PimaCountyCommunityCollegeDistrict

Governing Board's Finance and Audit Committee
Meeting Notice and Agenda*
Friday, April 17, 2020
9:00am
Virtual Meeting#

General Matters		
1. Call to Order	Tracy Nuckolls	9:00am
Action Items		
2. Approval of Minutes from February 14, 2020	Tracy Nuckolls	9:05am
Reports and Feedback		
3. RBC Investment Update	John Utter	9:10am
4. Financial Aid Update a. CARES Act	Norma Navarro-Castellanos	9:45am
5. COVID-19 - College Response and Financial Implications a. April 27, 2020 Study Session	David Bea	10:15am
6. CFO Update a. Revenue Bonds b. FY21 Budget Update c. Managed Print Case Study	David Bea	10:45am

Effectiveness Discussion

Information Items

7. Future Agenda Items
    a. Competency-Based Education
    b. Marketing
    c. Enrollment Management
    d. Program Viability, Use of Space, and Revenue Bonds
    e. BP 4.07, Cash Reserves
    f. Enterprise Risk Management
    g. Internal Audit

Adjournment

Next Meeting
TBD

***Option to recess into executive session** – Pursuant to A.R.S. 38-431.03(A)(2) the Committee may vote to go into executive session for discussion or consideration of records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law.

Additional Information – Additional information about the above agenda items is available for review on the College's website.

**The Committee reserves the right to change the order of agenda items.

**To request a reasonable accommodation for individuals with disabilities, a minimum of five (5) business days before the event is requested. Contact Phone: (520) 206-4539 Fax: (520) 206-4567.

Members of the Committee may participate by telephone, video, or internet conferencing.

#VIRTUAL MEETING
Following the guidance of public health officials, the College has closed its facilities to the public and allows only restricted access for essential personnel to promote social distancing and limit the spread of the coronavirus. Accordingly, the Finance and Audit Committee will conduct this meeting through remote technology only. Members of the public interested in following the proceedings may do so via Zoom webinar.

Please click the link below to join the webinar:
https://pima.zoom.us/j/98407194872

Or iPhone one-tap :
US: +13462487799,,98407194872# or +16699006833,,98407194872#

Or Telephone:
Dial(for higher quality, dial a number based on your current location):
US: +1 346 248 7799 or +1 669 900 6833 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799 or +1 646 558 8656
Webinar ID: 984 0719 4872
International numbers available: https://pima.zoom.us/u/aeuCgKGZl3

PimaCountyCommunityCollegeDistrict

Governing Board's Finance and Audit Committee
Friday, February 14, 2020
9:00am
District Office, D225

Meeting Minutes

In Attendance:
Tracy Nuckolls (Chair), Demion Clinco, Ken Marcus, Daniel Soza (Ex-Officio), Agnes Maina (Ex-Officio), Jesus Manzanedo, Clarence Vatne, Adrianne Regrutto (Chair-Elect)

Unable to Attend:
David Bea (Ex-Officio), Ben Tuchi, Scott Odom, Maria Garcia

Guests:
General Counsel Jeff Silvyn, Internal Auditor Jose Saldamando

General Matters

1. **Call to Order**
   Chair Tracy Nuckolls called the meeting to order at 9:02am, noting a quorum was met. He introduced Mr. Ken Marcus, the newest community representative of the Finance and Audit Committee.

Action Items

2. **Approval of Minutes from December 13, 2019**
   Chair Nuckolls asked if the Committee had any changes to the minutes. With one change to the members in attendance at the December 13, 2019 meeting, a motion was made to approve the minutes.

   Motion No. 202002-01: Approve Minutes from December 13, 2019
   First: Jesus Manzandeo
   Second: Adrianne Regrutto
   Vote: Motion passed unanimously (Nuckolls, Clinco, Marcus, Manzanedo, Vatne, Regrutto voting in favor)
   <u>Motion Carried.</u>

Reports and Feedback

3. **Office of the Auditor General (Katherine Edwards Decker, John Faulk)**
   After introductions, a summary of the Fiscal Year 2019 (FY19) audits was provided, beginning with the FY19 Comprehensive Annual Financial Report. This report was completed in time for submission

to the Government Finance Officers Association for consideration for the Certificate of Achievement for Excellence in Financial Reporting.

Next, the FY19 Single Audit and Report on Internal Controls and Compliance was discussed. There was one finding related to Information Technology (IT) controls - configuration and change management. This finding is a continuation from two years ago, and it will likely be resolved by next year as the College implements TeamDynamix and creates procedures to document the change management process. Mr. Jesus Manzanedo inquired about the commonality of this issue at other Arizona colleges, and Mr. John Faulk noted it was consistent across the state. In FY19, the Audit General revised its approach, placing an emphasis on documented procedures rather than implementing policy, resulting in a decline in IT findings statewide.

Ms. Katherine Edwards Decker confirmed the College has implemented a more robust risk assessment across the District, and also described some of the security awareness training that has been implemented. Additional testing by the College is planned in FY20. Mr. Faulk there were no findings related to compliance.

Related to Uniform Guidance, the Financial Aid, TRIO, HPOG, and Adult Education programs were tested. There were no major issues with federal compliance related to these programs as well as no weaknesses in internal controls to federal programs. For FY18, the TRIO program had a finding related to eligibility, which was corrected. The second issue from the prior year was related to financial aid reporting, which was also corrected as the College reallocated resources to resolve this long-standing issue. The final component of this report was the schedule of expenditures of federal awards, which were accurately accounted for.

Mr. Nuckolls inquired about the College's participation in the audit process and if there is any feedback. Mr. Faulk identified the Foundation as a challenge; the District itself was quite cooperative this year. Mr. Nuckolls congratulated the College on its successes.

4. Internal Audit Update (Jeff Silvyn, Jose Saldamando)

Mr. Jeff Silvyn described the recent changes in the Office of the Internal Auditor, with the recruitment of Internal Auditor Jose Saldamando and departure of Mr. Kurt Weirich. Mr. Saldamando described his background and experience, leading into the Executive Summary provided for today's meeting. Mr. Saldamando continued with a summary of the changes implemented, utilizing feedback previously provided by this Committee; the Committee expressed their appreciation for these changes.

Mr. Clinco asked for this Committee to regularly meet with Mr. Saldamando to review draft reports prior to completion. Mr. Saldamando spoke to some of the projects he will be working on, and Mr. Silvyn suggested quarterly updates, with an annual Governing Board Study Session.

Mr. Clarence Vatne inquired about the staffing of the Office of the Internal Auditor, and Mr. Silvyn stated that the College will move to a model in which temporary or contracted auditors are engaged as needed. Internal Audit will work with Purchasing to develop a pool of auditors.

Mr. Saldamando is finalizing the FY19 risk assessment and will send to this Committee draft audit reports. Mr. Manzanedo asked Mr. Saldamando to share any issues related to the completion of the audits and development of the audit plan. He continued with some strategies he uses in his own office and in helping to determine the scope of an audit.

The College is working with the Arizona School Risk Retention Trust to create a framework of Enterprise Risk Management (ERM) and Compliance to complement Internal Audit. Mr. Vatne asked about a target date to complete the development of the new structure, and Mr. Silvyn will present the final framework for ERM, Compliance, and Audit to this Committee.

5. Comprehensive Annual Financial Report (CAFR) for the Year Ended June 30, 2019 (Agnes Maina)

Ms. Agnes Maina introduced the CAFR. New financial metrics were added this year, and Chair Nuckolls asked if there are any additional metrics that can be added for FY20 related to covenants of the bond issuance; Ms. Maina will make the addition for FY20. Ms. Maina continued with a summary of revenues by source, highlighting contracts, property taxes, and investment revenues from strong cash management. Expenses are also down over FY18, primarily due to position reductions and vacancies in personnel lines. The College concluded the year with a strong financial position due to the bond issuance and investment revenues, and it is anticipated that FY20 will show similar results. Grant revenue may decrease this year as the Health Profession Opportunity Grant will be concluding; new grants may potentially offset this loss in revenue.

Mr. Vatne asked about the decrease in employee compensation and benefits, which Ms. Maina explained is due to closures of vacant positions and a decrease in contributions to state retirement systems. Mr. Vatne noted there is still room to reduce staff and reprioritize needs, and Mr. Soza stated that providing the same services across distributed locations is a contributor. Program viability, classroom inefficiencies, and other factors play a role; the Provost will meet with this Committee at a future meeting to further discuss these topics. Ms. Maina’s department is meeting with the Deans this year as part of the budget development process to help with understanding the business model related to course scheduling.

6. CFO Update (Daniel Soza)

Mr. Soza provided the CFO update on behalf of Dr. David Bea.

Revenue bond expenses have been about a million dollars a month; major expenses will occur as the contractors begin their work at Downtown Campus. This Committee discussed the status of the Aviation project, as well as the College’s reserves in relation to property tax revenues. The concrete foundations and underground utilities are in the works at the Transportation Building, which is on schedule to open in December.

Mr. Clinco inquired about the possibility of cash funding the Allied Health Building and allocating funds for an additional bond issuance.   Ms. Maina stated that an action will be presented to the Governing Board to restrict the funds for the Allied Health Building, which will also keep the expenses outside of the Expenditure Limitation (EL). Mr. Clinco expressed interest in locking in the project financing as the Board's leadership begins to change, and this Committee supports this notion.

Revenues generated by property taxes and state appropriations are bound by EL. Prop 301 dollars, which are not tied to EL, will be operationalized to fund personnel costs as opposed to capital equipment. Additional positions will be closed this year to narrow the gap between projected expenditures and the FY21 EL.

Mr. Soza described the priorities of the Governing Board, including those with a direct impact on students. Salary scenarios were described in relation to a lift to salary schedules, a pool for merit pay, and tiered scales for adjunct faculty. Ms. Adrianne Regrutto inquired about the potential for use of space (either leasing or for sale), and Mr. Clinco stated that a firm will be reviewing this on behalf of the College. Leases would generate revenue outside of EL, but the largest expense with operating a location is related to personnel.

The College met with the County to discuss the use of Certificates of Participation (COPs), which are being considered as a strategy to shift expenses away from EL. The interest rate associated with this is low but would require work similar to the revenue bond issuance for the College to engage in this process. After the upfront work is completed, the issuance of COPs can be completed quickly.

Mr. Soza discussed the cost of attendance related to maximum Pell awards for full-time students in both Fall and Spring semesters. Open Educational Resources are being utilized at the College to reduce the cost of textbooks and supplies, and digital literacy through a personal technology device provided to students is also being considered. A Study Session will be held on February 24 to obtain feedback from the Board prior to the tuition decision in March. The tuition proposals will be based on feedback from the Student Senate.

Proposed changes to Expenditure Limitation were discussed.   Mr. Silvyn noted that relief to EL will make it challenge to continue to reallocate resources and Mr. Soza concurred, as additional EL capacity will allow the College to fund strategic priorities and building projects without utilizing debt mechanisms.

The College is interested in feedback from this Committee related to tuition scenarios and the use of COPs. Chair Nuckolls requested more information related to COPs as they impact the covenants of the revenue bonds and the plan to have potential debt. Ms. Adrianne Regrutto asked about including inflation factors over time as a measure for proposed tuition increases and cost of living adjustments.

The College has contracted with a firm to inquire about the possibility of an EL override or a General Obligation bond issuance. Mr. Clinco is supportive, as there is a need to identify the direct value of the institution.

Information Items

7. Future Agenda Items

a. Financial Aid Update (April)
b. Competency-Based Education
c. Marketing
d. Enrollment Management
e. Program Viability, Use of Space, and Revenue Bonds
f. BP 4.07, Cash Reserves
g. Enterprise Risk Management
h. Internal Audit

Adjournment

The meeting concluded at 11:22am.

