



**Governing Board's Finance and Audit Committee
Meeting Notice and Agenda*
Friday, August 21, 2020
9:00am
Virtual Meeting#**

General Matters

- | | | |
|------------------|----------------|--------|
| 1. Call to Order | Tracy Nuckolls | 9:00am |
|------------------|----------------|--------|

Action Items

- | | | |
|---|----------------|--------|
| 2. Approval of Minutes from June 19, 2020 | Tracy Nuckolls | 9:05am |
|---|----------------|--------|

Reports and Feedback

- | | | |
|---|-----------------------------|---------|
| 3. Investment Update | John Utter | 9:10am |
| 4. Enrollment Trends | Nic Richmond | 9:30am |
| 5. Enterprise Risk Management Update | David Bea, Jeff Silvyn | 9:50am |
| 6. Internal Audit Update | Jeff Silvyn | 10:00am |
| a. August 2020 OIA Executive Summary | | |
| 7. Information Technology and HIPAA | Raj Murthy, Denise Morrison | 10:15am |
| 8. CFO Update | David Bea | 10:30am |
| a. Revenue Bonds | | |
| i. Inception to Date Report | | |
| ii. FY 2020 Report to the JCCR | | |
| b. Aviation Expansion Project - FY 2020 Report to JCCR | | |
| c. Expenditure Limitation Ballot Initiative | | |
| d. Classification & Compensation Study | | |
| e. Public Safety Personnel Retirement System Pension Funding Policy | | |

Effectiveness Discussion

Information Items

- | | |
|-------------------------------|--|
| 9. Future Agenda Items | |
| a. Workforce Update | |
| b. Competency-Based Education | |
| c. Marketing | |
| d. Enrollment Management | |

Adjournment

Next Meeting

October 23, 2020

Zoom Webinar

***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/s/91943721210>

Or join by phone:

Dial(for higher quality, dial a number based on your current location):

US : +1 253 215 8782 or +1 346 248 7799 or +1 669 900 6833 or +1 301 715 8592 or +1 312 626 6799 or
+1 646 558 8656

Webinar ID: 919 4372 1210

International numbers available: <https://pima.zoom.us/j/ab2YYb6mPj>



Governing Board's Finance and Audit Committee

Friday, June 19, 2020

9:00am

Virtual Meeting - Zoom Webinar

Meeting Minutes

In Attendance:

Tracy Nuckolls (Chair), David Bea (Ex-Officio), Demion Clinco, Scott Odom, Ken Marcus, Ben Tuchi, Daniel Soza (Ex-Officio), Agnes Maina (Ex-Officio), Jesus Manzanedo, Adrianne Regrutto (Chair-Elect), Maria Garcia

Unable to Attend:

Clarence Vatne

Guests:

Provost Dolores Durán-Cerda; Internal Auditor Jose Saldamando

General Matters

1. Call to Order

Chair Tracy Nuckolls called the meeting to order at 9:03am, noting a quorum was met.

Action Items

2. Approval of Minutes from April 17, 2020

Chair Nuckolls asked if the Committee had any changes to the minutes. With one correction to the spelling of a Committee member's name, a motion was made to approve the minutes.

Motion No. 202006-01: Approve Minutes from April 17, 2020

First: Maria Garcia

Second: Ken Marcus

Vote: Motion passed unanimously (Nuckolls, Odom, Marcus, Tuchi, Manzanedo, Regrutto, Garcia voting in favor)

Motion Carried.

Reports and Feedback

3. 2020-2021 Committee Schedule

Chair Nuckolls discussed the draft meeting calendar for fiscal year 2021; any suggestions for changes can be sent to the Office of Finance and Administration.

Mr. Demion Clinco joined the meeting in progress.

4. Provost Update (Dolores Durán-Cerda)

Chair Nuckolls introduced the Provost and Executive Vice Chancellor, Dr. Dolores Durán-Cerda, who began with an overview of the areas within her purview. She continued by outlining the major actions of the COVID-19 response on the academic operations of the College, describing the transition to online and virtual learning and the extraordinary work of faculty, adjunct faculty, and staff to continue to provide services and education to students.

The CARES Act provided \$10M to the College, half of which has already been distributed directly to students. Approximately half of the remainder will be used to purchase laptops, tablets, and wifi connections, which will form the foundation of a student technology-lending program in the Fall semester. The remainder will be used for additional student relief and/or other needs that arise.

In June, Career and Technical Education programs began a phased re-entry to the College to allow students to access the hands-on equipment and materials necessary for learning. Dr. Durán-Cerda described the protocols in place to ensure appropriate social distancing and adherence to the Centers for Disease Control and Prevention guidelines, including the provision of personal protective equipment to students, faculty, and staff.

The Fall semester will be largely virtual, online, and hybrid, with some in-person courses. Dr. Durán-Cerda shared data on the number of students, faculty, and staff typically on-site on a given day and how it translates to the ability to social distance. Chair Nuckolls inquired as to the faculty's reception to transitioning to online and virtual, and Dr. Durán-Cerda outlined the work of PimaOnline and the Teaching and Learning Center to support and develop faculty as they transition into an online or virtual environment. Enrollment is a concern for Fall, as there is great uncertainty in the community.

Dr. Durán-Cerda continued with a description of the program review and viability process, describing the steps, the data, and the decision-making associated. These decisions impact the use of physical space at the College, which is complicated by the current climate post-COVID-19. Mr. Clinco inquired about the connection to the community, as some of the programs are dependent upon in-person activities and events. Ms. Garcia asked about the transfer to the University of Arizona for students pursuing advanced degrees.

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

Mr. Jose Saldamando introduced himself and outlined the topics for discussion; Mr. Jeff Silvyn was not able to attend.

Mr. Saldamando began with the June Quarterly Report, describing the intention of each section. Chair Nuckolls inquired about the status of current and outstanding audit reports, and Mr. Saldamando described the progress and the items that have been closed since the April Quarterly Report. He has also compiled a database to document the audits from the last five years.

Mr. Scott Odom inquired about the process Mr. Saldamando will use as he works with the various departments, as the report indicated there are some audits that have been outstanding for several years. Mr. Ben Tuchi asked if some of the audits that have been outstanding for more than four years are even relevant anymore, and Mr. Clinco noted that the timeliness in closing out audits has been a source of frustration to this Committee and wondered if the internal audit process should be evaluated to ensure it meets best practices and industry-standards. Compliance remains a challenge, although there have been great strides in some areas, and the Committee may choose to address the topic in a letter to the Chancellor.

Mr. Nuckolls noted that the Committee is pleased with the work completed by Mr. Saldamando since his hiring at the College, as the reports presented provide great detail; the Committee further understands that Mr. Saldamando is still reviewing and updating the progress of ongoing audits. The assessment of risk will come. Mr. Jesus Manzanedo stated that support of management is key. Chair Nuckolls inquired about the method by which Departments update their processes to be in compliance with changing regulations and laws; Dr. David Bea noted that this is the responsibility of the Department.

Mr. Saldamando moved on to the risk assessment and audit plan, and Mr. Manzanedo asked him to review his current allocation of time to administrative tasks as that is likely to change as new projects arise. Mr. Saldamando will be invited to the August 2020 meeting of this Committee to review the next Quarterly Report.

6. Enterprise Risk Management (David Bea, Jeff Silvyn)

A new job classification was approved by the Governing Board at their May 2020 meeting, and the position will report to the CFO. There will be an emphasis on a traditional risk management approach, as the College currently relies on contracted brokers and Mr. Daniel Soza for these tasks. The College will also be recruiting two positions, one for compliance and one for project management. Mr. Nuckolls cautioned against using arbitrary job credentials, as rigid hiring practices may exclude candidates from the pool. Dr. Bea noted that the position was designed with the expertise of a consultant for the Arizona School Risk Retention Trust, and he may call upon a member of this Committee to serve on the hiring committee.

7. CFO Update (David Bea)

Dr. Bea started with an update on the revenue bonds, as construction at the Downtown Campus is continuing. He shared a time-lapse video of the automotive center project.

The Governing Board adopted the FY21 budget and set property tax rates and levies at their June Special Meeting. The College decided to forgo a property tax increase, remaining levy neutral for FY21. The budget has capacity should enrollment increase, and plans are also in place should the College need to reduce expenses. The College anticipates reduced revenues in auxiliary services, investment returns, and Prop 301, which is funded through sales taxes. The College is continuing to

work with the legislature for immediate Expenditure Limitation (EL) relief, as the revenues that are expected to decline are all excludable from EL.

The Governing Board adopted a resolution to create a November 2020 ballot initiative to reset the base for the College's Expenditure Limit, which would align the base limit with the average of the Arizona community colleges. He described the implications of this change and how it would lead to the provision of education for high-cost programs, as the cost of education has increased significantly since the base was set in FY80. An external Committee will lead the effort, as the College is limited in its role.

Mr. Tuchi and Mr. Odom participated in the request for proposals to select a contracted investment manager for the College; they also provided the College feedback on the solicitation process. RBC Global Asset Management was the successful proposer.

The Third Quarterly Report on the FY20 Enrollment Revitalization Funds and the Pulse Survey were provided to the Committee as information.

Dr. Bea concluded by noting the worksite status of employees; small groups are working on-site in a limited capacity to accomplish work. The majority of employees remain at home, which may continue into the foreseeable future.

Chair Nuckolls would like an update on Fall enrollment at the August meeting, and he is curious about competition with national online education.

Information Items

8. 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
- h. Information Technology & HIPPA
- i. Fall Enrollment

Adjournment

The meeting concluded at 11:29am.

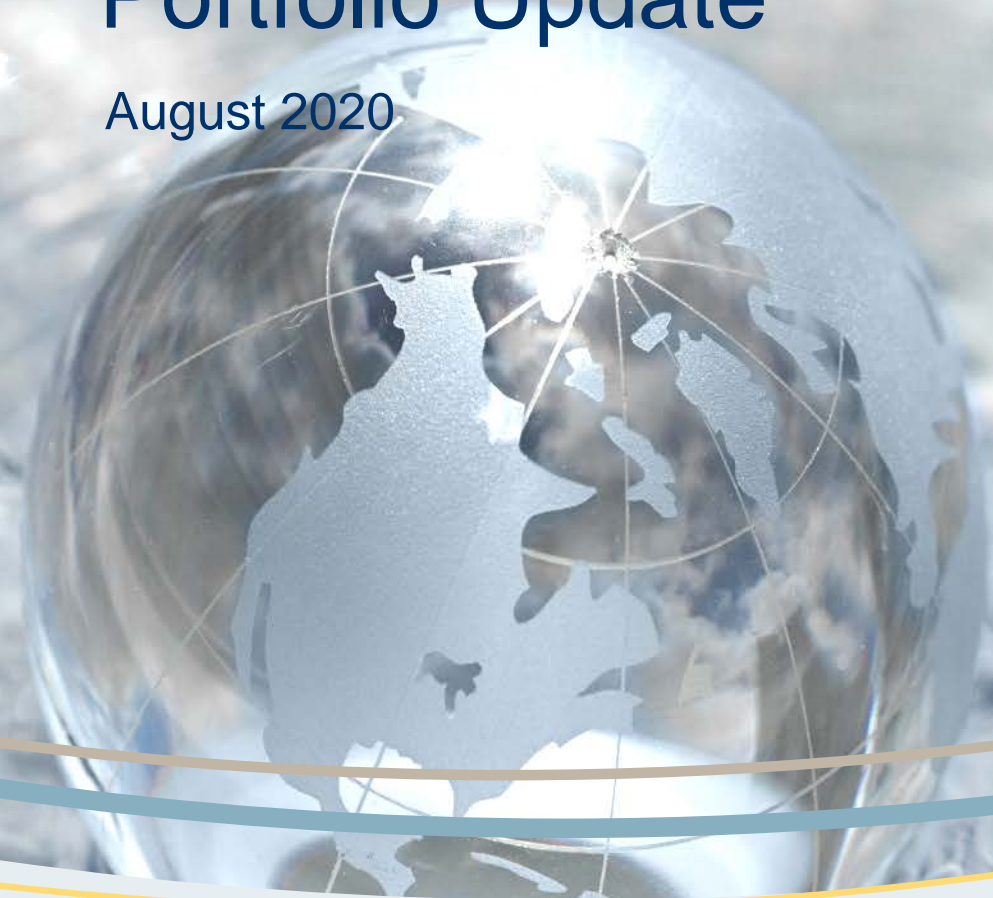
Next Meeting:

August 21, 2020

Virtual Meeting - Zoom Webinar

Pima County Community College Portfolio Update

August 2020



John Utter
Head of U.S. Institutional Client Service



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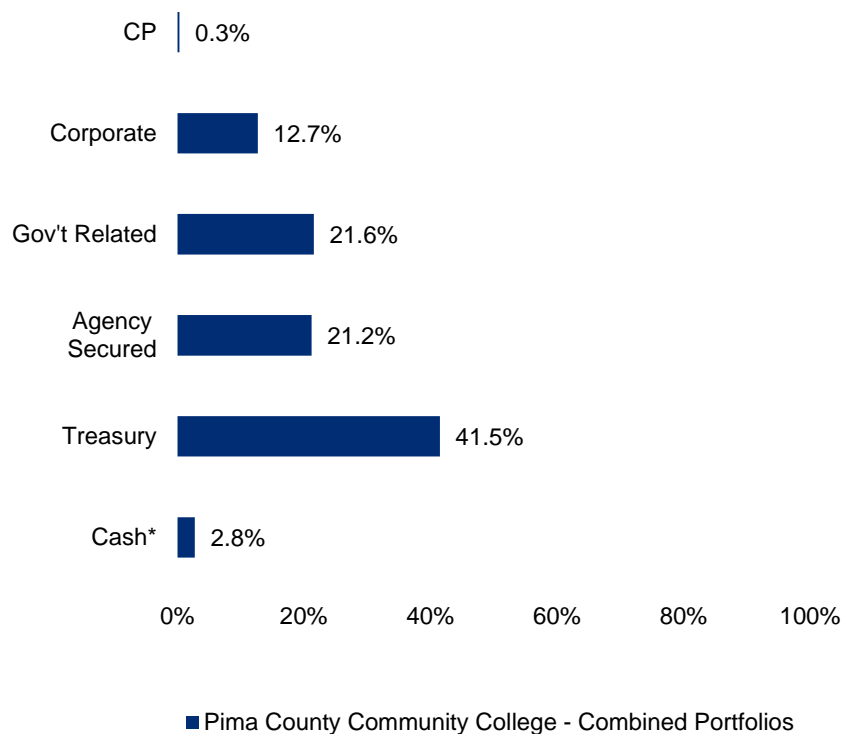
- I. 1-3 Year Portfolio Review
- II. Ultra Short Portfolio Review
- III. 2019 Revenue Bond Portfolio Review
- IV. Economic and Market Commentary
- V. Appendix
 - i. Fixed Income Investment Team
 - ii. Investment Policy Statement Arizona Revised Statutes

