

**Governing Board's Finance and Audit Committee
Meeting Notice and Agenda*
Friday, October 29, 2021
9:00am
Virtual Meeting#**

General Matters

- | | | |
|------------------|------------|--------|
| 1. Call to Order | Scott Odom | 9:00am |
|------------------|------------|--------|

Action Items

- | | | |
|---|------------|--------|
| 2. Approval of Minutes from August 26, 2021 | Scott Odom | 9:05am |
|---|------------|--------|

Reports and Feedback

- | | | |
|----------------------|------------|--------|
| 3. Investment Update | John Utter | 9:10am |
|----------------------|------------|--------|

- | | | |
|--------------------------------|------------|--------|
| 4. Review of Committee Charter | Scott Odom | 9:40am |
|--------------------------------|------------|--------|

- | | | |
|---------------|-----------|--------|
| 5. CFO Update | David Bea | 9:50am |
|---------------|-----------|--------|

- | | | |
|---|-------------|--|
| a. Revenue Bonds | | |
| b. Fiscal Year 2022 Capital Review | Agnes Maina | |
| c. Fiscal Year 2023 Budget Development Calendar | | |
| d. Fiscal Year 2023 Budget Outlook | | |
| e. External Relations Advisory Committee | | |
| f. Higher Learning Commission - Focused Visit on Board Governance | | |

Effectiveness Discussion**Information Items**

- | | |
|------------------------|--|
| 6. Future Agenda Items | |
| a. Marketing | |
| b. Workforce Update | |

AdjournmentNext Meeting

December 10, 2021

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/j/95005475759>

Or join the webinar with the following methods:

Phone one-tap

Phone one-tap: US: +13462487799,,95005475759# or +16699006833,,95005475759#

Join by Telephone

For higher quality, dial a number based on your current location.

Dial:

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

Webinar ID: 950 0547 5759

Passcode: 516349



Governing Board's Finance and Audit Committee

Thursday, August 26, 2021

9:00am

Virtual Meeting - Zoom Webinar

Meeting Minutes

In Attendance:

Tracy Nuckolls (Chair), David Bea (Ex-Officio), Scott Odom, Ken Marcus, Jesus Manzanedo, Ben Tuchi, Daniel Soza (Ex-Officio), Agnes Maina (Ex-Officio), Maria Garcia, Keri Hill (Recorder)

Not in Attendance:

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Guests:

Jeff Silvyn, General Counsel; Jose Saldamando, Internal Auditor; David Parker, Director of Enterprise Risk Management

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 June 24, 2021

Chair Nuckolls asked if the Committee had any changes to the minutes. With no changes, a motion was made to approve the minutes.

Motion No. 202108-01: Approve Minutes from June 24, 2021

First: Scott Odom

Second: Ken Marcus

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

Motion Carried.

3. Vote to Recommend Kathleen Witt for Membership on the Governing Board's Finance and Audit Committee

Chair Nuckolls opened the discussion on membership for the Committee. He stated that Mr. Ben Tuchi nominated Kathleen Witt to join this Committee as a community member, and she would bring expertise in investing and advising. A motion was made to recommend her for membership, and if approved, the nomination will be presented to the Governing Board for approval.

Mr. Tuchi has previously served with Ms. Witt on other Boards and knew of her interest in the College from previous experience.

Motion No. 202108-02: Recommend Kathleen Witt for Membership

First: Ben Tuchi

Second: Ken Marcus

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

Motion Carried.

Dr. Bea has also spoken with a nominee, Laura Ward, whose name was provided independently by both Mr. Jesus Manzanedo and Mr. Jose Saldamando. Ms. Ward is interested in joining the Committee and has a background in audit and risk management; upon confirmation that she remains a Pima County resident, it is also recommended that she join this Committee. A motion was made to recommend Laura Ward for membership on this Committee, provided confirmation of her Pima County residency.

Motion No. 202108-03: Recommend Laura Ward for Membership

First: Jesus Manzanedo

Second: Ken Marcus

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

Motion Carried.

4. Vote to Elect Committee Chair & Chair-Elect

Chair Nuckolls will be stepping down after today's meeting, and Mr. Odom currently serves as the Chair-Elect. A formal motion was made to elect Mr. Odom as the Committee Chair.

Motion No. 202108-04: Elect Scott Odom as Committee Chair

First: Jesus Manzanedo

Second: Ken Marcus

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

Motion Carried.

Chair Odom previously spoke with Mr. Ken Marcus, who has agreed to serve as the Chair-Elect of this Committee. A motion was made to elect Ken Marcus as the Chair-Elect.

Motion No. 202108-05: Elect Ken Marcus as Chair-Elect

First: Scott Odom

Second: Jesus Manzanedo

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

Motion Carried.

Chair Odom thanked Mr. Nuckolls for his leadership on the Finance and Audit Committee.

Reports and Feedback

5. Internal Audit Update (Jose Saldamando)

Mr. Saldamando started with the General Department Update, providing an overview of activities since the last meeting with this Committee. He continued with the open audit items, providing additional details about Automotive, Center for International Education and Global Engagement, Health Insurance Portability and Accountability Act (HIPAA), Information Technology, Key Controls, Procurement & Payment Services, and Clery Act Compliance. There are ten total items open in these areas.