Next Meeting:
April 17, 2020
Zoom Meeting

RBC Global Asset Management

Pima County Community College
Portfolio Update

April 2020

John Utter
Head of U.S. Institutional Client Service

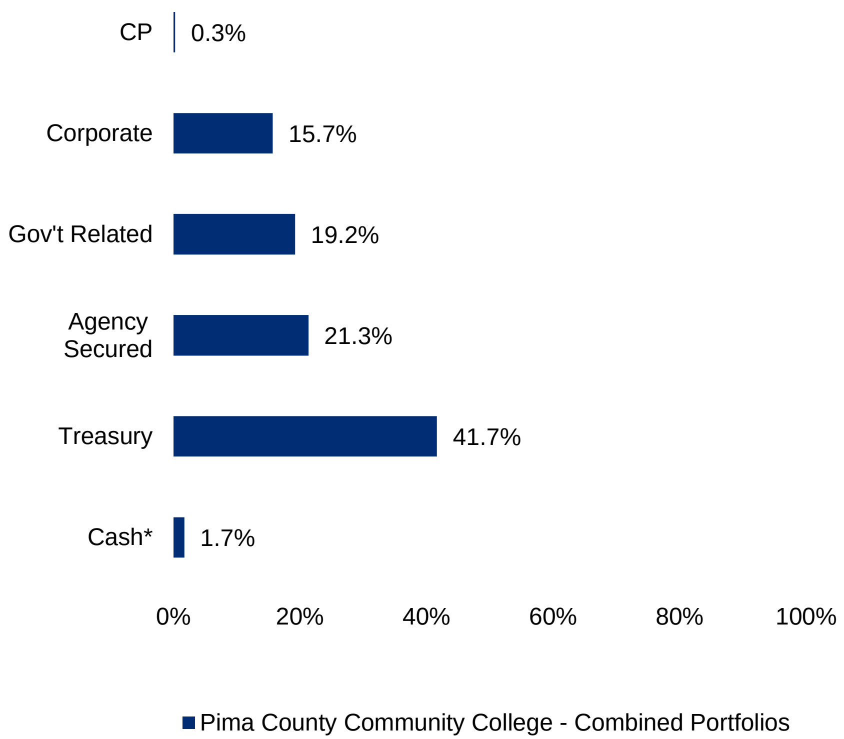
Table of Contents

Summary of Combined Portfolio Characteristics

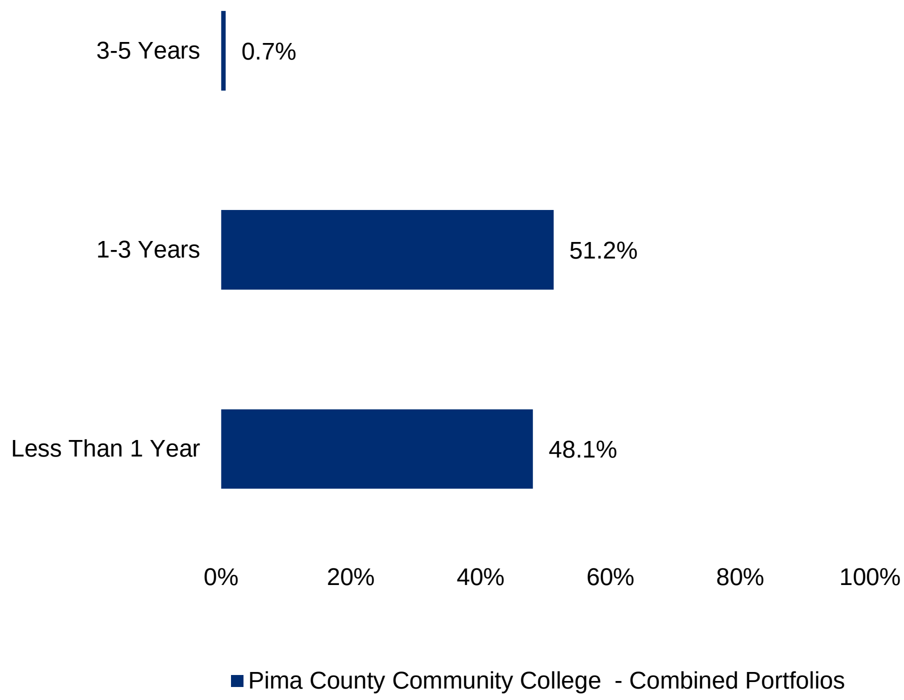
Pima County Community College

The Pima County Community College combined investment assets with RBC GAM includes two RBC managed short term portfolios ($110.7 million) and a bond proceeds portfolio ($60.4 million).

Sector Distribution as of 3.31.20



Duration Distribution as of 3.31.20



*Cash assets do not include AZ LGIP and Bank Deposits held outside of portfolios managed by RBC GAM

As of 3.31.20
Source: RBC GAM, ICE Data Services, Sector and Duration distribution charts is excluding cash & equivalents

Corporate Issuer Exposer

Pima County Community College

Issuer	% Assets 1-3yr Portfolio	% Assets Ultra Short	Moody's Rating	S&P Rating	Fitch Rating	Moody's Outlook	S&P Outlook	Fitch Outlook
Toyota Motor Credit Corp	2.27%	4.79%	A1	AA-	A+	**NEG**	**NEG**	STABLE
US Bank NA/Cincinnati OH	3.60%		A1	AA-	AA-	STABLE	**STABLE**	**NEG**
Wells Fargo Bank NA	3.15%		Aa2	A+	AA-	STABLE	STABLE	**NEG**
Visa Inc	1.06%		Aa3	AA-		STABLE	**STABLE**	
Berkshire Hathaway Finance Corp	2.91%		Aa2	AA	A+	STABLE		
Berkshire Hathaway Inc	0.54%		Aa2	AA	A+	STABLE	**STABLE**	
JPMorgan Chase Bank NA	2.62%		Aa2	A+	AA	STABLE	STABLE	STABLE
Automatic Data Processing Inc	0.31%		Aa3	AA		STABLE	STABLE	
Bank of New York Mellon	1.02%		Aa2	AA-	AA	STABLE	STABLE	STABLE
Chevron Corp	0.72%		Aa2	AA		STABLE	**NEG**	
Walmart Inc	2.10%	3.23%	Aa2	AA	AA	STABLE	STABLE	STABLE
Exxon Mobil Corp	1.66%		Aa1	AA		**NEG**	**NEG**	
Apple Inc	2.77%	3.27%	Aa1	AA+		STABLE	STABLE	
Microsoft Corp	0.78%		Aaa	AAA	AA+	STABLE	STABLE	STABLE
Johnson & Johnson	1.00%	1.64%	Aaa	AAA		**NEG**	STABLE	

As of 3.31.20
Source: RBC GAM, Bloomberg

RBC Global Asset Management

Pima County Community College District - 1-3 Year Portfolio

Portfolio Performance

Pima County Community College – 1-3 Year Portfolio

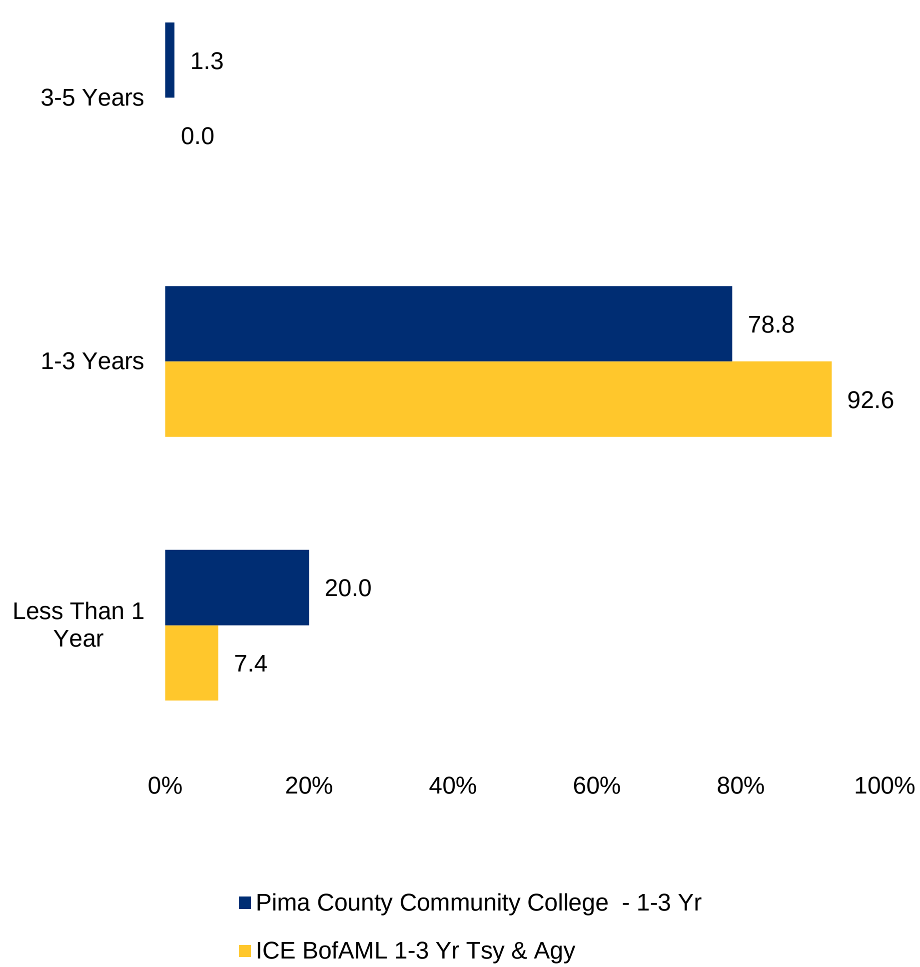
3.31.2020 Market Value: $96,337,094	1Q 2020	4Q 2019	3Q 2019	2Q 2019	1 Year	3 Year	5 Year	7 Year	Since Inception (7.1.12)
Total Portfolio (Gross of Fees)	1.72	0.49	0.73	1.41	4.42	2.69	1.91	1.62	1.53
Total Portfolio (Net of Fees)	1.71	0.47	0.71	1.39	4.35	2.62	1.84	1.55	1.46
Principal Return	1.14	-0.06	0.10	0.85	2.04	0.68	0.12	-0.08	-0.17
Income Return	0.58	0.55	0.62	0.56	2.34	2.00	1.79	1.70	1.71
ICE BofAML 1-3 Year Tsy & Agy Index	2.78	0.51	0.58	1.43	5.39	2.70	1.85	1.52	1.43

As of 3.31.20
Source: RBC GAM, ICE Data Services
All returns for periods greater than one year are shown on an annualized basis. Past performance is not indicative of future results.

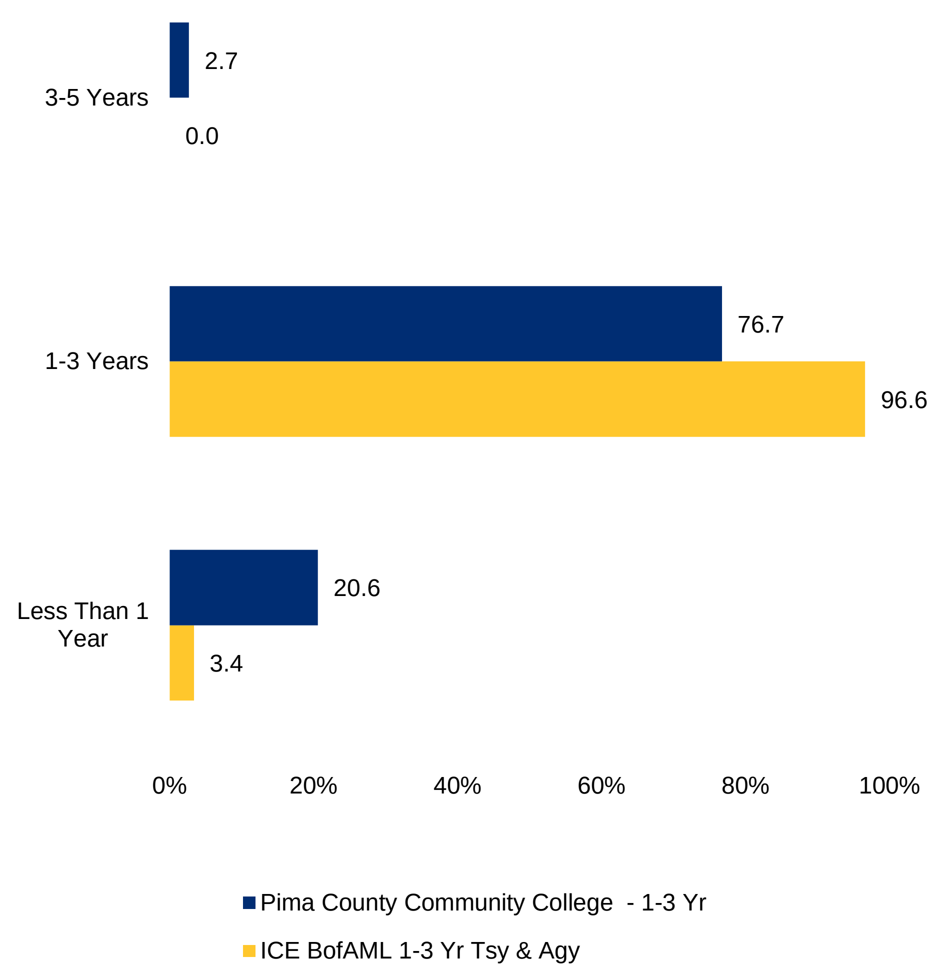
Portfolio Characteristics

Pima County Community College – 1-3 Year Portfolio

Duration Distribution as of 3.31.20



Duration Distribution as of 12.31.19

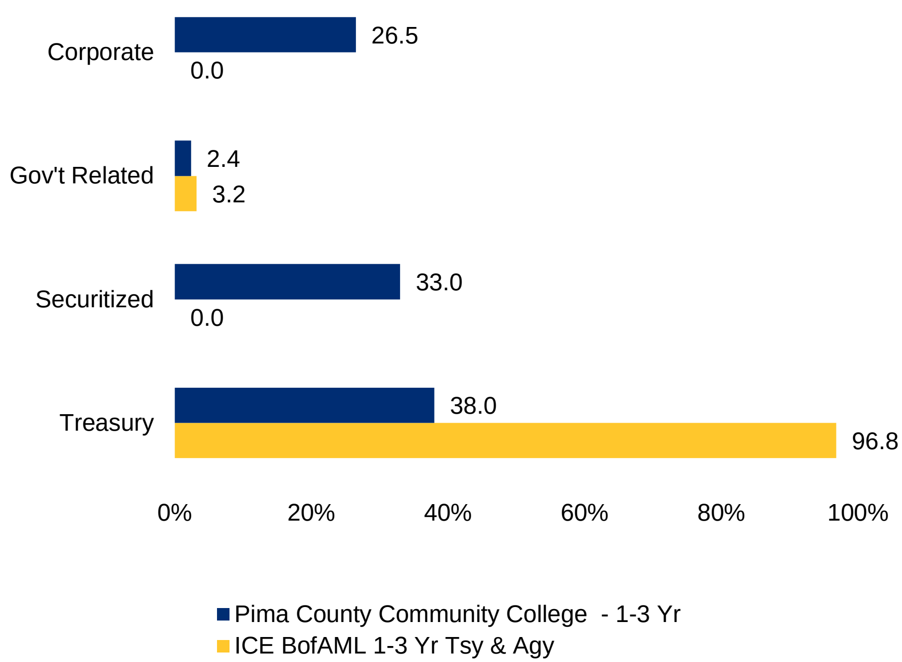


As of 3.31.20 Source: RBC GAM, ICE Data Services, Sector and Duration distribution charts is excluding cash & equivalents

