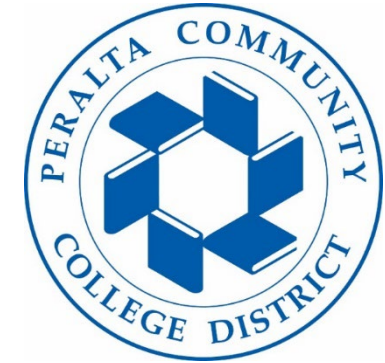


Bond Program Update

April 26, 2022

Keith Kajiya, AECOM

Vincent McCarley, Backstrom McCarley Berry & Co., LLC



General Obligation Bonds

General obligation bonds are how California community college districts fund modernization and construction projects.

- State funding is not entirely sufficient to fund existing program needs.
- Bonds issued by community college districts are repaid from future property taxes.
- Every Bay Area community college district has held at least one bond measure.
- Every Bay Area taxpayer is paying property taxes associated with community college district bonds.



Securing Bond Funding

Securing general obligation bond funding is an ongoing process.

- The District achieves a successful authorization which allows it to issue bonds.
- The District issues a series of bonds to pay for eligible expenditures incurred within three years from issuance.
- As bond proceeds from an issuance of bond proceeds are spent down, the District issues subsequent series of bonds to provide funding for upcoming project expenditures.
- The goal of the Bond Program is to make sure that the District has both (1) enough funds on hand to pay for upcoming expenditures and (2) enough authorization to complete planned projects.

District Bond Program

The District has had five successful bond authorizations, under which it has issued 16 series of new money bonds on 13 occasions since 1993.

PERALTA COMMUNITY COLLEGE DISTRICT HISTORY OF BOND ELECTIONS AND BOND ISSUANCE

BOND ELECTIONS

Election Date	Measure	Amount	Approval Rate [1]
11/3/1992	1992 Measure B	50,000,000	68.60%
11/5/1996	1996 Measure A	8,000,000	77.80%
11/7/2000	2000 Measure E	153,200,000	79.20%
6/6/2006	2006 Measure A	390,000,000	75.70%
11/6/2018	2018 Measure G	800,000,000	75.80%
		1,401,200,000	

BOND ISSUANCES

Election Date	Measure	Amount Authorized	Issued to Date	Remaining Authorization	No. of Series	Bonds Issued
11/3/1992	1992 Measure B	50,000,000	50,000,000	0	5	1993, 1995, 1997, 2000, 2001
11/5/1996	1996 Measure A	8,000,000	8,000,000	0	1	2001
11/7/2000	2000 Measure E	153,200,000	153,200,000	0	4	2001, 2002, 2004, 2005
6/6/2006	2006 Measure A	390,000,000	390,000,000	0	5	2006, 2007, 2009, 2016, 2020
11/6/2018	2018 Measure G	800,000,000	50,000,000	750,000,000	1 [2]	2020
		1,401,200,000	651,200,000	750,000,000	16 [3]	From 1993 through 2020

- [1] Listed elections prior to November 2000 required 66.7% approval. Listed elections on November 2000 and subsequent required 55% for approval.
- [2] Number of new money series issued to date.
- [3] At times, multiple bond series have been sold on a single occasion through a common plan of finance. The 16 series of bonds shown here have been issued on 13 occasions.



Sizing Considerations

When determining the proposed sizing for an upcoming new money bond issue, the financing team focuses on cash.

- Federal tax law provides that bonds may be issued if the District has reasonable expectations to expend them within three years of the date of issuance.
- Bond proceeds should be expended on a first-in first-out basis.
- The District should have a reserve of bond funds on hand at all times.
- In analyzing past expenditures, we rely on documents that are shown on a cash basis or a modified accrual basis.

