

PORTLAND COMMUNITY COLLEGE - BOARD OF DIRECTORS
12000 S.W. 49th Avenue - Portland, OR 97219

MINUTES

**BOARD OF DIRECTORS WORK SESSION, BUSINESS SESSION, AND LOCAL
CONTRACT REVIEW BOARD**

Sylvania Campus, Board Rooms A/B
September 20, 2007

BOARD ATTENDANCE

Board Members Present:

Denise Frisbee, Jim Harper, Jaime Lim, Marilyn McGlasson, Bob Palmer, David Squire,
Harold Williams

CALL TO ORDER

Chair Harper convened the work session at 4:00 PM. President Pulliams welcomed all attending and said the work session focus would be to determine the College's direction on a November 2008 bond campaign. He asked the Board for their direction so funds can be raised and organization for the process can begin if they wish to go forward

President Pulliams charged the staff to produce a reduced bond proposal of less than \$300 million with a \$250 million target. He also asked that the proposal focus on programs with reimbursable FTEs. The President said Mr. McEwen would provide information about what was removed from V 1.4 at \$314 million to reach the \$274.3 million in V 1.5 being currently presented. Dr. Chairsell will explain the focus on reimbursable FTEs in planning the academic programs and services for the College. The final topic will be the polling results of critical issues for the Board to consider as they consider whether or not to go forward with the Bond initiative.

Dr. Chairsell noted that at President Pulliams request staff look at reducing the bond initiative to the \$250 million level and to evaluate what bare basics students would need in the next ten years. She noted it would be impossible to predict technology for the next ten years and technology would be a significant consideration in this process because it is so closely integrated to everything from instruction to administrative support. An assumption used in determining the cost of technology for the bond initiative was 15% to 20% of the bond total. Another assumption made in program development was that curriculum is district-wide.

In the V 1.5 plan classrooms are designed to be flexible. Lower division course work produces the greatest amount of FTE at the lowest cost because it usually uses traditional classroom space with small amounts of technology/lab space needed. V 1.5 was created with a careful balance of lower division transfer classes such as English and History with the career technical courses such as Nursing, Allied Health, Early Childhood Education and others. Childcare services for the children of students

attending classes are also included to a limited extent in this proposal. A conservative estimate is that 3,900 FTEs that would be needed to sustain these bond improvements. Changes in the total amount of the bond initiative would require adjustments to this estimate.

Sustainability is an important focus at all of the campuses in programs including HVAC, Facilities Management Technology, health related programs, wind, renewable energy, robotics, natural resources, alternative energies, and fuels technician. This focus threads through course work, service learning, grant opportunities, and internships.

Dr. Chairsell then provided a brief summary of proposals for each campus. In making these recommendations population growth and education needs over the next ten years were considered. Sylvania Campus proposals include creation of separate space for the Early Childhood Education program and childcare services, expansion of Nursing and other Allied Health Programs including Gerontology, the Design Program, upgrades for photography and the labs, Automotive, Dental, and Machine Technology. The last bond initiative benefited Cascade with growth in lower division transfer courses that resulted from the upgraded labs and classrooms. In V 1.5 a Center for Excellence is proposed for Cascade Campus with a distinct focus on education that would expand their current para-education program to include Early Childhood Education, Special Education, Speech Pathology, ESOL, expansion of first responder programs, and other areas of specialization. Additionally a simulation lab would be built to provide hospital clinical experience for EMT students. EMT, EMS, and Medical Assisting would be expanded to the west side. Rock Creek Campus would gain additional lower division classes. Additionally an Occupational Therapy Program, Assistant Physical Therapy Program, Fitness Technology, and Expansion of the Nursing Program including a simulation lab, and expansion of facilities for child care services. The proposed Willow Creek facility will have Medical Assisting, and possibly EMT. The Southeast Center will become a fully comprehensive campus in this and a future bond program. The first phase would add general-purpose classrooms to house lower division transfer courses, Welding, Building Construction, Aviation Sciences, Automotive Parts Certification, Customer Service Certification, expansion of Micro-electronics Technology, Electrical Engineering Technology, labs for Biology, Chemistry, and General Science, a Library, Tutoring, and Student Services.

President Pulliams asked Dr. Chairsell to talk about technology in the area of Distance Learning. She replied that current and future students want and need more Distance Learning to address their education needs outside traditional classrooms. She noted that in a recent Noel-Levitz survey students indicated they want classes offered at convenient times but not necessarily in a traditional classroom.

