
LOS RIOS COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

August 3, 2006

Los Rios District Office

Main Conference Room

12:00 p.m.

Minutes

(Approved 11/30/06)

Members Present: Joe Debbs, Suzie Chock-Hunt, Margaret Solie, Matt Mahood, Dan McKechnie, Gerard Falla, Martin Kennison, Chris Reeg, Dan Lawrence

Members Absent: Jerry Bernau

District

Representatives: Jon Sharpe, Deputy Chancellor
Theresa Matista, Associate Vice Chancellor, Finance
Pablo Manzo, Associate Vice Chancellor, Facilities Management
Kim Sayles, Supervisor, Grants & Contracts
Isolina San Juan, Accountant, Grants & Contracts
Jennifer Delucchi, Administrative Assistant, Finance & Administration

INTRODUCTIONS

Jon called the meeting to order at 12:10 p.m. All members introduced themselves.

ELECTION OF OFFICERS

Per the bylaws, members appointed officers for the Oversight Committee. By unanimous vote, Mr. Joe Debbs was selected as the new chair, and Ms. Suzie Chock Hunt was named Vice Chair.

APPROVAL OF MINUTES

The March 16, 2006 minutes were approved by consensus.

REPORTS

Budget Update

Jon distributed several handouts to the Committee with information pertaining to the State Budget. He informed the Committee that the Community College System stands to receive a nearly \$1 billion increase overall from the current budget. Some of the funds are one-time, and some are continuing. Jon shared the budget highlights. \$94.1 million has been allocated for Deferred Maintenance & Instructional Equipment (\$3.9 million for LRCCD). COLA is projected at 5.92%, which would mean \$12.3 million for LRCCD. \$159.4 million has been allocated for Equalization, potentially \$5.8 - \$6.1 million for LRCCD. The District has historically been a low-funded district (less than others in the state); however, this allocation will now bring all districts to the 90th percentile per full-time equivalent student. The Budget also proposes to

reduce tuition to \$20/unit effective for the Spring 2007 semester. Jon reminded the Committee that the two primary challenges community college students face are cost and access, which is why the District is developing centers and strategizing with RT/mass transit. He added that the good news for Los Rios is that enrollment is up by about 4%, when the majority of districts in the system are down. Overall the proposed Budget, which takes us back up to 10.7% of Proposition 98 funding, is good for California's Community Colleges.

Jon also informed the Committee of an infrastructure bond package that will be on the November ballot. Proposition 1D will provide \$10.4 billion to school facilities construction and modernization needs. LRCCD will receive approx \$47 million* if the Proposition is approved.

Finally, Jon shared a list of community college local bond elections that provided details of statewide bonds that have passed. Jon commented on the comparison of Los Rios to other districts. For the size of our District (the second largest district in the state), the amount of the bond authorization is relatively low.

** The original amount communicated to the Committee was \$27 million; however, subsequent to the meeting, it was determined that the actual amount including 2008-09 projections is \$47 million.*

Series 'C' Issuance

The Committee was reminded that Bonds are issued in intervals timed to meet the cash flow requirements of the projects. On July 31, 2006 the District issued Series "C" in the amount of \$70 million. Series "A" was issued in August 2002 in the amount of \$27.5 million and Series "B" in the amount of \$65 million was issued in April 2004. Jon provided rating information from Moody's (Aa3) and Standard & Poor's (A+). He also noted that the District insures the issuances resulting in the highest ratings of Aaa and AAA respectfully, and thereby and resulting in more favorable interest rates. The tax rate is expected to be around \$5.00, although it is too early to determine at this time (it will appear on the November tax bill).

Review of Expenditures

Theresa Matista presented a summary of the Measure A bond expenditures through May 31, 2006 and provided an update on bids awarded since the last meeting. To date, a total of \$151.8 million in bond funds has been appropriated and \$74.8 million has been expended. Encumbrances amount to \$19.9 million. The total change since the March meeting is \$4.8 million (including expenditures and encumbrances). Theresa mentioned that the District is on track to fully expend Series B within three years of issuance. The appropriations to date amount to 57% 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 for all funds as of May 31st are \$266 million. To date, eighteen projects have been completed, six are under construction, and the District has acquired four sites (Natomas, Facilities Management, West Sacramento and Elk Grove). The projects scheduled to bid in Fall 2006 through Fall 2007 are ARC – Physical Education Expansion Phases 1 and 2, ARC – TAP – Gym Circulation and Parking, CRC – Transportation, Access and Parking Phases 2 and 3 combined, CRC – Science Expansion, FLC – Visual and Performing Arts, FLC – New Physical Education Building, SCC – North Gym Building and TAP, and SCC – West Sacramento Center Phase 1. Theresa also mentioned the District Office's pending acquisition of more office space in the Water Tower Plaza. Joe Debbs asked if the committee will have site visits in the future. Jon

said yes, we can arrange for another site tour in Spring 2007. Dan McKechnie asked a question about encumbrances and line item contingencies. Theresa explained that the encumbrance is the amount of the purchase order. The committee discussed the District's use of portable buildings and the state's definition of "modernization."

Project Updates

Pablo Manzo presented an update on all the active Bond funded projects and provided color photos of each project in its current phase of construction.

Annual Report – Jon went through the draft of the Annual Report (which was mailed out prior to the meeting) with the Committee. Jon asked that any suggestions/revisions be submitted by August 16th in order to present to the Board of Trustees at the September Board meeting. The Committee approved the draft by consensus. The final Annual Report will be distributed in September. These reports, which review the financial status as well as project status, are also available to the public upon request.

FUTURE MEETINGS

The Committee confirmed the next meeting date of November 30, 2006 at 12:00 p.m. The meeting will be held at Cosumnes River College. A tentative date of March 15, 2007 will be confirmed at the next meeting.

ADJOURNMENT

The meeting adjourned at 1:30 p.m.

jd

cc: Board of Trustees
Executive Staff