The Audit Plan and timeline were reviewed, and Mr. Manzanedo asked if the focus areas have been determined for some of the larger areas (such as Facilities, Grants, and Enrollment Management). Mr. Saldamando clarified that these areas were determined by the Risk Assessment, and the scope will be determined through discussions with each of the areas. Focus areas in which Mr. Saldamando will need specialized expertise, such as Information Technology, will be co-sourced, and additional budget has been allocated for contractual services in Internal Audit. Mr. Saldamando will monitor the budget and request additional resources if needed during the next budget cycle.

Dr. Bea provided an update on the College organization structure; departures in Information Technology and Facilities will lead to a review of the organization. It is also anticipated that an external firm will be brought in to evaluate the Facilities organization.

Chair Odom thanked Mr. Saldamando for his report and efficiency in completing audits and clearing open audit items.

6. Enterprise Risk Management (ERM) Update (David Parker)

Mr. David Parker presented an overview of his department's mission and the strategic goal statements. He will be assembling an ERM working group, and he is also drafting a Board Policy and an Administrative Procedure for Enterprise Risk Management. Mr. Parker continued with the framework for effective compliance and ethics, describing the resources in the ERM program, the organizational commitment and culture, communication strategies, and effective coordination with Internal Audit and General Counsel. He plans to provide quarterly updates to this Committee.

Ms. Maria Garcia joined the meeting in progress.

The ERM Department has also taken over responsibility for College insurance renewals. Mr. Parker worked on the insurance renewals for Fiscal Year 2022, and he is monitoring the volatility in the market in preparation for the Fiscal Year 2023 renewal. For example, the College previously

participated in a Master Property Program, which dissolved this last year; all coverage is now with the Arizona School Risk Retention Trust.

The update concluded with the next steps for the ERM Department, including compliance program scoping, resource needs development, and strengthening risk financing options. Chair Odom asked about the organizational structure for ERM, and Mr. Parker explained that he was recruited for ERM but the need for compliance has been significant, as well as the traditional risk management function that was previously housed in Finance. Chair Odom shared some of his experiences with risk management and the potential for overlap with compliance.

With no other questions or comments, Chair Odom thanked Mr. Parker for his report.

7. CFO Update (David Bea)

Dr. Bea began with a status report on the projects funded by the revenue bonds. The Automotive Center is complete, and a link to a live view of the Advanced Manufacturing Building was shared with this Committee.

Moody's Investors Service in August changed its methodology for rating actions for higher education, reaffirming the College's Aa3 bond rating and adding an Aa2 Issuer Rating. Mr. Tuchi asked if there is any concern in maintaining the ratings due to enrollment declines, and Dr. Bea stated that while the decline in enrollment leads to decreasing tuition revenue, the College did not overly leverage during the bond issuance. The ratings methodology changes from Moody's affected a large number of institutions at the same time.

Ms. Agnes Maina stated the College hired BLX Group to complete an Interim Arbitrage Analysis for the Revenue Bonds, Series 2019. The report confirmed the College is in compliance with EMMA, and there are no rebates needed. The College has committed the funds for the projects, which will maintain compliance with the requirement to expend or commit 85% of the revenue within three years from issuance. Since the College is exempt from taxes, there are provisions to how debt can be issued and there are mechanisms in place to ensure there is no profit gained due to the low interest rates with the debt issuance.

Chair Odom asked about the calculations, and Ms. Maina stated that the analysis is completed based on each CUSIP, and the actual gross earnings are compared with the allowable gross earnings. This report confirms the College has not exceeded the allowable gross earnings, and therefore an arbitrage rebate is not necessary at this time. Mr. Tuchi inquired as to whether or not the College has ever had a rebate, and Dr. Bea stated that there has not been one to his knowledge.

The Fiscal Year 2023 budget development process is beginning earlier than usual, partially driven by the declining enrollments. The College is in a strong financial position due to Prop 481, Prop 207, and the federal Higher Education Emergency Relief Funds (HEERF). The federal funds allow the

College to recover lost revenue, as well as seek reimbursement for lost revenue due to the institutional decision to discharge student debt incurred during the pandemic.

The federal free college conversations are still being discussed, and there are a few different scenarios. Since the College is not funded by the State of Arizona, if there is a 75% federal/25% state funding requirement, PCC may not be able to participate. If there is a federal funding calculation based on FTSE, PCC will do well as tuition is low and the numbers discussed would cover tuition.

Enrollment is approximately 12,000 full time student equivalents (FTSE), with more students moving into Dual Enrollment (which does not generate revenue) and online. Given the need to build spaces that are functional for the programs the College needs to offer, the College is oversized and overstaffed for the size of the student population. The Executive Leadership Team is meeting next week to review these elements and kick off the budget discussions.

Dr. Bea asked if this Committee has particular items they are interested in learning more about; those items can be sent to the Office of the EVC for Finance and Administration.

