
LOS RIOS COMMUNITY COLLEGE DISTRICT
Citizens' Bond Oversight Committee

November 30, 2006

**Cosumnes River College
Learning Resource Center**

12:00 p.m.

Minutes

(Approved 3/15/07)

Members Present: Jerry Bernau, Bob Blymyer, Suzie Chock Hunt, Martin Kennison, Dan Lawrence, Matt Mahood, Dan McKechnie, Chris Reeg, Margaret Solie

Members Absent: Joe Debbs, Gerard Falla

District

Representatives:

Jon Sharpe, Deputy Chancellor
Pablo Manzo, Associate Vice Chancellor, Facilities Management
Kim Sayles, Supervisor, Grants & Contracts
Isolina San Juan, Accountant, Grants & Contracts
Jennifer Delucchi, Deputy Chancellor's Executive Assistant

Guests:

Francisco Rodriguez, President, Cosumnes River College
Chris Brown, Vice President of Administration, Cosumnes River College
Carrie Bray, Director of Accounting
Bryce Gibbs, Matson & Isom
Barbara Hamlett, Los Rios Student Trustee

INTRODUCTIONS

Suzie Chock Hunt served as Chair of the meeting in Mr. Debb's absence. Ms. Chock Hunt called the meeting to order and all members introduced themselves.

APPROVAL OF MINUTES

The August 3, 2006 minutes were considered for approval. Jon clarified one item. It was originally reported to the Committee that LRCCD would receive \$27 million if Proposition 1D passed; Jon edited that figure to \$47 million, which includes projects projected for funding in 2008-2009. A motion was carried by Martin Kennison, and seconded by Matt Mahood, to approve the August 3, 2006 minutes with the correction. Motion carried, 9:0.

REPORTS

Budget Update

Jon announced the adoption of SB 361. A synopsis was included in the agenda materials (pages 102 - 103 of the LRCCD budget book), and Jon explained the new funding formula, which establishes a Foundation Grant for how colleges are funded. Community Colleges are funded on

an FTES basis; however, there was a great disparity in the way colleges were funded prior to SB361. Community Colleges will now be funded at the same rate. In 2006-07 the rate will be \$4,367 per FTES.

Jon also shared that Proposition 1D was approved by the voters. A list of projects approved for 2006-07 and 2007-08, and proposed for 2008-09 was provided to the Committee. As previously mentioned, LRCCD is projected to receive \$47 million. If this had not passed, the District would have had to delay the construction of several projects, so the passage of this bond was very good news.

Jon spoke to the Committee regarding the District Centers and the importance of access to college facilities. He said that 85% of our students attend a college within five miles of their home. He also explained the Universal Transit Pass agreement the District has with Regional Transit, and shared that the students recently voted to extend this program for another 10 years by a 92% margin. Jon shared with the Committee that we are one of the few districts in the state that is continuing to grow at this time. Enrollment is up nearly 6% for the Fall semester, which is an indication of the growth we are experiencing in our region, as well as the increased outreach efforts to our local high schools, etc.

Review of Expenditures

The format of the expenditure reports was explained to the Committee. Jon presented a summary of the Measure A Bond expenditures through October 15, 2006 and provided an update on bids awarded since the last meeting. The total Measure A Authorization was \$265 million. To date, three series of bonds have been issued totaling \$162.5 million. Jon mentioned that the issues have been timed to meet cash requirements for projects and to minimize issuance costs. Interest earned on bond proceeds amounts to \$4.6 million.

It was reported that \$157.5 million in bond funds has been appropriated for projects and \$85.9 million has been expended. Encumbrances amount to \$22.2 million. The appropriations to date amount to 59% of the total Measure A authorization. The expenditures and encumbrances are at 41%. Series A (\$27.5 million) was fully expended as of May 2005. Series B (\$65 million) is projected to be fully expended by March 2007, which is within three years of issuance.

Jon also presented the total financial activity for all capital project funds, which include bond, State and other funding sources. The total appropriations for all funds as of October 15th are \$278.5 million. A detailed list of changes to existing projects and the addition of new projects was presented to the Committee. Jon pointed out that the change to the FLC Fine & Performing Arts project budget (\$42 million total) is an increased appropriation of \$2.5 million over what was reported at the last meeting. In addition, Jon shared that twenty projects have been completed and seven are under construction. A list of completed projects and projects planned to bid in Fall 2006 through Fall 2007 was provided. Jon added that the District's \$19 million Capital Campaign will be discussed at a future meeting. Dan Lawrence inquired about how the interest is spent. All interest must be spent on projects identified on the list of projects receiving Measure A funds. Mr. Lawrence also inquired about what the left over funds from "under budget" projects are used for. Jon said that with the spike in construction and materials costs, the District has taken any savings from projects and used that towards other projects that may have come in over budget.

Projects Update

Chris Brown distributed Cosumnes River College's Facilities Master Plan for 2000 – 2015. He informed the Committee of the upcoming projects expected to be completed within the next few years.

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. Margaret Solie asked if there are any future plans to update Hughes Stadium. Jon said yes, but not with Measure A funds. It is recognized that improvements are necessary, but a funding source has not yet been identified. Jerry Bernau asked about how the District designs its projects. Pablo said that projects are typically driven by the program it accommodates. For example, the Institute for Architecture and Construction Management at CRC will be designed as an educational building and will serve as an example and learning tool for students in the program.

SMSR Update

Pablo provided a list of the Scheduled Maintenance and Special Repairs (SMSR) projects at each district location for 2006-07. The total budget for 2006-07 SMSR projects is \$3.1 million.

Audit Review

Bryce Gibbs from Matson & Isom and Carrie Bray, Director of Accounting Services for Los Rios Community College District attended the meeting to present the Measure A Bond Fund Financial Statements, which were mailed to the Committee prior to the meeting. Once again there were no material findings in the audit of Measure A funds. The Audit Report will be presented to the Board of Trustees next week. Bryce commended district staff. Carrie added that the tax assessment rates came in much lower than what was originally anticipated, and have been well within what was projected to citizens in the bond tax statement.

FUTURE MEETINGS

Jon shared that the Dedication Ceremony for the SCC Parking Structure will be on January 9th from approximately 11:00 a.m. to 1:00 p.m. All Committee members will receive an invitation.

The next meeting was scheduled for March 15, 2007. The Committee expressed an interest in discussing Eligibility of State Funds as well as the Centers concept. The District's Capital Campaign will also be placed on a future agenda.

ADJOURNMENT

The meeting adjourned at 1:38 p.m.

jd

cc: Board of Trustees
Executive Staff