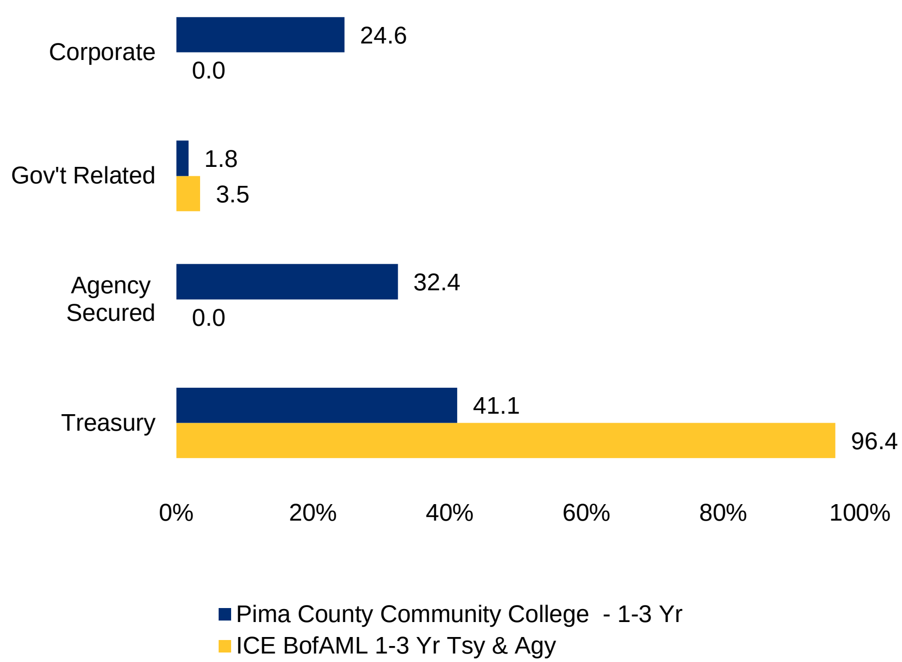
Portfolio Characteristics

Pima County Community College – 1-3 Year Portfolio

Sector Distribution as of 3.31.20



Sector Distribution as of 12.31.19



Characteristics	Pima County Community College – 1-3 Yr as of 3.31.20	Pima County Community College – 1-3 Yr as of 12.31.19	ICE BofAML 1-3 Yr Tsy & Agy
Effective Duration	1.69 years	1.75 years	1.80 Years
Market Yield	1.11%	1.82%	0.28%
Book Yield	2.08%	2.27%	--
Average Quality	AA+	AA+	AAA

As of 3.31.20
Source: RBC GAM, ICE Data Services, Sector and Duration distribution charts is excluding cash & equivalents

Duration By Sector

Pima County Community College – 1-3 Year Portfolio

	Duration As of 12/31	% Assets As of 12/31	Contribution to Duration As of 12/31	Duration As of 3/31	% Assets As of 3/31	Contribution to Duration As of 3/31
Corporate	1.54 Years	24.61%	**21.64%**	1.38 Years	26.52%	**21.65%**
Agency	0.99 Years	1.75%	**0.99%**	1.57 Years	2.36%	**2.20%**
Agency Secured	1.86 Years	32.44%	**34.42%**	1.79 Years	32.97%	**34.99%**
Treasury	1.83 Years	41.13%	**42.95%**	1.83 Years	37.97%	**41.16%**
Cash	0.00 Years	0.07%	**0.00%**	0.00 Years	0.18%	**0.00%**
Total	**1.75 years**	**100.00%**	**100.00%**	**1.69 years**	**100.00%**	**100.00%**

As of 3.31.20

RBC Global Asset Management

Pima County Community College District - Ultra Short Portfolio

Portfolio Performance

Pima County Community College – Ultra Short Portfolio

3.31.2020 Market Value: $15,649,852	1Q 2020	4Q 2019	3Q 2019	2Q 2019	1 Year	3 Year	5 Year	7 year	Since Inception (5.1.12)
Total Portfolio (Gross of Fees)	0.97	0.54	0.59	1.00	3.13	2.21	1.50	1.11	1.01
Total Portfolio (Net of Fees)	0.96	0.52	0.57	0.98	3.06	2.14	1.43	1.04	0.94
Principal Return	0.39	0.01	0.13	0.60	1.13	0.96	0.48	0.04	-0.05
Income Return	0.58	0.53	0.46	0.39	1.97	1.24	1.01	1.08	1.06
Blended Benchmark*	1.72	0.56	0.55	0.99	3.87	2.42	1.54	1.11	1.00
ICE BofAML 91 Day T-Bill	0.58	0.46	0.56	0.64	2.25	1.83	1.19	0.86	0.78

**1.1.2019-Current: ICE BofAML 0-2 Year US Treasury; 5.1.2012 thru 12.31.2018: ICE BofAML 3 Month T-Bill*

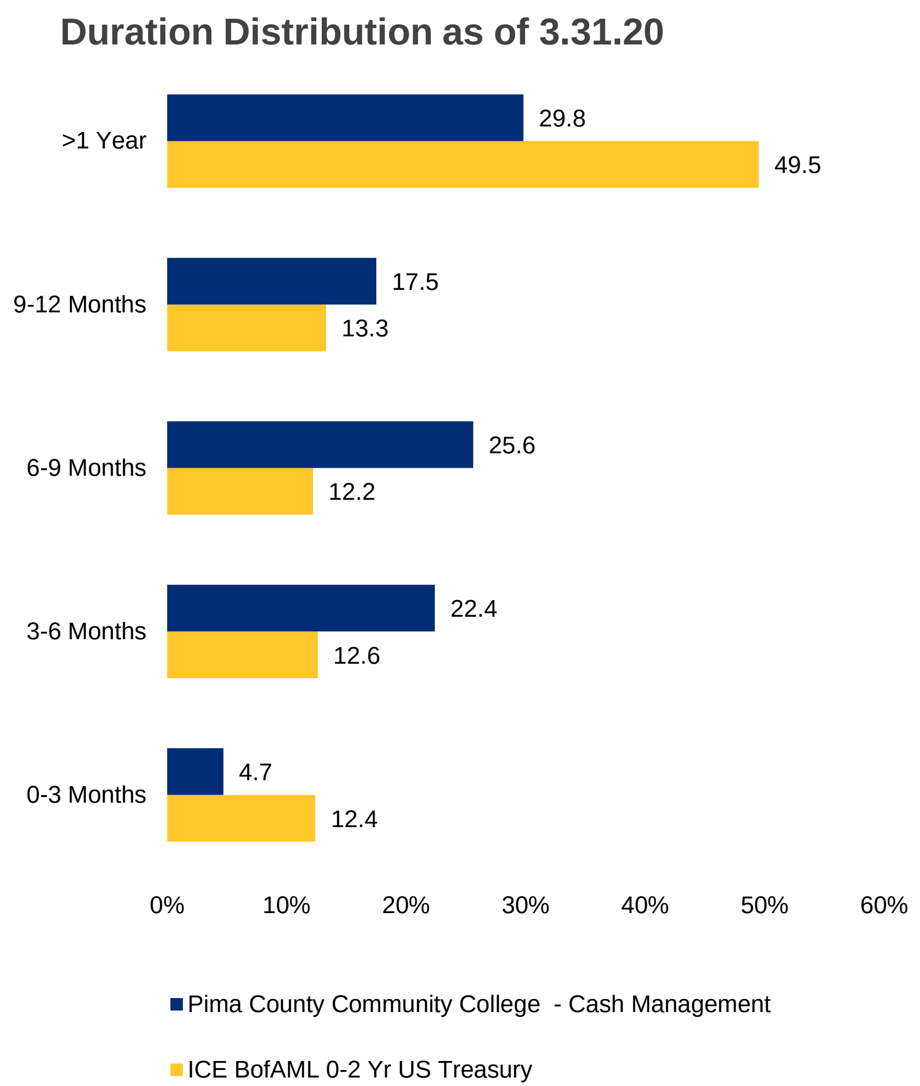
As of 3.31.20

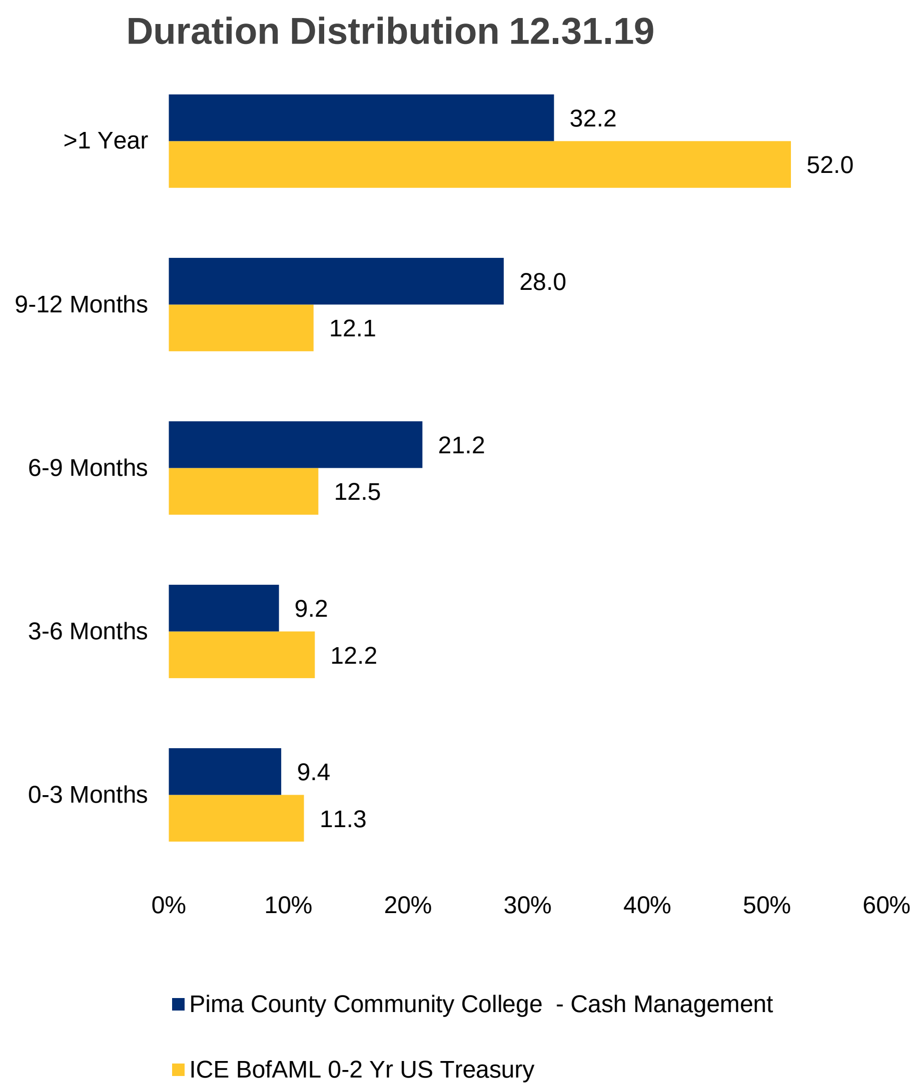
Source: RBC GAM, ICE Data Services

All returns for periods greater than one year are shown on an annualized basis. Past performance is not indicative of future results.

