
LOS RIOS COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

March 16, 2006
Cosumnes River College
Orchard Room
12:00 p.m.

Minutes

(Approved August 3, 2006)

Members Present: Bernard Carlson, Don Haase, Joe Debbs, Gerard Falla, Joe Gagliardi, Lorraine Darrington, Sharon Margetts, Suzie Chock-Hunt, Robert Trigg

Members Absent: Thomas Gagen

District

Representatives: Brice Harris, Chancellor
Francisco Rodriguez, President, Cosumnes River College
Jon Sharpe, Deputy Chancellor
Pablo Manzo, Associate Vice Chancellor, Facilities Management
Theresa Matista, Associate Vice Chancellor, Finance
Isolina San Juan, Accountant, Grants & Contracts
Jennifer Delucchi, Administrative Assistant, Finance & Administration

Introductions

Robert Trigg called the meeting to order. All attendees introduced themselves.

Approval of Minutes

Jon commented on the investment policy referred to in the December minutes. He elaborated on the District's investment policy and informed the Committee that these funds are invested through the County Treasury. The December 1, 2005 meeting minutes were approved by consensus and will be posted to the website.

REPORTS

Budget Update

Jon provided an update on the Governor's 2006-07 Budget Proposal. He pointed out that the community college share of Proposition 98 is expected to be funded at 10.79%. Equalization is proposed at \$130 million system wide, toward a goal to equalize credit instruction rates to the 90th percentile for all colleges. Growth funding is anticipated to be 3% (which will generate approximately \$10 million for Los Rios) and COLA is currently at 5.18% but is expected to grow closer to 6% by the May revise. Overall the January Proposal is good news relative to higher education.

Jon also mentioned the Governor's proposed Megabond, which would address the State's ongoing infrastructure needs (including schools). A document was distributed that outlines this proposed bond as well as a couple others, including one proposed by Assembly Speaker Nunez. Whichever bond measure is agreed upon would be slated for the November 2006 ballot. There is recognition that funding is needed for higher education facilities.

In addition to the above topics, the following documents, which include Los Rios projects, were distributed and discussed:

- Capital Outlay Projects for Board of Governor's Action, Fiscal Year 2007-08
- Proposed Uses of State General Obligation Bonds, Fiscal Year 2006-07

Review of Expenditures

Theresa Matista presented a summary of the Measure A bond expenditures through February 15, 2006 and provided an update on bids awarded since the last meeting. To date, a total of \$130.6 million in bond funds has been appropriated and \$63.4 million has been expended. Encumbrances amount to approximately \$26.5 million. The total change since the July meeting is \$20.0 million (including expenditures and encumbrances). The appropriations to date amount to 49% of the total Measure A authorization (\$265 million). Theresa also presented the total financial activity for all funds, which include bond, state and other funding sources. The total appropriations as of February 15th are \$227.1 million. Expenditures amount to \$105.5 million and encumbrances are at \$49.8 million. To date, thirteen projects have been completed, eleven are under construction, and the District has acquired four sites (Natomas, Facilities Management, West Sacramento and Elk Grove). The projects scheduled to bid in 2006 are ARC – Physical Education Expansion, ARC – Transportation, Access and Parking 1, CRC – Transportation, Access and Parking 2, CRC – Science Building Modernization, and SCC – North Gym Modernization. Bernard Carlson inquired about the change on the expenditure report relating to the parking structure. Jon explained how this project evolved into the TAP project, including a new four-way intersection and parking structure. The project has been designed for long-term growth, not just the current need. The District is also looking at other funding sources and will issue a COP.

Projects Update

Pablo encouraged the members to visit the campuses if they have the opportunity, as it is really amazing to see the progress of all the projects. He provided the following update on each of the projects:

ARC Natomas Center Phase 1 – The project is complete and occupied. The first phase provides approximately 20,000 square feet of new instructional, LRC and office space.

ARC Allied Health Building Modernization – This project, which is complete and occupied, replaces an old group of portable buildings with a new permanent 9,000 GSF building.

ARC Learning Resource Center Expansion – This completed project renovates approximately 10,000 GSF of existing LRC and provides approximately 17,000 GSF of new LRC space.

ARC Fine Arts Modernization – Construction of this project has commenced and is approximately 30% complete. This project remodels about 16,500 ASF of existing Fine and Performing Arts space and provides a new fly-tower, recording studio, scene shop and lobby.