Summary of Combined Portfolio Characteristics

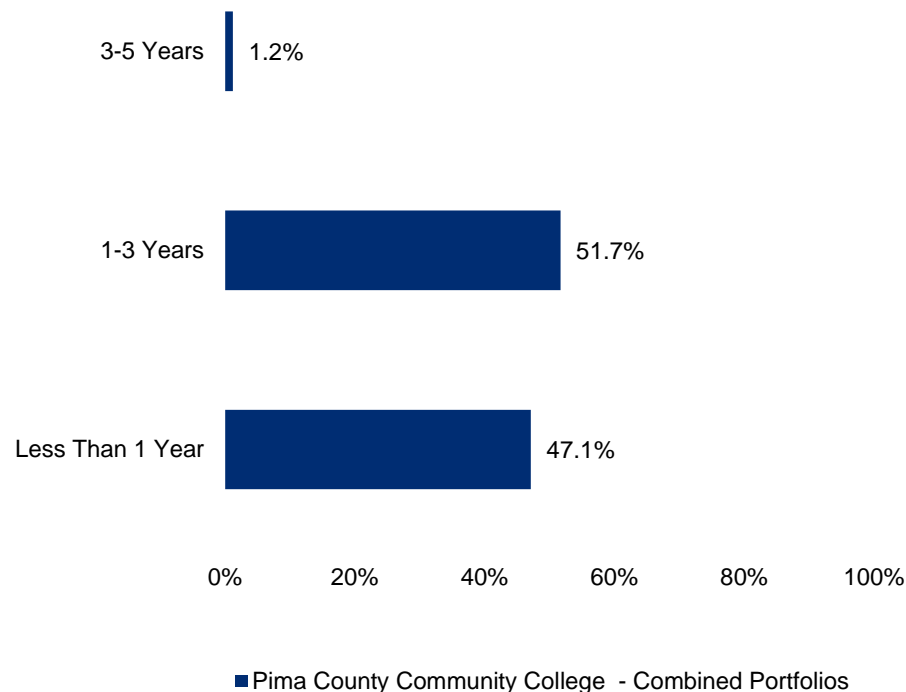
Pima County Community College

The Pima County Community College combined investment assets with RBC GAM includes two RBC managed short term portfolios (\$113.0 million) and a bond proceeds portfolio (\$55.3 million).

Sector Distribution



Duration Distribution



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

As of 6.30.20
Source: RBC GAM,



Pima County Community College District - 1-3 Year Portfolio

Portfolio Performance

Pima County Community College – 1-3 Year Portfolio

6.30.2020 Market Value: \$97,597,851	YTD	2Q 2020	1Q 2020	4Q 2019	3Q 2019	1 Year	3 Year	5 Year	7 Year	Since Inception (7.1.12)
Total Portfolio (Gross of Fees)	2.63	0.90	1.72	0.49	0.73	3.89	2.85	2.06	1.78	1.59
Total Portfolio (Net of Fees)	2.60	0.88	1.71	0.47	0.71	3.82	2.78	1.99	1.71	1.52
Principal Return	1.45	0.31	1.14	-0.06	0.10	1.50	0.78	0.23	0.05	-0.13
Income Return	1.17	0.58	0.58	0.55	0.62	2.36	2.06	1.83	1.72	1.73
ICE BofAML 1-3 Year Tsy & Agy Index	2.92	0.14	2.78	0.51	0.58	4.05	2.68	1.85	1.56	1.40

As of 6.30.20

Source: RBC GAM, ICE Data Services

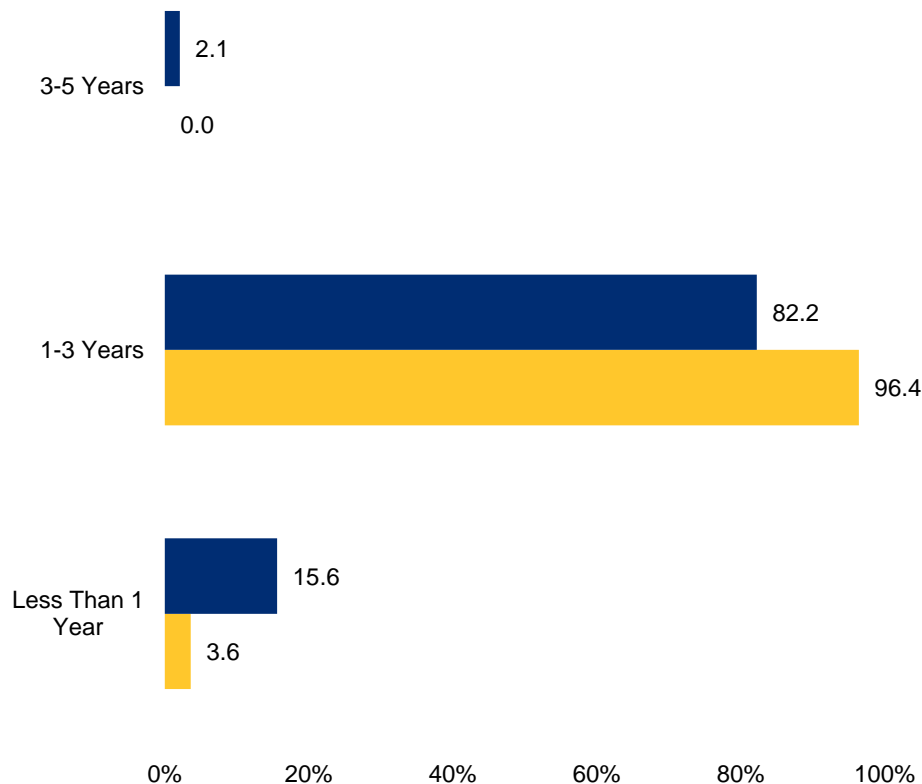
All returns for periods greater than one year are shown on an annualized basis. Past performance is not indicative of future results.



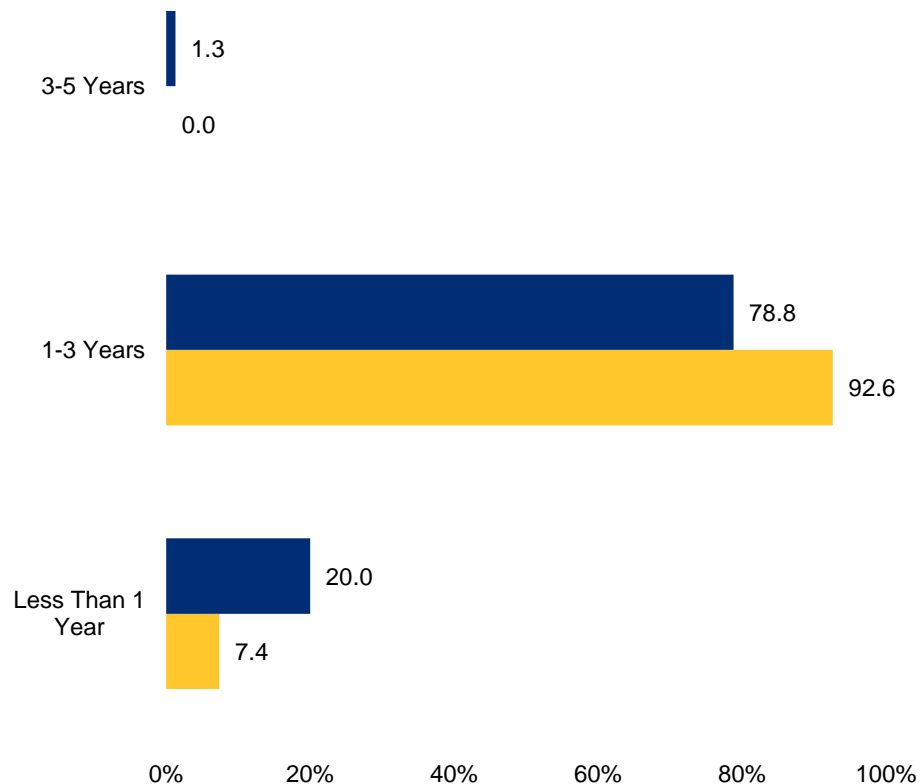
Portfolio Characteristics

Pima County Community College – 1-3 Year Portfolio

Duration Distribution as of 6.30.20



Duration Distribution as of 3.31.20



■ Pima County Community College - 1-3 Yr
 ■ ICE BofAML 1-3 Yr Tsy & Agy

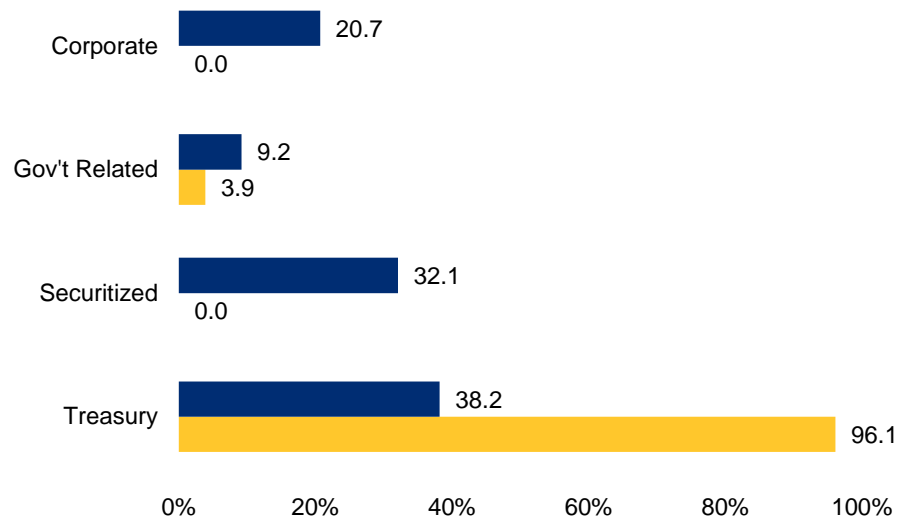
■ Pima County Community College - 1-3 Yr
 ■ ICE BofAML 1-3 Yr Tsy & Agy

As of 6.30.20
 Source: RBC GAM, ICE Data Services



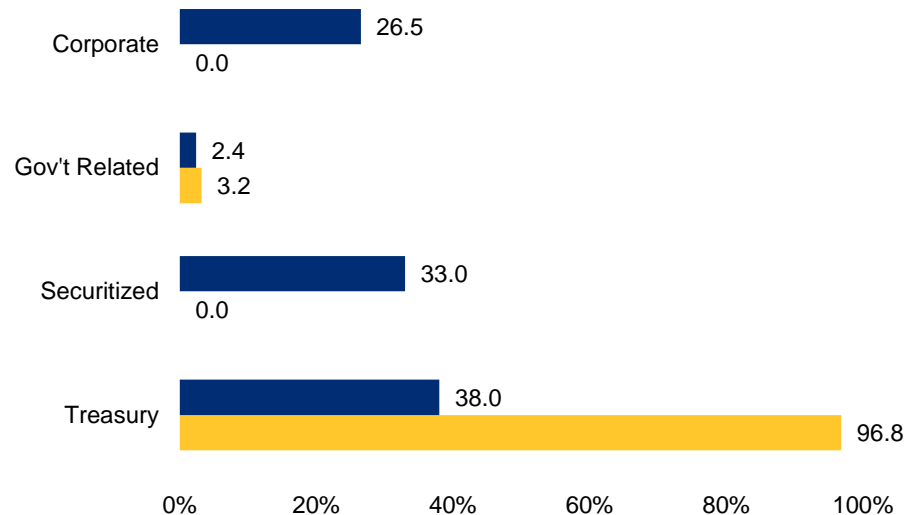
Pima County Community College – 1-3 Year Portfolio

Sector Distribution as of 6.30.20



■ Pima County Community College - 1-3 Yr
 ■ ICE BofAML 1-3 Yr Tsy & Agy

Sector Distribution as of 3.31.20



■ Pima County Community College - 1-3 Yr
 ■ ICE BofAML 1-3 Yr Tsy & Agy

Characteristics	Pima County Community College – 1-3 Yr as of 6.30.20	Pima County Community College – 1-3 Yr as of 3.31.20	ICE BofAML 1-3 Yr Tsy & Agy
Effective Duration	1.76 years	1.69 years	1.88 Years
Market Yield	0.57%	1.11%	0.18%
Book Yield	1.80%	2.08%	--
Average Quality	AA+	AA+	AAA

As of 6.30.20
 Source: RBC GAM, ICE Data Services, Sector charts exclude cash & equivalents



Duration By Sector

Pima County Community College – 1-3 Year Portfolio

	Duration As of 3/31	% Assets As of 3/31	Contribution to Duration As of 3/31	Duration As of 6/30	% Assets As of 6/30	Contribution to Duration As of 6/30
Corporate	1.38 Years	26.52%	21.65%	1.41 Years	20.75%	16.54%
Agency	1.57 Years	2.36%	2.20%	2.55 Years	9.16%	13.24%
Agency Secured	1.79 Years	32.97%	34.99%	1.72 Years	32.10%	31.32%
Treasury	1.83 Years	37.97%	41.16%	1.80 Years	38.24%	38.91%
Total	1.69 years	100.00%	100.00%	1.76 years	100.00%	100.00%

As of 6.30.20
 Source: RBC GAM, Contribution to Duration table excludes cash & equivalents



Pima County Community College District - Ultra Short Portfolio

Portfolio Performance

Pima County Community College – Ultra Short Portfolio

6.30.2020 Market Value: \$15,771,329	YTD	2Q 2020	1Q 2020	4Q 2019	3Q 2019	1 Year	3 Year	5 Year	7 year	Since Inception (5.1.12)
Total Portfolio (Gross of Fees)	1.40	0.42	0.97	0.54	0.59	2.54	2.30	1.57	1.17	1.03
Total Portfolio (Net of Fees)	1.36	0.40	0.96	0.52	0.57	2.47	2.22	1.50	1.10	0.96
Principal Return	0.24	-0.15	0.39	0.01	0.13	0.38	0.92	0.46	0.05	-0.07
Income Return	1.15	0.56	0.58	0.53	0.46	2.15	1.36	1.10	1.12	1.10
Blended Benchmark*	1.74	0.02	1.72	0.56	0.55	2.87	2.36	1.55	1.11	0.97
ICE BofAML 91 Day T-Bill	0.60	0.02	0.58	0.46	0.56	1.63	1.77	1.19	0.86	0.75