Portfolio Characteristics

Pima County Community College – Ultra Short Portfolio



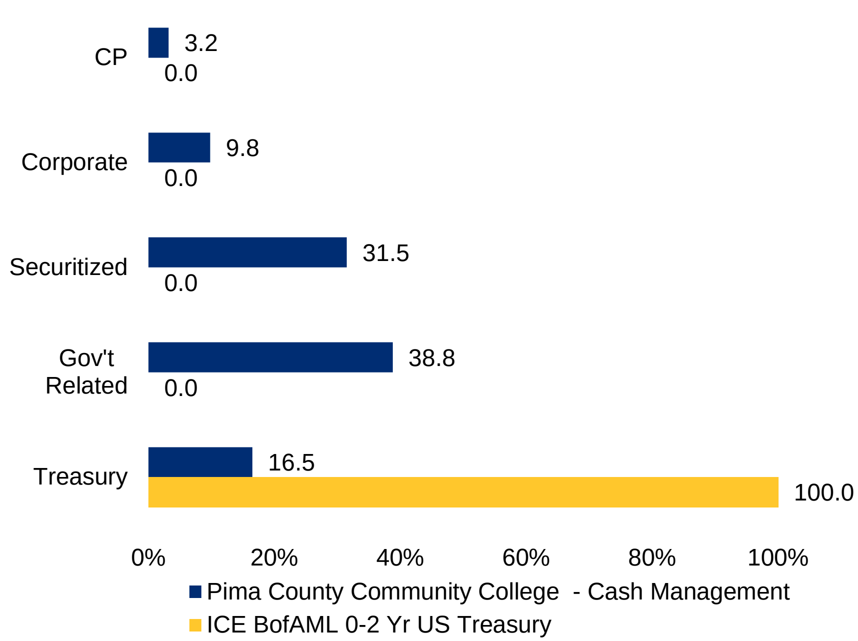


As of 3.31.20
Source: RBC GAM, ICE Data Services, Sector and Duration distribution charts is excluding cash & equivalents

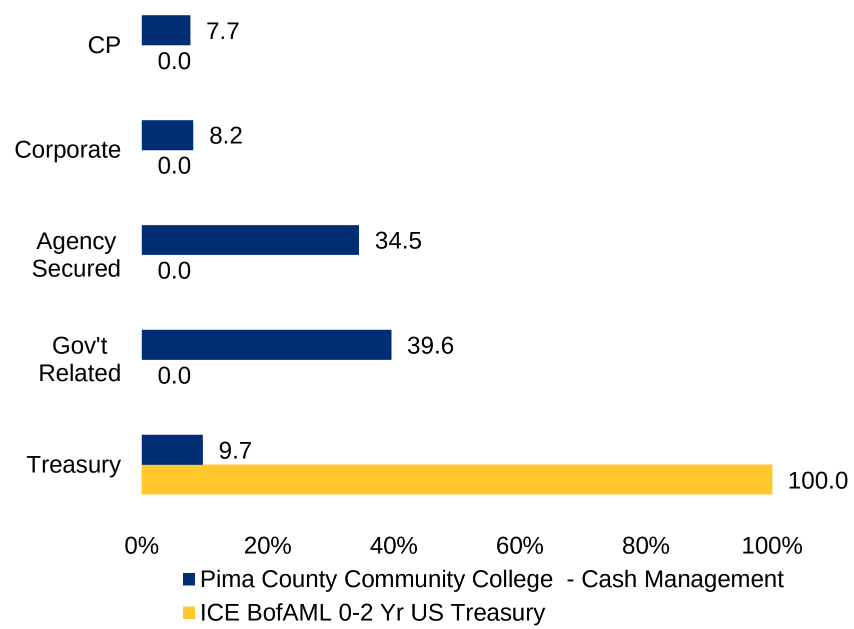
Portfolio Characteristics

Pima County Community College – Ultra Short Portfolio

Sector Distribution as of 3.31.20



Sector Distribution as of 12.31.19



Characteristics	Pima County Community College – Ultra Short as of 3.31.20	Pima County Community College – Ultra Short as of 12.31.19	ICE BofAML 0-2 Yr US Treasury
Effective Duration	0.83 years	0.85 years	0.98 years
Market Yield	1.12%	1.94%	0.23%
Book Yield	2.21%	2.35%	--
Average Quality	AAA	AAA	AAA

As of 3.31.20
Source: RBC GAM, ICE Data Services, Sector and Duration distribution charts is excluding cash & equivalents

Duration By Sector

Pima County Community College – Ultra Short Portfolio

	Duration As of 12/31	% Assets As of 12/31	Contribution to Duration As of 12/31	Duration As of 3/31	% Assets As of 3/31	Contribution to Duration As of 3/31
Corporate	0.98 Years	8.22%	**9.49%**	0.92 Years	9.76%	**10.82%**
Gov't Related	0.80 Years	39.61%	**37.42%**	0.57 Years	36.82%	**26.79%**
Commercial Paper	0.03 Years	7.71%	**0.24%**	0.18 Years	3.17%	**0.69%**
Agency Secured	0.91 Years	34.54%	**37.13%**	0.83 Years	31.54%	**31.77%**
Treasury	1.37 Years	9.73%	**15.73%**	1.50 Years	16.51%	**29.93%**
Cash	0.00 Years	0.19%	**0.00%**	0.00 Years	0.21%	**0.00%**
Total	**0.85 Years**	**100.00%**	**100.00%**	**0.83 Years**	**100.00%**	**100.00%**

As of 12.31.19

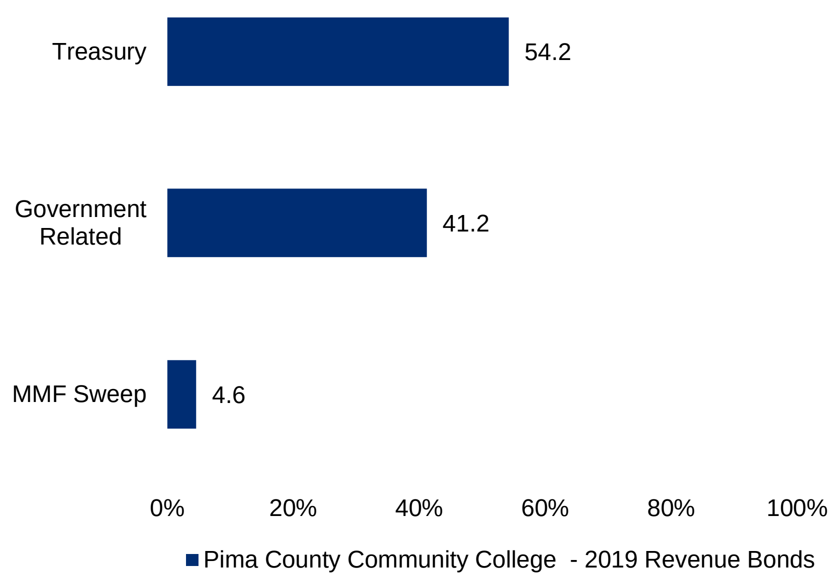
RBC Global Asset Management

Pima County Community College District - 2019 Revenue Bonds

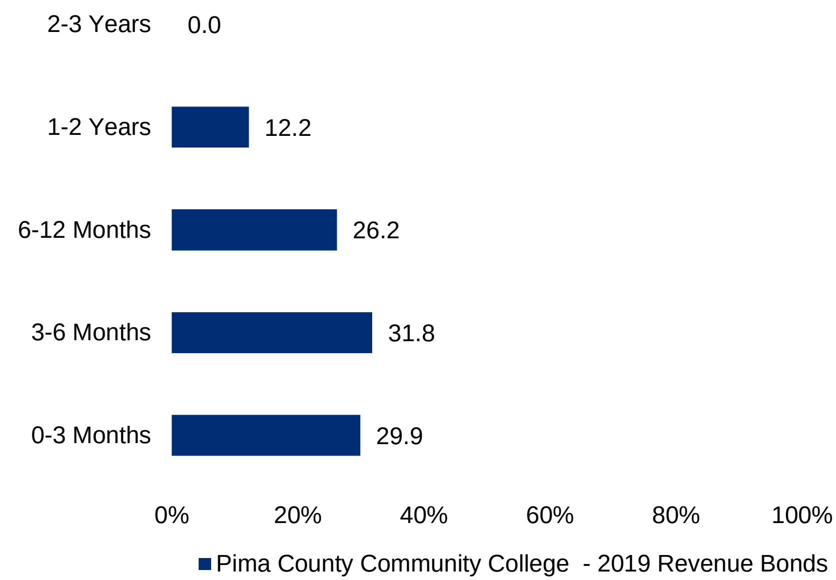
Portfolio Characteristics

Pima County Community College – 2019 Revenue Bonds

Sector Distribution as of 3.31.20



Duration Distribution as of 12.31.19



Characteristics	Pima County Community College – 2019 Revenue Bonds
Effective Duration	0.50 years
Market Yield	0.29%
Book Yield	2.08%
Average Quality	AAA
Market Value	$59,993,971

As of 3.31.20
Source: RBC GAM, ICE Data Services, Sector and Duration distribution charts is excluding cash & equivalents

Comparison Cash Flow Projection and Maturity Schedule

Pima County Community College – 2019 Revenue Bonds

Cash Flow Projections as of August 26, 2019

2020	
April	$1,530,421
May	$1,430,382
June	$1,649,619
July	$1,723,119
August	$1,570,358
September	$1,901,459
October	$1,388,717
November	$1,302,617
December	$1,510,217
	$14,006,908

2021	
January	$2,714,078
February	$2,540,572
March	$2,979,812
April	$3,384,648
May	$3,785,056
June	$4,030,064
July	$3,758,227
August	$3,178,987
September	$2,249,311
October	$1,585,817
November	$103,608
December	$68,808
	$30,378,988

Monthly Totals	**$44,385,896**
Construction Cost - Historic Corridor	$2,675,000
Historic Assessment & Preservation	$455,624
Real Estate - Purchase Opportunities	$1,575,000
Material and Labor Escalation	$2,955,000
General Contingency	$1,114,376
Total	**$53,160,897**

Maturity Schedule, As of March 31, 2020

2020	
$5,375,000	April
$7,000,000	May
$2,740,000	June
$5,050,000	July
$11,300,000	August
$2,700,000	September
$3,829,000	October
$2,000,000	November
$1,800,000	December
$41,794,000	

2021	
$2,730,000	January
$2,550,000	February
$2,575,000	March
$2,275,000	April
$1,075,000	May
$1,100,000	June
$1,050,000	July
$775,000	August
$400,000	September
$300,000	October
$130,000	November
$50,000	December
$15,010,000	

$56,804,000 Total from 2020 thru 2021

RBC Global Asset Management

Economy & Market Review

Overview

Wide ranging economic impacts from Covid-19

- The global pandemic is a disaster for the economy in the short term

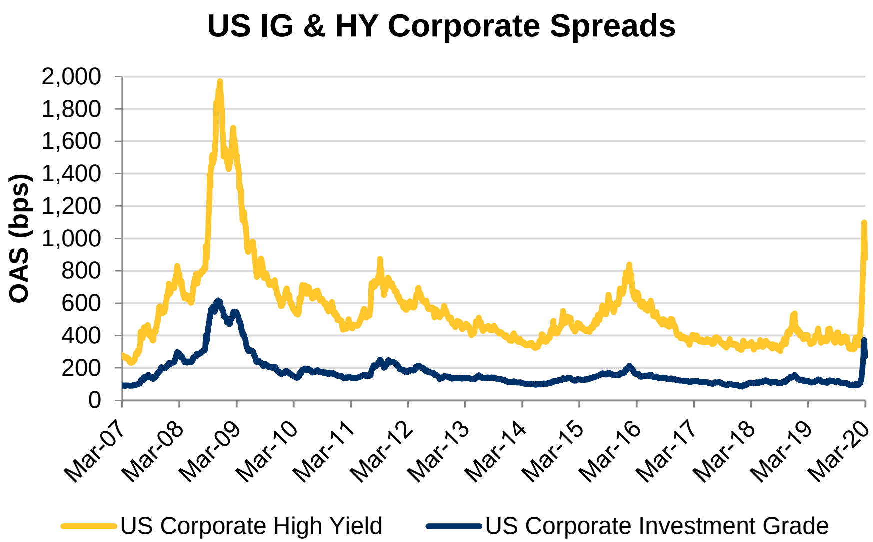
- A deep global recession likely

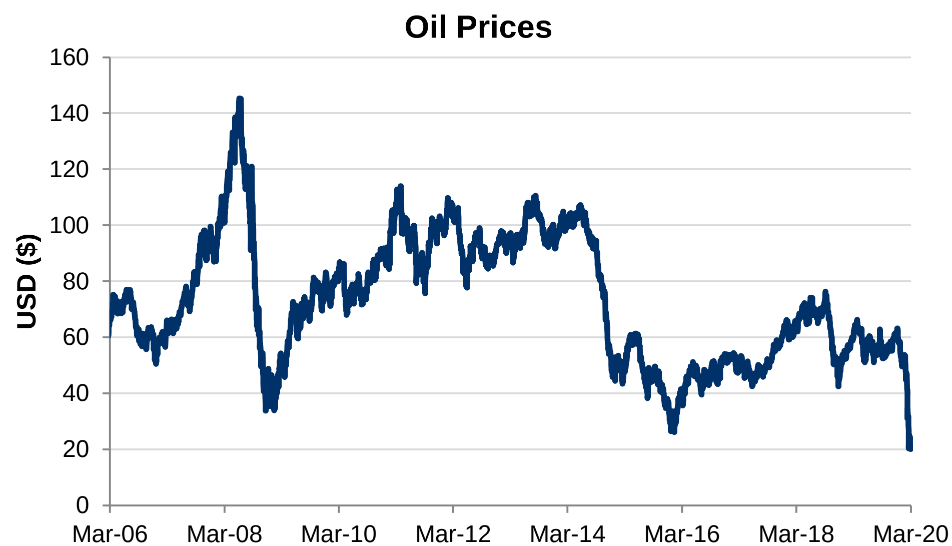
- 2nd Quarter US GDP on path to be worst on record going to back to 1945
  - Projecting -33% for quarter (vs -10% in Q1 1958 & -8.4% in Q4 2008)
  - Fiscal stimulus helps mitigate, but still looking at historically negative GDP
  - Economists are forecasting a “soft-V” bounce with a 3rd quarter rebound
  - 2020 US GDP expected to decline -5.3% (vs -2.8% in 2008)

