policies of the Coordinating Commission for Postsecondary Education. An area of the Norfolk campus will be subjected to an easement or ground lease in favor of the corporation. Ameritas Investment Corp. will serve as the Bond Underwriter and bonds may be issued in one or more series.

5. Dave Ptak presented information regarding the proposed lease on the West Point Education Center. For the past several months, Northeast has been working with West Point City officials on developing an interlocal agreement (lease) for the new education center that is currently under construction. Since the community building was financed by private donations, once the facility is completed, ownership of the building will be transferred to the City of West Pont. The only costs included in the proposed interlocal agreement are for operation and maintenance costs. A rental fee of one dollar ($1.00) per year is included because of the private funding on the construction. The agreement is for a five-year period. Because this is a multi-year agreement it will require approval by the Coordinating Commission for Postsecondary Education.

Following discussion, a consensus was reached by the Facilities Committee to recommend to the Board of Governors to authorize the College President to proceed with the necessary approval process on the interlocal agreement for lease of the Education Center at West Point and sign the lease on behalf of the Board.
6. The meeting was adjourned at 2:10 p.m.