Mr. Tuchi inquired about a recent article he read related to the accumulation of student debt from tuition and fees. Dr. Bea noted that the College did have an increase in accumulated debt versus the prior year, partially related to the College's decision to not drop students for non-payment during the pandemic. It is estimated that the institutional decision to discharge this debt will amount to approximately \$2.7M, and the College will seek reimbursement through HEERF for these lost revenues.

Ms. Garcia inquired as to how debt is accumulated. Dr. Bea described a few scenarios related to payment plans and recalculation of Title IV financial aid. Ms. Garcia also asked about leveraging property taxes in case the funds are not provided by the state for free college.

Chair Odom thanked Mr. Manzanedo, who will continue on this Committee until new community representatives are approved by the Governing Board.

Information Items

8. Future Agenda Items

- a. Workforce Update
- b. Marketing
- c. Quarterly Update on Capital Projects

Adjournment

The meeting adjourned at 10:39am.

Next Meeting:

October 29, 2021

Virtual Meeting - Zoom Webinar

Pima County Community College Portfolio Update

October 2021



John Utter
Head of U.S. Institutional Client Service



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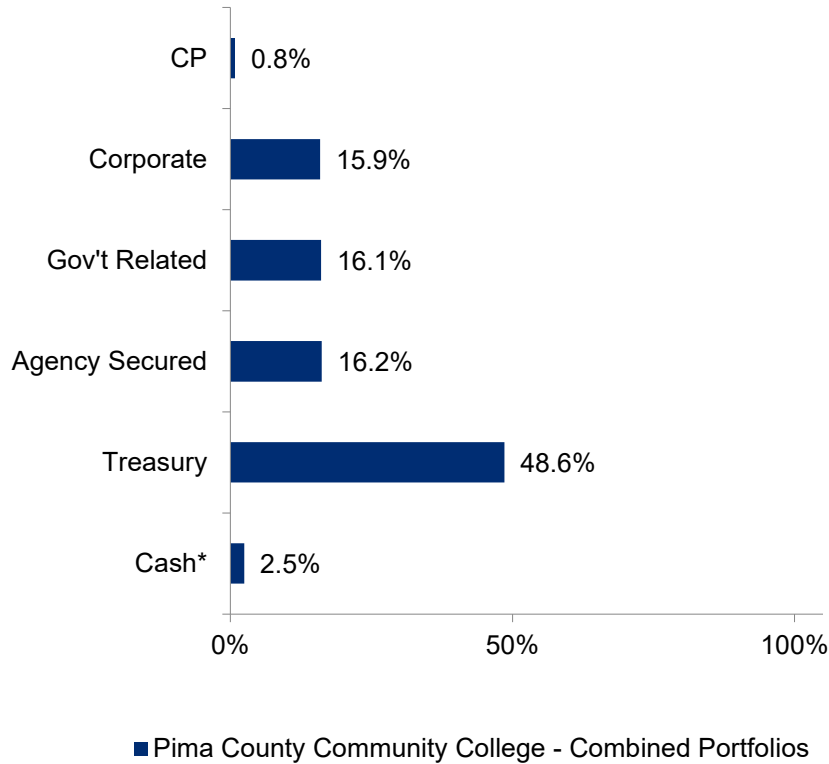
- I. 1-3 Year Portfolio Review
- II. Ultra Short Portfolio Review
- III. 2019 Revenue Bond Portfolio Review
- IV. Economic and Market Commentary
- V. Appendix
 - i. Fixed Income Investment Team
 - ii. Investment Policy Statement Arizona Revised Statutes