* 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 6.30.20

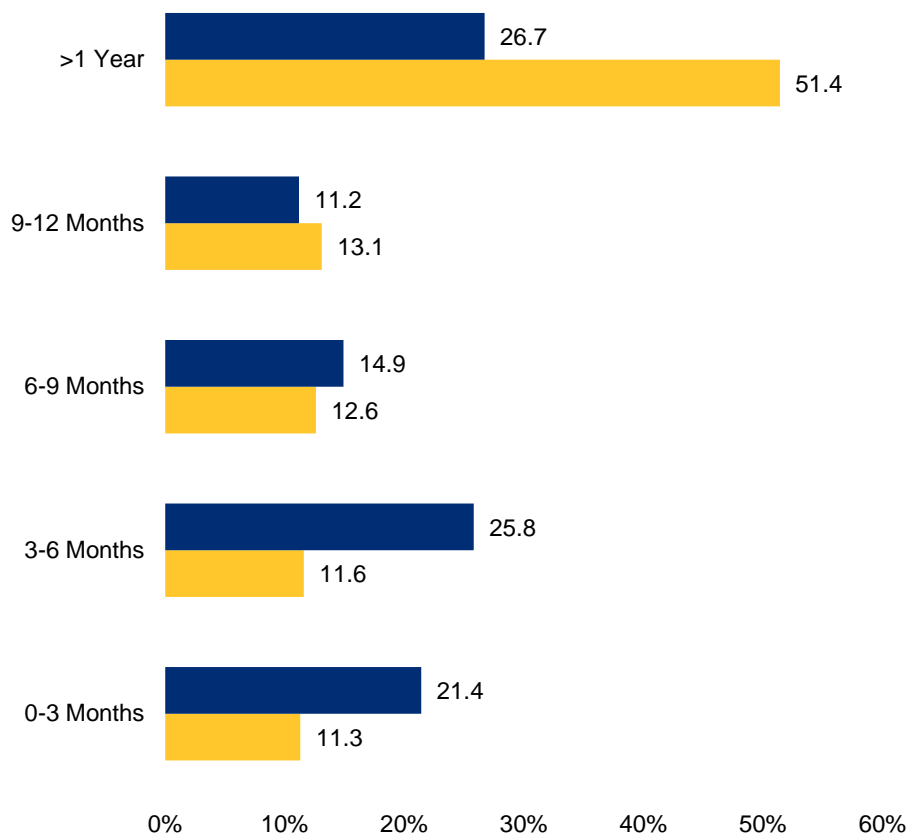
Source: RBC GAM, ICE Data Services

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



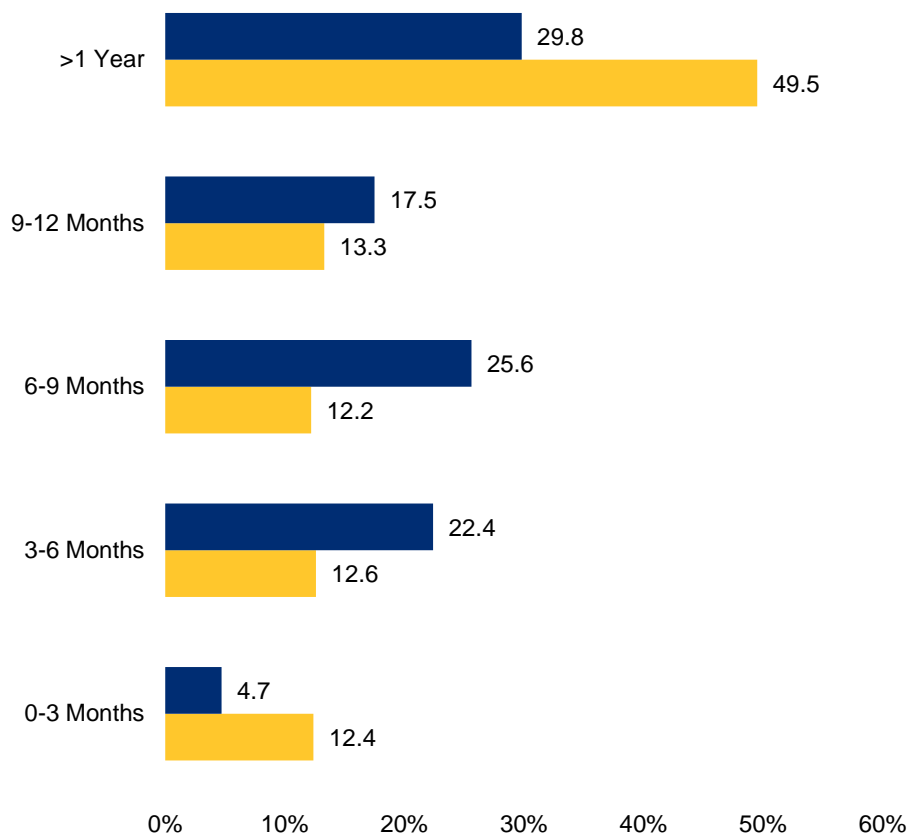
Pima County Community College – Ultra Short Portfolio

Duration Distribution as of 6.30.20



■ Pima County Community College - Cash Management
 ■ ICE BofAML 0-2 Yr US Treasury

Duration Distribution 3.31.20



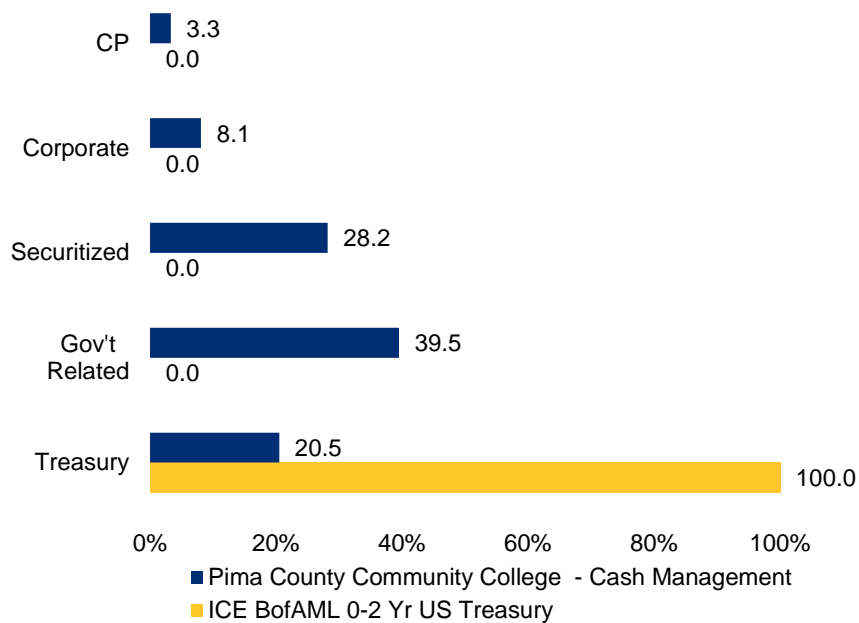
■ Pima County Community College - Cash Management
 ■ ICE BofAML 0-2 Yr US Treasury

As of 6.30.20
 Source: RBC GAM, ICE Data Services

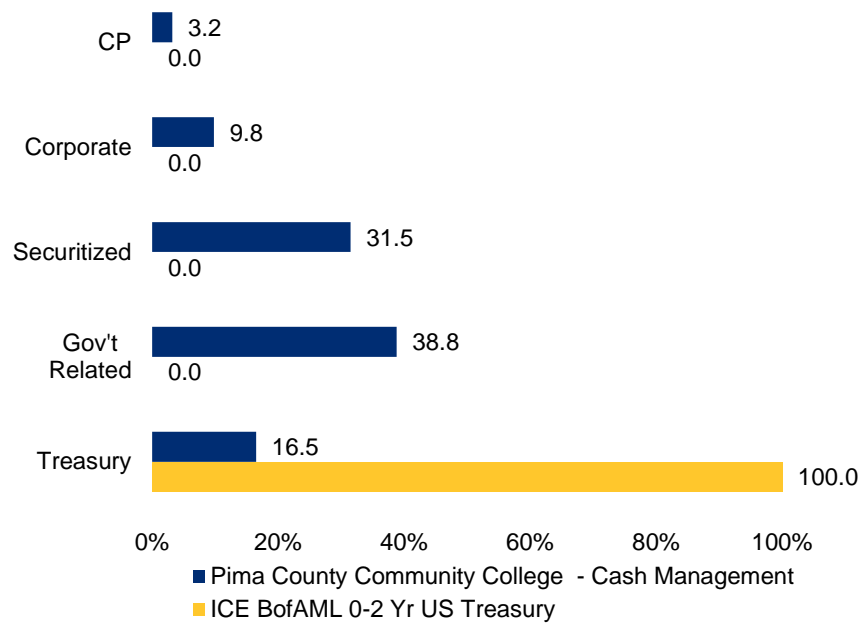


Pima County Community College – Ultra Short Portfolio

Sector Distribution as of 6.30.20



Sector Distribution as of 3.31.20



Characteristics	Pima County Community College – Ultra Short as of 6.30.20	Pima County Community College – Ultra Short as of 3.31.20	ICE BofAML 0-2 Yr US Treasury
Effective Duration	0.73 years	0.83 years	1.03 years
Market Yield	0.74%	1.12%	0.18%
Book Yield	2.03%	2.21%	--
Average Quality	AAA	AAA	AAA

As of 6.30.20
Source: RBC GAM, ICE Data Services, Sector charts exclude cash & equivalents

Duration By Sector

Pima County Community College – Ultra Short Portfolio

	Duration As of 3/31	% Assets As of 3/31	Contribution to Duration As of 3/31	Duration As of 6/30	% Assets As of 6/30	Contribution to Duration As of 6/30
Corporate	0.92 Years	9.76%	10.82%	0.66 Years	8.13%	7.32%
Gov't Related	0.57 Years	36.82%	26.79%	0.50 Years	39.54%	27.01%
Commercial Paper	0.18 Years	3.17%	0.69%	0.16 Years	3.33%	0.73%
Agency Secured	0.83 Years	31.54%	31.77%	0.69 Years	28.17%	26.44%
Treasury	1.50 Years	16.51%	29.93%	1.37 Years	20.54%	38.51%
Total	0.83 Years	100.00%	100.00%	0.73 Years	100.00%	100.00%

As of 6.30.20
 Source: RBC GAM, Contribution to Duration table excludes cash & equivalents

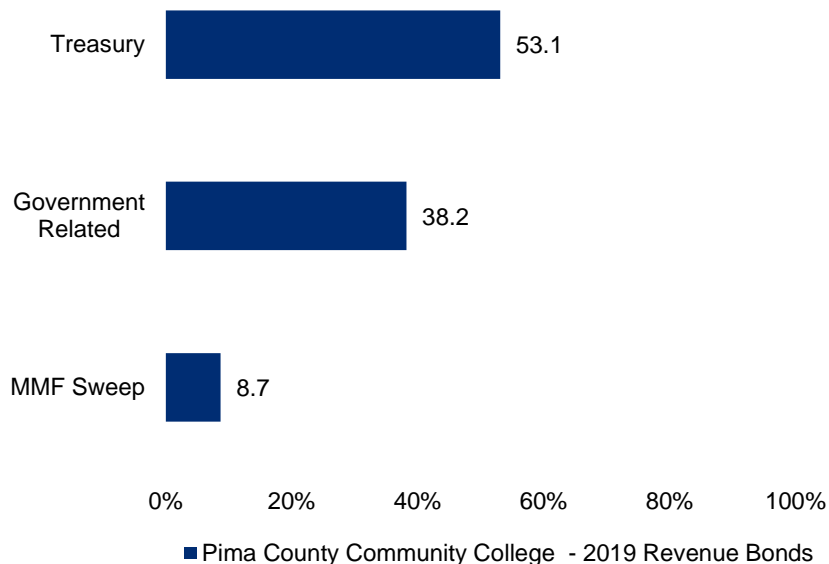


Pima County Community College District - 2019 Revenue Bonds

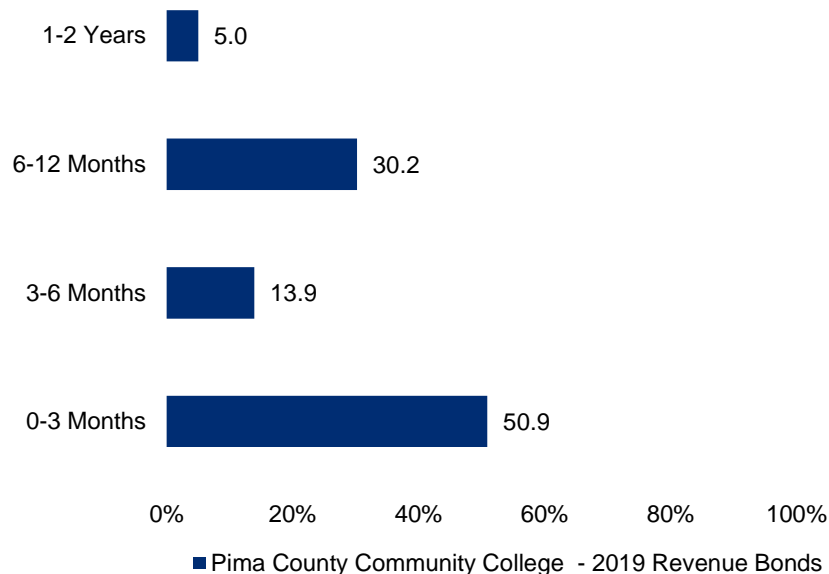


Pima County Community College – 2019 Revenue Bonds

Sector Distribution as of 6.30.20



Duration Distribution as of 6.30.20



Characteristics	Pima County Community College – 2019 Revenue Bonds
Effective Duration	0.38 years
Market Yield	0.17%
Book Yield	1.68%
Average Quality	AAA
Market Value	\$55,335,112

As of 6.30.20
Source: RBC GAM, ICE Data Services



Comparison Cash Flow Projection and Maturity Schedule ²²

Pima County Community College – 2019 Revenue Bonds

Cash Flow Projections as of August 26, 2019

2020	
July	\$1,723,119
August	\$1,570,358
September	\$1,901,459
October	\$1,388,717
November	\$1,302,617
December	\$1,510,217
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	\$9,396,485

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
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	\$30,378,988

Monthly Totals \$39,775,473

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 \$48,550,474

Maturity Schedule, As of June 30, 2020

2020	
\$5,050,000	July
\$13,100,000	August
\$5,200,000	September
\$3,829,000	October
\$2,000,000	November
\$1,800,000	December
	<hr/>
\$30,979,000	

2021	
\$3,730,000	January
\$5,150,000	February
\$3,225,000	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
	<hr/>
\$19,260,000	

\$50,239,000 Total from 2020 thru 2021

Economy & Market Review

Overview

Wide ranging economic impacts from COVID-19

- The global pandemic has triggered a deep global recession
- Recent resurgence in COVID-19 cases in the South and Southwest adds uncertainty to reopening
- 2020 US GDP expected to decline -6%
 - Expecting a “swoosh” recovery, economic activity will be slow build
 - 2nd Quarter US GDP was worse ever recorded, plummeting 32.9% on an annualized basis

COVID-19 versus prior economic shocks

	COVID-19	Global Financial Crisis	Great Depression
Worst QoQ% decline	-17.9	-2.2	N/A
Worst YoY% decline	-10.6	-2.5	-12.9
Peak-to-trough % decline	-22.5	-4.0	-26.3
Cumulative forgone output*	22.0	28.2	336.1

Note: For U.S. as at 2020-04-24. COVID-19 uses medium depth / medium length scenario.