Director Squire asked if the College is considering changing from the Novell platform to Windows or something else. Dr. Chairsell asked Leslie Riester to respond to. Ms. Riester said the move has already begun to Linux along with others. The College is and will remain multi-platform.

Director Williams asked if private industry has been consulted in the planning process to assure College proposals will meet future workforce education needs. Dr. Chairsell replied that much of what is presented in the bond proposal is a direct result of the Campus and Extended Learning Presidents' feedback from the community and industry. President Pulliams noted that much of this proposal is based on the day-to-day interactions with community, key policy makers, business, and industry leaders. He also said the poll indicated business and industry is looking to community college to meet the workforce training need for the trades and that they see the community college mission as being built around workforce development. The new programs included in the V 1.5 bond proposal are directly connected to business needs.

Director Squire asked how the proposed plan would affect FTE, the cost of delivery of FTE, and what the concrete benefits to the College would be. Dr. Chairsell responded that in ten years the College would have the capacity to meet the demand. She believes that the State funding colleges received this year is the beginning of a comeback and that the College is financially stable and the need now is to build buildings that will take the College through the next ten years. That is why balancing technical professional classrooms with general-purpose classrooms that can be used for multi-purposes is so important. Her research indicated the capacity of these buildings will serve the 4,000 FTE needed to generate funding needed to support the proposed program.

Randy McEwen described developments that have occurred since the review last May of the V 1.4 bond proposal that amounted to \$314 million. That version included about \$282 million for facilities and about \$32 million for the purchase of land. To decrease the bond proposal amount to the \$250 - \$255 million President Pulliams requested, changes were made for V 1.5 that include;

- A facility to house medical programs was added at Rock Creek.
- The Arts facility at Rock Creek was deleted.
- Real estate acquisition at Rock Creek in the area of 185th and Springville has been deleted.
- The scope of land purchase at Southeast has been reduced.
- The second new academic building at Cascade was deleted.
- A plan for academic access points around the district was deleted.
- The proposed stand-alone small business development center was eliminated. In its place a Small Business Development Center is planned for the Cascade Campus.
- There are no funds for projects related to Jefferson High School or any other Portland Public school project.
- Real estate acquisition at Cascade Campus is at a much-reduced scope than was discussed in executive session, due in part to recent purchases.
- Portland Metropolitan Workforce Training Center would not be moved onto any campus.
- Neither land nor building for a presence in Sherwood or Newberg are planned.
- Doesn't include the small investment for access points.

The changes proposed in V 1.5 reduce construction cost to \$254 million and land purchase to \$22 million bringing the total for the proposed bond to \$274 million. Mr. McEwen also said 2006 was the last construction experience the College had and this proposal has been created using cost structure for that period. If the decision is made to go forward with the bond initiative costs will need to be escalated for the time the bond election is conducted.

About 4,000 tuition paying and State reimbursable FTE would be needed to pay for the incremental square footage operating cost for the new square feet. State funding is assumed to remain at the current \$500 million biennial level and the College's share of that funding would gradually increase along with this growth. Supporting the proposed new facilities carries some financial risks including possible reductions to the level of state funding support since funding is driven by State revenue.

Director Williams asked what impact on enrollment is anticipated from the proposed \$2 per credit increase. Mr. McEwen replied that currently tuition at PCC is one of the highest for Oregon community colleges but it is anticipated that in the next couple of years the other community colleges will increase tuition putting PCC in the mid-range. Experience over the past five or six years indicates that increasing tuition does not help enrollment. He added that the opportunities offered in the bond initiative proposal are expected to increase enrollment and open a lot of new opportunities for students. President Pulliams said the College is most sensitive to the effect tuition increases have on students from poor families who are trying to get access to higher education. Some aid to these students is the Federal government's increase for Pell grants and the new Shared Responsibility model adopted by the Oregon Legislature that will provide more money for education for part-time and full-time students.

Director Williams asked Mr. McEwen how the 2% increase in State funding would impact the projections in the event of downturn or growth in Oregon's economy. Mr. McEwen responded that based on enrollment growth the College would receive a 2% increase for its share of the \$500 million State funding for the Community College Support Fund. He added that current State funding for the Community College Support Fund is approximately \$16 million lower than the State projections five or six years ago with the result being that the College has received considerably less State funding than was projected. Mr. McEwen said there is now greater political appreciation for community colleges and that is being followed with more appropriate financial support.

