

**Mt. Hood Community College  
General Obligation Bond Measure  
Hearing Minutes  
Tuesday April 12, 2017, 6:00 p.m.  
MHCC Board Room  
26000 SE Stark Street  
Gresham, Oregon**

**\$75 Million General Obligation Bond Measure  
Measure 26-190**

May 16, 2017 Special Election

**Present:**

TSCC:

Vice Chair Brendan Watkins, Commissioner Margo Norton, Commissioner James Ofsink, Executive Director Craig Gibons, and Budget Analyst Tunie Betschart  
(Chair David Barringer and Commissioner Mark Wubbold joined the hearing later)

**Absent:** None

Mt. Hood Community College:

Board members:

Board Chair Susie Jones, Vice Chair Jim Zordic, Michael Colcagno, Sonny Yellott and Teena Ainslie

Staff:

President Debra Derr, Chief Operations Officer Jennifer DeMent and Director of Facilities Charles George

Vice Chair Brendan Watkins opened the Public Hearing on the \$75 Million General Obligation Bond Measure by explaining TSCC's responsibilities with regard to tax measures, followed by introductions of TSCC Commissioners and staff. Commissioners stated they would not be taking any action and so did not have any conflict of interest reviewing this tax measure. However, Vice Chair Watkins said his firm Piper Jaferies is the underwriter for the college and even though there is no conflict of interest issues he still wanted to disclose this information.

Vice Chair Watkins asked the college's representatives to introduce themselves and give a brief presentation of the bond measure? Following these comments the Commission had questions they would like to have addressed.

President Derr gave a brief overview of the history of the preparation for the bond measure. She stated they began with the effort in 2014 with the creation of a new

strategic plan. At that time they met with local leaders as well as with every school district across the Mt. Hood Community College region. They asked what they wanted MHCC to look like in 2020. The input from these interviews was the basis for the development of the idea for three pillars which are Learner Success, Partner Innovations, and Community Pride.

After this the college began to explore the possibility of a General Obligation Bond. Again they went to the Community and asked questions about support for the college and the possible bond. She said even though the college had a favorability rating of 85%, the community still needed convincing that there was a need for the bond measure.

After listening to the community they took a comprehensive look at the cost of addressing safety concerns, deferred maintenance and technology needs in regards to the workforce and the business community. They also took a look at the impact the debt was having on the on the ability to respond to the students and business partners.

She went on to say they formed a PAC, Friends of Mt. Hood Community College, that was very successful raising funds that provided support for the campaign. The PAC hired consultants that designed and implemented a very comprehensive campaign including community meetings, door knocking, phone banks and over 100 meetings. Through many meetings the college found there was support of the projects. However, the polling indicated that there was an approval rating to pass the bond of around 45%. To increase this rating they targeted the undecided voter.

She concluded by discussing the project list, saying it is tied to the community with a focus on jobs. A livable wage would address the housing and safety concerns. The projects aligned with what was heard from the community about future of the college as well as addressing the long standing infrastructure needs.

Ms. Jones said the bond did not pass in 2015 and she gave the numbers for Multnomah County which was “yes” at 47% and “no” at 52%. She said they did not do as well in Clackamas County but that they do not have as many voters there. They listened to the “no” voters and heard it was just too big of an ask. After some discussion the board decided to return to the voters with a smaller ask. She said the new project list includes Applied Technology Center, upgrades to the colleges safety and security (although not as much at this time), and also included refinancing the debt to free up operating funds.

(Chair Barringer and Commissioner Wubbold entered and made introductions at this point.)

**TSCC Questions:**

**Commissioner Watkins asked the following questions:**

What are the College's risks related to earthquakes? How are those risks addressed in this reduced bond measure? What has been deleted and how will those issue be addressed?

Mr. George explained that the Academic Center is divided into 11 seismic zones. They looked at the highest risk areas which was the Academic Center Library and the HPE Gymnasium Library, both built in the 60's to code at that time. He explained how the buildings were constructed in sections that did not line up. He added that the gymnasium is a Red Cross Safety Center for East County. Within this structure there other non-structural deficiencies as well that need to be addressed in order to improve the seismic condition. He concluded by saying these two buildings are the highest priority so they have put the energy and focus on them.

**Commissioner Ofsink asked this follow-up questions:**

Given the roll in the community of the gymnasium should there be a seismic event, are there other government entities helping fund the seismic upgrade of that facility?

Mr. George explained that in 2015 and again in 2016 they had applied for the retrofit grant project and had not been selected to receive it. They have applied again through that grant process.

Present Derr explained that these grants went mainly to the k-12 schools.

**Commissioner Ofsink continued with the following p question:**

This is the second attempt to get this bond passed. What has the Board learned since last year that gives confidence that this bond will pass? Why go forward at this time?

Ms. Jones fielded this question saying prior to going to the voters with a bond in 2016 it had been 10 years since the college attempted to pass a bond measure. In that time frame the demographics have changed dramatically. So they started from scratch in 2016. They have learned the voters are not as anti-tax as they had been. They currently have 80% approval rating from the community. The conclusion the board came to was the messaging is key to convincing the voters that it is time to reinvest in the college. The spending during the November elections convinced the board they needed to go to the voters during a quiet time where they can deliver the message and not have it lost in the other campaign rhetoric. They feel certain there will not be a better time to pass the bond measure than right now.

**Chair Barringer asked this follow-up question:**

Does the college have an avenue to contact the MHCC Alumni to in the area since it seems they would be very supportive of the college?