Cumulative forgone output is gap between actual and potential GDP over full period (as % of annual output).

Source: Haver, RBC GAM

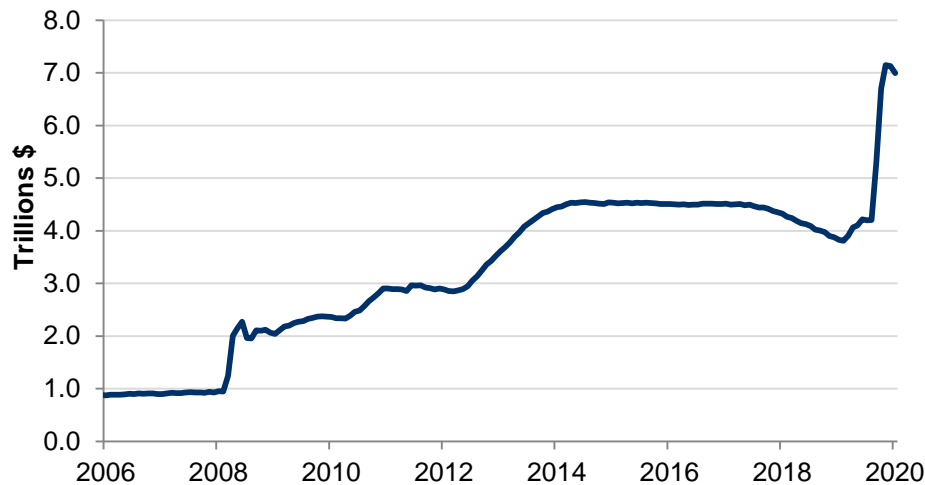
- Monetary and fiscal stimulus has been instrumental in supporting economy, but makes recent positive economic data hard to judge
- Bond market has been helped by the Fed’s actions to support liquidity

Federal Reserve – Balance Sheet Growth

The Fed has undertaken unlimited quantitative easing to support markets

- Balance sheet assets have grown by \$2.9tn since February to \$7tn
- Asset purchases expanded to include Agency CMBS and short-dated, high quality Corporates

Fed Balance Sheet



Federal Excess Reserves



As of 7.31.20
Source: Bloomberg

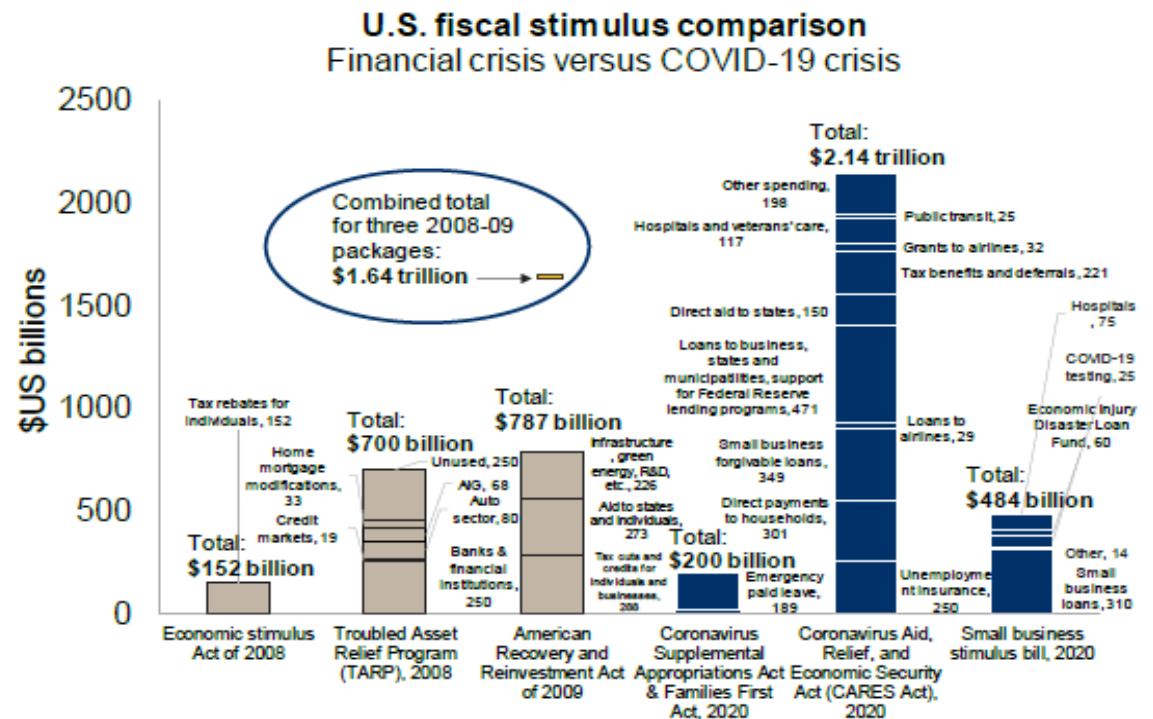
Aggressive Policy Responses

Fed Response

- The Fed took decisive action to support the functioning of financial markets and encourage lending
- Fed Funds cut to range of 0-0.25% – rates likely on hold for foreseeable future
- Introduced or expanded numerous Funding, Credit, Liquidity, Loan Facilities and QE

Fiscal Response

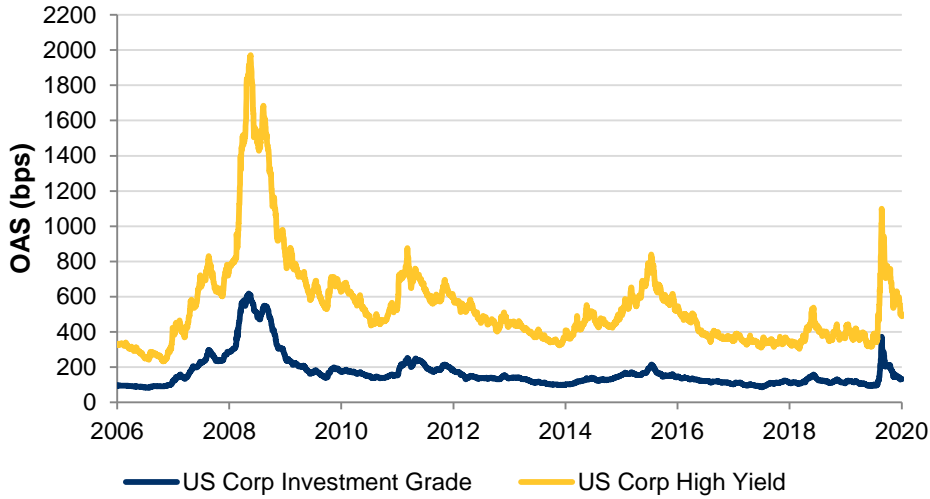
- Lawmakers passed four separate pieces of legislation, costing approximately \$2.4 trillion
- U.S. fiscal relief so far is nearly twice the amount piled in over the full financial crisis period of late 2008/early 2009.
- Will more support be needed?



Note: As of May 29, 2020. Source: Wall Street Journal, RBC GAM

Financial Asset Recovery

US IG & HY Corporate Spreads



Oil Prices



10-year Forward Inflation Expectations Based on TIPS Breakevens



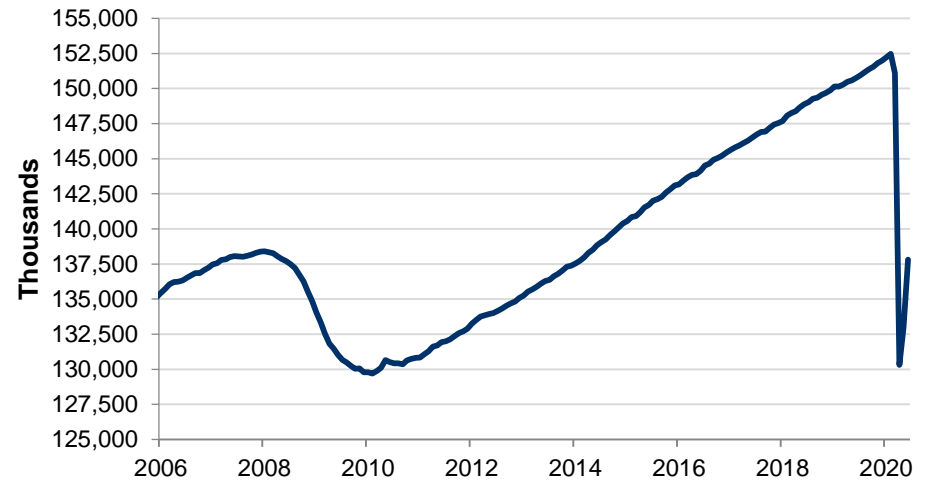
S&P 500 Index



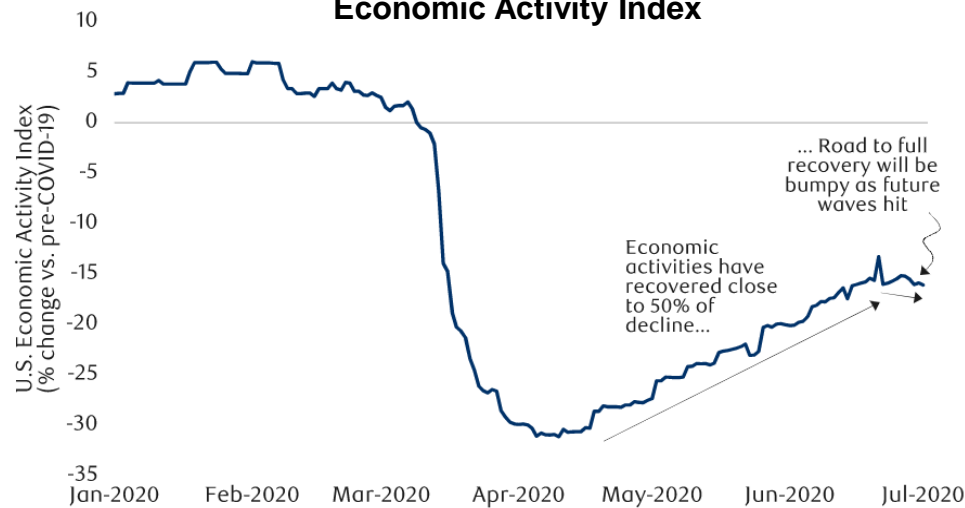
US Economy – Deep Recession

- Jobs added in May and June, bringing the official unemployment rate to 11.1%
- Business bankruptcies continue to be on the rise
- Economic data is mixed and recovery time is protracted
- Bottom line: Uncertainty remains high

Total Nonfarm Payrolls

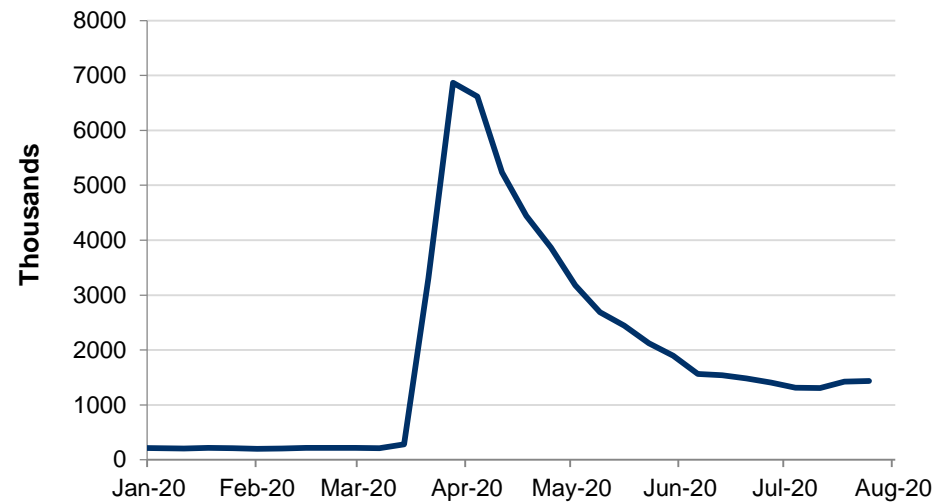


Economic Activity Index



Note: As of 07/01/2020. Economic Activity Index is the average of 10 weekly economic data series measuring the percentage change versus pre-COVID (year-over-year or versus a defined period before COVID-19 outbreak). Source: Bank of America, Goldman Sachs, OpenTable, Macrobond, RBC GAM