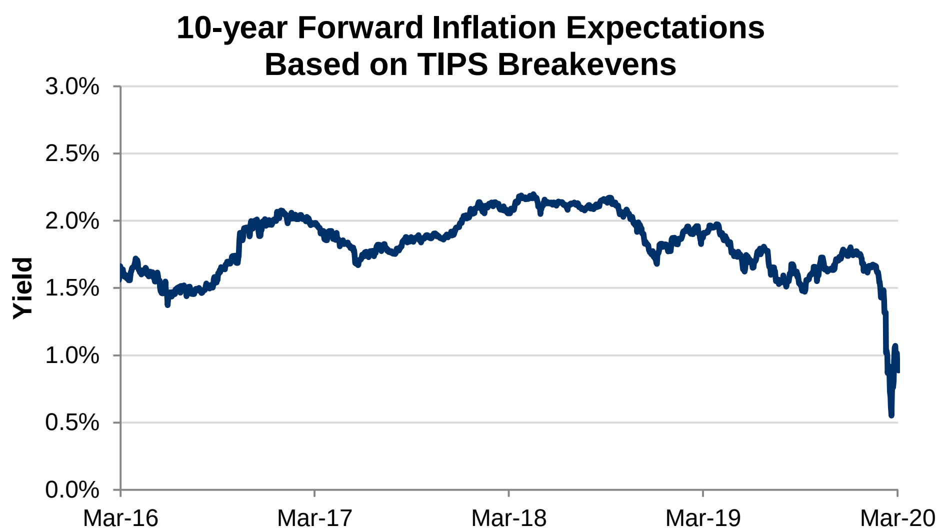
- Federal Reserve – Taking decisive action to support the smooth functioning of markets

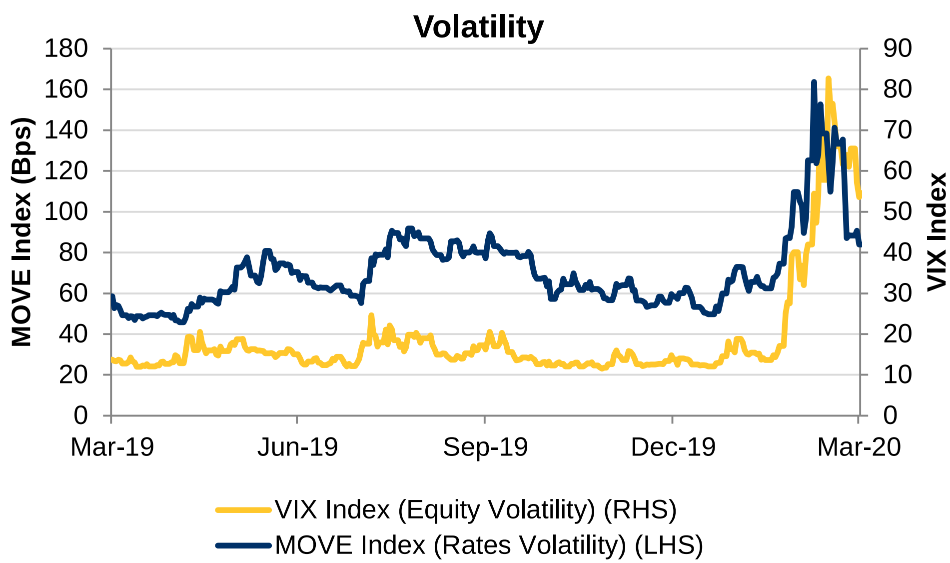
- Bond market has been helped by the Fed’s actions to support liquidity

Deep Global Recession





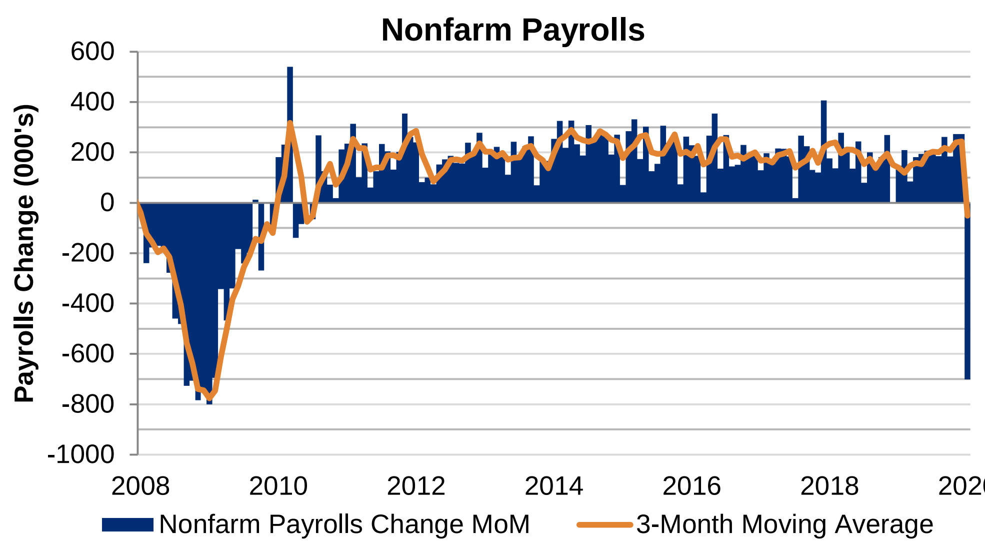


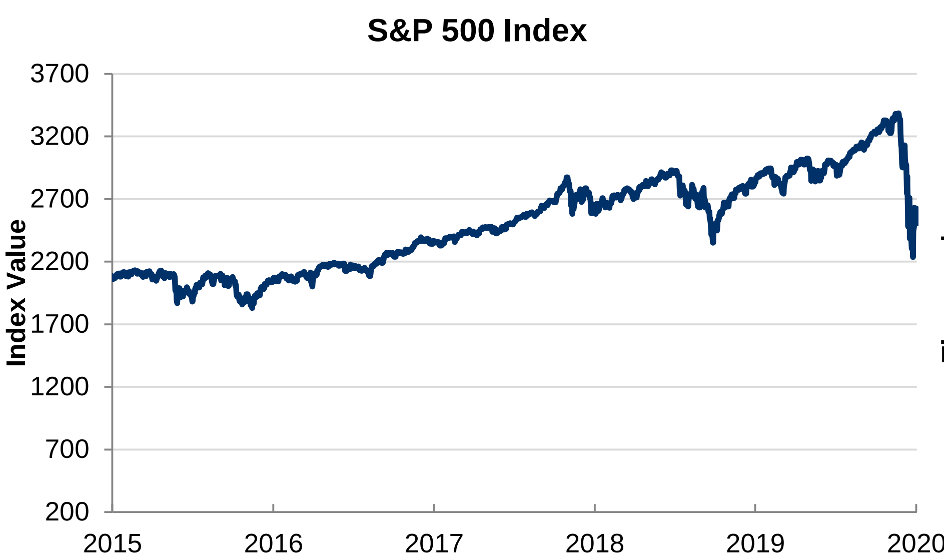


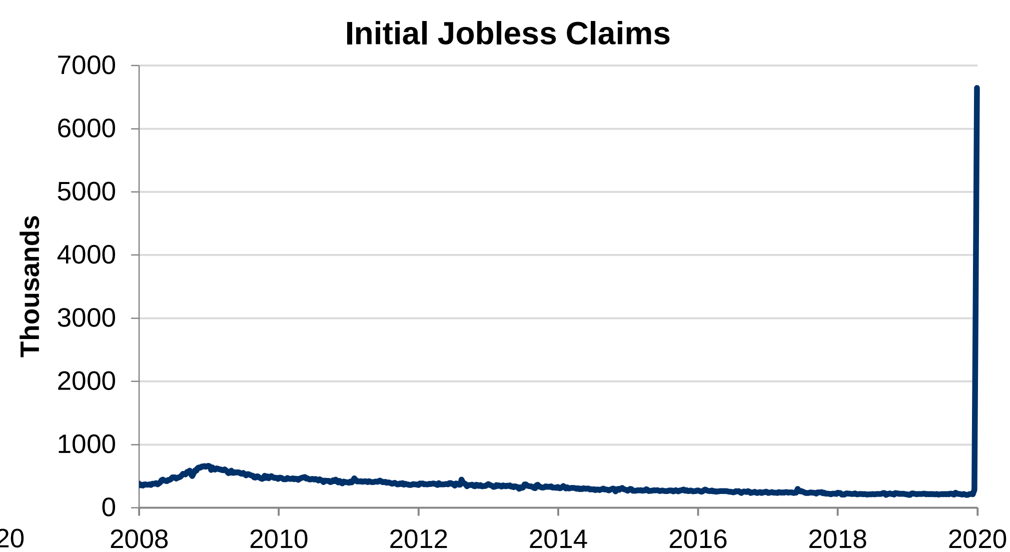
As of 3.31.20
Source: Bloomberg

US Economy – Deep Uncertainty, Likely Recession

- Prior to the Covid-19 outbreak the US economy was on solid footing showing stable fundamentals
- The historic run of monthly jobs growth has ended
- Since the outbreak initial jobless gains have sky rocketed
- The potential impacts of Covid-19 injects new uncertainty in the economic picture





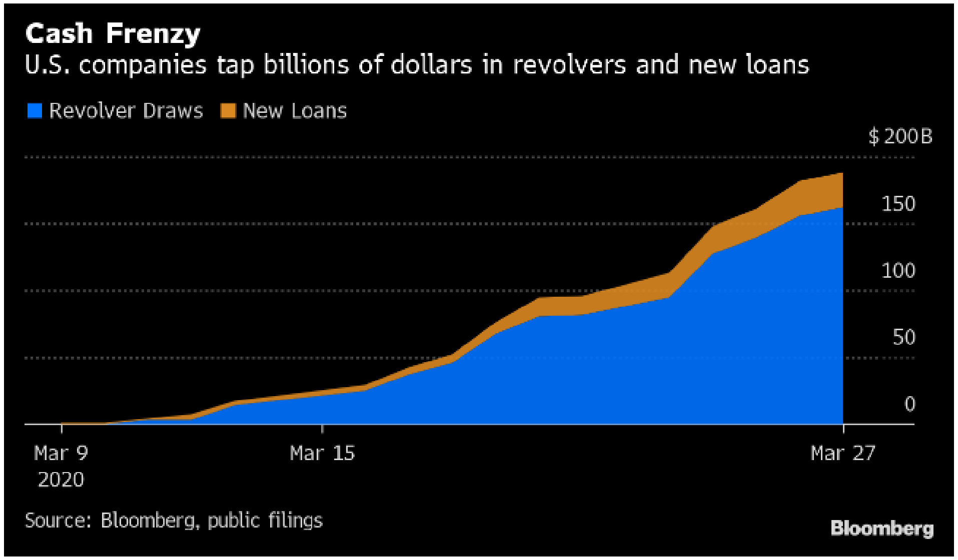


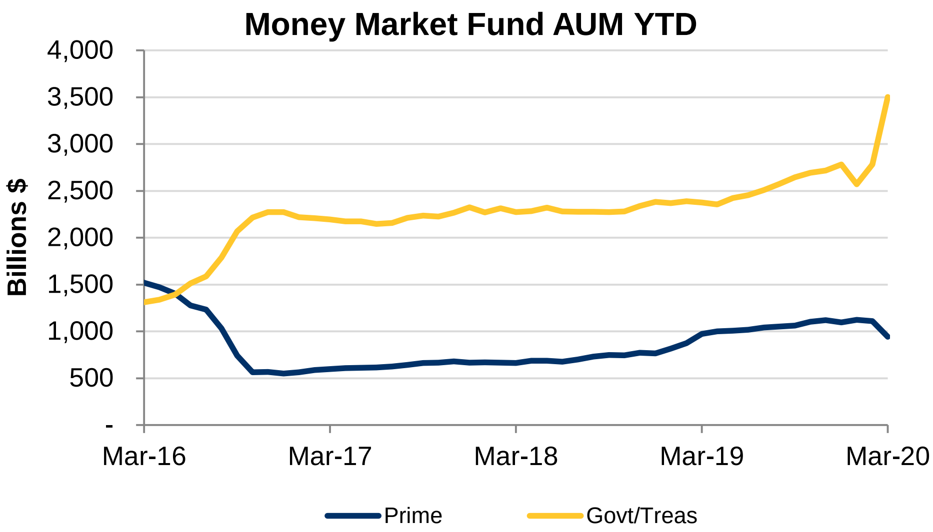
As of 3.31.20
Source: Bloomberg

Cash in High Demand

Economic uncertainty has driven up demand for liquidity as businesses scramble for cash