President Derr answered saying they are just now able to contact Alumni and now they are reaching out to them.

**Commissioner Norton asked this follow-up question:**

During the opening remarks President Derr said during the 2016 elections they began with a 45% approval rating and that they are looking to increase this rating. Do you have any sense as to what the rating is for the current campaign?

President Derr said they do not. They are continuing the messaging and have not used their resources to do any polling.

**Chair Barringer asked with the following question:**

What is persuasive about the Applied Technology Building and how is the Board helping the voters to understand the importance of the technology programs? Does the Board still have the support of the business community for this project?

Vice Chair Zodick answered saying it is not a question about the building but rather what is in the building. He emphasized the fact that they have out grown the facilities. This center gives the room needed to expand into the new evolving technologies. The college is looking at advancing into the new technical era. He gave the example of learning to maintain the robots that are doing jobs previously accomplished by laborers. The college needs to train students that will be maintaining the robots. In the past employees were trained by employers or the trade unions. Then the responsibility shifted to the secondary schools. Schools moved away for this for a period of time. And now the shift is going back to schools to offer job specific training. The public showed interest in this with the passing of Measure 97. They want Career Technical Education (CTE) in the schools. Mt. Hood Community College wants to be able to take those students from secondary CTE and move them into MHCC's technology programs, giving them vocational certificates or the opportunity to advance into further studies. Local industries support this.

**Commissioner Norton asked this follow-up question:**

As part of the college's messaging for this technology center does it fit in with the start of the community college's move to a four year institution; or is this program more focused on completing the program, getting the certification, and going to work?

President Derr explained that the program itself is an Associated Applied Science Degree. There will be stackable credentials so basic training is available as well. The college is aligning this degree with the next step for students should they choose that avenue. Stackable credentials gives the students the option of returning and increasing their education.

**Commissioner Watkins asked the following question:**

Why choose the Technology Building over the Maywood Park Facility? What are the consequences for the Maywood Park building and the students and groups that use it? Will the Maywood Park campus remain open?

President Derr explained that they were responding to what the community had said about the need for careers that produce a living wage and safe living environments. The college needs to provide skilled training to create a skilled work force.

The Maywood Park center has been a very important part of the mission to serve the west side of the district. That need and priority has not changed. The College had to make some difficult choices, but will continue to explore opportunities to provide quality education for the students in that community.

**Commissioner Norton asked the following question:**

Part of this issue will be used to retire debt. How much of that debt will be retired, what will be the savings, and how will the General Fund savings be reallocated?

Ms. Dement explained that they plan to retire all \$23.2 million of full faith and credit obligations. The pension bonds are not included.

Have you considered allocating those funds back into the capital project fund?

Ms. DeMent said the savings for the next 10 years is \$2.4 million per year. In the future the idea is to use the savings to address ongoing maintenance issues in order to avoid deferred maintenance. Most of the current debt has been brought about by emergency maintenance that had been deferred due to funding issues.

President Derr explained that it would be very generalized. She went on to say they would build the facilities reserves such that as maintenance of the new facility and other facilities is needed, it will happen using the reserves.

**Commissioner Ofsink asked this follow-up question:**

Do you feel the \$2.4 million infusion back into the budget will be sufficient to begin to maintain the facility?

President Derr said it was a beginning.

Ms. Dement explained that the board has asked that the structure of the debt be front-loaded such that after ten years it will decrease, providing for another opportunity to go to the voters for another bond measure in order to make progress on the long term facilities maintenance.

**Commissioner Wubbold asked the following questions:**

If this bond does not pass, how will the college, its students, and the community be affected?

Ms. Jones fielded this question saying funding may be flat for the next biennium. With that the college cannot maintain current level service. The board will need to make choices as to what to do about this. Will tuition be raised, will faculty or programs be cut etc. All variables that could happen, none of which are pleasing.

She went on to say that the board is committed to keeping tuition as low as possible. The bond would give breathing room by paying off the debt enabling the tuition to remain as low as possible.

What is the operating budget at Mt. Hood Community College?

Ms. DeMent answered saying just over \$70 million.

Is there no way the old facility can be repurposed?

Mr. George answered saying there were several changes that would be required to meet present ADA standards and would be too expensive.

You have mentioned the relationship MHCC has with the business and their being willing to help put in new equipment, new robots and other assets the college can use to train the students. Can you talk about that?

President Derr explained that they have very strong relationships with the local business and industry partner. She explained about machine tool technology saying it has been a very important program at the college from the beginning. The equipment in this lab is equipment they have received from their partners. The challenge is that the space does not provide room to utilize the equipment

to the fullest. She emphasized that the college could not do what they do without the help of their partners. These partners have even been an integral part in the college receiving a grant. They promised they would hire the students as well as provide support through equipment donations. Boeing donated an additional \$50 thousand toward the program.

Mr. Calagno added that the college foundation just funded the Megatronix Program \$300 thousand to buy training modules.

Is MHCC at risk of losing some of these partners if the building is not built?

President Derr said it limits the college's ability to be able to have the room for expansion to address the work force needs. There is no room to put any other equipment if it were donated. This limitation on space is holding the college back from being able to address the needs of the students and community. This is a starting point. The college needs to get over not passing a bond since 1994. Once this is accomplished the college will be able to provide support to their employers and the community.

Chair Barringer asked if any member of the public had signed up to speak or if anyone else wanted to make any other comments on the measure. No one had signed up to speak and there were no other comments. .

With no further discussion Chair Barringer thanked those in attendance for coming and their thoughtful comments. He then adjourned the public hearing.