Summary of Combined Portfolio Characteristics

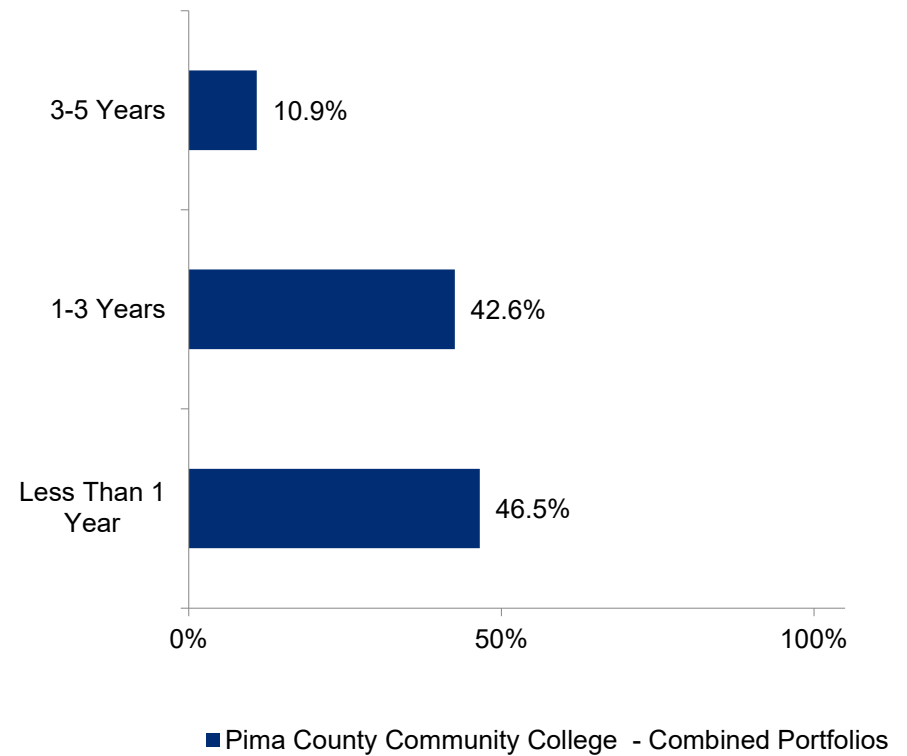
Pima County Community College

The Pima County Community College combined investment assets with RBC GAM includes two RBC managed short term portfolios (\$114.2 million) and a bond proceeds portfolio (\$38 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 9.30.21
Source: RBC GAM



Pima County Community College District - 1-3 Year Portfolio



Portfolio Performance

Pima County Community College – 1-3 Year Portfolio

| 9.30.2021 Market Value: \$98,291,878 | 3Q 2021 | 2Q 2021 | 1Q 2021 | 4Q 2020 | 2020 | 1 Year | 3 Year | 5 Year | 7 Year | Since Inception (7.1.12) |
|---|------------|------------|------------|------------|------|-----------|-----------|-----------|-----------|--------------------------------|
| Total Portfolio (Gross of Fees) | 0.04 | 0.27 | 0.07 | 0.22 | 3.08 | 0.51 | 2.78 | 1.91 | 1.72 | 1.46 |
| Total Portfolio (Net of Fees) | 0.03 | 0.26 | 0.05 | 0.21 | 3.00 | 0.44 | 2.71 | 1.84 | 1.65 | 1.39 |
| Principal Return | -0.34 | 0.00 | -0.40 | -0.25 | 0.90 | -1.21 | 0.73 | -0.02 | -0.05 | -0.28 |
| Income Return | 0.39 | 0.27 | 0.47 | 0.47 | 2.15 | 1.74 | 2.04 | 1.92 | 1.77 | 1.74 |
| ICE BofA 1-3 Year Tsy & Agy Index | 0.06 | 0.12 | -0.05 | 0.05 | 3.09 | 0.03 | 2.63 | 1.63 | 1.46 | 1.23 |