- U.S. businesses are tapping all available credit lines
- Government money market funds have seen record inflows
  - Prime funds have seen outflows over concerns of fees and redemption gates





As of 3.31.20
Source: Bloomberg, SEC, Crane Data

Federal Reserve – Aggressive Response

The Fed has taken decisive action to support the functioning of financial markets and encourage lending

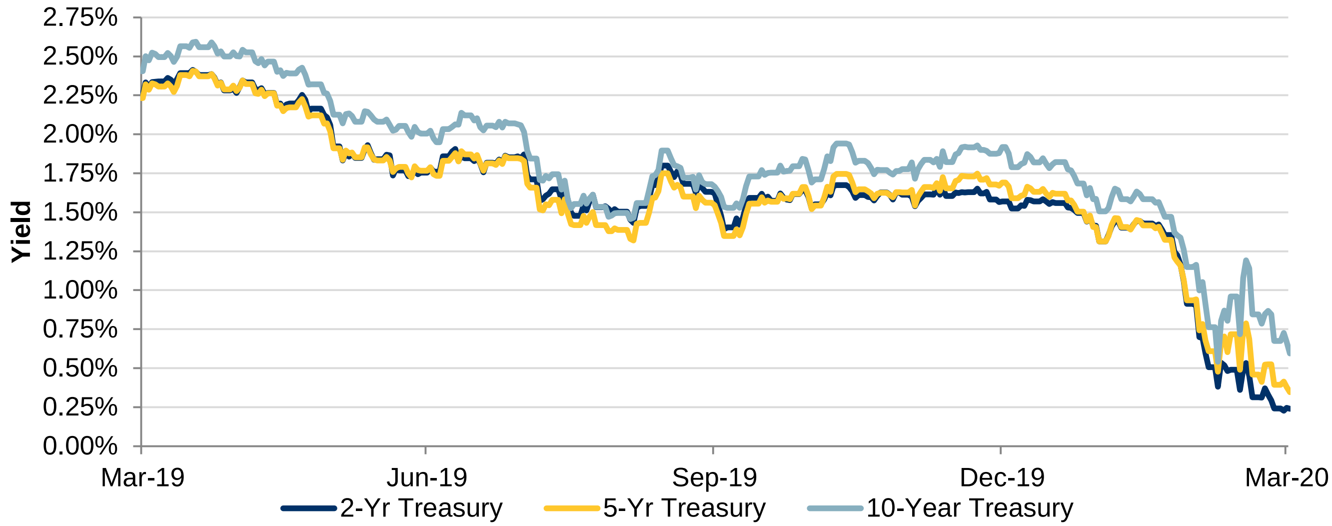
- Fed Funds cut to range of 0-0.25% – likely to be near zero for foreseeable future

- Expanded lending facilities
  - Expanded repo operations / easier access to discount window
  - Primary Dealer Credit Facility (PDCF)
  - Money Market Mutual Fund Liquidity Facility (MMLF)
  - Primary & Secondary Market Corporate Credit Facility (PMCCF & SMCCF)
  - Commercial Paper Funding Facility (CPFF)
  - Term Asset-Backed Securities Loan Facility (TALF)
  - Reopening liquidity swap lines with other central banks
  - Facility to provide financing backed by loans from the SBAs Paycheck Protection Program (PPP)

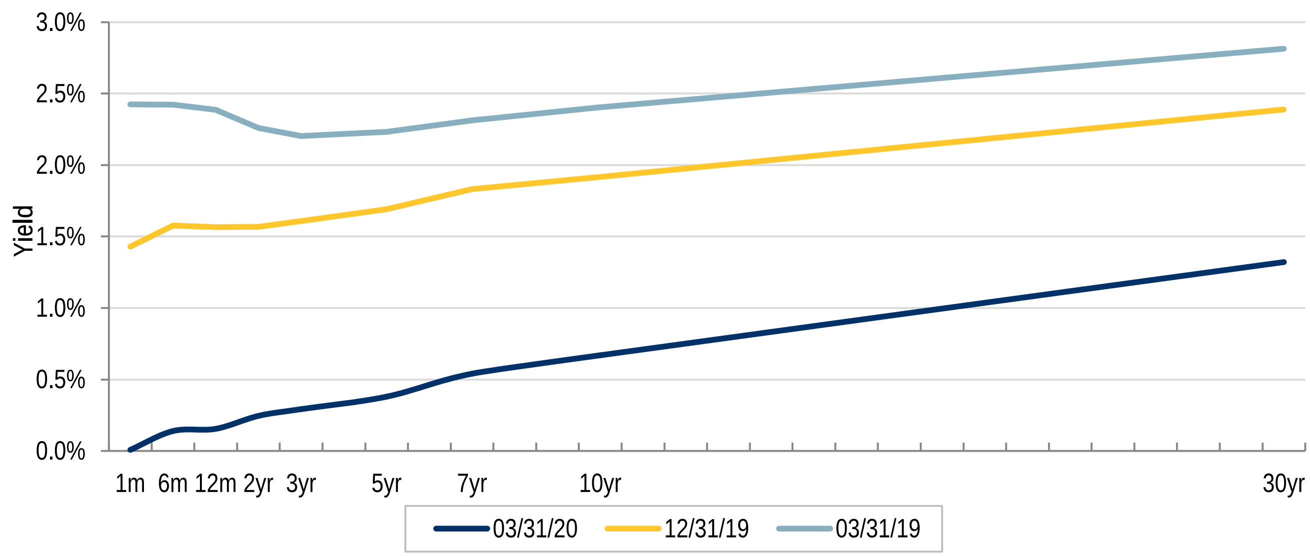
- Unlimited quantitative easing
  - Purchased $375bn of Treasury & $250bn of MBS in first week alone
  - Expanded to include Agency CMBS and short-date, high quality Corporates

U.S. Treasury Rates

- Concerns over the global impact of the Coronavirus have driven increased volatility and sharp declines in treasury rates



- Recent Fed action has seen the short end of the curve flirting with negative rates



As of 3.31.20
Source: Bloomberg

2020 Outlook

Coronavirus adds major uncertainty to global growth

- Key issue in 2020 is coronavirus
  - Major simultaneous supply and demand shocks
- Previous outlook in 2020 –1.75-2% US GDP
  - GDP now likely to be negative for the year – expecting -5.3%
- Secondary issues:
  - Oil prices
  - Tariffs / trade war
  - Geopolitics in the Middle East
  - Presidential election
  - Weak inflation
- Federal Reserve – Rates near zero for foreseeable future and unlimited QE
- Interest Rates collapse – 10-year Treasury reach new lows
  - Fair value around 1% over the medium term
- Risk assets – multi-year weakness in fixed income and equities
  - Some sectors will fare better than others

RBC Global Asset Management

Appendix

RBC

The Fixed Income Team

US Fixed Income Team

Lead Portfolio Managers

Brian Svendahl, CFA
Co-Head, US Fixed Income

Brandon Swensen, CFA
Co-Head, US Fixed Income

Sector Focus

Municipal, Government & Mortgage Research		Credit Research	
Raye Kanzenbach, CFA Sr Portfolio Manager	Laurie Mount Analyst	James Weinand, CFA Portfolio Manager	John Northup, CFA Senior Analyst
Scott Kirby Sr Portfolio Manager	Valinie Dayaljee Analyst	Alexey Baskakov, CFA Associate Portfolio Manager	Matt Mueller, CFA Senior Analyst
Eric Hathaway, CFA Sr Portfolio Manager	Karen Ly Analyst	Kelly Foley Analyst	Kelsey Bosshardt Analyst
Ronald Homer Chief Strategist, US Impact Investing	Ly Hsieh Quantitative Analyst		

Risk Management

Michael Hamp
Vice President, Head of
Investment Risk Management

Patrick Sonmene, CFA
Investment Risk Analyst

Sydney Seydel
Investment Risk Analyst

Institutional Portfolio Managers / Client Service

John Utter
Head of Institutional
Client Service – US

Randy Harrison, CFA
Institutional Portfolio Manager

Bethany Jessen
Institutional Portfolio Manager

Mindy Frye
Institutional Portfolio Manager

Amy Carlson
Associate Institutional Portfolio
Manager

Chris Boppre, CFA
Associate Institutional Portfolio
Manager

Investment Policy Compliance

Eric Smith
Director, Client Operations

Ryan Schaitberger
Senior Investment Policy Analyst

Ba Vang
Investment Policy Analyst

Experience and Depth

Investment team empowered to excel through research-focused, sector-team structure

Institutional Portfolio Managers provide continuous engagement and client communication

Lead Portfolio Managers and sector teams average 18 years of experience[1]

As of 12.31.19. [1]Experience updated annually.

Professionals

John A. Utter

Managing Director, Head of Institutional Client Service – U.S.

John Utter is responsible for developing and implementing industry leading client service practices and leads the firm's client service efforts, including the development of asset allocation solutions for ultra high net worth and off-shore clients. He joined RBC GAM-US in 2010 from RiverSource Investments, where he was a divisional sales director leading a sales team that helped clients with investment solutions ranging from traditional equities and fixed income to portable alpha and absolute return strategies. Before that, John spent 15 years in institutional sales assisting banks, insurance companies and hedge funds in the U.S. and Europe with their fixed income investments. He began his career in the investment industry in 1988. John earned a BA from St. Lawrence University, holds FINRA Series 7, 24 and 63 licenses and is registered as an Associated Person with the National Futures Association.

Investment Policy Statement

Pima County Community College District
Investment Guidelines

The following are guidelines applicable to the placement of Pima County Community College District ("District") funds the District deems to be excess of current budgetary requirements. Investments will at all times comply with statutory and regulatory requirements governing the placement of District's public funds.

Purpose

The purpose of this Statement is to establish guidelines for the fund's investment Portfolio (the "Portfolio"). The statement also incorporates accountability standards that will be used for monitoring the progress of the Portfolio's investment program and for evaluating the contributions of the Investment Manager(s) hired on behalf of the fund and its beneficiaries.

Scope

These investment guidelines shall apply to the District's general, auxiliary, and plant fund assets.

Administration

The Governing Board's Finance and Audit Committee ("Committee") will review quarterly investment performance reports received from the District's Investment Manager ("Manager") and/or the District's independent third-party Custodial Bank ("Custodian") and will provide an annual summary to the District's Governing Board. The Committee will also be responsible for periodically reviewing the District's Investment Guidelines ("Guidelines").

All trades of marketable securities will be executed through Manager by Delivery vs. Payment (DVP). Securities will be held by Custodian selected by the District and evidenced by safekeeping receipts in the District's name. The District will only conduct securities investment transactions with financial institutions and licensed security broker/dealers legally registered in the State of Arizona and on the Manager's list of approved financial institutions and brokers/dealers, a copy of which the Manager shall provide the District annually.

Objectives

The fund is to be invested with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable stream of annual income and appreciation. The primary objectives of all District investment activities, in priority order, shall be:

1. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall Portfolio. This objective focuses on mitigation of credit risk, custodial credit risk, and interest rate risk.

2. Liquidity

The investment portfolio shall be sufficiently liquid to meet anticipated operating requirements. This shall be accomplished by structuring the Portfolio such that securities mature concurrently with anticipated demands. The Portfolio shall also be structured such that the District may access invested funds necessary to cure the effects of an unexpected event.

Investment Policy Statement

3. **Total Return**
The investment portfolio shall be designed with the objective of attaining an optimized market rate of return throughout budgetary and economic cycles.

Consistent with a need for stability, diversification, and suitability, special consideration shall be given to investments that demonstrate a commitment to:

- Community development and/or investment, particularly in communities with minority or low income residents
- Diversity in hiring, executives, and boards with respect to sexual orientation, gender, race, and ethnicity
- Transparency and accountability in corporate governance
- Living wages for all employees
- Environmental sustainability, including reducing greenhouse emissions and improving sustainable forestry.

Permitted Investments
Investments indicated in A.R.S. § 35-323 will be permitted by these guidelines. The District has elected to further allow investment in asset classes that historically protect and maintain purchasing power. Most suitably, in portfolios with longer dated objectives. The Committee recognizes that the strategic allocation to varying asset classes with varying degrees of risk, return, and correlation will be the most significant determinate of long term return and value stability. The Committee also expects that actual return volatility may vary from expectations and objectives across short periods of time.

