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LOS RIOS COMMUNITY COLLEGE DISTRICT  
**Citizens' Bond Oversight Committee**

July 30, 2015

American River College, Oak Cafe

12:00 p.m.

Minutes

*(Approved 12/3/15)*

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**Members Present:** Joe Debbs, Bill Heinicke, Robert Holderness, Marty Katz, Katie Kelleher, Sharon Margetts, Aliane Murphy-Hasan, John Orr, Diane Schachterle, Nicholas Schroeder, Richard SooHoo

**Members Absent:** Basim Elkarra, Jennifer Quinn

**District**

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

**Guests:** Thomas Greene, President, American River College  
Ray DiGuilio, Vice President Administration, American River College

**1. INTRODUCTIONS**

Joe Debbs called the meeting to order at 12:05pm. Katie Kelleher, Aliane Murphy-Hasan, and Marty Katz were introduced as the new members of the Citizens' Bond Oversight Committee. Joe encouraged new members to voice any concerns and to please feel free to ask any questions.

**2. PUBLIC COMMENTS**

There were no public comments.

**3. APPROVAL OF MINUTES**

A motion for approval was made by Bill Heinicke and seconded by Sharon Margetts to approve the March 26, 2015 minutes.

*Motion Carried, 11:0*

**4. REPORTS**

**Budget Update:**

Theresa presented a report on the funding for Community Colleges for the coming year from the System Office. This is a good budget year for community colleges. The budget authorizes enrollment growth of 3% for the system. Los Rios is not currently experiencing enrollment growth. Our enrollment for fall 2015 is down 2.5% compared to last year at this time. Meeting our growth targets will be critical to receive additional funding from the state in 2015-16. It is difficult to isolate the factors limiting our growth, but the improving economy and the legislative

changes on the number of times a student can repeat classes have likely impacted us. Richard Holderness asked if enrollment is down at all campuses. Theresa responded that is correct. Sharon Margetts asked if this was statewide trend. Theresa said certain areas are still growing, but growth is low across the state and most districts in Northern California are not growing. The budget provides a COLA and the Los Rios share will be \$2.7M. The System is also experiencing significant increases in PERS/STRS over the next few years and funding has been provided to help fund those increases. The state owes the K-14 system payments for Proposition 98 money and mandated claims from prior years. The Governor is proposing to pay down this debt to K-14 in the form of a block grant. This will provide a significant amount of one-time money to be applied to fund pension increases and replenish the district reserves used during the downturn. Joe Debbs asked about the mandate claims. Theresa explained that mandate claims occur when the legislature requires districts to perform a new activity but does not provide the funding to pay the associated cost. In those instances, districts can file claims to be reimbursed for those costs.

### **Review of Expenditures**

Rose provided the financial activities of Measures A and M as of May 31, 2015. Hard copies of the PowerPoint presentation were provided to the Committee.

#### Measure A

To date, \$249.7 million in Measure A funds have been appropriated (this includes interest income as well as proceeds from the Series E) for projects and \$245.9 million has been expended. Encumbrances (construction contracts and purchase orders) total \$3.0 million. The total change in expenditures and encumbrances since the February 2015 report is \$0. Theresa also presented a summary of the financial activity by college location and reported the appropriations to-date amount to 94.2% of the total Measure A authorization. Expenditures and encumbrances are at 93.9%. 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 February 15, 2014 are \$396.5 million. Total expenditures to-date are \$392.8 million and encumbrances are \$3.0 million. A list of changes and additions to existing project budgets was also presented to the Committee. An additional \$130,587 has been allocated since the March 2015 meeting. Theresa reported 53 projects have been completed and one is under construction from Measure A.

Bill Heinicke asked if the District is essentially done with Measure A projects. Dave Clinchy said we may be using funds from Measure M to complete the unfinished Measure A projects. The projects we will complete without any state bonding funding are SCC's Mohr Hall and ARC's Liberal Arts Modernization. We will use the remaining Measure A authorization and may use some Measure M funds on these projects. We are planning on proceeding with preliminary plans for three projects using Measure A and M funds without issuing another bond. Sharon Margetts asked how much money we have left in Measure A. The answer is \$27M. Joe Debbs asked if it was ok to use Measure A and M bonds together. Theresa said yes, the ballot measures contained language that allows for most projects to qualify under either measure.

#### 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. Funds have been appropriated for 20 projects, totaling \$183.6 million. To date, \$7.4 million has been encumbered and \$153.8 million has been expended. Theresa summarized the financial activity by college location and presented the changes and additions since the March meeting. The total changes and additions

since the February 2015 report is \$2.9 million. The list of projects planned to bid through July 2015 was also reviewed.

### **Project Updates**

Dave 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. The ARC re-keying project is almost complete. Aliane Murphy-Hasan asked if this project would be done elsewhere in the District. Dave noted that it would be starting at CRC shortly. Dave also shared that the SCC Hydronics Modifications project would be bid.

### **Annual Report Draft**

Per the requirements of Proposition 39 and the bylaws, the Committee is required to produce an Annual Report. A draft of the 2014-15 Annual Report was handed out at the meeting. Theresa asked the COC members to please let her office know by August 21, 2015 if they had any feedback concerning the report. The report will be presented to the Board of Trustees on September 9, 2015. Theresa shared that we will have completed first phase of all of the education centers when the FLC Rancho Cordova Center is completed.

### **Overview of Bond Issuance Process**

Theresa went over the process the District uses to issue the District's General Obligation bonds. She shared the definitions of the key terms and covered the process in detail from the authorization of the two existing measures to the issuance of bonds to obtain the cash necessary to complete projects. She noted the District has a financial advisor and bond counsel and their professional staffs assisting us. This is a highly technical area and we utilize professional assistance to ensure compliance with all the requirements and regulations.

Aliane Murphy-Hasan thanked Dave, Theresa and Rose for the orientation this morning.

## **5. FUTURE MEETINGS**

The next meeting will be on December 3, 2015 at FLC. Joe Debbs recommended having the meeting at the Rancho Cordova outreach center.

## **6. ADJOURNMENT**

The meeting adjourned at 1.27 p.m.

*lm*

cc: Board of Trustees  
Executive Staff