As of 9.30.21

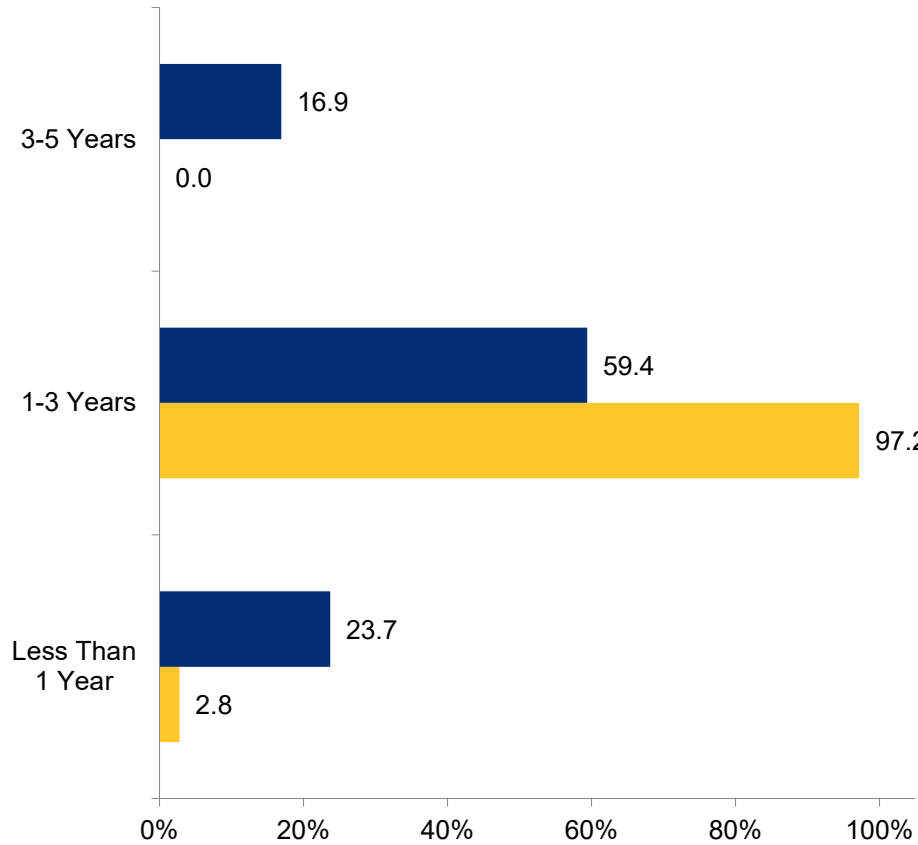
Source: RBC GAM, ICE Data Services

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

Portfolio Characteristics

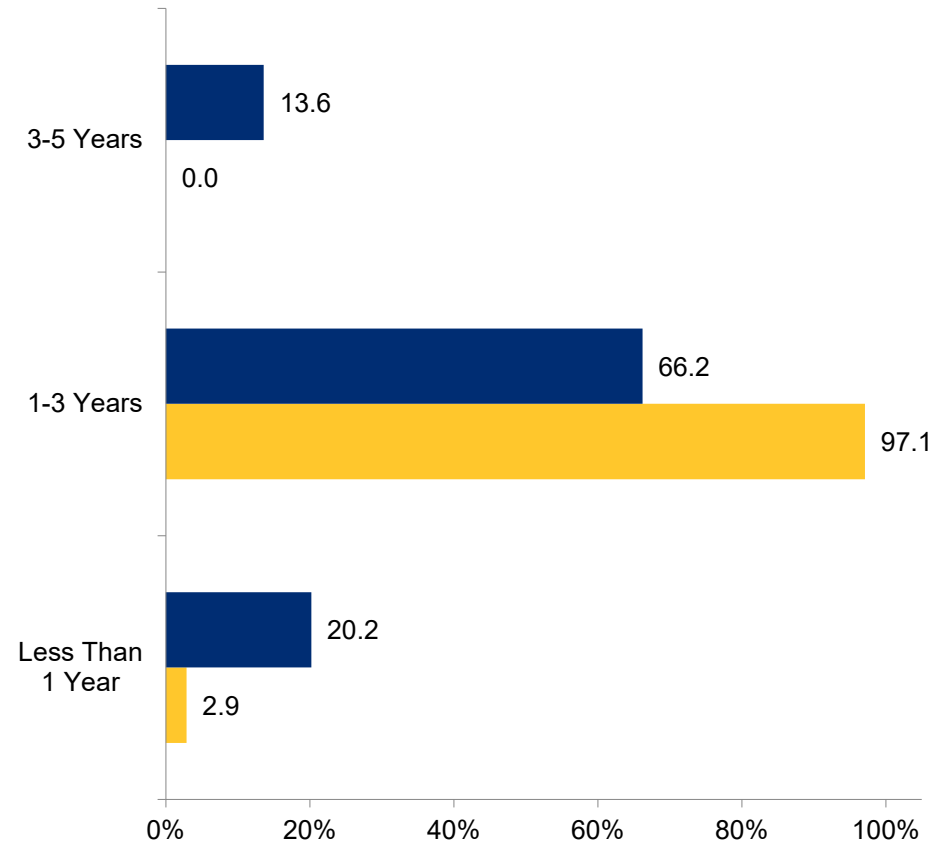
Pima County Community College – 1-3 Year Portfolio

Duration Distribution as of 9.30.21



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

Duration Distribution as of 6.30.21



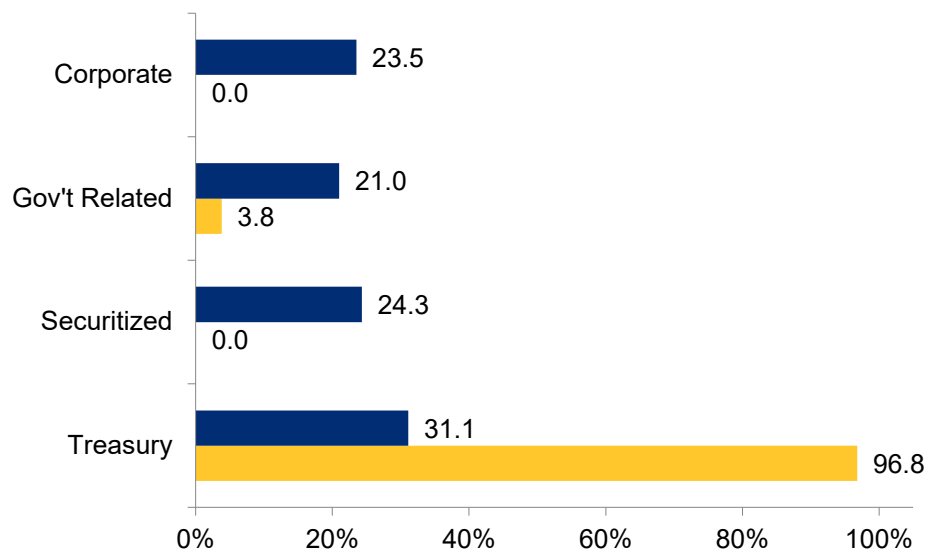
■ Pima County Community College - 1-3 Yr
 ■ ICE BofA 1-3 Yr Tsy & Agy

