
LOS RIOS COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

March 26, 2009

District Office

Main Conference Room

12:00 p.m.

Minutes

(Approved 7/23/09)

Members Present: Jerry Bernau, Bob Blymyer, Marcia Fritz, Martin Kennison,
Dan Lawrence, Matt Mahood, Heather Paris, Chris Reeg, Margaret Solie,
Jane Vargas

Members Absent: Rick Maya

District

Representatives: Jon Sharpe, Deputy Chancellor
Theresa Matista, Associate Vice Chancellor, Finance
Vincent Montoya, Interim Associate Vice Chancellor, Facilities Management
Kim Sayles, Supervisor, Grants & Contracts
Van T. Tran, Accountant, Grants & Contracts
Jennifer Delucchi, Deputy Chancellor's Executive Assistant

Guests: Bob Martinelli, Vice President of Administration, Sacramento City College

INTRODUCTIONS

Chair Bob Blymyer called the meeting to order at 12:07 p.m. Jon Sharpe introduced Heather Paris, the new student representative on the Committee. Rick Maya has also joined the Committee, although he was unable to attend the meeting. Bob Martinelli welcomed the Committee to Sacramento City College and updated them on a few projects currently underway on campus.

APPROVAL OF MINUTES

The December 4, 2008 meeting minutes were considered for the Committee's approval. A motion was made by Margaret Solie, and seconded by Dan Lawrence for approval of the December minutes. *Motion carried, Ayes: 9; Abstention: 1 (Fritz).*

REPORTS

Budget Update

Jon provided an update on the State Budget. A handout from the Community College League of California was shared with the Committee. It provided details of how the recently approved spending plan affects community colleges. Jon pointed out that the .68% COLA has been eliminated, but the System is still funded for 3% enrollment growth. A second handout, from the McCallum Group, detailing the new \$8 billion shortfall was also shared. It was noted that the budget gap will become worse if the ballot measures in the upcoming special election are not approved by voters. Jon said that the District continues to serve more students than it is funded

for. By the end of this year, Los Rios will be educating approximately 5,000 full-time equivalent (FTE) students for which we will not be funded. Jon shared that the District has set aside operational funds anticipating this budget situation; therefore, we're positioned to "weather the storm." He said that Los Rios is matching SMSR funding and maintaining facilities.

Bylaws Update

At the February 2009 Board of Trustees meeting, the revised bylaws of the Citizens' Bond Oversight Committee were approved. Jon highlighted the changes, which include the addition of Measure M oversight, revisions to the Conflict of Interest requirements, the locations of meetings, and procedures for calling special meetings.

Measure M

Jon thanked the Committee again for their endorsement of Measure M. He reported that the passage rate was nearly 58%. The District has identified six projects to fast track (as mentioned at the last meeting) to help stimulate the local economy and take advantage of the bidding climate. A list of the projects was distributed to the Committee and Jon discussed the status of each project. He informed the Committee that the District will not be selling Measure M funds until after August 2010. The first assessment will appear on property tax bills in 2011-12. In the meantime, the District will advance the funds for the planning costs of these projects. Jon also informed the Committee that Los Rios is partnering with Regional Transit on the CRC TAP project. We expect approval for the parking structure and RT light rail station to be finalized by late summer, and we're looking at commencing construction on the surface parking lot this spring. Jon said this project will come out of Measure A funds. Martin Kennison asked about the employment opportunities that the fast-tracked projects will create, and if we have a way of measuring the diversity of employment. Jon replied that, with the passage of Proposition 209, we do not have the ability to track the diversity.

Review of Expenditures

Theresa presented a summary of the Measure A Bond expenditures through February 15, 2009 and provided an update on bids awarded since the last meeting. It was reported that \$213.3 million in bond funds has been appropriated (this includes a portion of interest income) for projects and \$141.4 million has been expended. Encumbrances to date amount to \$28.7 million. The total change since the December meeting is \$12.3 million (in expenditures and encumbrances). Theresa also presented a summary of the financial activity by college location, and reported that the appropriations to date amount to 81% of the total Measure A authorization. The expenditures and encumbrances are at 64%. Approximately \$45.2 million of the \$70 million Series C issuance has been expended as of February 15, 2009. The total financial activity for all capital project funds, which include bond, State and other funding sources, was also presented to the Committee. The total appropriations for all funds as of February 15, 2009 are \$355.1 million. Total expenditures to date are \$290.4 million and encumbrances are \$69 million. A detailed list of changes to existing projects and the addition of new projects was presented to the Committee. Theresa reported that thirty-three projects have been completed and seven are under construction. A list of completed projects and new projects planned to bid through July 2009 was provided.

Jon reported that the District plans to issue Series D this summer, most likely in late July. He said we will try for a re-rating with S&P, and we will probably pull the \$60 million back to about \$50 million, to meet arbitrage requirements.

Jon mentioned that the Board of Trustees approved an MOU at the February meeting with the City of Rancho Cordova for a Community Center/Los Rios Education Center. He said he will

have a presentation on the District's Education Centers approach at the next Citizens' Oversight meeting.

Matt Mahood pointed out to the committee members that if you take out the \$5.9 million for the FLC Visual & Performing Arts project, the 'total changes' on page 7 of Theresa's report actually only adds up to \$230,000. Marcia Fritz asked if the Committee is supposed to review the district contributed funds. Jon said the committee is not required to look at that, but we do present it. Chris Reeg asked for clarification on the amount of the leaseback with RT. Jon said the parking structure will be a lease/leaseback and the lot will be part of that agreement. The Committee discussed the CRC parking structure. Jon said the total project cost will be approximately \$15,000 per stall. The structure will have a photovoltaic component, high energy efficient lighting, and a bridge to the light rail station.

A new report that tracks change orders for completed construction projects was provided to the Committee, as a result of a request from Jerry Bernau. Theresa explained the format of the report to the Committee. She said that each project has a contingency in the budget for change orders. Jerry said the report is very helpful and well done. He asked if staff could also track projects that have been added and deleted, etc. in a one-page summary. Theresa said that she can look into that. Jon reminded the Committee that from budget inception to state funding, a project takes about seven years to go through the process, and there is a lot of evolution during that time.

SMSR Review

Vincent Montoya presented the SMSR projects update for 2008/09. A hard copy of the list was provided to the Committee. Jon pointed out that the Committee's bylaws require an annual update on this. Margaret Solie asked if the list is made based on the amount of funding, or if the District waits until we know how much we will receive. Jon said that there is a five-year list that is revised annually and adjusted as needed based on funding. Marcia Fritz asked if the State is still funding this block grant. Jon said yes.

Project Updates

Vincent Montoya presented an update on all the active bond funded projects and provided color photos of each project in its current phase of construction.

FUTURE MEETINGS

The next Citizens' Bond Oversight Committee meeting will be on July 23, 2009 at Cosumnes River College. The following meeting will be on December 3, 2009 at American River College.

ADJOURNMENT

Bob adjourned the meeting at 1:32 p.m.

jd

cc: Board of Trustees
Executive Staff