
LOS RIOS COMMUNITY COLLEGE DISTRICT

Citizens' Bond Oversight Committee

August 1, 2013

Consumes River College, Orchard Room

12:00 p.m.

Minutes

(Approved 12/5/13)

Members Present: Joe Debbs, Bill Heinicke, Catherine Lopez, John Orr, Jennifer Quinn, Basim Elkarra, Richard SooHoo, Nick Schroeder, Sharon Margetts, Sean Nesbitt

Members Absent: John Pappas, Diane Schachterle, Robert Holderness

District

Representatives: Jon Sharpe, Deputy Chancellor
Theresa Matista, Associate Vice Chancellor, Finance
Pablo Manzo, Associate Vice Chancellor, Facilities Management
Val Voda, Accountant, Grants & Contracts
Laura Machado, Deputy Chancellor's Executive Assistant

Guests: Augustine Chavez, Vice President Administration, CRC
Debbie Travis, President, CRC

1. INTRODUCTIONS

Mr. Elkarra called the meeting to order at 12:05pm. Debbie welcomed everyone to Cosumnes River College (CRC) and introduced Augustine Chavez as the interim Vice President of Administration at CRC taking over for Don Wallace who recently accepted the Presidency at Palo Verde College. President Travis reported that CRC currently has 14,500 students, which is down, but still increased the number of degrees students have received by 5% and certificates by 20% during the economic downturn. Debbie expressed her appreciation to the District and college for supporting student success. Debbie handed out save the dates invites to the committee for the Winn Center Dedication and the Elk Grove Center Dedication. Jon reported that we try to keep the committee informed of dedications, and although we encourage and appreciate your attendance at these celebrations, it is not part of your responsibility or obligation to attend.

2. PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF MINUTES

Mr. Elkarra requested that we modify the section under the Summary of Change Orders to reflect that he had requested more detail on change order #6 for the Hughes Stadium Modernization. Jon stated that in the future, the Change Order Report will include a brief description for large change orders of completed projects. The April 18, 2013 meeting minutes were considered for the Committee's approval. A motion for approval was made by Sharon Margetts and Joe Debbs seconded it with the suggested addition from Basim Elkarra.

4. REPORTS

Membership Update

Jon explained that since the last amendment of the Bylaws, the Legislature has changed the law to allow oversight committee members to serve three consecutive terms instead of two. As a result, the Citizens' Bond Oversight Bylaws will be considered for amendment by the Board to allow Oversight Committee members to serve three consecutive terms. In addition, revisions will be made to more clearly state when and where the Committee's regular meetings are held. There is still the option to have a break in service and come back to serve on the committee. At the April 18, 2013 meeting, Jon reported that Mr. Heinicke and Mr. Pappas agreed to another three year term. Mr. SooHoo has also agreed to another three year term which will be taken to the Board for consideration.

Budget Update

Jon discussed an outline from School Services on key budget provisions impacting community colleges. Governor Brown revised his January proposal to shift K-12 Adult Education programs to community colleges and to eliminate noncredit funding. Instead, Governor Brown proposed the status quo for two years for Adult Education with \$25M in one-time funds for planning and implementation grants, along with \$500M in ongoing funds starting in 2015-16 to fund adult education programs jointly operated by community colleges and school districts on a regional basis. Governor Brown also increased his January proposal resulting in an increase to apportionments by \$226.9M: of those funds, \$87.5M would be used to fund a cost-of-living adjustment of 1.57%, \$89.4M would be used for growth, and \$50M would be used for additional student support services. Categorical increases totaling \$118M include "one-time" funding of \$30M for deferred maintenance (\$15M SMSR and 15M for Instructional Equipment, Library Maintenance). Other compromises of interest include funding the Middle Class Scholarship program for the University of California and the California State University, which will be phased in beginning next year. Joe asked how closely we are aligned with this program. Debbie said we have had representatives out from this program to campus and are supportive of this since our students transition to here from the UC/CSU system. Jon said that we will provide Joe more information on this program.

Review of Expenditures

Theresa provided the financial activities of Measures A and M as of May 31, 2013. Hard copies of the PowerPoint presentation were provided to the Committee.

Measure A

Theresa stated that we issued another Bond Series - Measure M, Series E on June 27, 2013 for \$20 million. To date, \$249.1 million in Measure A funds have been appropriated (this includes interest income as well as the projected proceeds from Series E) for projects and \$221.4 million has been expended. Encumbrances (construction contracts and purchase orders) total \$14.4 million. The total change in expenditures and encumbrances since the April meeting is \$500 thousand. Theresa also presented a summary of the financial activity by college location and reported the appropriations to-date amount of 94% of the total Measure A authorization. Expenditures and encumbrances are at 89%. Series A, B, and C 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, 2013 are \$396 million. Total expenditures to-date are \$368.1 million and encumbrances are \$14.6 million. A list of changes to existing project budgets

was also presented to the Committee. A decrease of \$1.2M has occurred since the February 2013 meeting. Theresa reported 50 projects have been completed and four are currently under construction from Measure A.

Measure M

Jon said Measure M was intended to last through 2020-21, contingent on state bond funds to support some of the projects. Jon told the committee that Los Rios received Chancellor's Office approval for six new projects – one for each campus, plus Phases 2 and 3 of the Natomas Center and the Davis Center. These projects rely on a new higher education bond passing. Jon noted the last higher education bond was passed in 2006 and the next possible bond would be put on the ballot in 2014. Jon noted that we should be aware the CCFC believes that a higher education bond for 2014 is unlikely. We need to make sure people understand if there is no bond on the 2014 ballot (or if it does not pass), we will need to have plan B to reallocate money from Measure M. In other words, if the bond does not materialize, we will go back and look at projects and start the discussion on what projects will be affected. Series A of Measure M was issued on October 19, 2010 in the amount of \$130 million. Theresa stated that we issued another Bond Series - Measure M, Series B on June 27, 2013 for \$60M. It was reported that 25 projects have been appropriated, totaling \$171.7 million. To date, \$27.8 million has been encumbered and \$101.5 million has been expended. Theresa summarized the financial activity by college location and presented the changes and additions since the April meeting. The total changes and additions since the February report are \$5.8 million. The list of projects planned to bid through July 2013 was also reviewed.

Summary of Change Orders for Completed Construction Projects

There were two projects completed since the last meeting; CRC North East Building with change orders totaling 4% of the contract amount and ARC New Parking Structure with change orders totaling 2.2% of the contract amount. Jon stated that our ultimate goal is to keep change orders at 3% or below for new projects and below 7% for modernization projects.

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.

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 2012-13 Annual Report was handed out at the meeting. Jon asked if members have any feedback to please let his office know by August 16, 2013. It will be presented to the Board of Trustees on September 11, 2013.

5. FUTURE MEETINGS

Jon presented a proposed meeting schedule for 2013-14. A motion for approval of the calendar was made by John Orr and Sharon Margetts seconded it. The next meeting will be on December 1, 2013 at Sacramento City College.

6. ADJOURNMENT

The meeting adjourned at 1:13 p.m.

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