
LOS RIOS COMMUNITY COLLEGE DISTRICT

Citizens' Bond Oversight Committee

March 17, 2016

Cosumnes River College, Orchard Room

12:00 p.m.

Minutes

(Approved 7/28/16)

Members Present: Joe Debbs, John Orr, Diane Schachterle, Sharon Margetts, Marty Katz, Bill Heinicke, Aliane Murphy-Hasan, Nicholas Schroeder, Basim Elkarra

Members Absent: Robert Holderness, Jennifer Quinn, Katie Kelleher, Richard SooHoo

District

Representatives: Theresa Matista, Vice Chancellor, Finance and Administration
Rose Ramos, Associate Vice Chancellor, Finance
Pablo Manzo, Associate Vice Chancellor, Facilities Management
Carrie Bray, Director, Accounting Services
Laura Machado, Executive Assistant

Guests: Ed Bush, President, Cosumnes River College
Cory Wathen, Vice President Administration, Cosumnes River College

1. INTRODUCTIONS

Joe Debbs called the meeting to order at 12:08pm. Ed Bush welcomed everyone to CRC.

2. PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF MINUTES

A motion for approval was made by Aliane Murphy-Hasan and seconded by John Orr to approve the December 3, 2015 minutes.

Motion Carried, 9:0

4. REPORTS

Budget Update:

Theresa Matista updated the Committee on the Governor's January budget proposal. Using the presentation she prepared for the District's Board of Trustees she summarized what the proposal means to Los Rios for 2016-17. In May, we will receive the Governor's proposed revision and following that the budget should be enacted by the end of June. Diane asked what type of career technical program courses the colleges offer. President Bush informed the committee of some of Cosumnes' offerings as well as those offered throughout the District such as welding, agriculture, information technology, automotive, sonography, and allied-health. In the area of

Career Technical Education, the State Chancellor's Office put together a task force to review K-12 to community colleges Career Technical Education efforts. The recommendation of the task force was to have a regional approach to workforce development which involved K-12, higher education and industry partners working together. Aliane Murphy-Hasan mentioned the importance of working with our K-12 district.

As far as enrollment, we are having some challenges in meeting our target. High school enrollment has leveled out, so we are not expecting a large surge of new students in the near term. Theresa summarized that 2015-16 was a good budget year, but next year will be more challenging. She noted there are initiatives on the ballot to extend the funding provided by Proposition 30 that could help in the long term.

Review of Expenditures

Rose Ramos provided the financial activities of Measures A and M as of February 15, 2016. She provided hard copies of the PowerPoint presentation to the Committee.

Measure A

To date, \$277.4 million in Measure A funds have been appropriated (this includes interest income as well as projected proceeds from Series F, to be issued) for projects and \$249.7 million has been expended. Encumbrances (construction contracts and purchase orders) total \$59 thousand. The total change in expenditures and encumbrances since the December meeting is \$200 thousand. Rose also presented a summary of the financial activity by college location and stated that the appropriations to-date amount to 100% of the total Measure A authorization. Expenditures and encumbrances are at 94.3%. Series A, B, C, and D 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, 2016 are \$426.8 million. Total expenditures to-date are \$396.6 million and encumbrances are \$59 thousand. A list of changes to existing project budgets was also presented to the Committee. An additional \$130,982 has been allocated since the December 2015 meeting (reporting period of 10/15/15). Rose reported 53 projects have been completed and two projects are in design, and the District has engaged in four site acquisitions and two facility acquisitions.

Measure M

It was reported that \$209.6 million has been appropriated for projects under Measure M (that includes interest income as well as the future proceeds from the Series C, to be issued). Series B of Measure M was issued on June 27, 2013 in the amount of \$60 million. To date, \$11.3 million has been encumbered and \$161.8 million has been expended. Rose summarized the financial activity by college location and presented the changes and additions since the December 2015 meeting (reporting period of 10/15/15). The total changes since the December report was \$3.2 million and additions total \$204 thousand. The list of projects planned to bid through July 2016 was also reviewed.

Aliane Murphy-Hasan asked what swing space was and what we do with portables classroom. Pablo provided an explanation. John Orr asked if keying process is complete or close to being complete. Pablo said not yet, but we are working diligently to get this project completed.

SMSR Review

Rose explained that a requirement under proposition 39, is presenting the Annual Scheduled Maintenance and Special Repairs report to the committee. The report includes projects, dollar amounts and time frames for non-recurring repairs and maintenance of facilities. The State allocates Scheduled Maintenance and Special Repairs (SMSR) funding for this purpose. These funds are typically allocated as one-time and are intended for either SMSR or for the purchase of instructional equipment. Districts determine the project allocations as presented in the report. The District designated \$3.380 million for SMSR. SMSR used to require a 1:1 match but the State has not had a match requirement in the most recent budgets.

Project Updates

Pablo presented an update on all active bond-funded projects, including photos of each project in its current phase of construction. He also provided a list of projects that will be starting soon. The District currently has several projects in design but few construction phase. Pablo noted the District follows the county water requirements on its use of water throughout the District. ARC needs another well to meet fire flow requirements at the college. Joe Debbs asked if CRC has a well too. The answer is yes, but that is just used for irrigation. In other efforts to conserve water, Pablo reported the District is replacing sinks and water faucets with low flow fixtures.

Measure A: Series D Bond Refunding

Theresa noted that the Board of Trustees approved the refunding of the Measure A series D Bonds. The authorization is to refund up to \$48 million. The District's financial advisor for bond issuances is Dale Scott. Refunding is similar to refinancing your home. If interest rates are lower than when we issued the bonds, we consider a refunding to save the taxpayers interest. The refunding cannot have a longer term than the original series. However, this refunding we chose to issue bonds with shorter terms and were able to capture even more savings due to the very low short-term interest rates rate. We are well below the annual tax rates that we have promised our borrowers. The net savings of this refunding is \$15,596,826 and the net present value of that is \$9,911,954 representing a 21.16% savings.

5. FUTURE MEETINGS

The next meeting will be on July 28, 2016 at Sacramento City College. Pablo will have a presentation on sustainability at the next meeting.

6. ADJOURNMENT

The meeting adjourned at 1.02 p.m.

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cc: Board of Trustees
Executive Staff