As of 9.30.21
 Source: RBC GAM, ICE Data Services



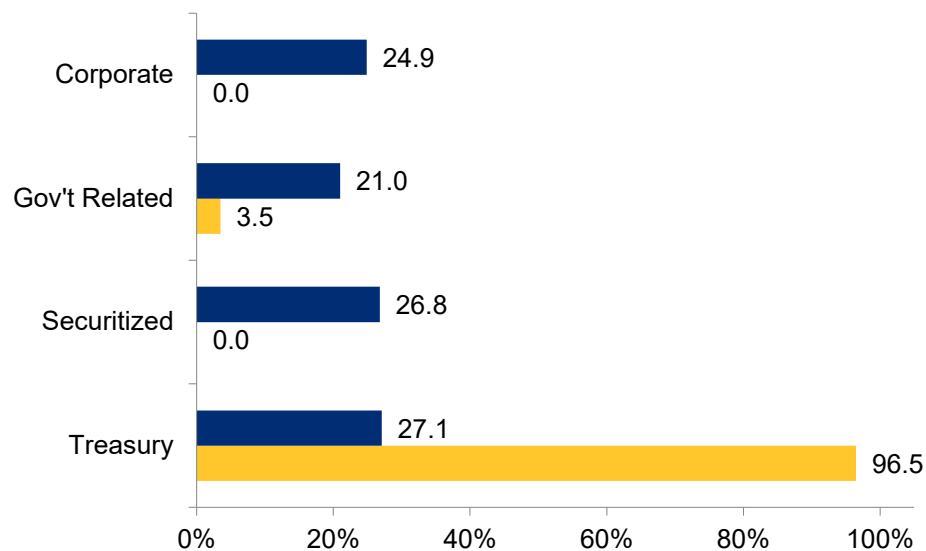
Pima County Community College – 1-3 Year Portfolio

Sector Distribution as of 9.30.21



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

Sector Distribution as of 6.30.21



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

| Characteristics | Pima County Community College – 1-3 Yr as of 9.30.21 | Pima County Community College – 1-3 Yr as of 6.30.21 | ICE BofA 1-3 Yr Tsy & Agy |
|--------------------|--|--|---------------------------|
| Effective Duration | 1.78 years | 1.85 years | 1.90 Years |
| Market Yield | 0.54% | 0.50% | 0.28% |
| Book Yield | 1.17% | 1.27% | -- |
| Average Quality | AAA | AA+ | AAA |

As of 9.30.21
 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 6/30 | % Assets As of 6/30 | Contribution to Duration As of 6/30 | Duration As of 9/30 | % Assets As of 9/30 | Contribution to Duration As of 9/30 |
|-----------------------|--------------------------------|--------------------------------|--|--------------------------------|--------------------------------|--|
| Corporate | 2.30 Years | 24.87% | 31.01% | 2.41 Years | 23.47% | 31.86% |
| Agency | 2.02 Years | 21.04% | 23.08% | 1.77 Years | 21.05% | 21.02% |
| Agency Secured | 1.21 Years | 26.80% | 17.51% | 1.08 Years | 24.31% | 14.75% |
| Treasury | 1.93 Years | 27.12% | 28.40% | 1.85 Years | 31.15% | 32.36% |
| Total | 1.85 Years | 100.00% | 100.00% | 1.78 Years | 100.00% | 100.00% |

As of 9.30.21

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

| 9.30.2021 Market Value: \$15,844,182 | 3Q 2021 | 2Q 2021 | 1Q 2021 | 4Q 2020 | 2020 | 1 Year | 3 Year | 5 Year | 7 year | Since Inception (5.1.12) |
|---|--------------------|--------------------|--------------------|--------------------|-------------|-------------------|-------------------|-------------------|-------------------|---|
| Total Portfolio (Gross of Fees) | 0.07 | 0.07 | 0.12 | 0.15 | 1.74 | 0.36 | 1.88 | 1.56 | 1.22 | 0.95 |
| Total Portfolio (Net of Fees) | 0.05 | 0.06 | 0.10 | 0.13 | 1.67 | 0.29 | 1.81 | 1.49 | 1.15 | 0.88 |
| Principal Return | -0.13 | -0.10 | -0.17 | -0.24 | -0.31 | -0.76 | 0.29 | 0.29 | 0.12 | -0.17 |
| Income Return | 0.21 | 0.17 | 0.28 | 0.39 | 2.05 | 1.12 | 1.59 | 1.27 | 1.10 | 1.13 |
| Blended Benchmark* | 0.04 | 0.04 | 0.04 | 0.03 | 1.87 | 0.13 | 1.81 | 1.53 | 1.14 | 0.86 |
| ICE BofA US 3mo T-Bill | 0.02 | 0.00 | 0.02 | 0.03 | 0.67 | 0.07 | 1.18 | 1.16 | 0.87 | 0.67 |