Director Williams asked what effect the current State funding at a lower level than projections five years ago has on the College. Mr. McEwen replied that in the Legislative Session just completed the Oregon Community College Association and Oregon Presidents Association asked for \$550 million to put the support level closer to those projections and the Legislature funded the Community College Support Fund at \$500 million. However, had that funding been the \$420 million level of the previous biennium different business considerations would have been used for this bond initiative proposal. Although the portion of State funding PCC will receive is not predictable with certainty there is stability in the economy and student enrollment and the environment for tuition increases is pretty stable. President Pulliams added that financially the

College is in a pretty good place and that in times of reduced State funding the College has reduced staffing and faculty levels and reduced other costs. He also said there are possible risks such as unexpected downturn in the economy, reduced State funding, decreased enrollment, or other possibilities but he does not expect these events to occur. He said that should the Board decide to not go forward with the bond initiative by the year 2020 the College might find itself unable to meet the projected educational needs. He added that he wants all facts and possibilities, positive and negative, to be presented so the Board can make a completely informed decision on proceeding with the bond initiative.

Director Squire asked where in the proposed program does the break-even point of 3,900 FTE occur and what would be the result if that break-even point is not reached. Mr. McEwen answered that although technically it would be at the end of the program the funding formula is incremental over three years with year three seeing the largest funding increase. The plan would be to construct the facilities that generate incremental FTE first to put the College in a position to receive increased State revenue at as early time as possible. Should the break-even point not be met some possible remedies might include increased tuition, some facility consolidation to quickly reduce fixed costs, staff layoffs, possible loss confidence of the district's political franchise, and possible divestiture of some assets.

Director Lim asked that with the projected district-wide population growth about the likelihood that FTE might not increase. Mr. McEwen answered the likelihood is slim because population is growing and the proposal has been created using real and practical objectives with consideration through the next 15 years. He also said this program has a long duration, six to ten years making some of the facilities not delivered until 2015. He believes this is a prudent and rational program and has the belief that the College can achieve and exceed the objectives that need to be met to cover the operating cost. He also reminded the Board that college staff demonstrated throughout the last bond their ability to manage these programs very effectively.

Chair Harper asked if current District population growth patterns were used in development of this proposal. Mr. McEwen replied that Dr. Chairsell and Ms. Massey continually monitor growth patterns and V 1.5 reflects current data.

Director Frisbee asked Mr. McEwen if the outlook for 2020 if the bond is not pursued and that funding is not available to put those facilities in place is it his opinion the College will not be able to meet the demand and FTE will be affected along with tuition and State reimbursable funds. Mr. McEwen agreed, saying it is the view of the staff that failure to invest is a decision to de-invest, continuing to succeed requires continued rational investment.

Chair Harper asked if staff has concerns about cutting the program back by \$50 million. President Pulliams answered that they all do. To reduce the program some great plans that had to be cut but he felt there was a real need to see what would have to be cut to bring the bond program to the lower amount. Each of the program components that

were cut in creating the current version had tremendous value to students and if it is the will of the Board, can be put back into the program.

Chair Harper voiced concerns that if the program presented to voters is short of the real need it would cause the College to need to go back to voters for another bond initiative in a short time and that may cause a loss of confidence in the College's ability to accurately project needs. Mr. McEwen said it is likely the College will need to ask voters to approve another bond initiative earlier than 2020. President Pulliams said that after hearing the results of the recently completed poll the Board might wish to ask for a larger investment for the bond program and whatever the Board decides is appropriate the staff will work to get passed. He asked the Board come to a decision about what they want to do within the next month.

Director Williams said he assumed that the decision to reduce the program amount came from outside comments. It is his feeling that staff and faculty feel that the program in V 1.4, even though it is significantly larger, is more prudent. President Pulliams said he made the decision that the program needs to be smaller but that does not mean the program described in V 1.5 is the one that should be pursued. He was surprised that poll results indicated those surveyed saw little difference between a bond program of \$274 million or \$317 million.

Director McGlasson asked what increase this bond would bring to the tax rate per \$1,000. Mr. McEwen said it is between \$50 and \$60 per year on a \$250,000 home. He added that the figures used in this proposal are 2006 figures and they would need to be adjusted to current figures at the time of the bond initiative election making the \$317 million figure about \$340 to \$350 million. Director McGlasson said that based on the reputation of the College that amount is small and marketable.

