



## Summary of the Citizens' Bond Oversight Committee

### Proceedings and Activities 2013-14

#### Meetings of the Citizens' Bond Oversight Committee

The Committee conducts its meetings in accordance with the provisions of the Ralph M. Brown Public Meeting Act, Government Code Sections 54950 et seq. Meeting notices and agendas are sent to members of the Committee within the required period and are posted at RCCD campuses and education centers. Meeting notices, agendas, minutes, and documents and reports received by the Committee are a matter of public record and are available through the RCCD website: <http://www.rccd.edu/cboc> or by calling the RCCD Office of Strategic Communications and Relations at (951) 222-8857.

#### Meeting - October 10, 2013

The Center for Social Justice & Civil Liberties  
4th Floor Conference Room  
3855 Market Street  
Riverside, CA 92501

- RCCD's bond counsel, David Casnocha, briefed the Committee on its responsibilities under Proposition 39 and CBOC bylaws, the history of school finance in California, Proposition 13 (property tax) initiative, and the Measure C ballot measure. Counsel also previewed relevant changes in Proposition 39 requirements subsequent to the law being enacted.
- Aaron Brown, the RCCD Vice Chancellor of Business and Financial Services, presented an in-depth look at bond issuance and financing, and the Chief of Staff and Facilities Development, Chris Carlson, reviewed past and current Measure C-funded construction at RCCD sites, RCCD's construction management model, and the state funding sources and requirements related to capital construction.
- Committee members' questions centered on: process when college facility planning priorities change; energy retrofit programs; academic program/facility design and planning; and prospective schedules for future bond issuances.
- The Committee received the annual Proposition 39 financial and performance audit, which rendered a clean opinion, with no findings. Committee members' questions dealt with internal controls; processes when projects are over budget; payroll certifications on construction projects; the Project Labor Agreement (PLA); and the cycle for bidding audit services.
- The Committee received an updated report on project financial commitments, along with information about interest income use.



Student Services and Administration Building  
Riverside City College

#### Meeting - January 16, 2014

Moreno Valley College  
Humanities Building, Rm. 234  
16130 Lasselle Street  
Moreno Valley, CA 92551

- Dr. Sandra Mayo, Moreno Valley College President, gave a campus report, primarily focused on the Student Academic Services Building's opening.
- The RCCD Purchasing Manager, Majd Askar, presented a Power Point outlining purchasing procedures used by the District, and discussed how these procedures ensure competition, quality bids, and adherence to Board of Trustees' policy and the public contracting code. Committee members' questions focused on differences between bid process depending on dollar level; outreach efforts to contractors and vendors; qualification and award of bids; effect of the PLA on the bid process or bids received; and low bid requirements versus quality and best value considerations.
- The Committee received the regular updated reports concerning project financial commitments and the status of current Measure C projects under construction. The Chief of Staff and Facilities Development discussed the new block process used by the state that gives colleges more flexibility in planning space usage, and the recent FUSION (Facilities Utilization, Space Inventory Options Net) training conducted for District and college business and facility staff to increase knowledge of how the state qualifies and funds construction projects.
- The Chief of Staff and Facilities Development presented the annual Change Order Report detailing, in particular, any change orders that represented double-digit percentage increases. Committee members' questions related to whether the general contractor model or the current construction manager and multi-prime contractors' model produced more change orders; whether utility costs are included in total costs and if energy savings rebates are credited back to construction dollars; the cumulative aggregate number; expected ratios of change orders to projects; and how RCCD calculates change order contingencies during the construction planning stage.
- The Committee was given a copy of the 2003 Facilities Improvement Plan (developed in preparation for the Measure C bond measure), along with a document answering questions regarding the 2012-13 Measure C audit.
- The Committee requested updates on the education master plans in the future.



Student Academic Services Building  
Moreno Valley College

#### Meeting - April 16, 2014

Norco College  
Network Operations Center  
2001 Third Street  
Norco, CA 92860

- The Committee was informed that the Education and Comprehensive Facilities Master Plan was to go to the Board of Trustees in June or August 2014.
- The Chief of Staff and Facilities Development gave a status report on Norco College groundwater monitoring and environmental compliance; status of RCC construction; the issuance of Phase 1 bids (awarded) and Phase 2 bids (to be sent out April 25) related to construction projects at RCCD's Centennial Plaza in downtown Riverside; the district-wide ADA plan implementation; and recent change orders. Committee members' questions focused on change order percentages; how trade-caused damages identified during final punch list reviews were paid; and how RCCD addresses existing conditions.
- Beth Gomez, Norco College Vice President of Business Services, presented a campus update, which highlighted secondary effects projects and future construction. Also discussed was the College's Facilities Master Plan in which several projects depend upon a future statewide education bond. Committee members' questions concerned John F. Kennedy Middle College High School site and whether it was part of the Norco College campus; and the upcoming end of the 30-year lease of the 141 acres upon which the College is built (the property will be transferred from the U.S. Government to RCCD ownership on June 1, 2015).