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

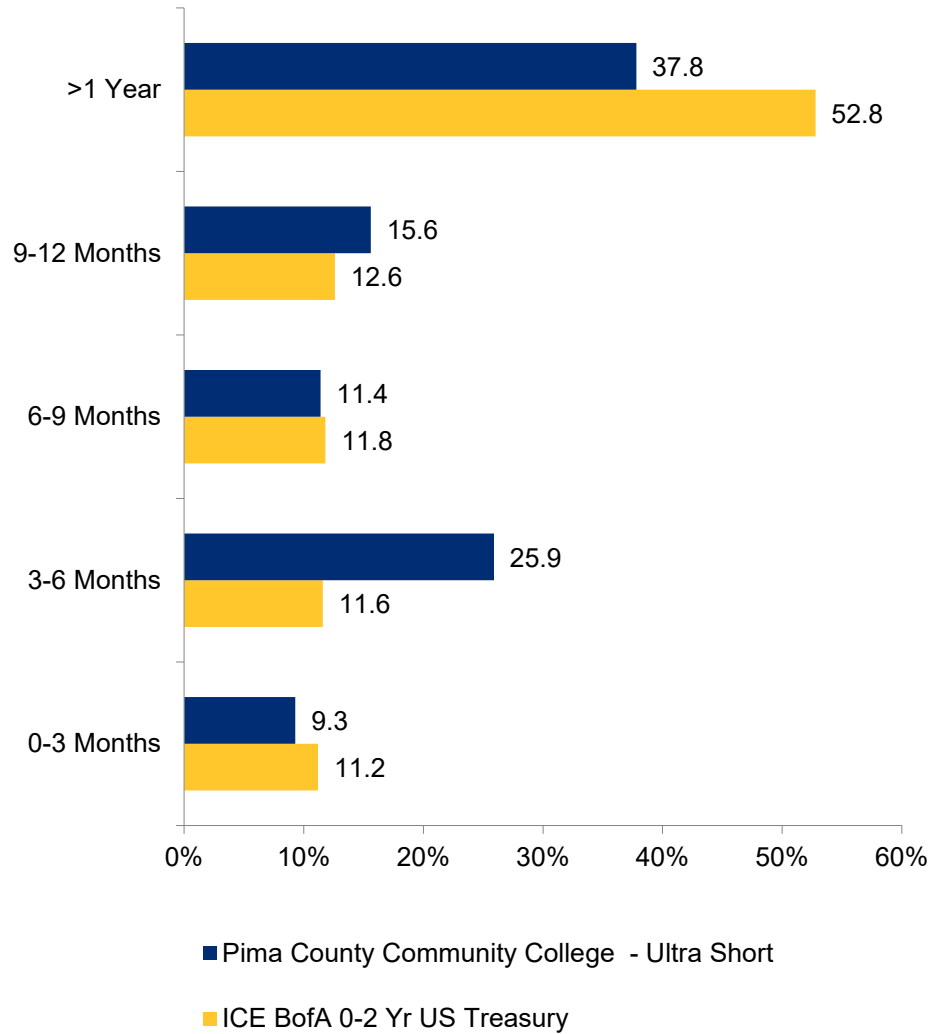
As of 9.30.21, returns are preliminary

Source: RBC GAM, ICE Data Services

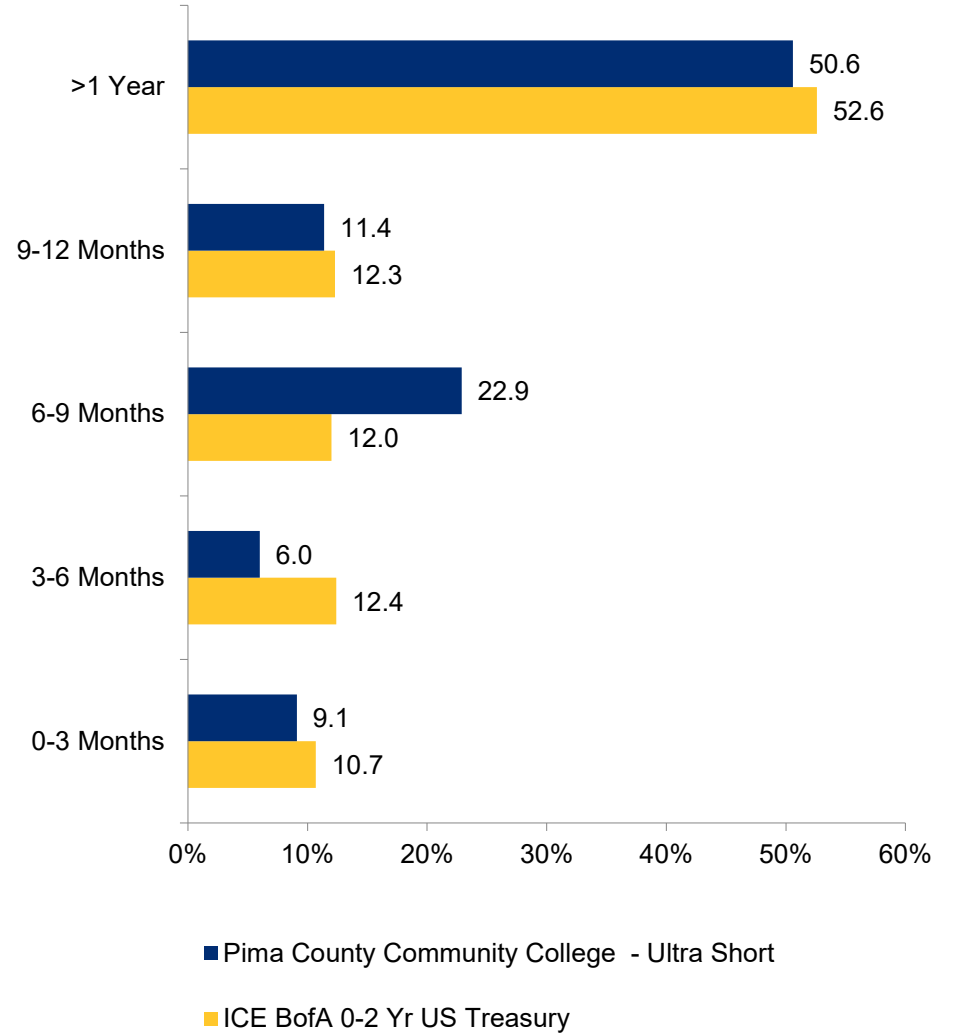
All returns for periods greater than one year are shown on an annualized basis. Past performance is not indicative of future results.

