

## QUESTIONS AND ANSWERS – Q&A

### INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE MEETING

NOVEMBER 29, 2023

- Question:** Does the Independent Citizens' Bond Oversight Committee (CBOC) have to attend any instruction or training on compliance with the Brown Act?
- Answer:** Bond Counsel provided a high-level overview of Brown Act requirements as they pertain to the CBOC's duties. The District will ensure Brown Act Compliance with meetings and inform the Committee of anything they need. In December 2023 there was a training on the Brown Act that District staff attended to refresh and update their knowledge.
- Question:** Does the District refund its Bonds as a cost savings measure for the taxpayers? Does the committee have any involvement with the bond refunding?
- Answer:** Yes, the District conducts a Bond Refunding when interest rates provide taxpayer savings on the bonds' debt service. The District has conducted bond refundings/refinancings four (4) times in the last 10 years saving District taxpayers over approximately \$50 million.
- The CBOC does not have any involvement in the bond refunding transactions. A Bond Refunding is authorized by the District's Board of Trustees and coordinated by District staff with support from the District's Bond Counsel, underwriter and municipal/financial advisor. District staff may provide any reports on a refunding conducted and taxpayer savings realized to the CBOC, after they provide such reports to the Board of Trustees.
- Question:** If we respond to an item that is not on the CBOC agenda, is it a violation under the Brown Act?
- Answer:** The CBOC may only discuss, vote or take action on items that have been placed on the agenda, in accordance with the Brown Act. The CBOC may receive information and may elect to add the item to the agenda for the next CBOC meeting.
- Question:** In reference to State Match Guidelines, regarding the four categories that are worth 50 points each, is there a place where those are defined or explained in greater detail?
- Answer:** Yes, the State has details. District Chancellor Dr. Dianne Van Hook provided some historical background and information to the CBOC on State match and how the process has evolved over the years.
- Question:** On the project facilities list, there are projects with Measure E and Measure M combined with other funding, including State match. From a committee stand point, how is that reflected on the reports when a project is funded with combined funds? How do we focus our review of bond funds, not on State match or other funding?
- Answer:** Funding is listed in total and also separated between Measure M and Measure E or Other Funding on the expenditure reports. This shows that the District is maximizing all of the funding it receives to build more projects. But, the committee's primary role is to focus on bond expenditures and whether such expenditures fall in line with the ballot measure language and the respective project lists.

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**Question:** Is there a dorm building being contemplated for the college?

**Answer:** That is in the works, but it is not funded by the local bond. It is a Department of Finance initiative and State Funded project.

**Question:** It took five or six years to go through the funding from the April 2017 Issuance #1 in April 2017, is that a typical pace? Or was it slower because of the first one?

**Answer:** It took approximately three years to spend down the first issuance of Measure E. Typically, issuances are spent in 3 years. The IRS guidelines require that the District reasonably expects that 85% of the bond proceeds will be spent within 3 years as of the date such series of bonds are issued.

**Question:** The committee's function is to focus on the project costs and to review that and the independent auditor's financial and performance reports. After the projects are completed, the bond payments continue for a number of years. Who manages or reviews the on-going **bonds payments? Is that the county or the college?**

**Answer:** Payment of the bond debt service typically ranges from 25 years to 30-year terms, and is managed by the Los Angeles County Treasurer and Tax Collector by using property tax assessments to make debt service payments. The District will review if there are refunding opportunities available to reduce the interest rate on the debt service, whenever possible.

**Question:** **When was the last State facility bond passed and for how much and how many District projects were funded?**

**Answer:** The last State Bond was Proposition 51 which was passed in 2016. The Community College's received \$2B of the \$9B total. It was the first state bond passed since 2006. The bond was entirely allocated in FY 2020/2021. There isn't a count of total projects funded that is readily available, but it could be estimated that over the 5 years of spending every District received at least one project and that at least 200 projects were funded overall.

**Question:** **What are the "types" of projects that qualify for State match?**

**Answer:** A-Life/Safety  
M-Modernization  
G-Increase Instructional and Institutional Space

**Question:** **How much funding for how many projects has the District received State match for over the years? She is**

**Answer:** \$117.9 M since 1982 to help with 41 different projects

**Question:** **How has State Match benefited the college's students and enrollment?**

**Answer:** We increased space, which increased enrollment, which increased funding, which supports new programs and hiring faculty.