Initial Jobless Claims YTD



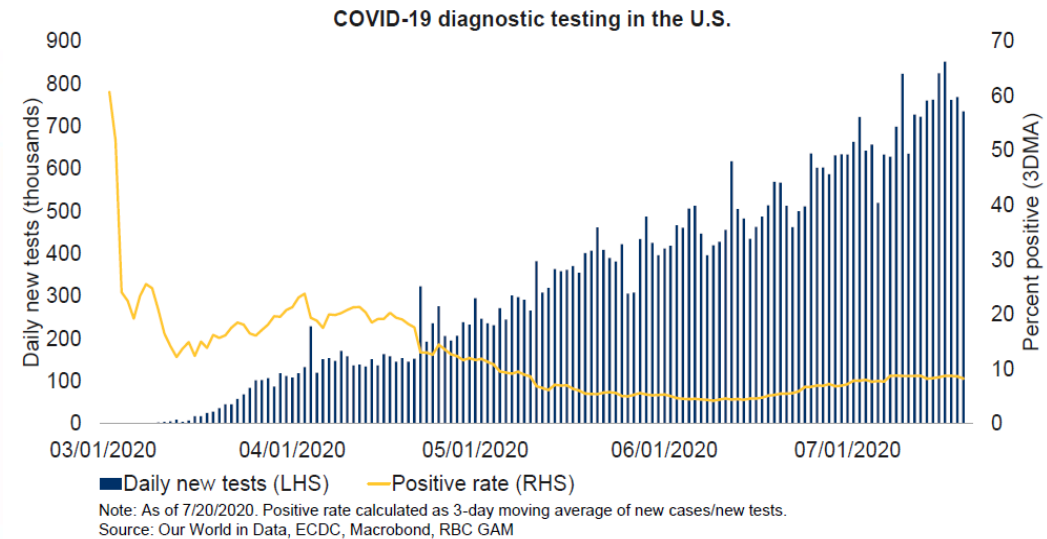
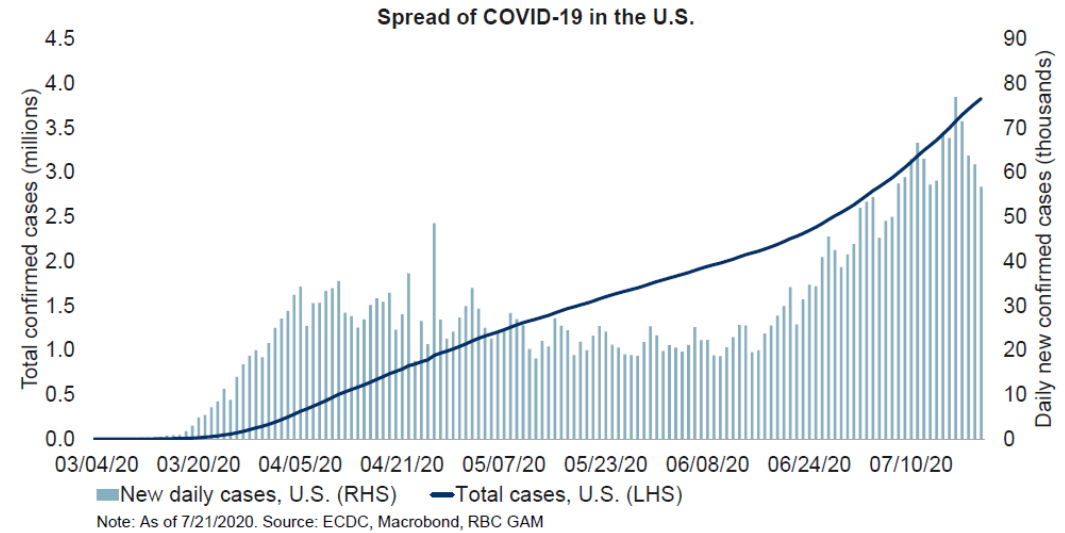
As of 7.31.20
Source: Bloomberg, FRED



An Uneven Recovery

Three reasons the economic recovery should be gradual:

1	2	3
Incremental re-opening	Limited demand	Limited supply
<ul style="list-style-type: none"> • Government plans incremental restart • Limited by disease transmission • Cannot fully re-open until one of the following: <ul style="list-style-type: none"> • Mass testing & tracing • Effective therapeutic • Vaccine • Herd immunity 	<ul style="list-style-type: none"> • Diminished income • Diminished wealth • Limited pent-up demand (virus hit services) • Generalized risk aversion • Specific aversion to social activities 	<ul style="list-style-type: none"> • Supply chain issues • Re-hiring workers could be challenging given generous government benefits



Credit Market Environment

Current state

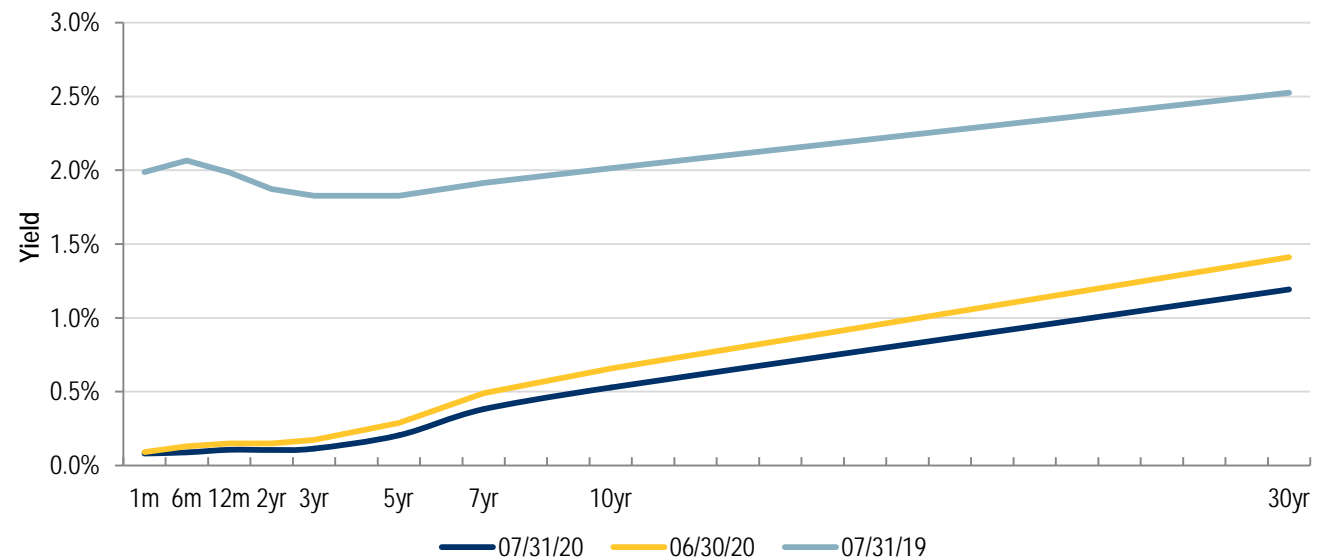
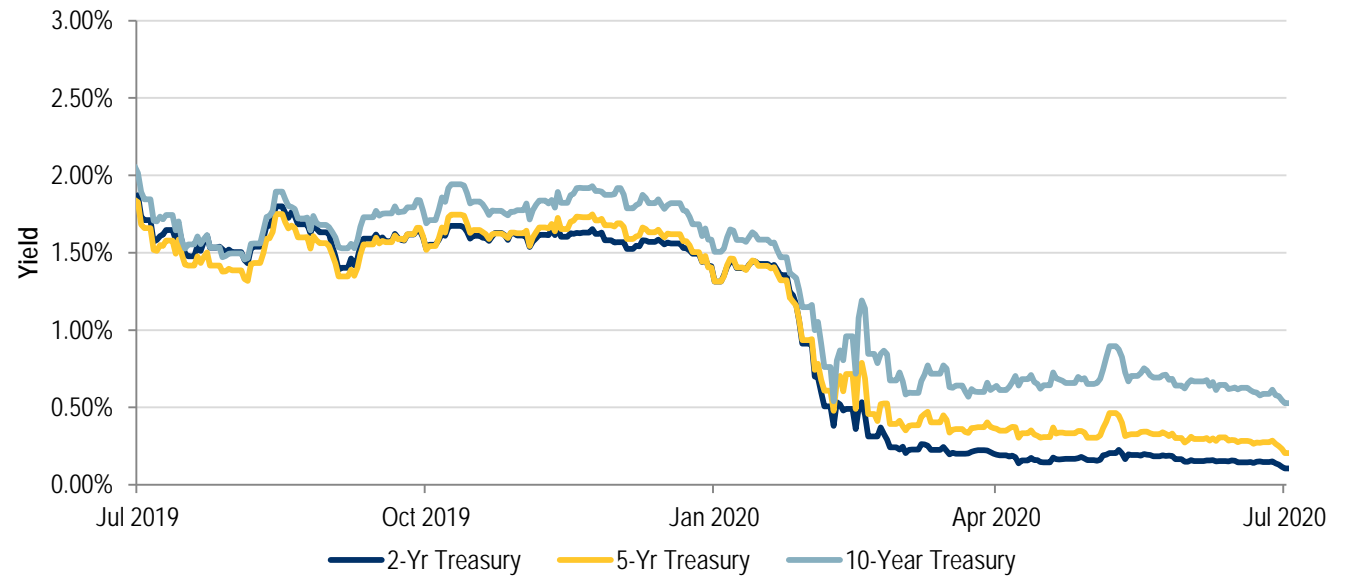
- Declining corporate earnings due to impact of COVID-19 on global economy
- Companies preserve liquidity by raising cash, reducing costs and cutting share buybacks and dividends
- Monetary and Fiscal stimulus supportive for credit market
- Low global interest rates continue to support demand for US IG corporate bonds
- Corporate bond new issuance spiked in the first half of 2020 surpassing entire 2019 new supply but has since slowed at the beginning of 3Q

Positioning

- Prefer large companies with ample liquidity and stable credit profiles
- Remain overweight to Utilities, Communications and Banks
- Reducing exposure to Energy while adding to Consumer Non-cyclical

U.S. Treasury Rates

- Rates drifted down slightly in July on concerns of a faltering economic recovery
- Rates are anchored by the Fed's decision to cut the Fed Funds to zero, and also on muted growth and inflation expectations



As of 7.31.20
Source: Bloomberg

2020 Outlook

Coronavirus adds major uncertainty to global growth

- Key issue in 2020 is coronavirus
 - Major simultaneous supply and demand shocks
- Secondary issues:
 - Oil prices
 - Corporate earnings
 - Presidential election
 - Increased social tensions (food shortages, income inequality, unemployment)
 - Reduced globalization
 - U.S. / China tensions

- GDP outlook in 2020

- Pre-virus outlook was 1.75-2.00% US GDP
- GDP now likely to be negative for the year
- Expected GDP revised to -6% for 2020

COVID-19 scenarios: 2020 U.S. real GDP forecast (annual average % change)

Depth			Recovery		
			Fast	Medium	Slow
Depth	Shallow	-10% trough	-2.8	-3.3	-5.2
	Medium	-18% trough	-6.2	-7.1	-10.6
	Deep	-30% trough	-11.4	-12.9	-18.7

Note: As at 05/21/2020. Assumes rapid decline into trough versus much lengthier recovery period.

- Federal Reserve – Rates near zero for years and unlimited QE
- Interest Rates collapse – 10-year Treasury fair value below 1% over the medium term
- Risk assets – uncertain and uneven path ahead
 - Equity market rebound supported by a strong technical tailwind (the Fed and QE), but fundamentals suggest further weakness
 - The Fed can provide liquidity, but not revenue (increased defaults and bankruptcies)
 - Some sectors will fare better than others

Appendix

The US fixed income team

US Fixed Income Team			
Lead Portfolio Managers			Risk Management
Brian Svendahl, CFA Co-Head, US Fixed Income		Brandon Swensen, CFA Co-Head, US Fixed Income	
Sector Focus			Michael Hamp Vice President, Head of Investment Risk Management
Municipal, Government & Mortgage Research		Credit Research	
Raye Kanzenbach, CFA Sr Portfolio Manager	Laurie Mount Analyst	James Weinand, CFA Portfolio Manager	John Northup, CFA Analyst
Scott Kirby Sr Portfolio Manager	Valinie Dayaljee Analyst	Alexey Baskakov, CFA Associate Portfolio Manager	Matt Mueller, CFA Analyst
Eric Hathaway, CFA Sr Portfolio Manager	Karen Ly Analyst	Kelly Foley Analyst	Kelsey Bosshardt Analyst
Ronald Homer Chief Strategist, US Impact Investing	Winnie Hu Quantitative Analyst		Sydney Seydel Investment Risk Analyst Ly Hsieh Risk Management 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		
Liquidity Management Solutions			
Eric Stevens Senior Institutional Sales Analyst			

Experienced / Stable / Diverse

- Lead PMs and sector teams average 19 years of experience
- Intentionally structured and stable platform
- Proven talent with diverse skillsets and backgrounds

As of 6.30.20. ¹Experience 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 "A1" 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

<u>Type</u>	<u>Maximum Allocation</u>
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

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.

<http://azleg.gov/ars/35/00323.htm>[09/09/15 10:58:45 AM]

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

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

<http://azleg.gov/ars/35/00323.htm>[09/09/15 10:58:45 AM]

Arizona Revised Statutes

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

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.

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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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Sources of Information: Bloomberg, FactSet, FT Interactive Data, State Street Bank and Trust Company, BofA Merrill Lynch, MSCI and various other sources from time to time, as may be referenced on the report page of their use.

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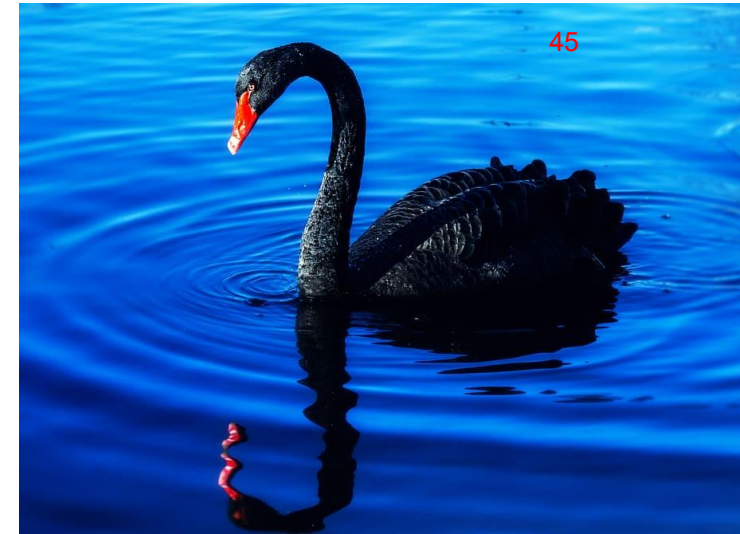
Enrollment Trends

Finance and Audit Committee
August 21, 2020



Background

- The COVID-19 pandemic is a black swan event
- Fairly early, we started considering scenarios
- Numerous efforts have been undertaken to gather student perspectives
- Detailed monitoring of enrollment throughout the registration period



Factors that will impact different offerings in varying ways

Snapshot from April 2020⁴⁶

	Online	General education	CTE	Workforce	Adult education	Dual enrollment	International
Inability to offer in-person sections: Likely in the short to medium term, though there are some possibilities							
Ability to offer in-person sections: Likely in the long term, potentially over a year from now							
Community concerns about spread of the virus (e.g. comfort being on campus for any services or courses we are able to provide in-person)							
Needs of displaced workers and support for local employers							
Ongoing instructional restrictions at the high schools							

Information gathering has included:

- Pulse survey
- Returning student survey
- Prospective student survey
- Student needs survey

