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LOS RIOS COMMUNITY COLLEGE DISTRICT

**Citizens' Bond Oversight Committee**

July 28, 2016

Facilities Management- Training Room

12:00 p.m.

Minutes (Approved 12/1/16)

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**Members Present:** Joe Debbs, John Orr, Sharon Margetts, Basim Elkarra, Aliane Murphy-Hasan, Sharon Margetts, Richard SooHoo, Nick Schroeder, Robert Holderness

**Members Absent:** Jennifer Quinn, Diane Schacterle, Bill Heinike, Katie Kelleher

**District**

**Representatives:** Theresa Matista, Vice Chancellor, Finance and Administration  
Rose Ramos, Associate Vice Chancellor, Finance  
Pablo Manzo, Associate Vice Chancellor, Facilities Management  
Carrie Bray, Director, Accounting Operations  
Irina Bachinsky, Accountant, Grants & Contracts  
Laura Machado, Deputy Chancellor's Executive Assistant

**Guests:** None

**1. INTRODUCTIONS**

Joe Debbs called the meeting to order at 12:06pm.

**2. PUBLIC COMMENTS**

There were no public comments.

**3. APPROVAL OF MINUTES**

A motion for approval was made by Basim Elkarra and seconded by John Orr to approve the March 17, 2016 minutes.

*Motion Carried, 7:0 with 2 abstentions (Robert Holderness, Sharon Margetts)*

**4. Reports**

**Budget Update**

Theresa Matista informed the Committee the Governor issued his revised budget proposal in May and the legislature passed the budget in June. The Governor has signed it. There was very little change in the substance of the budget during that process and the basic line items stayed the same. Theresa reviewed the yellow sheet which showed that the District received a COLA in 2015-16, but did not receive a COLA for 2016-17. There was a special allocation in 2015-16

designed to go towards the significant increases in PERS/STRS costs. This year, the increase in the base funding is also intended to address that increase. In 2015-2016, the District received an increase in its base allocation for the Elk Grove Center. To receive that increased funding for the Rancho Cordova Center in 2016-2017, that Center must hit 1000 FTES. 2015-16 was a good budget year and 2016-17 is not as good. Once again the Governor provided money in the budget to pay off mandate claims, however, the 2016-17 the amount is a much smaller allocation than last year. Theresa shared a proposal as to how to allocate the state funds for SMSR/SIEF. Typically, the District has allocated these funds 50/50 between the two items, but this year we are recommending allocating 60% to SMSR and 40% SIEF & LM. This is due to extensive work that needs to be performed on IT infrastructure.

The District did not earn any growth in 2015-16, but we are hoping to earn some in 2016-17. Theresa reviewed the State forecast for enrollment which projects significantly less enrollment in the upcoming years. Across the state, districts are not growing. She reminded the committee that the Measure M bond projects were additional square footage projects that support growth. Growth remains a challenge this year and the District continues to focus on enrollment management. Basim Elkarra asked when the District will reach the large numbers for enrollment again. Theresa said we are not really sure at this point. There are a lot of outside factors that influence our enrollment: changes in the repeatability rules, changes in the financial aid eligibility rules, an improving economy, and other factors. John Orr said with the healthy economy, it is time to put the right vocational opportunities into place. Trustee Pam Haynes mentioned that our major focus is not on so much on access, but retaining the students we have and helping them be successful.

### **Review of Expenditures**

Rose provided a review of the financial activities of Measures A and M as of May 31, 2016. Hard copies of the PowerPoint presentation were provided to the Committee.

#### Measure A

To date, \$277.4 million in Measure A funds have been appropriated (this includes interest income as well as the future proceeds from the future Series F) for projects and \$249.9 million has been expended. Encumbrances (construction contracts and purchase orders) total \$14 thousand. The total change in expenditures and encumbrances since the February 2016 report is \$155 thousand. Rose also presented a summary of the financial activity by college location and reported the appropriations to-date amount to 100% of the total Measure A authorization. Expenditures and encumbrances are at 94.3%. 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 May 31, 2016 are \$426.8 million. Total expenditures to-date are \$396.8 million and encumbrances are \$14 thousand. A list of changes to existing project budgets was also presented to the Committee. A reduction of \$70,465 has been allocated since the March 2016 report. Rose reported 54 projects have been completed and two are in design from Measure A.

### Measure M

Series A of Measure M was issued on October 19, 2010 in the amount of \$130 million and Series B was issued on June 27, 2013 in the amount of \$60 million. It was reported that funds have been appropriated for 24 projects, totaling \$213 million. To date, \$7.9 million has been encumbered and \$166.3 million has been expended. Rose summarized the financial activity by college location and presented the changes and additions since the March meeting. The total changes and additions since the March report is \$3.4 million.

Theresa also provided an update on the Tribute Road building. When we bought it, we were required to go through a fairly extensive adaptive re-use process to use that building as a College facility. This required us to obtain approval from the Department of the State (DSA). After we determined how much money it would take to meet the DSA requirements, we decided not to go forward. The Board of Trustees has authorized the District to sell the building. This sale process is quite long and has many steps. First, we have to offer it to other public agencies at fair market value. If none of them seek to buy the building, the District can sell it at a public sale.

### **Change Orders:**

There was one project completed since the last meeting: the FLC Rancho Cordova Center/TAP 1/Off-site Improvements Building with change orders totaling 7.3% 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. He also provided a list of projects that will be starting soon. Richard SooHoo asked how we determine whether to use synthetic turf or real grass in our projects. Pablo responded that this is driven by the College preference and by the proposed use for the grass. If it is used for multiple sports, grass doesn't have enough recovery time in between use.

### **Sustainability Report**

Basim Elkarra made motion to table this item to the December meeting which was unanimously agreed to by the Committee.

### **Citizens' Bond Oversight Report**

Theresa asked the members of the Committee to look at the Annual Report. She asked the members to provide her with comments by August 19th. Theresa will be presenting the Annual Report to Board Meeting in September.

## **5. FUTURE MEETINGS**

The next meeting will be on December 1, 2016 at Sacramento City College.

## **6. ADJOURNMENT**

The meeting adjourned at 1:39 p.m.

cc: Board of Trustees  
Executive Staff