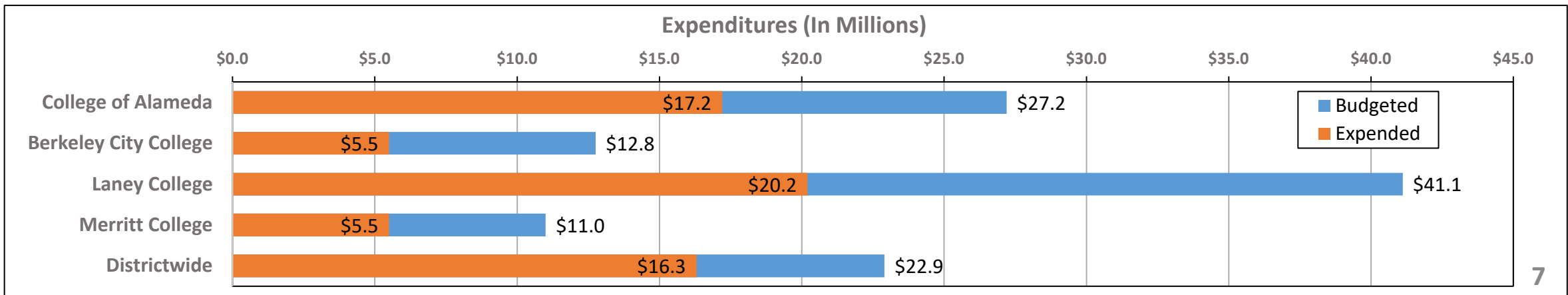
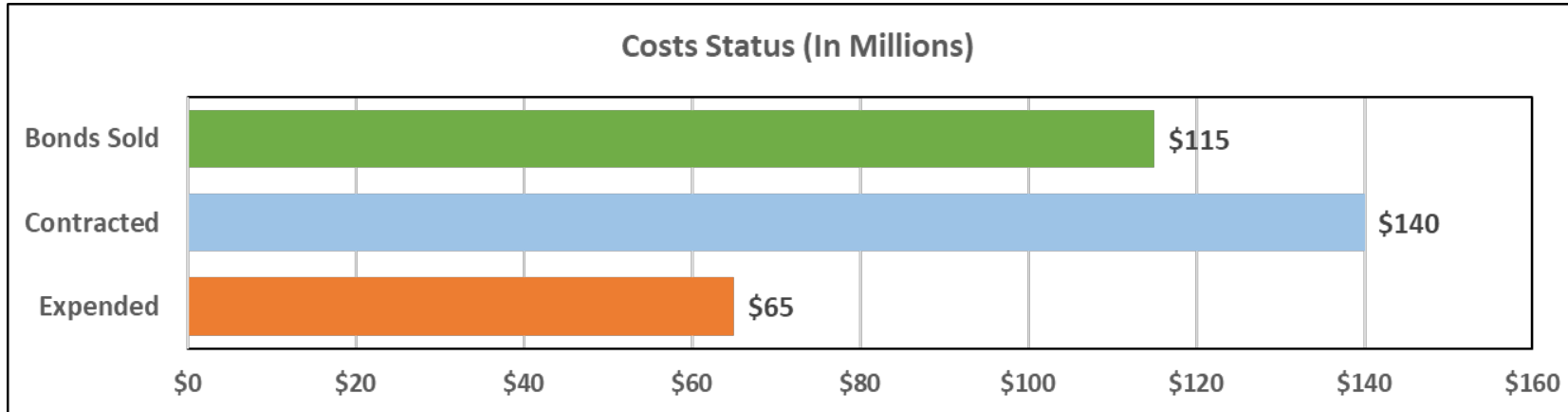
Timing Considerations

The following inform the decision about the timing of the next series.