Kristin Watkins and Ben Pitinkin from Grove Insight presented a summary of the results of the recently completed public opinion poll of 400 district residents that was conducted September 4–9, 2007. Mr. Pitinkin noted that it is rare that poll data is as positive for public institutions as the results are from this poll.

Director Squire asked for a comparison of this survey information to information from other community college programs that haven't done well on their bond issues. Mr. Pitinkin said in comparison to the Columbia Gorge Community College, PCC is beginning in a much stronger public support position.

Director Frisbee said she is impressed by the poll results. She congratulated the faculty and staff in that the College is seen as caring about its students. She also appreciated that people responded so positively to supporting expanded programs, renovating classrooms to better serve students along with the vocational technical and health professional programs. She also was heartened to hear that those polled not only were willing to support specific workforce training but also want students get the services they need. She was also intrigued that the breakpoint between the \$317 million bond and the \$274 million bond was only 3 percentage points.

Director Frisbee asked for more information on the regional breakdown of the respondents. Mr. Pitinkin responded that there were 400 respondents most of whom came from Multnomah and Washington Counties with the remaining respondents falling in an "other counties" category. Additionally, the breakdown was by cities including Portland, Beaverton, Hillsboro, Tigard, and an "other cities" category. Information was also broken out based on PCC campus areas using zip codes. President Pulliams noted that in a recent meeting attended by Dr. Gerber with the Newberg School Superintendent and Chambers of Commerce they said they want a PCC presence in that area. Additionally, they said if PCC doesn't make that move they will find another community college that is willing to serve the Newberg area. Director Frisbee noted that the areas of Sherwood, Newberg, and Lake Oswego receive the fewest services from PCC but have declared the highest level of support. Ms. Watkins noted that in the Newberg, Sherwood area there was 71% support.

Chair Harper asked for a comparison of the current and previous polling information. Ms. Watkins said the results indicated that community support levels for the College were fairly equal with both surveys.

Chair Harper polled Board members for their decisions about whether or not to go forward with a bond initiative for November 2008. Director Williams said it is time to go forward with the \$317 million proposal. Director Frisbee is very much in favor of going forward and would like to re-look at some of the items that were taken out of the proposal to create V 1.5. She would also like to look at including an educational center in the Newberg/Sherwood area. She also wondered if the Art Center at Rock Creek could be explored as a community partnership. She reiterated that she is strongly in favor of going forward. Director Palmer is in strong support of going out for the bond. He commented that the survey reinforced for him that there is a lot of community good-will for the College and he believes this is the time community members will support a bond initiative. He asked if any projections of Oregon's economy in November 2008 have been reviewed and feels that should be a consideration in determining the bond program amount. Director McGlasson concurred with Director Frisbee in her comments about the Art Center at Rock Creek. She also feels that voters will see the value they will receive for their support and feels the \$317 million bond initiative is a wise choice. Director Lim is in support of going forward with the \$317 million bond initiative. Director Squire is in support of going forward and believes the amount should be based partly on Oregon's projected economic condition in November 2008. Chair Harper supports going forward with the \$317 million figure and asked for additional staff input about the elements of the bond proposal. He asked that President Pulliams present a Resolution for Board approval at the appropriate time for the November 2008 bond initiative.

Director Squire asked how much funding will need to be raised to go forward. President Pulliams said the amount has not been determined but is believed to be \$600,000-\$800,000. Work will be done with consultants to make that determination. Key community individuals have been identified who want to work on a campaign financing committee and he believes there is significant momentum to support successful campaign fund raising.

President Pulliams acknowledged the many hours of hard work and effort of managers, executive staff, Mr. Dembrow, and College faculty in preparing the bond proposal.

THE WORK SESSION WAS ADJOURNED AT 6:10 PM

EXECUTIVE SESSION

The Board of Directors convened an executive session for Real Property Transactions and Labor Negotiations in accordance with ORS 192.660 (1), (d) (e) at 6:30 PM, adjourning at 7:25 PM.

CALL TO ORDER

Chair Harper called the business meeting to order at 7:40 PM and invited all present to introduce themselves.

