
LOS RIOS COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

March 26, 2015

Sacramento City College, RHN Room 258

12:00 p.m.

Minutes

(Approved 7/30/15)

Members Present: John Orr, Diane Schachterle, Sharon Margetts, Richard SooHoo, Bill Heinicke, Basim Elkarra,

Members Absent: Robert Holderness, Joe Debbs, John Pappas, Jennifer Quinn, Nick Schroeder

District

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

Guests: Laduan Smedley, Vice President Administration, Sacramento City College

1. INTRODUCTIONS

Basim called meeting to order at 12:08pm. Laduan Smedley welcomed everyone to Sacramento City College.

2. PUBLIC COMMENTS

There were no public comments.

3. ELECTION OF OFFICERS- CHAIR

Chair Basim Elkarra's term as Chair has expired. He thanked everyone for their support over the last three years. Theresa asked the Committee for volunteers or nominations for the Chair position. Diane Schachterle nominated Joe Debbs to serve as Chair. Bill Heinicke seconded the motion.

Motion carried, 6:0

Jennifer Quinn continues as Vice Chair.

3. APPROVAL OF MINUTES

A motion for approval was made by Sharon Margetts and seconded by Bill Heinicke to approve the December 4, 2014 minutes.

Motion Carried, 6:0

4. REPORTS

Budget Update

Theresa reviewed the Governor's January Budget Proposal for 2015-16. The Governor is proposing \$351M in one-time unrestricted appropriations toward payment of claims for mandated activities. Rather than funding Scheduled Maintenance Special Repairs and State Instructional Equipment, the Governor said that districts could use the mandate claims funding to support those programs. Los Rios will use its budget committee process to determine the appropriate amount to direct toward those programs.

Two years ago, the Governor proposed redirecting adult education from K-12 to community colleges. However, that proposal was set-aside to allow time for planning to occur. Los Rios acted as a co-chair for developing our region's plan. In the end, it is likely that adult education will remain with K-12 districts.

Theresa then turned to the yellow sheet which has the projections for Los Rios if the January Budget Proposal for 2015-16 is approved. Sharon asked about mandated claims. Theresa noted that the District would receive \$15.8M under the current proposal and has approximately \$20-\$25M in outstanding claims. Theresa also discussed Los Rios's facilities planning projections (pink sheet). She noted that most likely there will be no state facilities bond until November of 2016. If we move forward on projects without State funding, we will be unable to obtain state money for those projects if there is a bond. If we wait until November 2016 to see if there is a facility bond measure on the ballot, we will fall behind. Some later Measure M projects could be deferred as those were predicated on facilities needed for future growth. Enrollment projections from the Chancellor's Office of the California Community Colleges (CCCCO) have been revised downward significantly. Theresa showed a comparison of enrollment projections issued by the CCCCCO for fall 2017. The projection for fall 2017 that was made in 2008, forecasted Los Rios' enrollment at 127,185 students. In 2014, the CCCCCO projected Los Rios' enrollment will be 79,736 in fall 2017. That is a reduction in the forecast of 37%. Based upon our fall 2014 enrollment, the 79,736 is realistic. Richard SooHoo asked about an aging plan for our buildings. Pablo said the building must be 25 years old to qualify as a modernization project. Growth projects are based on cap loads and enrollment forecasts to support that the facility is needed to support growth. We will have some residual funds from the most recent series for Measure A and M to cover preliminary plans for any projects that we decide to proceed with and will not need to issue another series of bonds in the near term.

SMSR Review

Theresa explained that under proposition 39, we are required to report to the committee annually regarding expenditures for Scheduled Maintenance and Special Repairs (SMSR) allocations. We received \$6.6M in funding for physical plant and instructional equipment in 2014-15 with \$3.3M for SMSR this year compared to \$607,624 last year. There is no match requirement for 2014-15.

Review of Expenditures

Rose provided the financial activities of Measures A and M as of February 15, 2015. Hard copies of the PowerPoint presentation were provided to the Committee.

Measure A

To date, \$249.5M 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 \$243M has been expended.

Encumbrances (construction contracts and purchase orders) total \$5.8M. The total change in expenditures and encumbrances since the December meeting is \$400,000. Rose also presented a summary of the financial activity by college location and reported the appropriations as of February 15, 2015, are 95% of the total Measure A authorization. Expenditures and encumbrances are at 93.7%. Series A, B, C, and D have 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 and as of February 15, 2015 was \$396.4M. Total expenditures to date are \$389.8M and total encumbrances are \$5.8M. A list of changes to existing project budgets was also presented to the Committee. A decrease of \$210 has been allocated since the December 2014 meeting. Theresa reported 53 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 \$130M. Series B of Measure M was issued on June 27, 2013 in the amount of \$60M. As of February 15, 2015, \$182.6M in Measure M funds have been appropriated (this includes interest income) for projects. To date, \$7.5M has been encumbered and \$150.8M has been expended. Rose 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 \$3.4M. The list of projects planned to bid through July 2014 was also reviewed.

Summary of Change Orders for Completed Construction Projects

There were two projects completed since the last meeting: the ARC Culinary Arts Building with change orders totaling 6.5% of the contract amount and the SCC Lusk Aero Remodel with change orders totaling 1.0% 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. Pablo mentioned that we are dealing with some challenges with the Tribute Road building, because it was not originally built as a DSA-approved building.

5. FUTURE MEETINGS

The next meeting will be on July 30, 2015 at ARC. Theresa will present bond issuance information at that meeting.

6. ADJOURNMENT

The meeting adjourned at 1.02 p.m.

lm

cc: Board of Trustees
Executive Staff