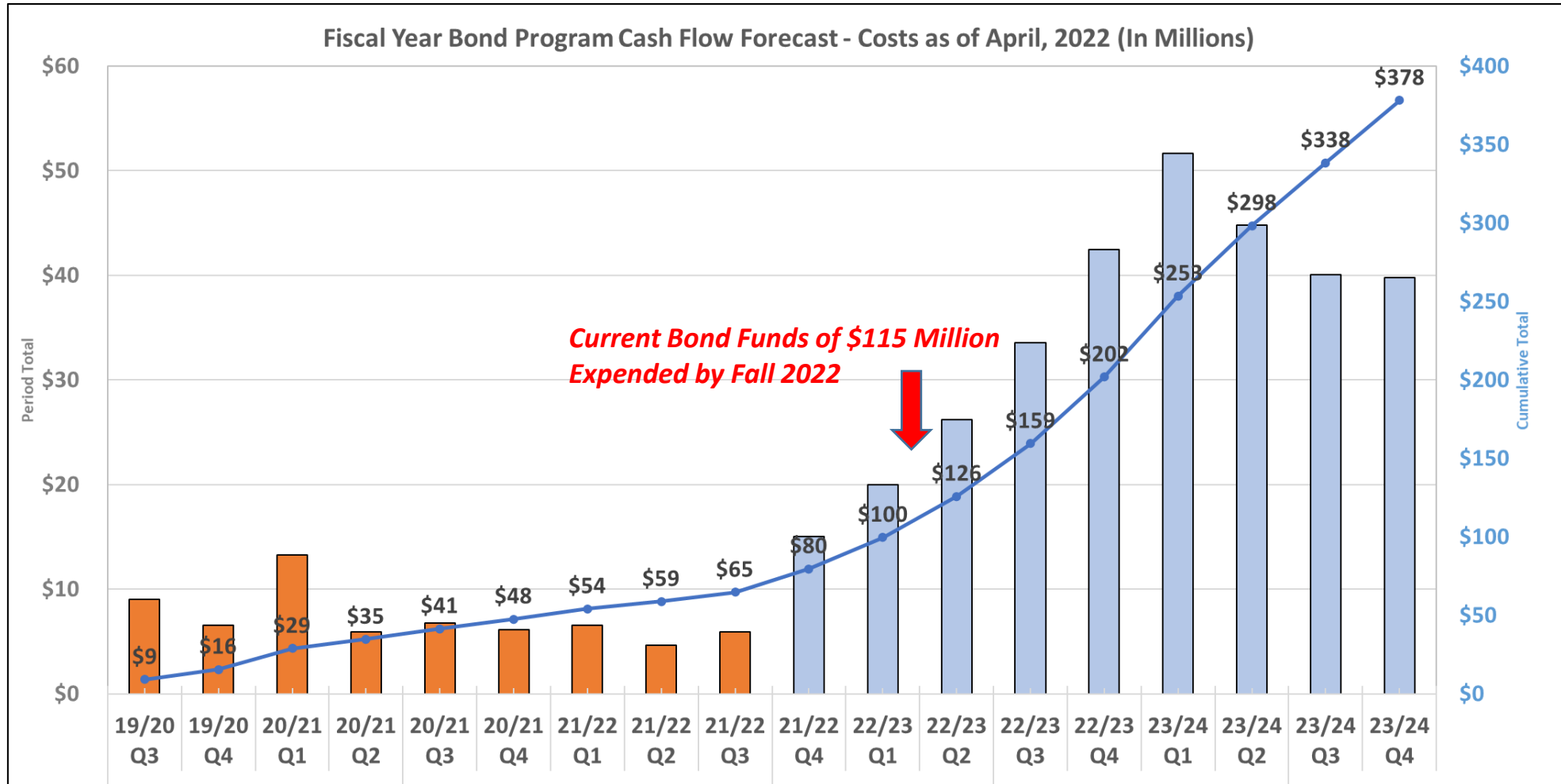
- The District last issued new money bonds in May 2020 in the amount of \$115 million (\$65 million from 2006 Measure A and \$50 million from 2018 Measure G.)
- District and AECOM documents show that the District balance is approximately \$50 million today and is expected to be \$35 million by June 30.
- The 2018 Measure G financing plan assumed the District would achieve a burn rate of approximately \$100 million (more than \$8 million a month.)
- AECOM is projecting that the Bond Program will reach and exceed \$8 million/month as soon as the first quarter of fiscal year 2022-23.

Program Cost Status (\$115M Bonds Sold)

As of April 2022



Program Cash Flow



Program Delivery Phases

As of April 2022

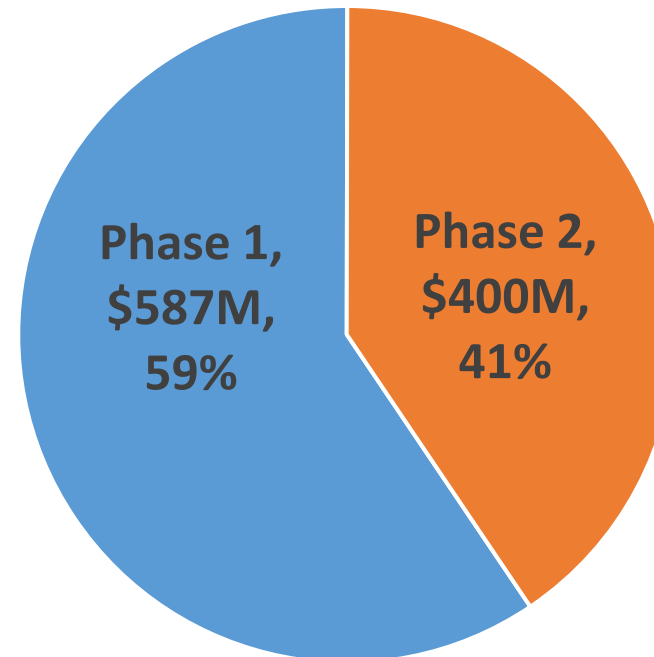
\$987 Million
Total Program Value

Delivery in 2 Phases:

Phase 1 - \$587 Million
Projects Active and Underway

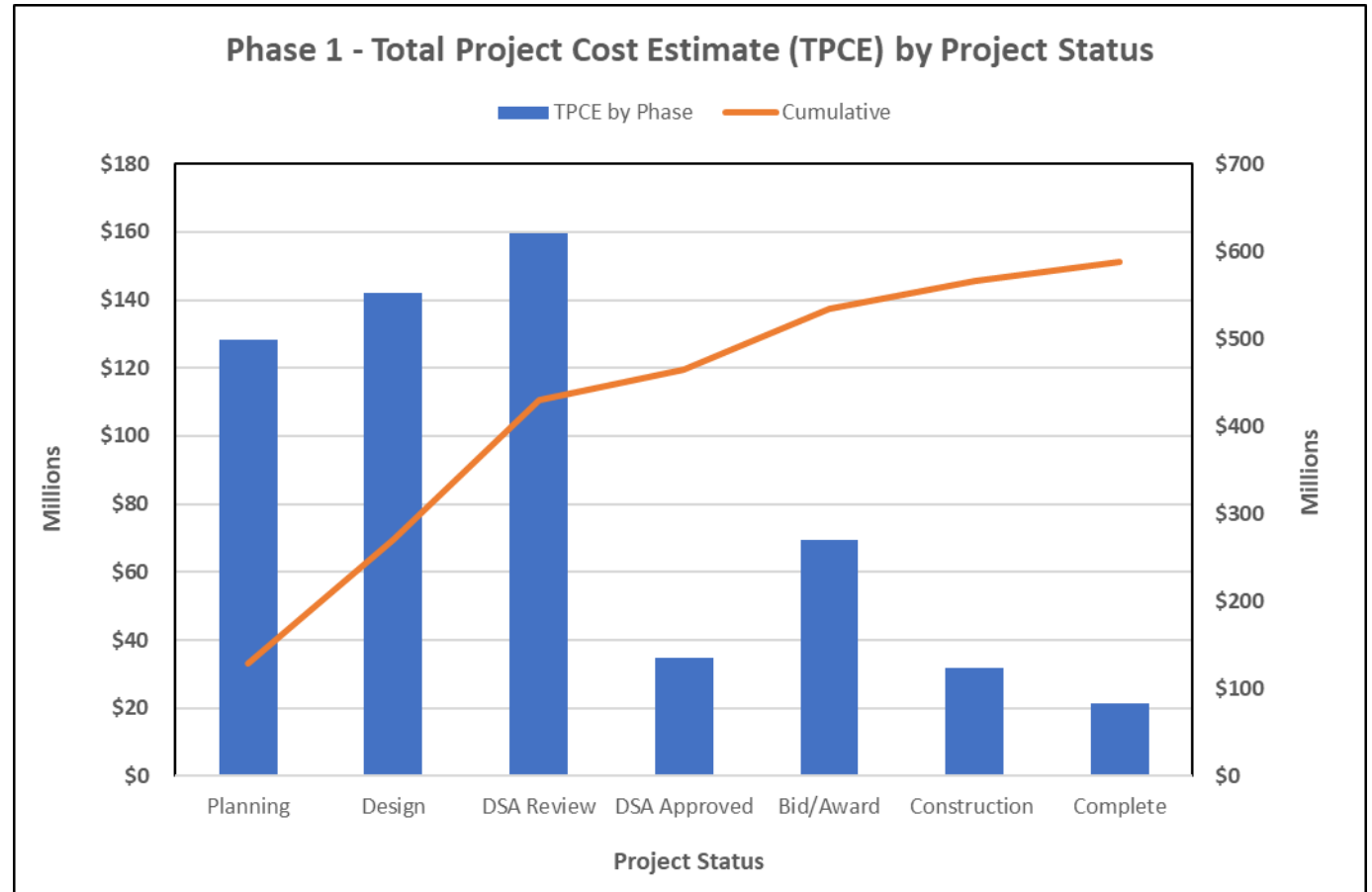
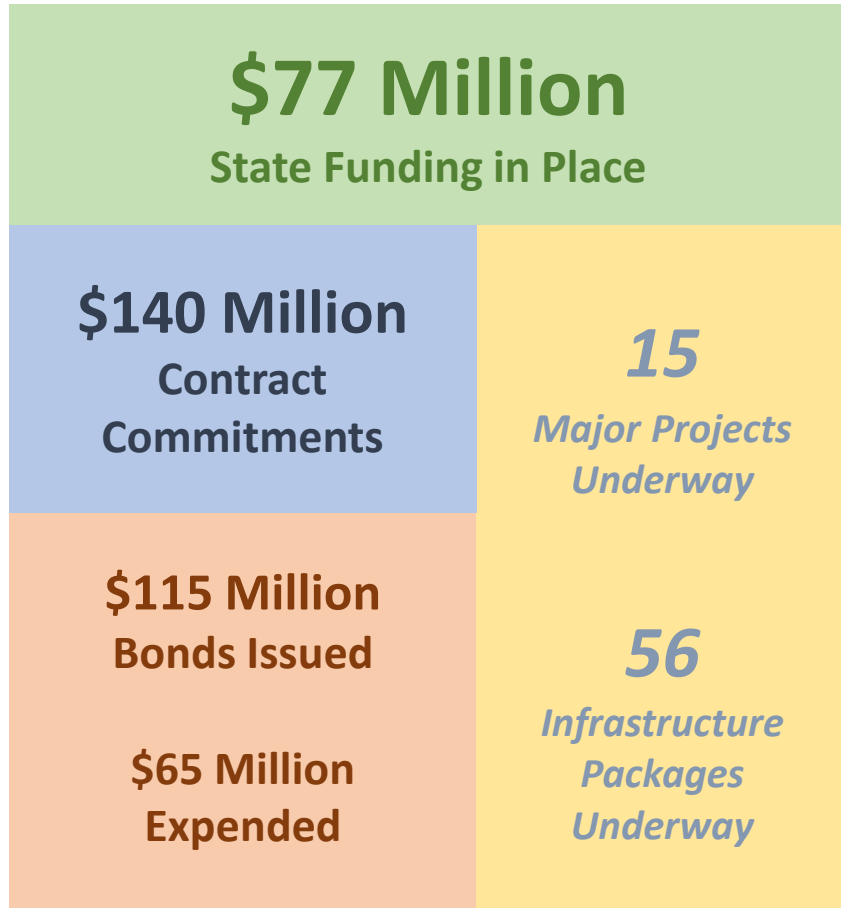
Phase 2 - \$400 Million
Projects Not Started