INFORMATION SESSION I

Tentative Labor Agreement Review

Lisa Bledsoe, Manager Employee and Labor Relations

Ms. Bledsoe reported that tentative contract agreements have been reached with the Classified and Faculty Federations on wage and benefit increases for the next two years. Part-time faculty benefits were also included in this negotiation process. Both Federations presented those agreements to their membership for vote and the agreements have been ratified. She asked the Board to approve Resolutions 08-008 and 08-009 to finalize the agreements.

PUBLIC COMMENT ON AGENDA I ITEMS

Lucia Barnett, Classified Federation President, thanked participants for their professional approach to settling contract negotiations.

Michael Dembrow, Faculty Federation President, thanked participants for their parts in settling the contract negotiations so quickly and for the inclusion of part-time faculty health benefits in this settlement.

President Pulliams commented on the professional approach by all parties in the negotiation process and for reaching an appropriate settlement.

BUSINESS MEETING APPROVAL OF MINUTES

The July 19, 2007 business meeting minutes and August 24, 2007 Board planning

retreat minutes were approved as published.

APPROVAL OF THE AGENDA

The agenda was approved as published.

Director Lim moved approval of Resolutions 08-008 through 08-009. The motion passed unanimously.

INFORMATION SESSION II

Goal 2 – Student Success

Dr. Christine Chairsell, Vice President Academic and Student Affairs and Laura Massey, Director, Institutional Effectiveness

President Pulliams introduced Dr. Chairsell and Ms. Massey and said the report would be on Goal 2, Student Success. He also noted that the January 2008 work session will be the time for the Board to review and revise College goals as needed.

Ms. Massey said student success equates to academic progress while enrolled at PCC followed by continued educational and professional advancement after leaving the College. She said academic success does not necessarily follow a linear schedule and over 75% of PCC students work full or half time and two-thirds attend school only half or part-time with many starts, stops, and restarts in their education. Many students come to the College unprepared or underprepared for college level courses. These students acquire needed academic skills and knowledge through developmental education and pre-college courses. Findings indicate most PCC graduates including many transferring to four-year universities were once included in this group. About 2,000 students each year complete degrees and certificates and about 4,700 students transfer to the university system annually. 95% of former PCC students taking national certification and licensing exams earn a passing score. She said student success includes a broad range of accomplishments that are achieved one successful course at a time. Board members were provided a written detailed statistical report regarding student success.

Dr. Chairsell said this report concludes a full year of reporting on how the College has met the goals the board adopted a year ago. Student successes are numerous, whether university transfer, achievement of the Associate Degree, performance on national exams, or achieving college level preparedness students are always in progress. This year has demonstrated: the student population reflects the diversity of the community that PCC serves, stable enrollment, and continued growth of funded grant proposals that fund the special programs and services that PCC students need. She said as this new academic year begins a new reporting cycle on the College's progress on Board goals. We will begin with access and end with success because giving students what they need is all about access and success.

Chair Harper expressed appreciation for the effort that has been made to create the reports that have been so helpful to the Board over the past year in evaluating how well Board goals have been met. Director Frisbee agreed that the reports have been a very helpful tool over the past year. President Pulliams added that in October he and Director Squire will give a presentation at the OCCA Annual Convention about how the College creates and uses these types of measuring and evaluating tools.

Gateway to College

Dr. Nan Poppe, President, Extended Learning; Wing-Kit Chung, Vice President, Finance; Robin Smith-Lonergan, Miller|Nash

Dr Poppe recognized Linda Huddle, Laurel Dukhardt, & Stephen Rice for their leadership and hard work in making this project work. She said that over a year ago the Gates Foundation hired Bridgespan (a consulting firm) to work with PCC to develop a long-term replication plan for the Gateway to College Program. The recommendation was the development of an independent non-profit Gateway to College Replication Organization that is separate from the College.

Dr. Poppe provided a brief overview of the Gateway to College Program. Since 1995 the program has been working in partnership with Portland Public Schools and other K-12 Districts to provide educational opportunities at PCC for high school age student drop outs. In the beginning the Gateway to College Program was created to supplement the high school completion program with adult basic education, GED, and language acquisition. Gateway to College takes students who are academically at the 7th or 8th grade level and using a very structured and supportive approach jump starts their abilities to college level and mainstreams them into regular college coursework where they earn dual credit for high school diploma and Associates Degree. Students entering this program are 17-21 years of age, have earned about 8 of the 22 high school credits required for a high school diploma, and have high school GPA averages about 1.6.