National picture

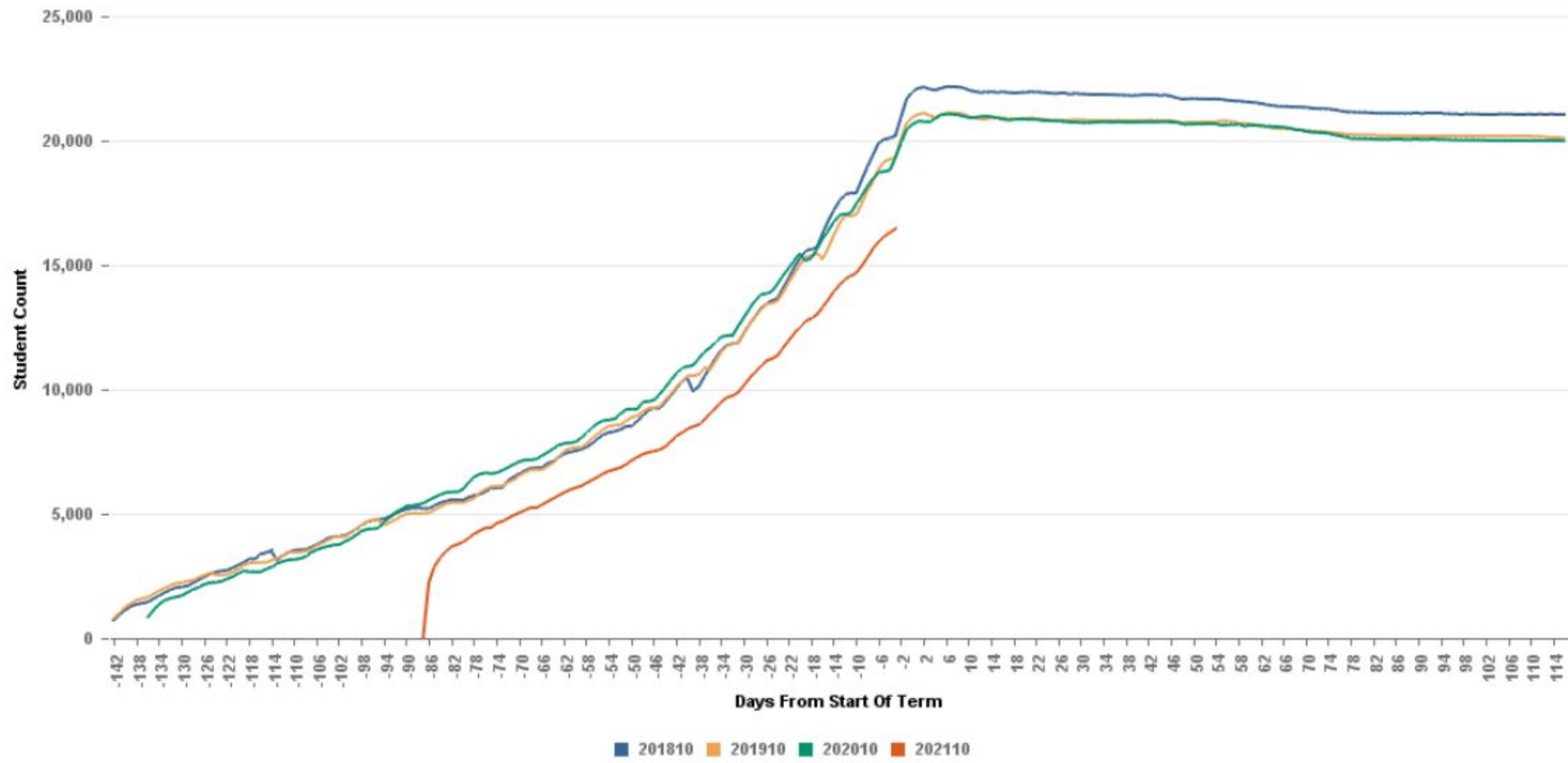
Inside Higher Ed reported on August 17, 2020 that enrollment drops at community colleges range from around 5% to 30%:

- Northern Virginia: 5% down
- Laramie County: 12% down
- Alabama community colleges: 29% down
- Pennsylvania's community colleges: From 3% to 30% down

Some colleges anticipate an enrollment growth (typically smaller institutions such as the Community College of Vermont)

Latest Enrollment Term: 202110
Days from Start of Term: 2
Term Start Date: 8/19/20
Last Refreshed on: 08/17/2020 08:00:48 AM

PCC Student Registration Fall Term - Headcount 201810 to 202110



Five-year trend

Data current as of ⁵⁰
August 16, 2020

Last Five Fall Terms Summary - Current Snapshot

Data as of: 8/16/20

Filters:

Days from start of term : -3

	Fall 2016		Fall 2017		Fall 2018		Fall 2019		Fall 2020	
	Number	% Change	Number	% Change	Number	% Change	Number	% Change	Number	% Change
Headcount	20,572		20,218	-1.72%	19,332	-4.38%	19,349	0.09%	16,463	-14.92%
Enrollment	56,719		57,371	1.15%	56,419	-1.66%	57,786	2.42%	47,073	-18.54%
FTSE	6,237		6,225	-0.19%	5,846	-6.09%	5,916	1.21%	4,898	-17.21%
Enrolled Section (CRN) Count	3,110		3,111	0.03%	3,123	0.39%	3,150	0.86%	2,698	-14.35%



Data current as of ⁵¹
August 16, 2020

All students

Headcount Trend



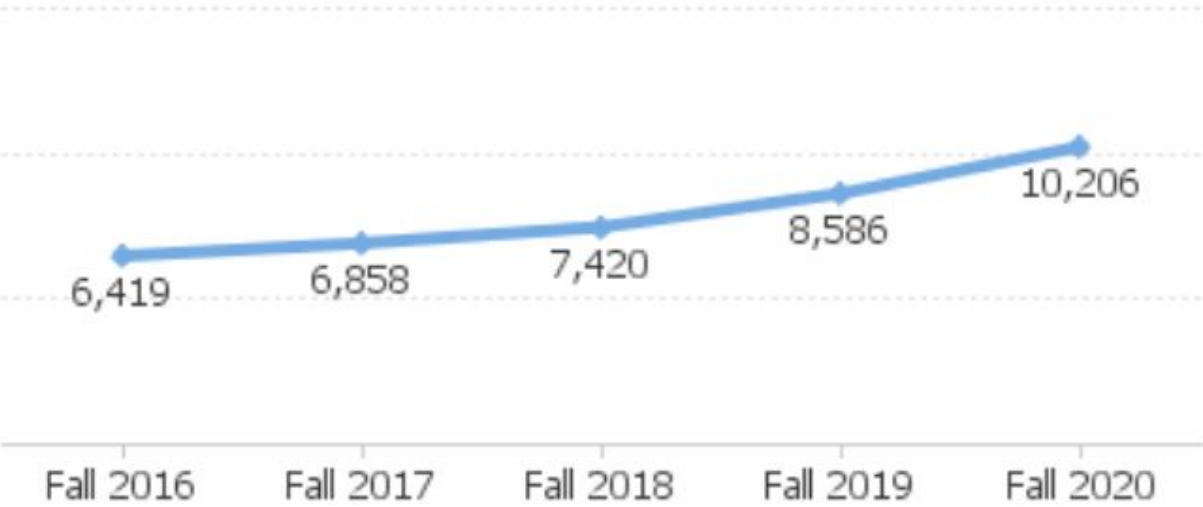
Enrollment Trend



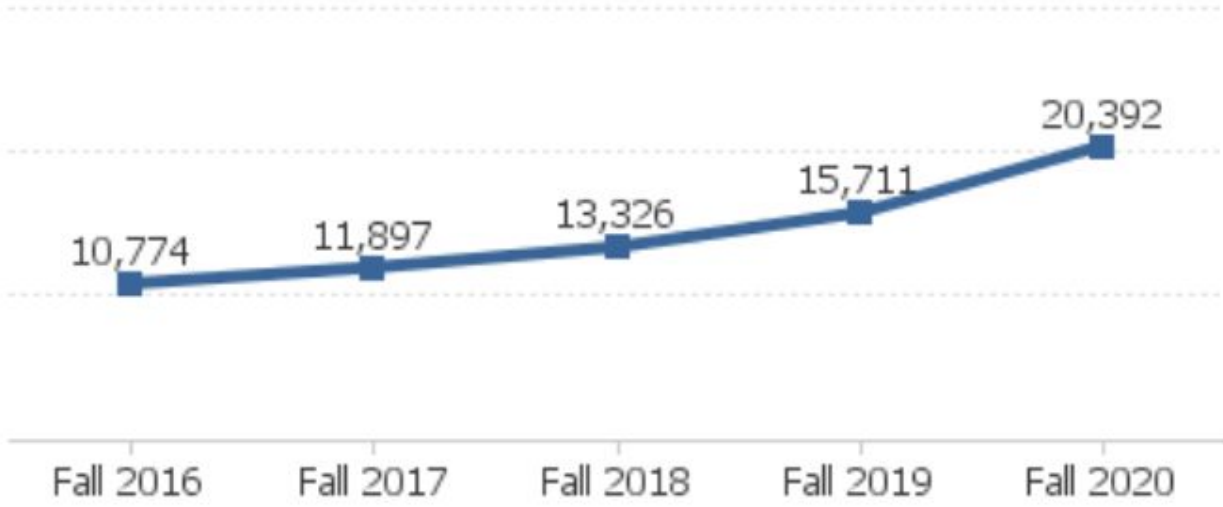
Data current as of ⁵²
August 16, 2020

Online

Headcount Trend



Enrollment Trend



Enrollment Changes by Division

Data current as of⁵³
August 16, 2020



Down over 30%

- Workforce and Continuing Education
- Mathematics



Down less than 15%

- College Readiness and Student Success
- Humanities and Social Sciences
- Sciences

Up

- Business and Information Technology



Demographics

	Fall 2019		Fall 2020	
	Headcount		Headcount	
	#	% Change	#	% Change
American Indian or Alaskan Native	420		338	-19.52%
Asian	585		506	-13.50%
Black or African American	901		811	-9.99%
Hispanic/Latino	9,059		7,625	-15.83%
Native Hawaiian or Pacific Islander	97		72	-25.77%
Race and Ethnicity Unknown	680		490	-27.94%
Two or More Races	341		305	-10.56%
White	7,266		6,316	-13.07%
Total Change from Previous Term			-2,886	-14.92%

Demographics

Data current as of ⁵⁵
August 16, 2020

	Fall 2019		Fall 2020	
	Headcount		Headcount	
	#	% Change	#	% Change
Female	10,953		9,921	-9.42%
Male	7,926		6,273	-20.86%
No Value Entered	470		269	-42.77%
Total Change from Previous Term			-2,886	-14.92%

Demographics

Data current as of ⁵⁶ August 16, 2020

	Fall 2019		Fall 2020	
	Headcount		Headcount	
	#	% Change	#	% Change
17 & Below	496		486	-2.02%
18-24	11,115		9,125	-17.90%
25-39	5,508		4,993	-9.35%
40 & Over	2,230		1,859	-16.64%
Total Change from Previous Term			-2,886	-14.92%

New and returning students

While we are down **~15%** in overall headcount, we are down **~31%** in new to higher education students

Discussion



Office of the Internal Auditor Executive Summary Quarterly Report August 2020

The Office of the Internal Auditor Executive Summary Quarterly Report is designed to provide a brief overview of the department activities, status of open audit findings, audit plan activities and important compliance items. The report includes the following sections: General Department Update, Audit Recap, Audit Plan and Important Compliance Items and Guidance.

General Department Update

The Office of the Internal Auditor (OIA) continues to monitor and follow-up with management on open audit findings. During the past quarter, the OIA followed up on all audits with open items (Automotive Audit, Center for International Education and Global Engagement Audit, Key Controls Review, Health Insurance Portability and Accountability Act (HIPAA) Audit, Information Technology Audit, and Intercollegiate Athletics Audit). See the Audit Recap section below for more details.

The OIA is currently working with the Strategy, Analytics and Research (STAR) Department on process effectiveness (e.g. determine methods that could be used to evaluate effectiveness among multiple areas/units, identify and use system(s) data to evaluate processes and determine control efficiencies and effectiveness, etc.). The Chief Strategist, Assistant Vice Chancellor of Strategy, Analytics and Research is setting-up a meeting with key personnel from various departments to discuss information.

During the months of June and July, Internal Auditor attended the Security and Access Control Work Group (SACG) meetings. The SACG is a monitoring work group comprised of designated representatives from various departments (e.g. College Police, Human Resources, Information Technology, Environmental Health and Safety, etc.) that define and recommend standards for College access control within the Security and Access Control Operating Procedures. The role of the OIA is to assess and make recommendation on the effectiveness of the existing and new/proposed controls. The group meets every two weeks.

Internal Auditor assisted the Arizona Auditor General with the requested items for the Pima County Community College District Financial Statement Audit. All requested items were provided.

During the month of July 2020, Internal Auditor met with the Director of Procurement and Payment Services and Director of Contract Services to request and review the preferred contractors that the OIA has used in the past years when co-sourcing audits. Information will be provided soon. More details will be provided in the next quarterly report.

The OIA is currently conducting the Center for International Education and Global Engagement (CIEGE) audit. The audit objectives are: understand the mission and objectives of the CIEGE Office and the processes that lead to the achievement of those goals; ensure controls associated with processes and transactions related to Faculty and Staff Travel are adequate; and ensure controls



associated with processes and transactions related to the CIEGE Program are adequate and in compliance with policies, procedures and regulations. More details will be provided in the next quarterly report.

During the past quarter, Internal Auditor attended several virtual webinars. Some of these virtual webinars include: The CARES Act and its impact on retirement plans; Pivot Table and Pivot Charts in Excel 2010; Institute of Internal Auditors South District Workshop; What No One Tells You About Third-party Risk Management; How to be an Antiracist Virtual Learning Community; Pima Community College Wellness Webinar-Healthy Cooking; Pandemic Proofing Your Risk and Compliance Program; etc. Some webinars offered Continuing Professional Education (CPE) credits.

Audit Recap

The Office of the Internal Auditor followed-up with management on all audits with open items (Automotive Audit, Center for International Education and Global Engagement Audit, Key Controls Review, Health Insurance Portability and Accountability Act (HIPAA) Audit, Information Technology-Data Security, Cybersecurity Training, & Business Continuity Planning Audit, and Intercollegiate Athletics Audit). There was significant progress during this quarter; there were 25 findings closed. Currently there are 70 findings closed (71%) and 28 findings open (29%) as depicted below:

Audit Title	Audit(s) Date (Initial & Follow up Audits)	Number of Findings Issued	Number of Findings Open	Department/Area	Expected Completion Date * (Based on Audit Report)	New Expected Completion Date (Based on Follow-up)
Access and Disability Resources (ADA)	Dec. 16, 2016	3	0	Access and Disability Resources (ADR)	Mar. 2018 (longest date out)	Closed May 2020
Comments: Open items were closed in May 2020. Items were related to training and ADA services.						
Automotive Audit	Mar. 23, 2017	3	2	Dean of Applied Technology	Mar. 2019 (longest date out)	Oct. 2020 & Dec. 2020
Comments: One item closed in May 2020; item is being monitored in the Key Controls review. Management is currently working on updating the automotive inventory list and formalizing the processes in a procedure. In addition, Management is reaching out with various departments to implement a process to maintain job placement rates and perform trending analysis for all Automotive students to help ensure that the program is meeting the needs of students and the automotive industry. The risk rating for the remaining open items is medium.						
Aviation Center Controls	Sep. 22, 2014; Jun. 9, 2015; May 5, 2016; Mar. 28, 2017; Jan. 26, 2018	6	0	Academic Director Aviation Technology Center	Aug. 2018	Closed Feb. 2020
Comments: Open item was closed in February. 2020; item is being monitored in the Key Controls review.						