CRC Instructional and Library Building 1 – The completed and occupied building provides approximately 48,000 GSF of new instructional, LRC and office space.

CRC Bookstore Expansion – This project is complete and occupied and provides approximately 2,800 ASF of new bookstore space.

EDC Instructional and Library Building – Complete and occupied, this building provides approximately 21,000 GSF of instructional, LRC and office space.

EDC Bookstore and Cafeteria Building – This complete and occupied project provides approximately 22,000 GSF of bookstore, cafeteria and support space.

FLC Instructional Buildings Phase 1B – This completed project provides approximately 98,000 GSF of instructional, LRC and office space.

FLC Phase 1C Instructional Buildings – Construction is about 70% complete and is scheduled for completion in September 2006. This new facility will provide approximately 51,000 ASF of new instructional, office and support space.

SCC Technology and Cosmetology Modernizations – The Technology building is complete and occupied. The Cosmetology building is scheduled for occupancy in April 2006.

SCC TAP (New Parking Garage and 4-way Signalized Intersection) – Construction of the parking structure has begun and foundations have been poured. Completion of the parking structure is scheduled for December 2006. Construction of a new 4-way intersection has commenced and is scheduled for completion in October 2006.

District Office Board Room Modernization – This project will provide a modern board room with a level floor so that the room can be reconfigured for multiple uses. The project is near completion.

Joe Debbs asked if the Centers are envisioned to become colleges one day. Chancellor Harris responded that the facilities are intended to be centers, although you can't predict what will happen with future enrollment and needs. He added that the state requires districts to have 150 acres in order to build a college.

Series C Issuance

The District is preparing to issue Series C later in the year in the amount of \$70 million, which will bring the total amount issued to \$162.5 million. Jon pointed out that the District's last tax rate was \$3.20/\$100,000 and although that will stand to increase after November, it will not be very significant due to our good financial standing. An update on the Series C issuance will be provided at the Summer meeting.

Centers Update

Materials were distributed to the Committee regarding the projected timelines for Los Rios Center approvals, as well as schedules for design and construction. Jon noted that the District will receive state assistance for future phases of the Natomas Center. Rancho Cordova recently received approval of the notice of Intent from the state and full approval is expected in Spring 2008. The Needs Study for the Rancho Cordova Center has been started. The challenge for this Center is to find a site on the Folsom corridor in order to provide access to the RT light rail. The District owns 20 acres for the planned Elk Grove Center. The approval for this Center is projected for Fall 2008. Phase 1 of the West Sacramento Center is scheduled for completion in March 2009. Sharon Margetts asked about the enrollment at the centers (i.e. Natomas, which is brand new). Jon said Natomas' enrollment has exceeded the District's expectations and is doing very well. Joe Debbs asked if the District works with SACOG for long term planning. Jon said yes, the District utilizes them as a resource for demographics, environmental issues, etc.

LEED (Leadership in Energy and Environmental Design)

In response to Gerard Falla's inquiry at the last meeting, Pablo provided an overview of the District's involvement with LEED. Pablo explained the LEED certification process to the Committee. Our current strategy is that all new buildings will utilize this standard, and hopefully over time we'll be able to go back and modernize existing buildings. Pablo went through the registration fee summary for becoming part of the LEED Association to demonstrate the cost associated with this. In addition to these fees, the actual costs relating to actually attaining LEED certification are quite substantial. The District is very close to silver status, in terms of meeting LEED requirements, as a standard business practice. Although the District meets the standards, we have not spent the money on obtaining the official LEED certification. Sharon Margetts asked if having the certification gives you something back. Pablo said the idea is yes, the payback comes from long term benefits. Jon added that there is some value in validating to the community that we are providing environmentally friendly buildings. The District will weigh the cost benefit of attaining a certification on a project by project basis.

Capital Campaign

Per the Committee's request, Chancellor Harris provided an update on the District's Capital Campaign. We're currently in the silent phase of the campaign and the District is soliciting the major, lead gifts. Over \$1 million has already been raised. The total goal has been increased from \$16 to \$19 million due to a large gift from Sutter.

Future Meetings

- Tentative - July 20th

Chancellor Harris thanked the staff and committee members for managing the oversight of the District's bond expenditures. He assured the members that the District will deliver what we promised the voters we would build with this money. We have had to value-engineer buildings in some cases, but we have honored the commitment we made. We are still on schedule and relatively on budget. He presented each of the members completing their terms with a gift of appreciation.

jd

cc: Board of Trustees
Executive Staff