
LOS RIOS COMMUNITY COLLEGE DISTRICT

Citizens' Bond Oversight Committee

March 14, 2019

Cosumnes River College, Orchard Room

12:00 p.m.

Minutes

(Approved 12/5/19)

Members Present: Nathan Taylor, Babs Sandeen, Tom Britting, Doug Halland, John Ellis, Aliane Murphy-Hasan, Sosan Madanat

Members Absent: Lynda Willis, Marty Katz, Mike Rizzo

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: Theresa Tena, Interim VPA, Cosumnes River College

1. INTRODUCTIONS

Aliane Murphy-Hasan called the meeting to order at 12:10 p.m. She noted the Committee will hold elections for Chair and Vice-Chair at the July meeting.

2. PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF MINUTES

Thomas Britting moved to approve the December 6, 2018 minutes. The motion was seconded by Babs Sandeen. Motion carried, 7:0.

Motion Carried, 7:0

4. REPORTS

Budget Update

The Governor's proposal for the 2019-2020 budget includes a 3.46% COLA. The Governor also proposes expanding the Promise program to allow first-time full-time students to attend community college free for the second year. The Promise program was initially implemented in 2018-19 and was limited to just the first year of enrollment. If enacted, this will enhance the District's message to potential students, including those not thinking about college because they don't think they can afford it.

In addition, the Governor has proposed funding the ARC Technology Modernization Building from State Capital Outlay (bond) funds. This means half of the costs will be funded by the state. The Governor's budget also proposes changes to the way the state ranks capital projects.

Mario discussed the handout on the Student Centered Funding formula. For 2018-19 and going forward, Governor Brown changed the funding formula for community colleges. Under the old system, 10% of the allocation was based upon the number and size of colleges and centers for each district. The remaining 90% was allocated using the number of full-time equivalent students served. In 2018-19, the allocation formula changed to add demographics and outcomes into the mix. The first year funded the colleges 10% on size, 10% based on outcomes, 20% based on demographics, and 60% based on enrollment. In the coming year the percentage based on demographics will stay at 20%, and the outcome percentage will grow while the enrollment percentage will shrink: 10% for outcomes this year; 15% next and then 20% in 2020-21. The formula is complex.

Bond Issuance

The Board of Trustees will be asked to approve the issuance of Series D, Measure M at its April board meeting. The sale date will be in June for \$80 million. These funds will support the construction of Lillard Hall at SCC the Technical/Vocational Education project at ARC, and to relocate the ARC Corporation yard to prepare the site for the Davies Hall modernization. The funds will also support construction of the CRC automotive facility. The District will update the Committee at the July meeting about the sale.

Review of Expenditures

Mario summarized the financial activities for Measures A and M as of March 14, 2019. Hard copies of the PowerPoint presentation were provided to the Committee.

Measure A

To date, \$278.3 million in Measure A funds have been appropriated (this includes interest income as well as the proceeds from Series F) for projects and \$252.6 million has been expended. Encumbrances (construction contracts and purchase orders) total \$25.1 million. Expenditures and encumbrances are at 100% of the Measure A authorization. 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 March 14, 2019 are \$427.2 million. Total expenditures to-date are \$401.8 million and encumbrances are \$25.4 million. No changes have been allocated since the December 2018 meeting. Mario reported 54 projects have been completed and two are under construction from Measure A.

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. It was reported that \$326.9 million has been appropriated from Measure M and to date, \$198.9 million has been expended and \$43.2 million has been encumbered. The percent expended and encumbered is 74.1%. Mario summarized the financial activity by college location and presented the changes and additions since the December meeting. Mario shared project changes and additions as follows: \$22 million increase for Lillard Hall at SCC; \$7.1 million increase as a project addition for the Auto Tech Modernization at

SCC; \$500,000 increase for Library Space Repurpose at CRC; \$1.9 million for Natomas Center TAP2; \$43,400 for the ARC Central Utility Plant upgrade; \$3,000 decrease for the main storm drain extension at ARC; and \$42,00 increase for the swing space portables at SCC. Total expenditures to date totaled \$340.7 million with \$213.8 million expended and \$43.2 million encumbered. Expenditures and encumbrances total 75.4%. Currently, 28 projects have been completed under Measure M, and 18 projects are in various stages of construction.

SMSR Review

Theresa explained that a requirement under proposition 39 is for the committee to receive information on scheduled maintenance activities. A report is prepared 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 one-time allocations from the State to be used for either SMSR or for the purchase of instructional equipment. The state formerly required a match for these funds, but that has not been the case for several years. This year, the District allocated 100% of the funds to SMSR uses. There is no SMSR proposed in the current Governor's budget. This is something we will keep our eye on.

Project Updates

Pablo reviewed the handout showing the status of the various projects under construction, including the ARC Liberal Arts Building Modernization, the CRC College Center Expansion, the district-wide keying project, the SCC Lillard Hall Modernization and the SCC Mohr Hall Modernization. We may have to extend completion dates of the projects due to weather delays. He also shared a list of the projects we are bidding or construction will start soon.

Fact Sheet

The Committee received a fact sheet describing the Colleges' square footage, number of buildings, parking spaces, acreage, utility costs and enrollment. This document helps to convey the size of the physical plant managed by the facilities management department.

Distribution of Financial Reports

Committee members were queried as to whether they would prefer to receive the agenda packet via email rather than hardcopy. The consensus of the committee was to email the packets. We will start that with the July meeting.

5. FUTURE MEETINGS

The next meeting will be on July 25, 2019 at Folsom Lake College.

The meeting adjourned at 1:20 p.m.

lm

cc: Board of Trustees
Executive Staff