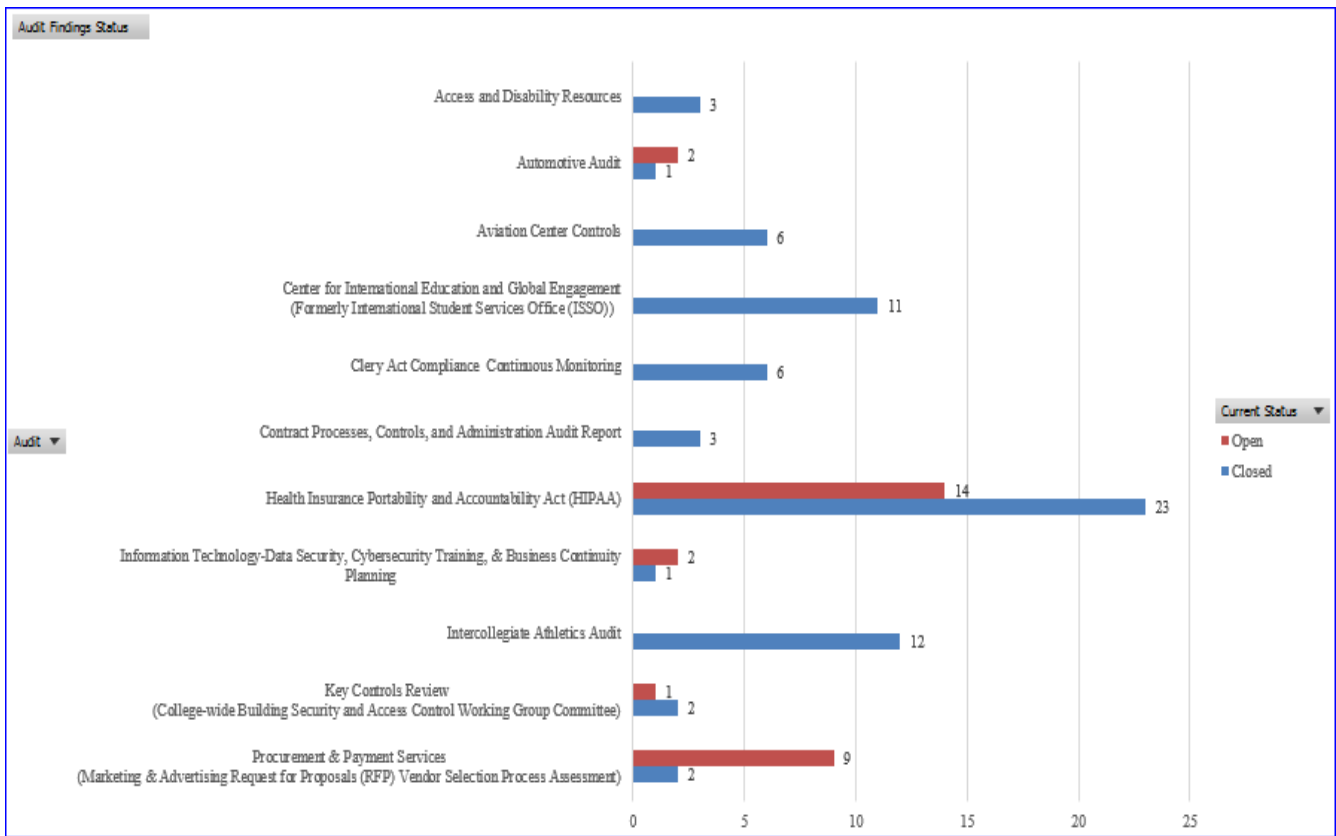
Audit Title	Audit(s) Date (Initial & Follow up Audits)	Number of Findings Issued	Number of Findings Open	Department/Area	Expected Completion Date * (Based on Audit Report)	New Expected Completion Date (Based on Follow-up)
Center for International Education and Global Engagement	May 17, 2016 & Apr. 21, 2017	11	0	Vice President of International Development	May 2017 (longest date out)	Closed Jul. 2020
Comments: Open item was closed in July 2020; Management established a comprehensive process for contract development between PCC and foreign governments for international student services.						
Clery Act Compliance	Apr. 1, 2016 & Jun. 14, 2017	6	0	Police Chief, Clery Compliance Officer	Dec. 2017 (longest date out)	Closed May 2020
Comments: Open items were closed in May 2020. Items were related to training and formalizing processes in procedures.						
Contract Processes, Controls, and Administration Audit	Jun. 25, 2015 & Nov.23, 2015	3	0	Purchasing Director / Contracts Director	Mar. 2016	Closed May 2020
Comments: Open items were closed in May 2020. Items were related to updating/formalizing processes in procedures.						
Health Insurance Portability and Accountability Act (HIPPA)	May 20, 2016 & Jul. 31, 2017	37	14	The Assistant Vice Chancellor (AVC) of Information Technology (IT), Employee Service Center (ESC) Director	May 2019 (longest date out)	OIA awaiting management responses and implementation dates
Comments: Eleven items were closed in July and August 2020. Items were related to staff training and updating / formalizing policies and procedures. Internal Auditor is currently awaiting for supporting documentation/management responses and implementation dates for the remaining open items related to updating/formalizing policies and procedures, ePHI periodic risk assessments, and disaster recovery planning. The risk rating for the remaining open items range from medium to high.						
Information Technology-Data Security, Cybersecurity Training, & Business Continuity Planning	May 26, 2016 & May 31, 2017	3	2	Director of Cybersecurity	May 2019	OIA awaiting management responses and implementation dates
Comments: One item was closed in July 2020. Item was related to annual cybersecurity training. Internal Auditor is currently awaiting for management responses and implementation dates for the remaining open items related to formalizing disaster recovery planning processes. The risk rating for the remaining open items is high.						



Audit Title	Audit(s) Date (Initial & Follow up Audits)	Number of Findings Issued	Number of Findings Open	Department/Area	Expected Completion Date * (Based on Audit Report)	New Expected Completion Date (Based on Follow-up)
Intercollegiate Athletics Audit	Nov. 6, 2015 & Dec. 2, 2016	12	0	Executive Director for Athletics, Assistant Athletics Director, Athletics Director, Vice President of Student Development, Campus President, All PCC Athletics Head Coaches per sport	Dec. 2016 (longest date out)	Closed Jul. 2020
Comments: Ten items were closed in July 2020. Items were related to staff training and updating/formalizing policies and procedures.						
Key Controls Review	Jan. 6, 2017	3	1	Director of Facilities	Jan. 2017	Jun. 2023
Comments: Two items were closed in June and July 2020; items were related to formalizing procedures and policies. Management is currently working on the implementation of new physical access security equipment. The risk rating for the remaining open item is high.						
Procurement & Payment Services (Marketing & Advertising Request for Proposals (RFP) Vendor Selection Process Assessment)	Dec. 16, 2019	11	9	Director of Procurement & Payment Services	Mar. 2021 (longest date out)	Dec. 2020 & Mar. 2021
Comments: Two items were closed in June 2020; items were related to training and formalizing processes in procedures. Management is currently working on the remaining open items related to formalizing processes in policies and procedures. The risk rating for the remaining open items range from low to medium.						
TOTAL		98	33	Percentage Closed 71%	Percentage Open 29%	

* Audit findings and expected completion date are based on the last report issued by the OIA.

** The OIA conducts follow-ups on audit findings based on management implementation date (e.g. prior to completion date).



Below are the Audit Findings Implementation Status:

Audit Findings Implementation Status				
				Total
Access and Disability Resources			3	3
Automotive Audit	1	1	1	3
Aviation Center Controls			6	6
Center for International Education and Global Engagement (Formerly International Student Services Office (ISSO))			11	11
Clery Act Compliance Continuous Monitoring			6	6
Contract Processes, Controls, and Administration Audit Report			3	3
Health Insurance Portability and Accountability Act (HIPAA)	12	2	23	37
Information Technology-Data Security, Cybersecurity Training, & Business Continuity Planning	2		1	3
Intercollegiate Athletics Audit			12	12
Key Controls Review(College-wide Building Security and Access Control Working Group Committee)	1		2	3
Procurement & Payment Services(Marketing & Advertising Request for Proposals (RFP) Vendor Selection Process Assessment)		9	2	11
Total	16	12	70	98



Implementation Status Classifications	Descriptions	Tickmark
Addressed /Completed	Implemented at 100% or risk/issue addressed	●
Substantially Complete > 50%	Substantially complete with more than 50% completion; but less than 100%	◐
Partially Complete ≤ 50%	Partially complete with less than 50% completion; but more than 0%	◑
No Progress	No progress observed or action taken	○

The Office of the Internal Auditor followed-up with management on the open item related to the Arizona Auditor General audit; management is still working on the remediation of this finding.

Audit Title	Audit(s) Date (Initial & Follow up Audits)	Number of Findings Issued	Number of Findings Open	Department/Area	Expected Completion Date (Based on Audit Report)	New Expected Completion Date (Based on Follow-up)
Arizona Auditor General Year Ended June 30, 2019	December 18, 2019	1	1	Director of Records Management	June 2020	September 2020 (Substantially Complete)
Comments: A new implementation date was provided. Based on IT Management response, the IT Project Assessment and Risk Management Tool went live on August 4, 2020 internally. Training is scheduled during August 2020 for all IT personal with project-related change management responsibilities. Full College-wide implementation is scheduled for September 1, 2020.						
TOTAL		1	1	Percentage Closed 0%	Percentage Open 100%	

Note: *The Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing (Standards)* requires that Internal Audit follow-up upon the disposition of management's actions to address risks identified and to communicate the results to management. Internal Auditor updates the Internal Audit Findings Matrix when open items are followed-up with management (e.g. contact name, date, reason, status, etc.). Supporting documentation is reviewed prior to closing a finding.



Audit Plan

The Detail Audit Plan is included below for Internal Audit activities and status.

ENGAGEMENT TYPE & DESCRIPTION*	TIMING		STATUS	RISK LEVEL**
	2019 - 2020	2020 - 2021		
<u>Audits / Projects:</u>				
Hiring Internal Auditor	Fall 2019		Complete	-
2019 College Risk Assessment & Audit Plan Report	Spring 2020		Complete	-
Marketing and Advertising Request for Proposal (RFP) Vendor Selection Process Assessment Internal Audit Report	Spring 2020		Complete	-
Center for International Education and Global Engagement	Spring 2020		In Progress	Medium
Purchasing & Contracting & P-Card	Spring 2020		-	Medium
Health Insurance Portability and Accountability Act (HIPAA) Data Security		Fall 2020	-	High
Clery Act		Fall 2020	-	High
Human Resources/Payroll		Fall 2020	-	Medium
Financial Aid and Scholarship		Spring 2021	-	Medium
Grants Management		Spring 2021	-	Medium
Enrollment Management		Spring 2021	-	Medium
Information Technology		Spring 2021	-	High
<u>Advisory Services:</u>				
Culture Survey	Spring 2020		Complete	-
Special Projects and Reviews		Fall 2020 – Spring 2021	-	-
Advising & Academic Support		Fall 2020 – Spring 2021	-	-
<u>External Audits Support / Follow-ups:</u>				
Arizona Office of the Auditor General’s Audit Support and follow-up	Spring 2020	Spring 2021	In Progress	-
Follow-up on Audit Findings*** (e.g. Access & Disability Resources (ADA); Automotive Audit; Aviation Center Controls; Center for International Education and Global Engagement; Clery Act Compliance Monitoring; Contract Processes, Controls, and Administration; Health Insurance Portability and Accountability Act (HIPAA) Data Security; Information Technology-Data Security, Cybersecurity Training, & Business Continuity Planning; Intercollegiate Athletics; Key Controls; Marketing and Advertising Request for Proposal (RFP) Vendor Selection Process Assessment)	Spring 2020	Fall 2020 - Spring 2021	In Progress	-

*Due to the dynamic environment of the College and risk environment, the plan will be reviewed quarterly and updated as necessary. Any changes or updates to the plan will be reviewed with the Finance and Audit Committee and the Board.

** Risk level is based on heat map reflected in audit plan. The significance of risks is assessed based on impact and likelihood.

***Internal Audit will complete an audit report for each audit engagement; the report will include audit scope, findings, recommendations and management responses (if deficiencies are noted). In addition, Internal Audit will complete a quarterly report with an update on the status of the audit findings based on management implementation date.



Important Compliance Items and Guidance:

University Business (UB)

May 5, 2020

A real-life story from Flagler College—with seven prevention strategies for any higher-ed institution to implement now.

<https://universitybusiness.com/whale-phishing-how-cybersecurity-could-have-saved-jonah/>

Internal Auditor shared information with the Information Technology Department.

National Security Agency

July 2020

Securing IPsec Virtual Private Networks - To protect this traffic and ensure data confidentiality, it is critical that these VPNs use strong cryptography. This guidance identifies common VPN misconfigurations and vulnerabilities.

[https://media.defense.gov/2020/Jul/02/2002355625/-1/-](https://media.defense.gov/2020/Jul/02/2002355625/-1/-1/0/SECURING_IPSEC_VIRTUAL_PRIVATE_NETWORKS_EXECUTIVE_SUMMARY_2020_07_01_FINAL_RELEASE.PDF)

[1/0/SECURING_IPSEC_VIRTUAL_PRIVATE_NETWORKS_EXECUTIVE_SUMMARY_2020_07_01_FINAL_RELEASE.PDF](https://media.defense.gov/2020/Jul/02/2002355625/-1/-1/0/SECURING_IPSEC_VIRTUAL_PRIVATE_NETWORKS_EXECUTIVE_SUMMARY_2020_07_01_FINAL_RELEASE.PDF)

Internal Auditor shared information with the Information Technology Department.