Total Program by Phase



Phase 1 Projects (\$587 Million)

As of April 2022



Leveraging State Matching Funds

As of April 2022.

Approved Final Project Proposal (FPP) Projects	Anticipated State Match	Project Status
Alameda Auto and Diesel Technologies	\$16.57 M	Ready to Bid
Merritt Child Development Center	\$5.16 M	Ready to Bid
Merritt Horticulture	\$9.79 M	DSA Approved
Laney Theater Modernization	\$8.00 M	In DSA
Laney Learning Resource Center	\$24.63 M	In DSA
Alameda Aviation Complex	\$13.18 M	Started Design
Total Anticipated State Funding	\$77.33 M	



Total Program Cost Report

Costs and Trends as of April 2022

Portfolio Name	Current Budget	Base Contracts	Total Commitments	Risk Trend	Estimate to Complete (ETC)	Estimate at Completion (EAC)	Variance to Current Budget	Expended to Date
Berkeley City College	\$122,001,456	\$17,059,506	17,066,018.98	\$6,934,000	\$112,653,105	\$129,719,124	(\$7,717,669)	\$5,470,009
College of Alameda	\$210,792,689	\$26,006,940	26,232,447.85	\$18,431,477	\$203,152,354	\$229,384,802	(\$18,592,114)	\$17,221,543
Laney College	\$342,391,000	\$49,283,109	52,010,464.69	\$21,637,508	\$312,062,104	\$364,072,569	(\$21,681,568)	\$20,205,557
Merritt College	\$204,227,148	\$13,941,004	14,726,377.9	\$32,012,858	\$222,039,519	\$236,765,896	(\$32,538,749)	\$5,486,757
Peralta District Wide	\$107,908,287	\$29,932,246	29,955,766.43	\$8,000,000	\$86,454,530	\$116,410,296	(\$8,502,009)	\$16,294,068
Overall - Total	\$987,320,579	\$136,222,805	139,991,075.85	\$87,015,843	\$936,361,612	\$1,076,352,688	(\$89,032,109)	\$64,677,934