While the Committee wishes to retain flexibility with respect to making periodic changes, it expects to do so only in the event of material changes to the fund, to the assumptions underlying fund spending, and/or to the capital markets and asset classes in which the Portfolio invests.

Each asset class should not be considered alone, but by the role it plays in a diversified Portfolio. Diversification among asset classes has historically increased returns and reduced overall Portfolio risk. How asset classes relate to each other is the key to making asset allocation decisions within the context of overall risk and return. With these tenets in mind, the Committee has outlined permissible assets as follows:

1. Certificates of deposit in eligible depositories as defined in A.R.S. § 35-321.

2. Certificates of deposit in one or more federally insured banks or savings and loan associations in accordance with the procedures prescribed in A.R.S. § 35-323.01.

3. Interest bearing savings accounts in banks and savings and loan institutions whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible depository (as defined in A.R.S. § 35-321) to the same extent and in the same manner as required under A.R.S., Title 35, Chapter 2, Article 2.1.

4. Repurchase agreements with a maximum maturity of one hundred eighty days.

Investment Policy Statement

The pooled investment funds established by the Arizona State Treasurer pursuant to A.R.S. § 35-326.

6. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities.

7. Bonds, notes, or other evidences of indebtedness of Arizona or any of its counties, incorporated cities or towns, or school districts that are rated AA by Moody's Investors Service or Standard and Poor's rating service or their successors.

8. Bonds, notes, or evidences of indebtedness of any county, municipal district, municipal utility, or special taxing district of any state that are payable from revenues, earnings, or a special tax specifically pledged for the payment of the principal and interest on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment on principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if such obligations were issued less than five years before the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor any other obligations of the issuer within five years of the investment. Debt must be rated AA by Moody's Investors Service or Standard and Poor's rating service or their successors.

9. Bonds, notes, or evidences of indebtedness issued by any county improvement district or municipal improvement district of any state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district. Debt must be rated AA by Moody's Investors Service or Standard and Poor's rating service or their successors.
An investment shall not be made if:

The face value of all such obligations, and similar obligations outstanding, exceeds fifty per cent of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.

b. A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.

10. Commercial paper of prime quality that is rated "PI" by Moody's Investors Service or rated "AI" or better by Standard and Poor's rating service or their successors. All commercial paper must be issued by corporations organized and doing business in the United States.

Investment Policy Statement

Bonds, debentures, and notes that are issued by corporations organized and doing business in the United States and that are rated "AA" or better by Moody's Investor Service or Standard and Poor's rating service or their successors. Ratings apply at the time of purchase. In the event that a security is subsequently downgraded below the minimum rating criteria, the Manager will review the position with the District to determine the appropriate course of action.

12. Securities of or any other interests in any open-end or closed-end management type investment companies or investment trust, including exchange traded funds whose underlying investments are invested in securities allowed by this investment guidelines statement, and registered under the Investment Company Act of 1940, as amended.

13. Cash and Cash Equivalents: Cash and cash equivalents can present risk for an institution with a long-term horizon due to the low return and the diminution of purchasing power that entails. It is considered expected to maintain cash and cash equivalents consistent with the operational needs of the College for payables in addition to a minimum of eight percent of the revenues of the current general and designated fund budgets. Outside of extraordinary market dislocation periods, cash will exist from time to time for transaction and/or rebalancing needs.

Diversification and Duration

Maximum percentage of market value of all invested fund assets, as described in "Scope" above:

Position Size:	5% targeted maximum in any one security
Issuer:	5% targeted maximum in any one issuer

Exemptions to Issuer Maximum Include:

- Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities.
- Interest bearing accounts, certificates of deposit, or repurchase agreements which are collateralized with obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities.

Shorter duration bonds carry less risk than longer duration bonds and result in better price stability in distressed market environments. If cash is needed in this period, shorter duration bonds provide a source of funds that have had minimal price deterioration.

The Committee recognizes that the long term average fixed income yield curve has a modest upward slope. Standard deviation (price volatility), on the other hand, slopes more dramatically upward in the same frame. Comparing historical returns with historical risk, we understand longer maturity bonds are not an efficient form of compensated risk over the long term, especially beyond 5 year maturities.

Investment Policy Statement

Investment Allocations

Type	Maximum Allocation
Cash	20%
Certificates of Deposit (Term)	50%
Repurchase Agreements	50%
Pooled Investments (LGIP)	50%
U.S. Government Obligations/TIPS	100%
U.S. Government Agencies	100%
Municipal Securities	20%
Commercial Paper	20%
Corporate Bonds	50%

Percentages apply at the time of purchase, allowing for moderate drift with long term holding intent. If the percentages are materially exceeded due to redemption or other activity, the Manager will seek to realign the Portfolio within the maximum targeted percentages.

Arizona Revised Statutes

35-323. Investing public monies; bidding; security and other requirements

A. The treasurer shall invest and reinvest public monies in securities and deposits with a maximum maturity of five years. All public monies shall be invested in eligible investments. Eligible investments are:

1. Certificates of deposit in eligible depositories.

2. Deposits in one or more federally insured banks or savings and loan associations placed in accordance with the procedures prescribed in section 35-323.01.

3. Interest bearing savings accounts in banks and savings and loan institutions doing business in this state whose accounts are insured by federal deposit insurance for their industry, but only if deposits in excess of the insured amount are secured by the eligible depository to the same extent and in the same manner as required under this article.

4. Repurchase agreements with a maximum maturity of one hundred eighty days.

5. The pooled investment funds established by the state treasurer pursuant to section 35-326.

6. Obligations issued or guaranteed by the United States or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations or instrumentalities.

7. Bonds, notes or other evidences of indebtedness of this state or any of its counties, incorporated cities or towns, school districts or special taxing districts, including registered warrants that shall bear interest pursuant to section 11-635.

8. Bonds, notes or evidences of indebtedness of any county, municipal district, municipal utility or special taxing district of any state that are payable from revenues, earnings or a special tax specifically pledged for the payment of the principal and interest on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained, but only if no default in payment on principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if such obligations were issued less than five years before the date of investment, no default in payment of principal or interest has occurred on the obligations to be purchased nor any other obligations of the issuer within five years of the investment.

9. Bonds, notes or evidences of indebtedness issued by any county improvement district or municipal improvement district of any state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district. An investment shall not be made if:

(a) The face value of all such obligations, and similar obligations outstanding, exceeds fifty percent of the market value of the real property, and if improvements on which the bonds or the assessments for the payment of principal and interest on the bonds are liens inferior only to the liens for general ad valorem taxes.

(b) A default in payment of principal or interest on the obligations to be purchased has occurred within five years of the date of investment, or, if the obligations were issued less than five years before the date of investment, a default in the payment of principal or interest has occurred on the obligations to be purchased or on any other obligation of the issuer within five years of the investment.

10. Commercial paper of prime quality that is rated within the top two ratings by a nationally recognized rating agency. All commercial paper must be issued by corporations organized and doing business in the United States.

11. Bonds, debentures, notes or other evidences of indebtedness that are denominated in United States dollars and that carry at a minimum an "A" or better rating, at the time of purchase, from at least two nationally recognized rating agencies.

12. Negotiable or brokered certificates of deposit issued by a nationally or state chartered bank or savings and loan association.

13. Securities of or any other interests in any open-end or closed-end management type investment company or investment trust, including exchange traded funds whose underlying investments are invested in securities allowed by state law, registered under the investment company act of 1940 (54 Stat. 789; 15 United States Code sections 80a-1 through 80a-64), as amended.

B. Certificates of deposit shall be purchased from the eligible depository bidding the highest permissible rate of interest. No monies over one hundred thousand dollars may be awarded at any interest rate less than one hundred three percent of the equivalent bond yield of the offer side of United States treasury bills having a similar term. If the eligible depository offering to pay the highest rate of interest has bid only for a portion of the monies to be awarded, the remainder of the monies shall be awarded to eligible depositories bidding the next highest rates of interest.

C. An eligible depository is not eligible to receive total aggregate deposits from this state and all its subdivisions in an amount exceeding twice its capital structure as outlined in the last call of condition of the superintendent of financial institutions.

D. If two or more eligible depositories submit bids of an identical rate of interest for all or any portion of the monies to be deposited, the award of the deposit of the monies shall be made to the eligible depository among those submitting identical bids having, at the time of the bid opening, the lowest ratio of total public deposits in relation to its capital structure.

E. Each bid submitted, and not withdrawn prior to the time specified, constitutes an irrevocable offer to pay interest as specified in the bid on the deposit, or portion bid for, and the award of a deposit in accordance with this section obligates the depository to accept the deposit and pay interest as specified in the bid pursuant to which the deposit is awarded.

F. The treasurer shall maintain a record of all bids received and shall make available to the board of deposit at its next regularly scheduled meeting a correct list showing the bidders, the bids received and the amount awarded. These records shall be available to the public and shall be kept in the possession of the treasurer for not less than two years from the date of the report.

G. Any eligible depository, before receiving a deposit in excess of the insured amount under this article, shall deliver collateral for the purposes of this subsection equal to at least one hundred two percent of the deposit. The collateral shall be any of the following:

1. A bond executed by a surety company that is approved by the treasury department of the United States and authorized to do business in this state. The bond shall be approved as to form by the legal advisor of the treasurer.

2. Securities or instruments of the following character:

(a) United States government or agency obligations.

(b) State, county, school district and other district municipal bonds.

3. The safekeeping receipt of a federal reserve bank or any bank located in a reserve city, or any bank authorized to do business in this state, whose combined capital, surplus and outstanding capital notes and debentures on the date of the safekeeping receipt are ten million dollars or more, evidencing the deposit therein of any securities or instruments described in this section. A safekeeping receipt shall not qualify as security, if issued by a bank to secure its own public deposits, unless issued directly through its trust department. The safekeeping receipt shall show upon its face that it is issued for the account of the treasurer and shall be delivered to the treasurer. The safekeeping receipt may provide for the substitution of securities or instruments which qualify under this section with the affirmative act of the treasurer.

4. Letters of credit issued by a federal home loan bank if:

(a) The letter of credit has been delivered pursuant to this section or chapter 10, article 1 of this title to the statewide

Arizona Revised Statutes

collateral pool administrator.

(b) The letter of credit meets the required conditions of:

(i) Being irrevocable.

(ii) Being issued, presentable and payable at a federal home loan bank in United States dollars. Presentation may be made by the beneficiary submitting the original letter of credit, including any amendments, and the demand in writing, by overnight delivery.

(iii) If the letter of credit is for purposes of chapter 10, article 1 of this title, containing a statement that identifies the statewide collateral pool administrator as the beneficiary.

(iv) Containing an issue date and a date of expiration.

(c) For the purposes of chapter 10, article 1 of this title, the eligible depository, if notified by the statewide collateral pool administrator, is not allowed to use new letters of credit issued by a federal home loan bank if that federal home loan bank fails to pay a draw request as provided for in the letters of credit or fails to properly complete a confirmation of such letters of credit.

H. The securities, instruments or safekeeping receipt for the securities and instruments shall be accepted at market value if not above par, and, if at any time their market value becomes less than the deposit liability to that treasurer, additional securities or instruments required to guarantee deposits shall be deposited immediately with the treasurer who made the deposit and deposited by the eligible depository in which the deposit was made.

I. The condition of the surety bond, or the deposit of securities, instruments or a safekeeping receipt, must be such that the eligible depository will promptly pay to the parties entitled public monies in its custody, upon lawful demand, and will, when required by law, pay the monies to the treasurer making the deposit.

J. Notwithstanding the requirements of this section, any institution qualifying as an eligible depository may accept deposits of public monies to the total then authorized insurance of accounts, insured by federal deposit insurance, without depositing a surety bond or securities in lieu of the surety bond.

K. An eligible depository shall report monthly to the treasurer the total deposits of that treasurer and the par value and the market value of any pledged collateral securing those deposits.

L. When a security or instrument pledged as collateral matures or is called for redemption, the cash received for the security or instrument shall be held in place of the security until the depository has obtained a written release or provided substitute securities or instruments.

M. The surety bond, securities, instruments or safekeeping receipt of an eligible depository shall be deposited with the treasurer making the deposit, and the treasurer shall be the custodian of the bond, securities, instruments or safekeeping receipt. The treasurer may then deposit with the depository public monies then in the treasurer's possession in accordance with this article, but not in an amount in excess of the surety bond, securities, instruments or safekeeping receipt deposited, except for federal deposit insurance.

N. The following restrictions on investments are applicable:

1. An investment of public operating fund monies shall not be invested for a maturity of longer than five years.

2. The board of deposit may order the treasurer to sell any of the securities, and any order shall specifically describe the securities and fix the date upon which they are to be sold. Securities so ordered to be sold shall be sold for cash by the treasurer on the date fixed in the order, at the then current market price. The treasurer and the members of the board are not accountable for any loss occasioned by sales of securities at prices lower than their cost. Any loss or expense shall be charged against earnings received from investment of public funds.

