
LOS RIOS COMMUNITY COLLEGE DISTRICT

Citizens' Bond Oversight Committee

December 6, 2018

American River College, Student Center Board Room

12:00 p.m.

Minutes

(Approved 3/14/19)

Members Present: Babs Sandeen, Mike Rizzo, Lynda Willis, Aliane Murphy-Hasan, Marty Katz, John Ellis, Theresa Tena, Tom Britting

Members Absent: Sosan Madanat, Doug Haaland

District

Representatives: Theresa Matista, Deputy Chancellor
Mario Rodriguez, Associate Vice Chancellor, Finance
Pablo Manzo, Associate Vice Chancellor, Facilities Management
Jamie Ruggles, Director, Accounting Operations
Laura Machado, Business Services Officer

Guests: John Knight, Terri Montgomery, Kuldeep Kaur

1. INTRODUCTIONS

Aliane Murphy-Hasan called the meeting to order at 12:16 p.m.

2. PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF MINUTES

Thomas Britting moved to approve the minutes. The motion was seconded by John Ellis.
Motion carried, 8:0.

4. REPORTS

Audit Review

Teri Montgomery, a partner with Vavrinek, Trine, Day & Co., LLP, presented the results of the District's external audit of the Measure A and Measure M General Obligation Bonds for the year ended June 30, 2018. She noted the Financial Audit and the Performance Audit are required under Proposition 39 to be reviewed by the Committee. She reported there were no findings for 2017-18 in either report. The District will take the audit reports and District financial statements to the District's Board of Trustees at its December meeting.

Review of Expenditures

There is not much change in encumbrances and expenditures since our last meeting because the volume of projects is still relatively low. Mario provided the financial activities of Measures A and M as of October 19, 2018.

Measure A

There are only two projects remaining for Measure A, STEM at ARC and Mohr Hall modernization at SCC. Construction contracts for both projects have been awarded resulting in \$21.7 million in new encumbrances since the July meeting. To date, \$277.3 million in Measure A funds have been appropriated (this includes interest income as well as the proceeds from Series F) with \$249.9 million expended. Series A, B, C, and D are fully expended. The total financial activity for all capital project funds supporting Measure A projects, which include local bond, State, and other funding sources was also presented to the Committee. The total appropriations for all funds as of October 18, 2018 are \$426.7 million. Total expenditures to-date are \$398 million. The total percent expended and encumbered from all sources is 98%. No changes to existing project budgets have been made since the July meeting. Mario reported 54 projects have been completed.

Measure M

Series A of Measure M was issued in October 2010 in the amount of \$130 million; Series B was issued in June of 2013 in the amount of \$60 million; and Series C was issued in February of 2018 in the amount of \$65 million for a total of \$255 million in issuances to date. Total appropriations are \$295.8 million from Measure M. To date, \$192.7 million has been expended and \$53.2 million has been encumbered. The percent of the issuances expended and encumbered is 82.9%. Mario summarized the financial activity by college location and presented the changes and additions since the July meeting. Mario shared project additions and changes as follows: \$1.9 million increase for the Infrastructure projects at American River College; \$17,500 increase for the main storm Drain Extension at American River College and \$344,000 increase for the Mohr Hall Modernization at Sacramento City College; There was a \$33,800 addition to the Lillard Hall at Sacramento City College. Total expenditures to date totaled \$309.4 million with \$206 million expended and \$53.8 million encumbered. Currently, 28 projects have been completed under Measure M, and 18 projects are in various stages of construction.

Project Updates

Pablo updated the Committee on the state of the various projects under construction: American River College Liberal Arts Modernization, the Cosumnes River College College Center Expansion, the District-wide keying and card access improvements, Sacramento City College Davis Center Phase 2, the Sacramento City College Mohr Hall Modernization and the Sacramento City College Electrical Switchgear replacement. Under the current proposed budget, we will receive state funding for the American River College Technical Building modernization project. We are attempting to secure additional state funding for the Natomas Center, Phase 2 and 3 project. We are also looking for state funding for Folsom Lake College, Instructional Buildings Phase 2 project.

Generally, we are in the top 10 percent when we compete for state funds. If the state released funds, we could be getting to work immediately on these projects. Babs Sandeen asked about a bond measure. Theresa said we are in the early stages of evaluating whether and when a further local bond measure should be pursued. Babs Sandeen asked how long it takes to pay off a bond. The longest maturity date of the bonds in the District's portfolio is 25 years.

Facilities Master Plan Presentation

On an annual basis, we submit data to the State Chancellor's office about the District's facility needs. This includes the five-year construction plan, Initial Project Plans (IPPs) and Final Project

Plans (FPPs). IPPs and FPPs are for projects that are eligible for State Capital Outlay bonds. We determine which projects to submit for State funding using the CCCCCO factors for both the modernization and growth categories.

The five-year construction plan is derived from each college's Facilities Master Plan, which supports the college's Educational Master Plan. The District updates the facilities plans every 3 to 5 years. We are currently updating the Master Plans at all four colleges. The plans ensure alignment with our educational master plans as well as providing information as far as the funding necessary to support future projects. The process for the plan includes multiple constituent groups to provide input and direction. Mike Rizzo asked what is the age of a building before it qualifies for modernization. The answer is twenty-five years. We receive maintenance money from the state to support our facilities which are referred to as SMSR funds. Pablo said we also receive reports from the state and outside entities that we use in making our projections for future needs.

5. FUTURE MEETINGS

The next meeting will be on March 14, 2019 at Cosumnes River College.

The meeting adjourned at 1:30 p.m.

lm

cc: Board of Trustees
Executive Staff