Includes Phase 1 and 2 Projects

Source: AECOM's Program Management Information System

Measure A & G Cash Balances - \$50 Million

As of April 2022

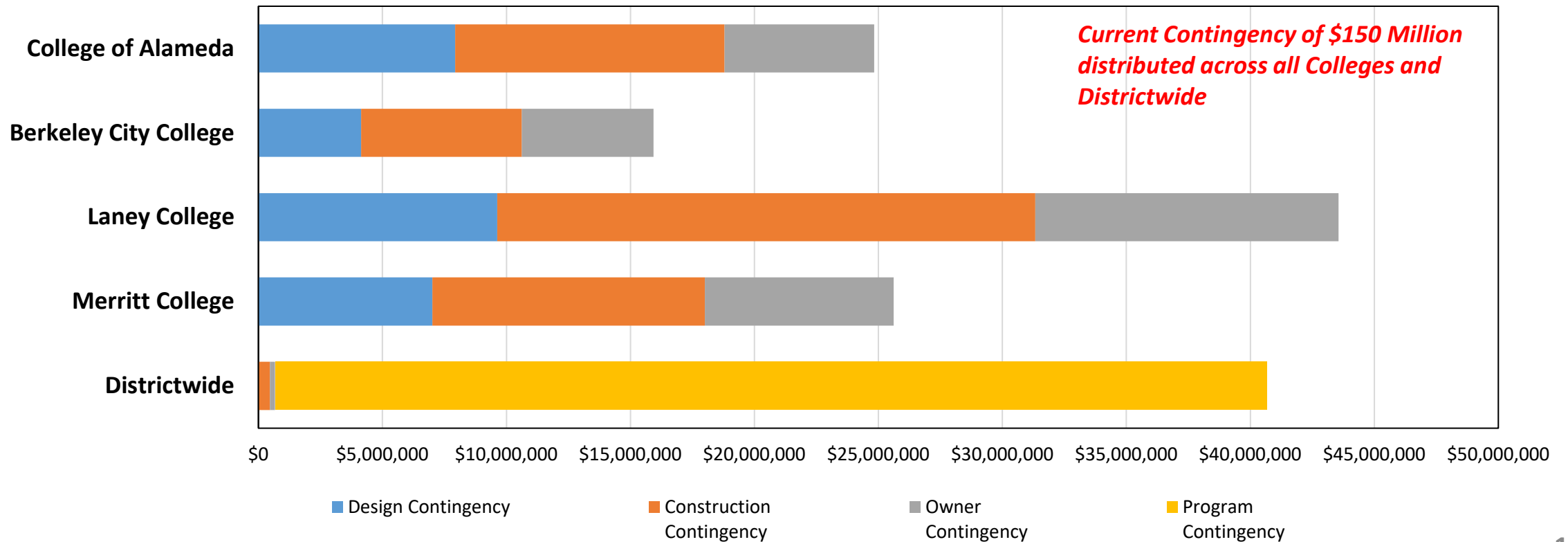
	<u>Measure A</u>	<u>Measure G</u>
Total Bond Amount:	390,000,000	800,000,000
Expenses as of April 20, 2022:	<i>(377,367,132)</i>	<i>(30,730,724)</i>
Bond Balance:	<u>12,632,868</u>	<u>769,269,276</u>
Revenue		
Sales:	390,000,000	50,000,000
Interest:	17,729,352	580,931
	<u>407,729,352</u>	<u>50,580,931</u>
Remaining Cash Balance:	<u>30,362,220</u>	<u>19,850,206</u>