Revenue Bond Projects - Inception to Date

FY=21 Period=14

<u>FUND</u>	<u>FUND_DESC</u>	<u>Revenues</u>	<u>Personnel</u>	<u>Other Expenditures</u>	<u>Transfers</u>	<u>Fund Balance</u>
581999	Rev Bonds Control Fund	67,036,988	0	(443,102)	(11,822,619)	54,771,267
5R8000	RVB PROJ - Control	67,036,988	0	(443,102)	(11,822,619)	54,771,267
581001	RVB Proj -Advanced Mfg.New Bldg	0	0	(3,513,481)	2,543,195	(970,286)
5R8001	RVB PROJ - Applied Tech- Building	0	0	(3,513,481)	2,543,195	(970,286)
581003	RVB Proj - Transportation New Bldg	0	0	(6,103,979)	3,675,925	(2,428,054)
5R8002	RVB PROJ - AppTech COE AE WFD SS	0	0	(6,103,979)	3,675,925	(2,428,054)
581005	RVB Proj - ST Bldg Renovations	0	0	(226,228)	215,911	(10,318)
5R8003	RVB PROJ - AppTech Weld,Mach,Engr,M	0	0	(226,228)	215,911	(10,318)
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	(1,373,263)	1,378,744	5,482
581009	RVB Proj -DC Frontier RE	0	0	(1,361,845)	1,361,845	0
581037	RVB Proj -DC CoE Program Space Renv	0	0	(339,162)	0	(339,162)
581036	RVB Proj -DC RE Infrastructure Dev	0	0	(95,900)	95,900	0
581034	RVB Proj -DC 333 W Drachman (FT2)	0	0	(1,712,800)	1,726,840	14,040
581032	RVB Proj -DC Historic Assessment	0	0	(44,376)	44,376	0
5R8005	RVB -DC Campus Expansion & Developm	0	0	(4,927,346)	4,607,706	(319,640)
581013	RVB Proj -PSI ESI	0	0	(35,480)	25,259	(10,221)
5R8007	RVB PROJ -PSEI EMSI	0	0	(35,480)	25,259	(10,221)
581015	RVB Proj -Science Labs	0	0	(449,693)	226,828	(222,865)
5R8008	RVB PROJ -Science Labs	0	0	(449,693)	226,828	(222,865)
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	(3,642)	3,750	108
5R8012	RVB PROJ -NW Bookstore/Food Svc	0	0	(3,642)	3,750	108
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=21 Period=14

<u>FUND</u>	<u>FUND_DESC</u>	<u>Revenues</u>	<u>Personnel</u>	<u>Other Expenditures</u>	<u>Transfers</u>	<u>Fund Balance</u>
500005	"Revenue Bonds" Revenue	0	0	0	0	0
5RVBND	Revenue Bond Funded Projects	0	0	0	0	0
		67,036,988	0	(16,221,128)	(5,870)	50,809,991



Pima County Community College District

Office of the Chancellor

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July 28, 2020

State of Arizona
Joint Committee on Capital Review
Richard Stavneak, Director
Phoenix, Arizona 85007

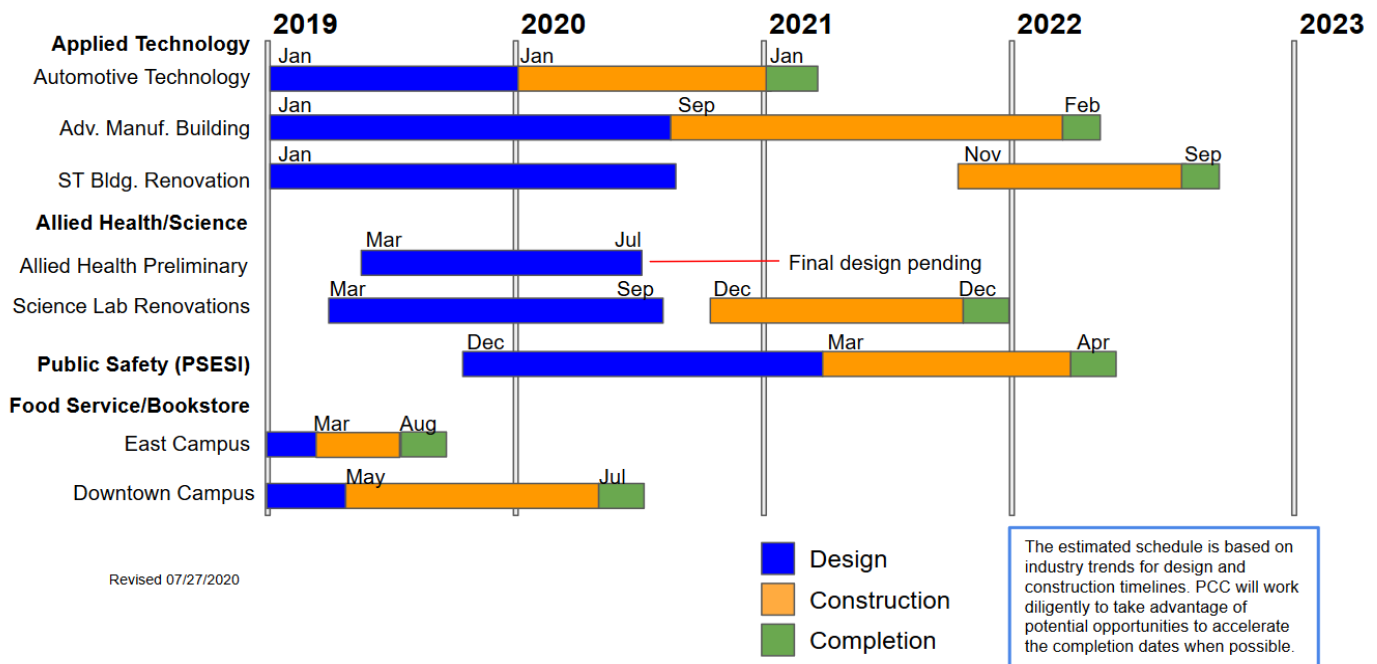
RE: FY2020 Status Update, Pima County Community College District Revenue Bonds, Series 2019

Dear Mr. Stavneak:

As requested in your letter dated September 25, 2018, Pima County Community College District is pleased to provide this status update to the Joint Committee on Capital Review for projects financed from the 2019 revenue bonds issuance. This update includes the status of each project, the expected completion dates, and the expenditures through the fiscal year ended June 30, 2020. The College closed physical locations in mid-March due to the pandemic and has since reopened a limited number of facilities for Career and Technical Education programs and some lab courses, with the remainder of coursework offered through remote instruction. As a result of COVID-19, the College has experienced a number of unforeseen expenses and changes to pedagogy. Although there are no changes in scope at this time, the College is in the process of updating its Educational and Facilities Master Plan and will be reviewing enrollment projections and face-to-face learning requirements to determine the impact on the facilities footprint.



Construction Timeline



The following table provides an update on each project, showing the related academic programs, the budget amount, and the revenue bonds expenses as of the fiscal year ended June 30, 2020.

Downtown Campus - Applied Technology				
<p>The College completed the space programming study and contracted with architectural firm DLR Group to design the Center of Excellence of Applied Technology at the Downtown Campus last fiscal year. DLR Group completed the design for the two new buildings and one building renovation. Expenses for engineering services for the Downtown Campus utilities, easements, and right-of-ways, as well as a program space relocations and the addition of modular buildings, are captured under Infrastructure and Campus Site Development, below. The construction of the first new building, the Automotive Technology & Innovation Center, is well underway. The second new building, the Advanced Manufacturing Center, is out to bid for the general contractor and construction will start this year. The design for the Science & Technology Building Renovations is complete.</p> <p>The College originally expanded the footprint of the Downtown Campus with the purchase of two properties, 127 W. Drachman and 333 W. Mabel. The proceeds from the revenue bonds have funded the purchase of additional real estate at 227 W. Drachman (\$1,361,845.46), 225 W. Drachman (\$1,373,262.70), and most recently, 333 W. Drachman (\$1,712,043.51), as well historical assessments of the Drachman properties (\$44,376.12).</p>				
CAMPUS	PROGRAMS	BUDGETED AMOUNT	PROJECT	ACTUAL EXPENSES
Downtown	Automotive/Transportation	\$12,500,000	New construction: Automotive Technology & Innovation Center - New Building	\$3,235,956
Downtown	Makerspace, CAD, Welding, Machine Tool, Mechatronics, Applied Technology, Contract Education, and Industry/ Business Partner Incubator	\$25,275,000	New construction: Advanced Manufacturing Center - New Building	\$3,512,834
Downtown	Building & Construction Trades, Workforce Development	\$2,500,000	Science & Technology Buildings Renovations	\$226,228
Downtown	Infrastructure and Campus Site Development	\$750,000	Engineering Services, Program Space Relocations, and Modular Buildings	\$434,977
Downtown	Real Estate Expansion/ Development Opportunities	\$4,745,000	Purchases: Real Estate	\$4,492,284
East Campus and 29th Street Coalition Center - Public Safety and Emergency Services Institute				
<p>The College contracted with architectural firm Swaim Associates Ltd. to provide an assessment of the existing East Campus and 29th Street Coalition Center public safety and emergency services programs. Swaim has completed the space programming study and the College is evaluating its options for this program.</p>				
East and 29th Street Center	Public Safety and Emergency Services Institute (PSESI)	\$5,150,000	Relocation/renovation: EMT program to align with and integrate into PSESI	\$35,480
West Campus - Allied Health/Science Labs				
<p>The College has contracted with architectural firm BWS Architects to provide an assessment of the existing West Campus nursing and science labs and to complete a space programming study. BWS has designed the Science Lab renovations. The first phase included installing modular classrooms on the West Campus sites where Science lab instruction will take place during construction. The construction documents for the Science Labs will be ready for bidding in the Fall of 2020, with construction expected to start by December 2020.</p>				

West	Allied Health	\$2,700,000	Expansion/renovation: Establish a Center of Excellence of Allied Health	\$20,032
West	Science Labs	\$2,800,000	Renovations: Integration of science labs with classrooms in support of the Center of Excellence of Allied Health	\$449,693
Food Service and Bookstores				
The College has contracted with Follett to provide food service, vending, and bookstore management across the district. Based on input from students, the existing Follett-managed spaces have been redesigned and will be consolidated at each campus. All work at the East Campus is complete. Downtown Campus construction is nearing completion, awaiting millwork, and design options for the Northwest Campus are complete. The majority of funds were spent on the East and Downtown Campuses, and the College and Follett will fund any remaining work, including Downtown Campus seating.				
Multiple	Food Service and Bookstore Renovations	\$500,000	Renovations: Combine vendor service areas and provide a modern, convenient one-stop shop for students	\$500,000
Contingency		\$8,080,000	Contingency: Material and labor escalation, tariffs, labor shortage, real estate purchase, purchased real estate development, etc.	
TOTAL REVENUE BONDS PROJECTS:		\$65,000,000	Expenses as of June 30, 2020	\$12,907,484

If additional information is needed, please do not hesitate to contact me or Dr. David Bea, Executive Vice Chancellor for Finance and Administration.

Sincerely,

Lee D. Lambert, Chancellor
Pima County Community College District

Cc: The Honorable Regina Cobb, Chair, JCCR
Senator David Gowan, Vice-Chair, JCCR
Ms. Lydia Chew, JCCR
Dr. David Bea, Pima County Community College District



Pima County Community College District

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July 28, 2020

State of Arizona
Joint Committee on Capital Review
Richard Stavneak, Director
Phoenix, Arizona 85007

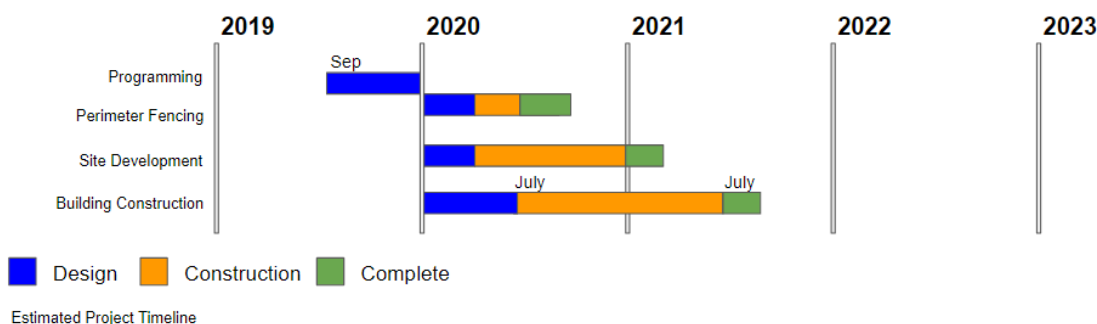
RE: FY 2020 Status Update, Expansion of the Pima County Community College District Aviation Technology Center

Dear Mr. Stavneak:

As requested in your letter dated October 1, 2019, Pima County Community College District (PCCCD) is pleased to provide this status update to the Joint Committee on Capital Review for the expansion of its Aviation Technology Center. The State of Arizona allocated \$15,000,000 for this project in the FY 2020 General Fund budget, with the remaining \$4,300,000 of the \$19,300,000 total project costs to be funded by PCCCD revenues. This update describes the status of the project, the expected completion dates, and the expenditures through the fiscal year ended June 30, 2020. There have been no changes in scope.

Construction Timeline

Aviation Technology Center



The following table provides an update on the major components of the expansion project, including the budgeted amount, project description, and the actual expenses as of the fiscal year ended June 30, 2020. Of the \$15,000,000 allocated by the State of Arizona, \$116,074 has been expended to date on this project. The actual expenses will increase dramatically before the next report as construction just began. The College will fund equipment and staffing in future years.

Expansion of the Aviation Technology Center

Pima County Community College District has completed the design for the Aviation Expansion site and new building. The area has been surveyed and is being secured with fencing and gates, and the permitting process is being finalized. The general contractor was selected this spring and the notice to proceed was issued July 1, 2020.

	BUDGETED AMOUNT	PROJECT DESCRIPTION	ACTUAL EXPENSES
Facilities	\$15,300,000	Construction of new hangar, five classrooms, and ten offices, including furniture.	\$116,074
Equipment	\$2,900,000	Transport category and general aviation aircraft, various systems trainers, student toolboxes, electrical system, sheet metal and composites tooling, lab and classroom furnishings.	\$0
Staffing/Personnel	\$1,100,000	Additional faculty, laboratory specialists, student services specialist, support technician, and a quality assurance specialist.	\$0
TOTAL PROJECTS:	\$19,300,000	Expenses as of June 30, 2020:	\$116,074

If additional information is needed, please do not hesitate to contact me or Dr. David Bea, Executive Vice Chancellor for Finance and Administration.

Sincerely,

Lee D. Lambert, Chancellor
Pima County Community College District

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