The Gates Foundation selected PCC to serve as an intermediary in replicating the Gateway to College Program across the country as part of their early college strategy to reform K-12 education. Since 2003 the Gates Foundation has given PCC \$13.2 million. When the program is finished the College will have started up 20 sites across the United States with these funds. Today there are 13 sites in operation. If approved, tonight's consent agenda includes a Resolution requesting Board approval to add an additional five sites that will be started in the next couple of years. She showed the Board video clips of students who are in or have completed the program. The video included students whose lives have been dramatically improved through education with many of these former dropout students successfully moving on to four-year university educations.

Dr. Poppe said the key reasons for moving to a separate non-profit organization are the Gates Foundation believes that PCC has proven that this model works in urban and rural areas and with all communities. The Gates Foundation wants to see the program grow and prosper but they want other funders brought into the program. Most funders are wary of giving to public organizations like PCC and instead give to intermediary and non-profit organizations. The original Gateway to College replication sites are nearing or

at the end of their three-year site funding provided through PCC. By creating a non-profit these sites would be able to become equal partners in a continuing network that will allow more sites to come into the program to collectively continue to apply for the funding needed to continue providing peer learning opportunities, staff development, and other professional development needs.

Mr. Chung explained that making the Gateway to College Replication a non-profit organization will create a different relationship between the program and PCC. He also said that in the transition the College may need to assist with staffing transfers, supplying space and computing equipment. This would be accomplished using a Professional Services Contract between the College and the new non-profit organization.

Mr. Chung said PCC owns and will retain the intellectual property of the Gateway to College model. The right to use this intellectual property would then be sold to the new non-profit organization and the College would have oversight responsibility to the functions and direction of the program from the curricular perspective.

Ms. Smith-Lonergan said setting up a new legal entity will protect PCC from liability from lawsuits, will allow the new entity to set up its own rules and policy for program participants, will make outside funding more readily available for its use nation wide, and will allow partner sites to be invested in the success of the program. Key issues for Board consideration are how this new organization will be set up and how much control PCC can retain over the organization and still have the new organization retain the separate legal entity status.

She has recommended the new 501(C) 3 organization be governed by a Board of Directors. PCC would appoint one-third of the Board members. Another third of the Board positions would be filled by a national leadership team who would elect representatives for another third of the Board. Those two groups would then elect the remaining outside, at large Board members having skills needed by the organization. This would retain an even balance of control for the new organization. A critical component of the structure is that PCC would license the intellectual property to the program but retain ownership. This structure would allow the College Board of Directors to have oversight of the program and if needed revoke the license from the non-profit organization.

Dr. Poppe added this action would not affect the local PCC Gateway to College Program. It would continue as it has in the past and would benefit from the new network.

Director Squire asked what 509 category the new program would be. Ms. Smith-Lonergan responded that 509 determines whether a 503(C) organization is a publicly supported charity or a private foundation. Rules attached to a public charity are much more beneficial and lenient than those that apply to private foundations. It will be important that the new organization qualify as a 509(A) 1 so it will clearly be separate from PCC and able to attract enough public support to meet the public support test.

Another possible opportunity is that the organization might be eligible as an educational institution which would qualify it to be exempt from the one-third public support test. Mr. Chung said that if the Board of Directors so directs President Pulliams will have a Resolution prepared for the next Board meeting.

Chair Harper thanked Dr. Poppe for her leadership. He said this is a great program and watching the video clip of students from the Gateway to College program reminded him how important this effort is.

Skills2Compete

Dr. Nan Poppe, President, Extended Learning

Dr. Poppe said the Workforce Alliance is a national group headquartered in Washington, DC. PCC is a member of the group and it is comprised of business, education, and workforce development organizations. The group is launching a new campaign called "Skills2Compete". The purpose of this non-partisan campaign is to get some attention in the next presidential election and encourage dialogue around the urgent need in this country to focus on education and post-secondary education in particular. This attention is needed because there is an urgent need to get people educated so they can qualify for better jobs. She asks the Board to endorse this effort by approving the Resolution 08-019 in the consent agenda.