Source: Peralta Community College District - Finance & Administration

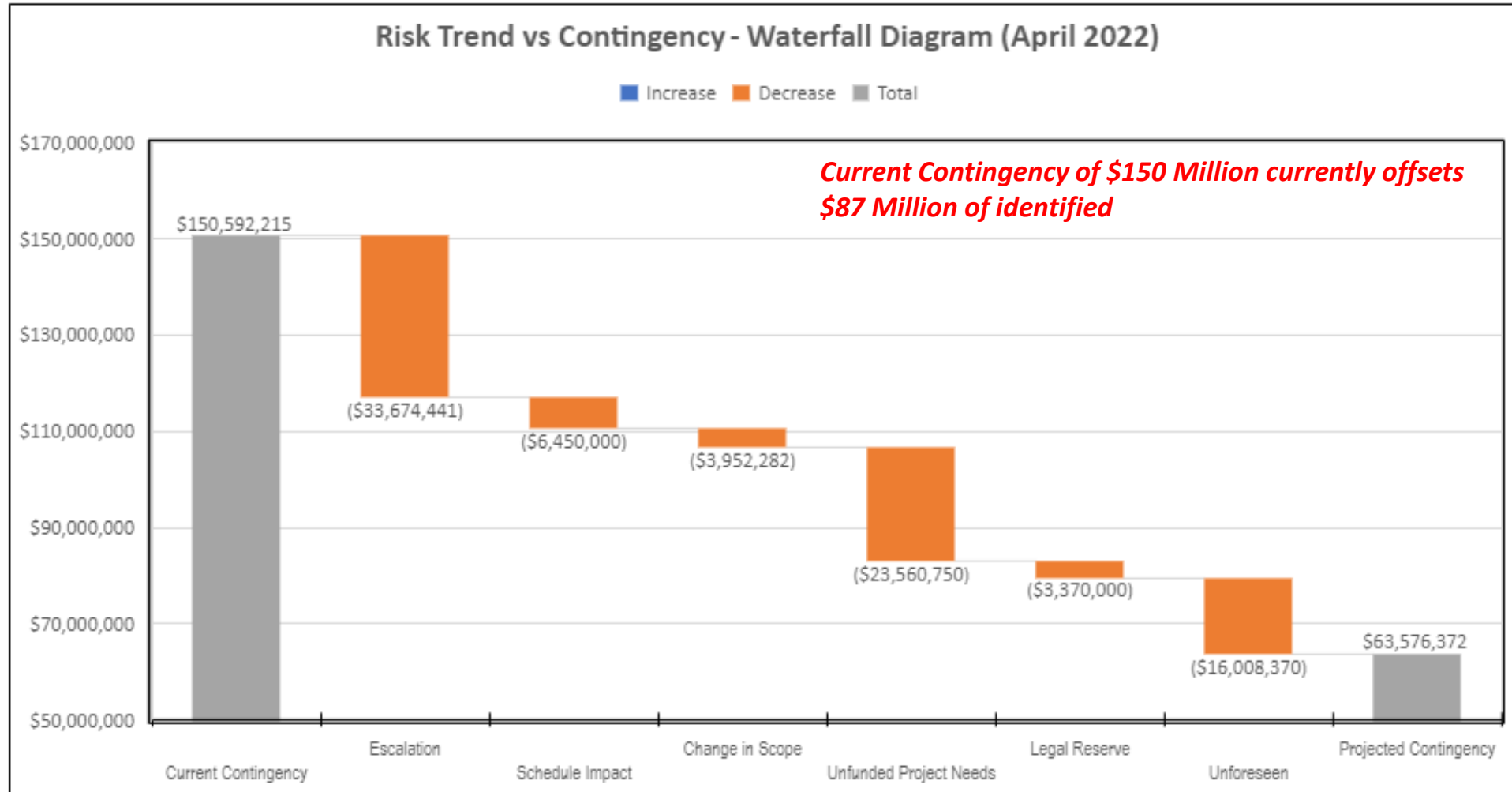


Contingency

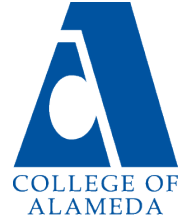
Bond Spending Plan Contingency by College



Risk Management



College of Alameda – Phase 1



- New Auto/Diesel Technologies Building (Ready to Bid)
- Aviation Complex EDA Project (DSA Review)
- Aviation Complex State Project (Programming)
- Elevator Repairs/Upgrades (Construction)

Auto/Diesel Technologies Building



Berkeley City College – Phase 1



- Berkeley City College West Building (In Design)

Berkeley City College West Building Interior



Berkeley City College West Building Exterior



Laney College – Phase 1



- Locker Room Modernization (DSA Review)
- Central Plant/Cooling Tower Modernization (DSA Review)
- New Learning Resource Center (DSA Review)
- Theater Modernization (DSA Review)
- EBMUD Water Main Relocation (Bidding)
- Portable Modular Village (Construction)
- Leak Remediation Phase 3 (Construction)

Laney Learning Resource Center



Theater Modernization



Merritt College – Phase 1



- New Child Development Center (Ready to Bid)
- New Horticulture Complex (DSA Approved)
- Elevator Repairs/Upgrades (Construction)

Child Development Center



Horticulture Complex



Phase 2 Projects (\$400 Million)

