
LOS RIOS COMMUNITY COLLEGE DISTRICT

Citizens' Bond Oversight Committee

March 27, 2014

American River College, Student Center- Board Room

12:00 p.m.

Minutes

(Approved 7/31/14)

Members Present: Robert Holderness, Catherine Lopez, John Orr, Jennifer Quinn, Diane Schachterle, Nick Schroeder

Members Absent: John Pappas, Sean Nesbitt, Sharon Margetts, Basim Elkarra, Joe Debbs, Bill Heinicke, Richard SooHoo

District

Representatives: Jon Sharpe, Deputy Chancellor
Theresa Matista, Associate Vice Chancellor, Finance
Pablo Manzo, Associate Vice Chancellor, Facilities Management
Val Voda, Accountant, Grants & Contracts
Laura Machado, Deputy Chancellor's Executive Assistant

Guests: Ray DiGuilio, Vice President Administration, American River College
Pam Walker, President, American River College

1. INTRODUCTIONS

Jennifer Quinn called the meeting to order at 12:07 p.m. and welcomed everyone to the meeting. Jon introduced Pam Walker as the interim President of American River College. Jon shared the cover of Comstock's magazine featuring Basim Elkarra - chair of the Citizens' Bond Oversight Committee. Although Basim was unable to attend the meeting Jon wanted to provide everyone the article about Basim. Jon praised Basim's great work on behalf of entire community and expressed his appreciation on behalf of himself and the District.

2. PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF MINUTES

The December 5, 2013 meeting minutes were considered for the Committee's approval. A motion for approval was made by Nick Schroeder and Diane Schachterle seconded it, however, the Committee did not have a quorum. Thus, the minutes were not approved at this meeting. We will post the minutes on the Website as a draft. The minutes will be submitted for approval at the next meeting in July.

4. REPORTS

Membership Update

Jon handed out an updated membership list of the CBOC. As was reported at the August 2013 meeting, the Legislature has changed the law to allow oversight committee members to serve three consecutive terms instead of two. Due to this legislative change, the Board of Trustees amended the Citizens' Bond Oversight Bylaws to allow Oversight Committee members to serve three consecutive terms. Currently, there are many members whose terms are set to expire on or before October 2014. Jon asked that those members consider another two-year term. Jon will follow-up with an email early next week.

Budget Update

Jon reviewed the summary of the Governor's proposed 2014-2015 budget (green sheet) from Dan Troy at the Chancellor's Office. The Governor proposes allocating 3% for access (growth). If this is in the final budget, it would mean \$7 million for Los Rios. While at one point our enrollment was 17% over cap, it has been more of a challenge in recent years to retain enrollment. Our goal was to reduce the over cap enrollment percentage down to single digits, but with the declines we have seen (including this spring), we are projecting that we will have no unfunded (over cap) enrollment at the end of this year. DOF is holding to the formula (implicit price deflator) for COLA, which is .86%, or \$48.5 million system-wide for the 2014-15 year. The proposed budget provides \$200 million for student success programs and for closing the achievement gap. Jon noted that the proposed budget eliminates all inter-year deferrals. The Governor's budget further provides \$39 million for Proposition 39 energy efficiency projects. Deferred Maintenance and Instructional Equipment funding totals approximately \$7.8 million for Los Rios.

Funding for the Davis Center Phase II project is included in Governor's proposal. Jon stated that seven projects statewide will be funded as a result of reverting funds from other projects across the state. The Davis Center Phase II project is one of these seven. Jon is hopeful this funding will survive the budget process. Assembly member Joan Buchanan has authored a bill that will allow an education bond to be placed on the 2014 ballot. Jon would be surprised if it makes it. The lack of a bond does not affect us too much in 2014, but if there is no educational bond in 2016, our current building program schedule will need to be revisited. With recent BOG action, the West Sacramento Educational center is now eligible for state capital outlay money. Jon informed the Committee we will be mailing an invitation to the committee for the groundbreaking of the Folsom Lake College-Rancho Cordova Center. All of our center sites are in place. This groundbreaking at Rancho Cordova is the last piece of the centers plan.

SMSR Review

Theresa explained we are required to report to the Committee annually regarding Scheduled Maintenance and Special Repair (SMSR) allocations. We received \$607,624 in SMSR dollars this year ending a four-year cycle of no state allocation for this purpose. The District's budget committee voted to split the allocation 50/50 between SMSR and SEIF funds. The total funds for the last ten years history of this allocation are \$12.2 million.

Review of Expenditures

Theresa provided a review of the financial activities for Measures A and M as of February 15, 2014.

Measure A

To date, \$250.1 million in Measure A funds have been appropriated (this includes interest income as well as the future proceeds from the future Series E) for projects and \$229.6 million has been expended. Outstanding encumbrances (construction contracts and purchase orders) total \$7.5 million. The total change in expenditures and encumbrances since the December meeting is

\$700 thousand. Theresa also presented a summary of the financial activity by college location and reported the appropriations to date amount to 95% of the total Measure A authorization. Expenditures and encumbrances are at 90%. Series A, B, and C have all been fully expended. The total financial activity for all capital project funds supporting Measure A projects, which include bond, State, and other funding sources was also presented to the Committee. The total appropriations for all funds as of February 15, 2014 are \$397 million. Total expenditures to-date are \$376.5 million and encumbrances are \$7.5 million. A list of changes to existing project budgets was also presented to the Committee. An additional \$1,357,671 has been allocated since the December 2013 meeting. Theresa reported 52 projects have been completed and two are under construction from Measure A.

Measure M

Series A of Measure M was issued on October 19, 2010 in the amount of \$130 million. It was reported that \$176.2 million has been appropriated for 24 projects. To date, \$19.2 million has been encumbered and \$125.8 million has been expended. Theresa summarized the financial activity by college location and presented the changes and additions since the December meeting. The total changes and additions since the December report is \$2.5 million. Theresa also reviewed the list of projects planned to bid through July 2014.

Summary of Change Orders for Completed Construction Projects

There were four projects completed since the last meeting: CRC Architecture & Construction Instructional Building (Winn Center) with change orders totaling 3.7% of the contract amount; CRC Elk Grove Center Phase 1 with change orders totaling 2.6% of the contract amount; CRC Elk Grove Center Off-Site Improvements & TAP I with change orders totaling 2.7% of the contract amount; and SCC TAP B, C, G, H & J Lots Improvements phase 1, 2, & 3 with change orders totaling -0.1% of the contract amount.

Project Updates

Pablo presented an update on all active bond-funded projects, including photos of each project in its current phase of construction. He stated that the CRC landscaping is moving along. Pablo shared that for slopes, the landscaping will consist of hearty plants that do not need much water, especially with the water situation in California this year. He explained that the SCC Student Services Modernization and Expansion will bring all student services into a single building, which is much needed. Pablo also provided a list of projects that will be starting soon.

Robert Holderness asked if the Committee could close this meeting in memory of Terry Cochran. Terry was very proud of the oversight committee and building program.

5. FUTURE MEETINGS

The next meeting will be on July 31, 2014 at FLC.

6. ADJOURNMENT

Meeting adjourned in honor of Terry Cochran at 1:02 p.m.

lm

cc: Board of Trustees
Executive Staff