Norco Operations Center  
Norco College

- Bond underwriters discussed RCCD's bond program (past issuances, financing, tax rates to property owners, current interest rates, timelines for future issuances, the District's Standard & Poor and Moody credit ratings, and overall bond debt repayment). Committee members' questions related to refunding; refunding timelines; layering bonds and the repayment ratio; and what factors the rating agencies consider when issuing credit ratings.
- Committee Chair Ferguson reported on his interview with the WASC/ACCJC accrediting team that recently conducted accreditation site visits for the Norco, Moreno Valley and Riverside colleges, along with a District component.

#### Meeting - July 17, 2014

Riverside City College  
O.W. Noble Administration Building, Rm. 109  
4800 Magnolia Avenue  
Riverside, CA 92506



- RCC Interim President Wolde-Ab Isaac updated Committee members on the successful reaccreditation of the College, current Measure C project status, and enrollment projections. Committee members asked about remediation cohorts.
- The Vice Chancellor of Business and Financial Services discussed year-end closing, power self-generation incentive programs at Norco College, contingency budget augmentations, and refunding of Measure C prior bond issuances that resulted in a \$5 million savings in interest payments for taxpayers.
- The Chief of Staff and Facilities Development presented the Measure C Project Update Report, discussing the status of the MVC network operations center, Education Facilities Master Plans, and the District's 5-year CIP. She also reported on Centennial Plaza construction Phases 1 & 2 bidding, as well the status of the major utility upgrade underway at RCC.
- Chair Ferguson asked for a future breakdown of projects with funding details: state, Measure C, and private money. He stressed the importance of getting the word out about how RCCD has successfully leveraged Measure C to secure additional state capital construction funds.
- Member Kraus asked if the accreditation report mentioned any building or infrastructure needs or capital spending needs, and if those needs were in line with or ran counter to the remaining priorities in the Measure C program. The Vice Chancellor of Business and Financial Services stated that the accreditation report only referenced total cost of ownership of facilities.
- Member Barembaum requested that a summary of any issues related to facilities be distributed to the Committee.
- Chair Ferguson reported on his telephone interview with Measure C auditors, which focused on access to communication, transparency of information regarding Measure C projects, and whether Committee members felt free to ask questions. He was able to affirm that the Committee was kept properly informed on issues under its purview.

#### Measure C Attracts Additional Funding

- RCCD has used Measure C to leverage \$127 million in additional state and other non-Measure C funds for construction of educational facilities.
- Measure C makes it possible for RCCD to address critical college needs that the state will not fund, e.g., parking, technology infrastructure, ADA (Americans with Disabilities Act) access, and maintenance and operations.
- RCCD could leverage more state funding if a statewide higher education bond occurs.

## Statement of Compliance

This Annual Report is submitted to the Board of Trustees by the Riverside Community College District Citizens' Bond Oversight Committee.

This Committee advises that, to the best of its knowledge, the Riverside Community College District complies with the requirements in Article XIII A, Section 1(b) (3) of the California Constitution. In particular, bond revenue has been expended only for the purposes so described in Measure C and no funds were used for any teacher or administrative salaries or other operating expenses as prohibited by Article XIII A, Section (b) (s) (a) of the California Constitution.

Respectfully submitted:  
Nicolas D. Ferguson, Chair  
Citizens' Bond Oversight Committee

Date: August 19, 2014

Riverside Community College District  
Citizens' Bond Oversight Committee

## 2013-14 Annual Report



Submitted to the  
Riverside Community College District  
Board of Trustees  
August 19, 2014

**RCCD** | RIVERSIDE COMMUNITY  
COLLEGE DISTRICT  
MORENO VALLEY COLLEGE | NORCO COLLEGE | RIVERSIDE CITY COLLEGE

# 2013-14 Annual Report



Riverside Community College District  
Citizens' Bond Oversight Committee



Riverside City Culinary Arts Academy  
and District Offices - Centennial Plaza



Henry W. Coil, Sr. and Alice Edna Coil School for the Arts

Nicolas D. Ferguson, Chair  
Rikki Marie Hix, Vice Chair  
Morrie Barembaum  
Susan Cash  
James Cuevas  
Robert Frost  
Jeff Kraus