College of Alameda

- Science/Administrative Building

Berkeley City College

- 2050 Center Reconfiguration

Laney College

- Student Center and Culinary Arts Modernization
- STEM Building

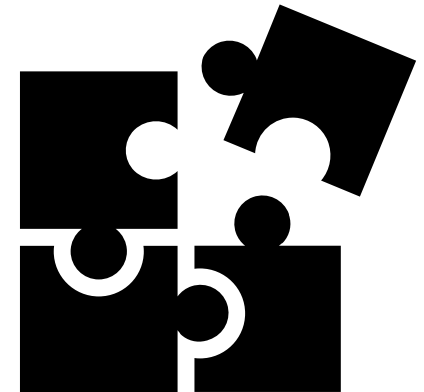
Merritt College

- Locker Room/Gym Modernization
- Renovation Building D
- Demolish Building A



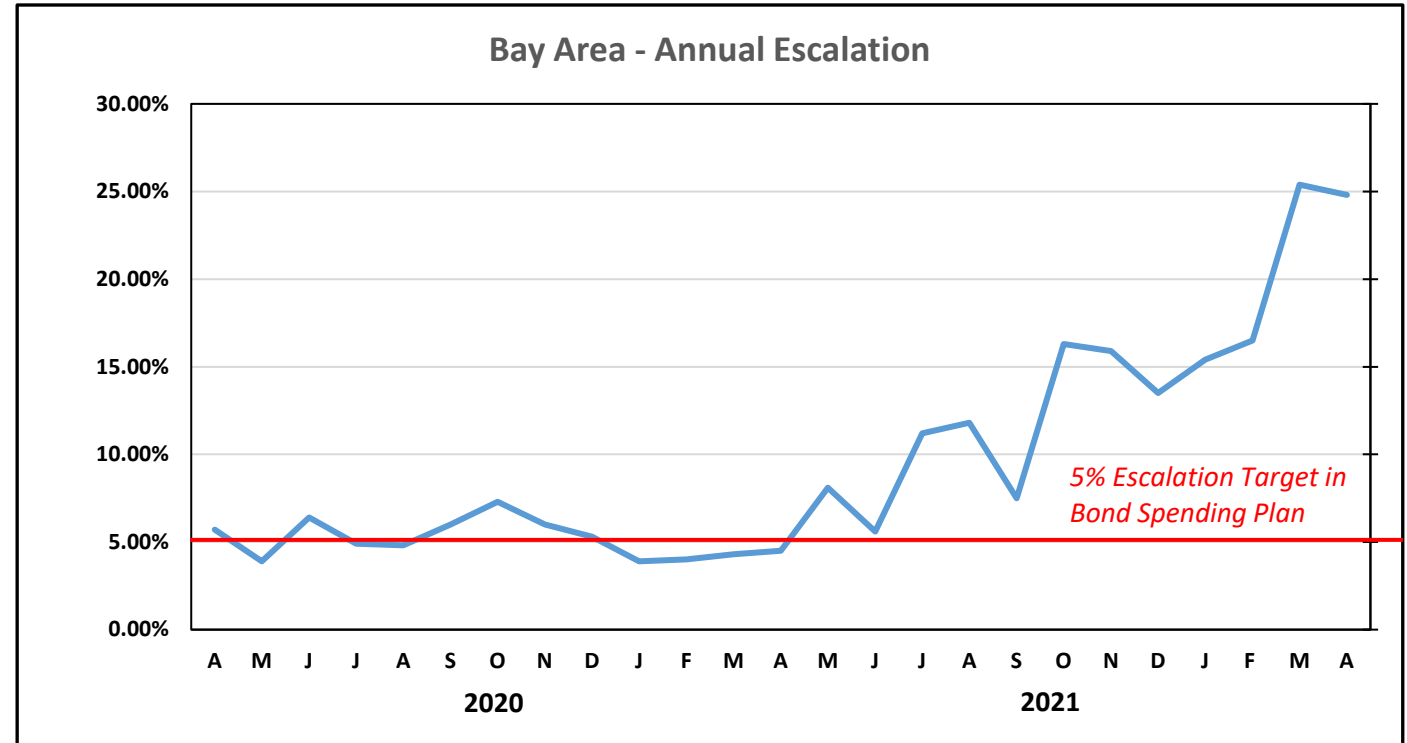
Program Challenges

1. Construction Cost Hyper-Escalation
2. Infrastructure Budget Adequacy
3. DGS Staffing Shortfall
4. Process Improvement



1. Construction Cost Hyper-Escalation

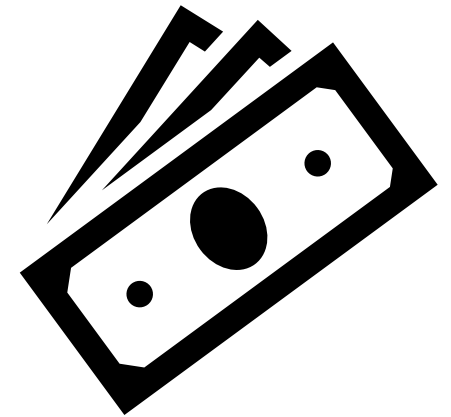
- **Issue:** Escalation Spike due to COVID
- **Impact:** Up to \$55M Construction Cost Increase for Phase 1
- **Mitigation:**
 - Contingency Use
 - Phase 2 Scope Alignment



Source: *Engineer News Record Building Cost Index, San Francisco Region*

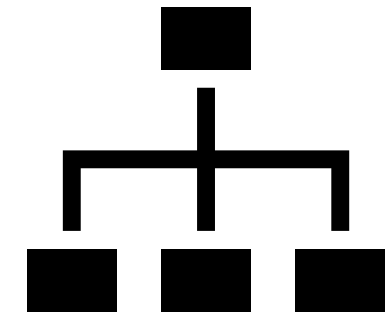
2. Infrastructure Budget Adequacy

- **Issue:** Infrastructure needs are more extensive than initially budgeted in the Bond Spending Plan, including Refresh and Keyless Entry Needs
- **Impact:** Range of \$0.5 to \$8 Million Cost Increase per Campus
- **Mitigation:**
 - Realignment of Bond Spending Plan projects
 - Leverage State (PPIS) and Federal Stimulus funding (HEERF)



3. DGS Staffing Shortfall

- **Issue:** DGS is understaffed, impacting District processing and response times for capital projects
- **Impact:** Project delays and cost impacts over \$20 million with additional contractor cost exposures
- **Mitigation:**
 - Realignment of DGS with additional AECOM support and restructuring of AECOM and CM contracts and teams



4. Process Improvement

- **Issue:** Turnaround times for processing Contracts and Payments are lagging workflow targets
- **Impact:** Schedule delays and cost increases
- **Mitigation:** Change workflow process to streamline District processing and prioritize payments

Aging	Invoice Count (%)	Average Processing
Less than 30 days	87 (27%)	19 days
Over 30 days less than 60 days	169 (53%)	43 days
Over 60 days less than 90 days	48 (15%)	68 days
Over 90 days	17 (5%)	117 days

Invoice processing times from 2020 to Current

Questions?