THE BUSINESS SESSION WAS ADJOURNED AND THE BOARD CONVENED AS THE LOCAL CONTRACT REVIEW BOARD IN ACCORDANCE WITH ORS 279C.335 AT 9:20PM

Mr. McEwen said in Resolution 08-016 Staff is seeking Board approval to sit as the local contract review board to enter into a design/build agreement with Gerding Edlen Development Company, LLC (GEDC) on a non-competitive basis for purposes of completing the Willow Creek project with GEDC functioning in a design/build capacity. Staff's findings on that project are attached to Resolution 08-016. There are many reasons staff recommends this action based on the Board's policy interest including the transit oriented development and sustainable development this project contains. The Board's interest in enhancing access is met by the location of this project. GEDC has a national and international reputation for green development. Another complexity of this project is GEDC continues to be a party of interest in the sale of the Capital Center. The sale of the Capital Center drives the schedule needed for the Willow Creek project because the Capital Center occupancy must end no later than December 2009. It is Staff's opinion that design activity needs to begin quickly with construction beginning Spring 2008 for the anticipated Willow Creek occupancy and vacating of the Capital Center in September 2009. One finding illustrates GEDC's specific experience in the Portland region in the Gateway Transit Center, a combined commercial and parking structure that is very similar to the Willow Creek project. Additionally, GEDC has valuable experience working with TriMet and the Federal Transportation Administration that will help assure the success of the Willow Creek Project. For these and other reasons staff recommends the Board approve the selection of GEDC on a non-competitive basis to serve in a design/build capacity for the Willow Creek facility.

Mr. Chung described financing options for the Willow Creek project saying the project is included in the 2008 Bond initiative being considered. If the bond initiative is passed by voters in November 2008 there will be no additional tax liability or debt service over and above the Bond-driven debt. The challenge now is one of timing. Ground is being broken for the Willow Creek Facility in the spring of 2008 but the bond election will not take place until November of 2008. If the Board decides to go forward with the Willow Creek Project bridge financing will need to be acquired in early Winter 2007 to provide the construction funding needed between Spring and the time funding would become available from the bond initiative. Should the bond initiative not pass, long-term financing would be sought that would be paid from the College's general operating fund. It would also be likely tuition would increase \$1 or more to repay the debt.

Mr. Condit said the Public Contracting Code and the College's construction rules require competitive bidding for construction projects. For a project of this size almost no public entity does straight competitive bidding. They usually get an exemption to do the project through a Construction Manager/General Contractor (CMGC) contract for which the Request for Proposal is done. This situation is somewhat unique in that the request is being made to go with a specific developer for a design/build contract where that developer is responsible for both the design and construction phases of the project. The required findings are that this action will result in substantial cost savings and that it will not diminish competition. The substantial cost savings is justified by the experience and expertise of GEDC and the fact that the College has examples where they have completed similar projects and brought them in on-time and under-budget. Another is that time not spent going through the formal competitive bid process would be a cost saving. To prove this action will not diminish competition the findings require GEDC's general contractor subcontract all construction work under the contract, including the sub-contracting work that their contractor would do, by either competitive bidding or a competitive proposal process. This means that almost all work that will be done on this project will be competitively procured. He believes for those and all sub-considerations outlined in the findings the project qualified for an exemption and he recommended the exemption.

Director Frisbee asked the project cost for the design/build. Mr. McEwen replied it is approximately \$35 million. President Pulliams added that \$7.5 million will come from the State. Mr. McEwen said the balance would come from the bond program.

Director Squire asked if the Board approves this action if there some appeal process that is then taken. Mr. Condit said the purpose of this hearing is to allow public comments or objections following the staff report. If there are no comments or objections it becomes final and negotiating the contract can go forward. He said there is always the possibility of someone filing a protest later but there is a process for resolving those protests to be followed by legal action if that process doesn't resolve the issue.

PUBLIC COMMENT ON EXEMPTION FROM COMPETITIVE BIDDING

None

**THE LOCAL CONTRACT REVIEW BOARD ADJOURNED AND RECONVENED THE
BUSINESS MEETING AT 9:35 pm**

**THE BUSINESS SESSSION WAS ADJOURNED AND THE BOARD CONVENED AS
THE LOCAL CONTRACT REVIEW BOARD IN ACCORDANCE WITH ORS 279C.335
AT 9:37PM**

Director McGlasson moved that item 08-016 be approved. The motion passed unanimously.

