
LOS RIOS COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

March 15, 2018

FM Training Room

12:00 p.m.

Minutes

(Approved July 19, 2018)

Members Present: Babs Sandeen, Mike Rizzo, Lynda Willis, Aliane Murphy-Hasan, Marty Katz

Members Absent: John Ellis, Theresa Tena, Doug Halland, Tom Britting

District

Representatives: Theresa Matista, Vice Chancellor, Finance and Administration
Mario Rodriguez, Associate Vice Chancellor, Finance
Pablo Manzo, Associate Vice Chancellor, Facilities Management
Jamie Matthews, Director, Accounting Operations
Michael Lee, Fiscal Services Supervisor
Irina Bachinsky, Accountant, Grants & Contracts
Laura Machado, Deputy Chancellor's Executive Assistant

Guests:

1. INTRODUCTIONS

Aliane Murphy-Hasan called the meeting to order at 12:10pm.

2. PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF MINUTES

Babs Sandeen moved approval of the November 30, 2017 minutes. Michael Rizzo seconded the motion.

Motion Carried, 6:0

4. REPORTS

Budget Update

Theresa shared the Governor has proposed a change in the funding formula for community colleges. His initial proposal was not well-received by the system. Currently, there are two task groups working on creating the formula and they need to complete that task by April if it is going to be in place for 2018-2019. Currently, the funding formula is 100 percent based on access. The new formula proposes also to take into account success measures and low-income student populations. The current budget proposes a 2.51% COLA. There is also an additional \$175 million proposed to be added to our base augmentation which we will budget similarly to how we budget the COLA. The other major proposal is the online college focused on students

currently not served by our colleges to get them certificates and workforce education. The next step in the State Budget process is the May revise. Once the District receives that revise, it will update projections in revenue and appropriations plan.

Bond Issuances

The last time the Committee met, the District was refunding bonds and issuing two additional series of bonds. Mario reviewed those refundings with the Committee. He noted the District contracts with Dale Scott as its fiduciary bond agent. Currently, rates are low, and as a result, Dale Scott suggested the refunding. Rating agencies review both internal aspects and external issues in determining the District's bond rating and as a result the District received a very good rating: Double A. This allows the District to secure a better rate to refund its existing bonds. This refunding saved taxpayers \$12.8 million. Mario provided a handout showing the District's General Obligation Debt. Los Rios has among the lowest burden to its taxpayers. The use of the matching funds from the state helps keep that burden low as well.

Review of Expenditures

Mario explained there were not many changes in the expenditure report since the last meeting because there are not many new projects. Mario provided the financial activities of Measures A and M as of March 15, 2018. Hard copies of the PowerPoint presentation were provided to the Committee.

Measure A

To date, \$277.3 million in Measure A funds have been appropriated (this includes interest income as well as the future proceeds from the future Series F) for projects and \$249.9 million has been expended. Encumbrances (construction contracts and purchase orders) total \$0 million. Mario also presented a summary of the financial activity by college location. The total of expenditures and encumbrances are at 90.1%. 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 March 15, 2018 are \$426.7 million. Total expenditures to-date are \$396.7 million. There were no changes or additions to existing project budgets. Mario reported 54 projects have been completed and two are under construction from Measure A.

Measure M

Mario reviewed the prior issuance of Series A, B and C under Measure M in the total amount of \$255 million. He reviewed the funding by location and noted that the District has appropriated \$249.9 million for these projects from local bond funds. To date, \$8.5 million has been encumbered and \$185.4 million has been expended. There have been no project additions since the March meeting, but there were four project changes that Mario reviewed as noted in the PowerPoint. Mario noted there were 28 completed projects under measure M, with 17 in various stages of completion. On the projects to be awarded page, he noted that the ARC Liberal Arts (STEM building) project and the Mohr Hall Projects will be funded by both Measure A and M.

Change Orders

Mario reviewed the change orders. For the ARC Storm Drain project, the District had a deductive change order of \$2,225. On the SCC Hydronic Modification Project, there were only minor changes due to unforeseen sight conditions.

SMSR Review

Theresa explained that a requirement under proposition 39 is presenting information on scheduled maintenance of facilities to the committee. We prepare a report each year showing the amount of funds allocated for scheduled maintenance and special repairs for the current year as well as past. The State allocates Scheduled Maintenance and Special Repairs (SMSR) funding to all districts to support facility projects such as roof replace and repair and HVAC. These funds are allocated as one-time and are intended for either SMSR or for the purchase of instructional equipment. Districts determine the allocations as presented in the report. Typically, the committee splits these funds equally between SMSR and Instructional Equipment. Currently, however, the District is using a 60/40 split in favor of SMSR.

Project Updates

Pablo reviewed the projects under construction. Each project has a different architect. Aliane shared her concern about including minority-owned businesses in these projects. Pablo shared that the District does reach out to small business businesses for this work to give smaller firms the opportunity to work with the District. The purchasing department provides the District with Chamber of Commerce contacts lists of small business that we can reach out to for small businesses. The District continually looks for local and diverse companies that can move up to larger projects. This is a key interest of the Board of Trustees. The District also looks for local print shops to assist in the plans and drawings.

5. FUTURE MEETINGS

The next meeting will be on July 19, 2018 at SCC.

6. ADJOURNMENT

The meeting adjourned at 1:02 p.m.

lm

cc: Board of Trustees
Executive Staff