35-323 - Investing public monies; bidding; security and other requirements

3. Investments shall not be made in companies identified pursuant to section 35-392, subsection A, paragraph 1.

O. If the total amount of subdivision monies available for deposit at any time is less than the maximum coverage amount of the federal deposit insurance corporation, the subdivision board of deposit shall award the deposit of the funds to an eligible depository in accordance with an ordinance or resolution of the governing body of the subdivision. Deposits of less than the maximum coverage amount of the federal deposit insurance corporation are not subject to the requirements of this chapter.

Disclosures

Investment advisory services are provided by RBC Global Asset Management (U.S.) Inc. ("RBC GAM-US"). This performance evaluation is provided as a service enabling you to review your overall securities positions on a periodic basis. This evaluation should not be considered as a substitute for your custodian statement. You are urged to compare statements provided by the custodian of your account with this and all future portfolio reports provided by RBC GAM-US. If you are not already receiving custody statements from your custodian, please contact them to request that they begin sending such statements directly to you.

Please advise your Client Service contact at RBC Global Asset Management (U.S.) Inc., 50 South Sixth Street, Suite 2350, Minneapolis, MN 55402 and Phone: 800-553-2143 promptly in the event of a material change in your investment strategy.

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PimaCommunityCollege

Revenue Bond Projects - Inception to Date

FY=20 Period=14

FUND	FUND_DESC	Revenues	Personnel	Other Expenditures	Transfers	Fund Balance
581999	Rev Bonds Control Fund	66,632,918	0	(443,102)	(7,102,787)	59,087,029
5R8000	**RVB PROJ - Control**	**66,632,918**	**0**	**(443,102)**	**(7,102,787)**	**59,087,029**
581001	RVB Proj -Advanced Mfg.New Bldg	0	0	(1,459,804)	1,076,357	(383,447)
5R8001	**RVB PROJ - Applied Tech- Building**	**0**	**0**	**(1,459,804)**	**1,076,357**	**(383,447)**
581003	RVB Proj - Transportation New Bldg	0	0	(2,725,773)	757,751	(1,968,022)
5R8002	**RVB PROJ - AppTech COE AE WFD SS**	**0**	**0**	**(2,725,773)**	**757,751**	**(1,968,022)**
581005	RVB Proj - ST Bldg Renovations	0	0	(163,863)	124,937	(38,926)
5R8003	**RVB PROJ - AppTech Weld,Mach,Engr,M**	**0**	**0**	**(163,863)**	**124,937**	**(38,926)**
581007	RVB Proj - AppTech Makerspace CAD	0	0	(1,787)	1,787	0
5R8004	**RVB PROJ - AppTech Makerspace CAD**	**0**	**0**	**(1,787)**	**1,787**	**0**
581011	RVB Proj -DC Copper RE	0	0	(1,378,744)	1,373,263	(5,482)
581009	RVB Proj -DC Frontier RE	0	0	(1,361,845)	1,361,845	0
581036	RVB Proj -DC RE Infrastructure Dev	0	0	(95,900)	76,335	(19,565)
581034	RVB Proj -DC 333 W Drachman (FT2)	0	0	(1,726,776)	1,726,753	(24)
581032	RVB Proj -DC Historic Assessment	0	0	(44,376)	44,376	0
5R8005	**RVB -DC Campus Expansion & Developm**	**0**	**0**	**(4,607,642)**	**4,582,572**	**(25,070)**
581013	RVB Proj -PSI ESI	0	0	(16,741)	8,224	(8,518)
5R8007	**RVB PROJ -PSEI EMSI**	**0**	**0**	**(16,741)**	**8,224**	**(8,518)**
581015	RVB Proj -Science Labs	0	0	(28,440)	25,150	(3,290)
5R8008	**RVB PROJ -Science Labs**	**0**	**0**	**(28,440)**	**25,150**	**(3,290)**
581017	RVB Proj -Allied Health COE	0	0	(20,032)	20,032	0
5R8009	**RVB PROJ -Allied Health COE**	**0**	**0**	**(20,032)**	**20,032**	**0**
581019	RVB Proj -EC Bookstore/Food Svc	0	0	(49,443)	49,443	0
5R8010	**RVB PROJ -EC Bookstore/Food Svc**	**0**	**0**	**(49,443)**	**49,443**	**0**
581021	RVB Proj -DC Bookstore/Food Svc	0	0	(446,916)	446,916	0
5R8011	**RVB PROJ -DC Bookstore/Food Svc**	**0**	**0**	**(446,916)**	**446,916**	**0**
581023	RVB Proj -NW Bookstore/Food Svc	0	0	(3,750)	3,750	0
5R8012	**RVB PROJ -NW Bookstore/Food Svc**	**0**	**0**	**(3,750)**	**3,750**	**0**
581025	RVB Proj -WC Campus Store	0	0	0	0	0
5R8013	**RVB PROJ -WC Bookstore/Food Svc**	**0**	**0**	**0**	**0**	**0**
581027	RVB Proj -DV Cafe	0	0	0	0	0
5R8014	**RVB PROJ -DV Bookstore/Food Svc**	**0**	**0**	**0**	**0**	**0**

Revenue Bond Projects - Inception to Date

FY=20 Period=14

FUND	FUND_DESC	Revenues	Personnel	Other Expenditures	Transfers	Fund Balance
500005	"Revenue Bonds" Revenue	0	0	0	0	0
5RVBND	**Revenue Bond Funded Projects**	**0**	**0**	**0**	**0**	**0**
		66,632,918	**0**	**(9,967,293)**	**(5,870)**	**56,659,755**

Case study

Pima Community College

Pima IT simplifies print management and meets security demands while streamlining costs

Industry
Education

Objective
Centralize, consolidate and gain cost efficiencies through a managed print services program

Approach
Standardize from countless different printer models and multiple vendors, to a core group of HP printers supported through HP MPS

IT matters
- Standardize unique printer models by 67%
- Consolidate print fleet by 33%
- Eliminate extra toner inventory, and shift to automated toner delivery
- Move from self-managing toner purchasing and inventory to MPS contract pricing and delivery
- Consolidate and optimize printers for balanced deployment and cost efficiency

Business matters
- Consolidate numerous vendors, leases, warranty and support plans into a single, cost-effective HP MPS solution
- Achieve payback period of about 22 months, with savings of $14,000 per month once capital investment is paid
- Reduce print costs per month by more than 40% compared with the previous fleet, saving more than $450,000 in three years
- Meet privacy compliance standards with HP-embedded security features of encryption and PIN printing
- Reduce helpdesk ticket support for print management and associated IT staff demands

PimaCommunityCollege

"Our print environment was expensive and difficult to support. We are upgrading our fleet to the latest print technology with HP Managed Print Services and hard disk data encryption while generating cost savings of more than 40%. And we don't stress about printers anymore."

– Cornelius Bledsoe, MIS, IT Manager, User Support Services, Pima Community College

College optimizes printing to realize cost efficiency

Pima Community College (PCC) faced a growing challenge to manage printers, copiers and multi-function printers (MFPs) across 13 locations, with tight budgets and a reduction in IT staff. The college-owned devices from multiple vendors were serviced through different warranties and support plans.

The college chose an HP Managed Print Services (MPS) program, which is easy to manage and provides high-quality, cost-efficient printing and copying for some 8.3 million pages printed annually. The implemented MPS program also includes campus copy centers incorporating HP A3 technology for higher volume needs. HP MPS with HP printers ultimately reduced monthly costs more than 40% from the previous mixed fleet.

Challenge

Growth in printer models creates complex management

PCC provides education to nearly 41,000 students in Arizona, USA, including workforce development, career training programs, continuing education, and adult education. With nearly 2,608 employees at five campuses and many other locations throughout Pima County, managing the college's printers, copiers and multi-function printers (MFPs) was an ever-growing challenge.

"We had over 1,300 imaging devices across the college," says Cornelius Bledsoe, MIS, IT Manager, User Support Services at PCC. "Nearly every other office had a printer, and everyone was handling print independently, so it was not organized or managed.

"College departments were buying and leasing their own printers, and using different vendors – we had everything, and we had every manufacturer," says Bledsoe. "From a helpdesk perspective, some devices were under warranty and some were not, and our technicians were spending a lot of time working on printers."

Some departments replaced their own toner or had stockpiles of inventory, while the IT team would replace toner or ink in other machines. In some cases, the department had its own budget to replace toner, and in others the IT function paid for the replacement. Bledsoe comments, "We were spending a lot of money on toner.

"We had around 300 desktop printers we weren't really managing, and we wanted to get them all on a network so they could be managed effectively," says Bledsoe. "Devices not on the network caused a problem when there were firmware updates. We ran into issues where the printer wouldn't work because we had to update the framework, so there was time spent in troubleshooting and getting that worked out."

Solution

Managing print within budget limitations

"We wanted to outsource our printing management," says Bledsoe. "Our budgets were tightening and our workforce in IT was getting slimmer, but we still needed to provide the same services. We had to figure out a way to still support printers and maintain our fleet."

To overcome the complexity and inefficiency that had evolved with the fleet of imaging and printing devices, the college decided it needed to consolidate, and to purchase devices from a single manufacturer. Bledsoe says, "We wanted to explore outsourcing because we knew we had this huge fleet of devices we still had to manage."

After talking to several major vendors, PCC chose a Managed Print Services (MPS) solution from HP. "Most of our existing fleet was HP —around 850 out of 1,300 devices — and the HP devices were most definitely meeting our needs," says Bledsoe. "Competing vendors submitted good proposals, but we chose HP because of the great experience with our existing devices and the total cost-of-ownership efficiencies HP presented."

Benefits

Developing a plan with cost savings
With the large volume of vendors and invoices spread across numerous department budgets, total annual print costs were unknown. "When we started, HP gave us an analysis of what our spending would be with no changes and no optimization," says Bledsoe. "Then they provided us with a plan that showed the savings with optimization and repositioning printers."

While the college did invest in new equipment, the calculated payback period would be only 22 months. Once the initial investment was paid, it would save $14,000 per month with the MPS program. After three years with HP MPS, the monthly costs savings total more than 40%.

In terms of toner, PCC previously spent $276,090 in a little over 18 months. Now, the cost of toner is part of the MPS program, and department staff no longer rushes to purchase retail when an urgent replacement is needed.

"Early on when we looked at our print environment, we wanted to have data to help in making decisions," he says. "We now know that 55% of our print costs are for color printing. With the data tools HP provides in MPS, we can plan and take action to keep improving."

"The IT Department is a model for how the College is improving the efficiency and effectiveness of service delivery," says Dr. David Bea, Executive Vice Chancellor for Finance and Administration.

Simplifying print with fewer models
Previously, there were nearly 200 different unique models of printers, copiers or MFPs in use. The college reduced the number of models by 67%, adopting a standard group of HP devices supported by the HP MPS program. This approach has reduced the workload for its IT team, freeing them up for other priorities on campus.

"Before, if we spent $3,500 on an MFP, we were spending $960 on an extended warranty. Then after the fifth year there was no warranty, so if anything went wrong we had to call in support to troubleshoot or service the imaging device," says Bledsoe. "Now, we don't need a separate warranty on the printers we buy, and we don't have that cost because we are in the MPS program."

"With the data tools HP provides in MPS, we can plan and take action to keep improving."

– Cornelius Bledsoe, MIS, IT Manager, User Support Services, Pima Community College

Managing the printers is now far simpler. There are fewer tickets raised for printer support, and PCC's team doesn't have to worry about tracking warranties on devices. In addition, PCC doesn't need to deal with ordering toner, because each device automatically sends a ticket to HP and the HP technician delivers and installs the toner.

Fully-featured, secure multifunction printers offer latest technology

PCC now mostly uses HP LaserJet printers and MFPs. For more demanding locations, the fleet now includes the latest HP A3 copier technology, which prints professional-quality documents up to A3 size at a low cost. The HP LaserJet E87660 prints up to 60 pages per minute and can scan directly to software applications.

"In the original optimization, we didn't include the college copy centers that do big jobs for the campus," says Bledsoe. "But when the campus directors heard about the MPS program, they wanted to get on board, so we're now adding the copy centers with the HP A3 E87660 devices handling up to 30,000 prints per month."

The college needs to be compliant to the privacy rules that protect sensitive personal data. One requirement is that hard drives in its printers are encrypted, and Bledsoe comments, "The HP printers come equipped that way."

If users wish to print securely, PCC's IT team can set up a PIN number that is entered on a shared machine to ensure documents remain confidential. This feature is built into the HP printer technology and does not require additional software. By being able to provide secure, PIN-protected printing, the IT team has given users the confidence to switch from having their own dedicated printer to workgroup printing.

"Overall, we don't have to stress about printers any more, which is especially important with our streamlined IT workforce," concludes Bledsoe. "We wanted to realize cost-efficiencies and simplify print management. We've accomplished both and now have our sights on realizing ongoing improvements."

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