**THE LOCAL CONTRACT REVIEW BOARD ADJOURNED AND RECONVENED THE
BUSINESS MEETING AT 9:39 pm**

Director McGlasson moved that consent agenda items 08-010 through 08-015 and 08-017 through 08-023 be approved. The motion passed unanimously.

PUBLIC COMMENT ON NON-AGENDA ITEMS

Michael Dembrow shared his sense of what historically has worked, what the challenges have been, and what he foresees as challenges in the future concerning a bond program. He said he was closely involved in two measures in the past, a tax base in the mid 1980s and the 1999-2000 bond. For both it took three tries to pass the measure. He said in both cases the first effort was fairly lackadaisical with the prevailing feeling that the public liked PCC. He feels they failed because the campaigns were not vigorous enough. In each case the second time a vigorous campaign was conducted but had too short campaign times. In each case the third campaigns were nearly a year in duration, were marked by a stubborn refusal to fail, and finally passed because the College community had a real sense of urgency and commitment. He believes that to win a campaign both the District President and Board of Directors must be fully engaged in the effort. He also believes the public will be more likely to support a bond initiative that asks for a substantial but sensible amount. He also noted that in both previous instances there was a good economy when each was passed. The message to voters was the College had reached the point that it had to grow to be able to meet student needs.

Mr. Dembrow said some of the challenges to the current bond initiative are: overcrowding is not such a clear case now, the campaign will be very expensive and fund raising will be a challenge, the bond campaign time will be at a very busy time politically with presidential and senatorial elections, there will be a lot of competing demands for resources, and media will be more expensive to purchase because of the political competition.

He has some concern about the impact on the full-time to part-time faculty ratio of adding the new buildings and FTE. He believes part-time sections should be used to build enrollment, FTE, and then they should be converted to full-time, on-going

positions. He feels not adequately funding full-time faculty needed to teach the added sections will reduce support for the bond measure. He said on-campus discussions with faculty and staff needs to be held regarding the bond measure to garner their support.

Other Reports:

Lucia Barnett, Classified Federation President, welcomed Director McGlasson to the Board of Directors on behalf of the Classified Federation. She also welcomed and congratulated Director Frisbee on her election as Vice Chair and Chair Harper on being elected as Board Chair.

She pledged the support of Classified staff for the bond initiative if it is something they feel is really needed.

She also said she is very pleased from a security and identity theft standpoint that the College has changed identification numbers from Social Security numbers to "G" numbers for staff and students. She also feels photo IDs are another sound safety investment and she is extremely pleased with the emergency warning system being installed on all campuses.

Victoria Galanopoulos, ASPCC Student Body President for Sylvania Campus said ASPCC does not usually meet in the summer but this summer an emergency meeting with John Garner was held to discuss providing a year long bus pass at a cost of \$150 to the first 500 students who purchase them. ASPCC feels this will help students reduce their costs and also reduce carbon emissions. On September 11th and 12th a state-wide meeting was held in which state goals were set that included increasing student aid and reducing tuition through tax reform, student health care and AIDS, increasing benefits for child care, and continued work on environmental and sustainability practices. District-wide diversity training was held recently at Cascade Campus. She concluded saying ASPCC looks forward to the upcoming academic year.

Board Reports:

Chair Harper said he attends Foundation Board meetings as liaison. At a meeting this morning he learned the Foundation provided over 200 scholarships this year averaging \$1,500, up from an average of \$1,000 last year. He commended the Foundation Board for their efforts and support that has helped so many students.

He also expressed his pleasure and appreciation in being able to serve on the College Board of Directors.

District President Report:

President Pulliams asked Ms. Watkins to share the new view book that will be used to market the College to prospective students. President Pulliams said there is a conscious effort to step up marketing materials to create zippy and appealing marketing products. He thanked Ms. Watkins and her team for their efforts.

He thanked the Board for their work and commitment throughout tonight's long meeting and concluded his report by announcing the Foundation Golf Tournament earned about \$65,000 for student scholarships. He thanked Chair Harper and Director Lim for their participation in the tournament.

ADJOURNMENT

There being no further business, the meeting adjourned at 9:20 PM.

NEXT MEETING

The next business meeting of the Portland Community College Board of Directors will be held on October 18, 2007 at 7:30 PM at Rock Creek Campus in the Event Center.

Chair Harper

President Pulliams

Prepared by:

Lorna J. O'Guinn
Assistant to Board of Directors

Minutes approved on October 18, 2007