Pima County Community College – Ultra Short Portfolio

Duration Distribution as of 9.30.21



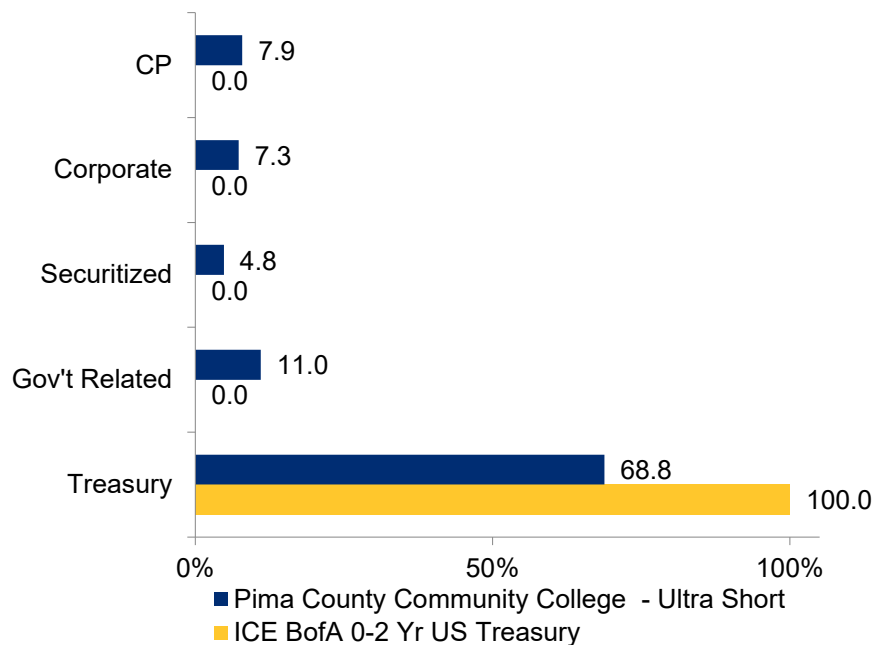
Duration Distribution 6.30.21



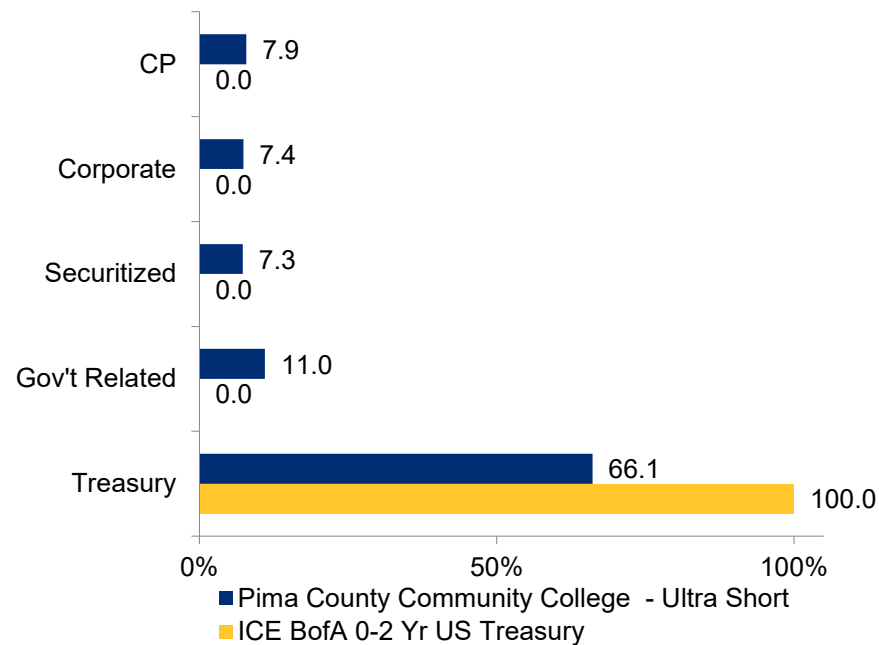
As of 9.30.21
 Source: RBC GAM, ICE Data Services

Pima County Community College – Ultra Short Portfolio

Sector Distribution as of 9.30.21



Sector Distribution as of 6.30.21



| Characteristics | Pima County Community College – Ultra Short as of 5.31.21 | Pima County Community College – Ultra Short as of 6.30.21 | ICE BofA 0-2 Yr US Treasury |
|--------------------|---|---|-----------------------------|
| Effective Duration | 0.85 years | 1.02 years | 1.05 years |
| Market Yield | 0.15% | 0.21% | 0.15% |
| Book Yield | 0.24% | 0.28% | -- |
| Average Quality | AAA | AAA | AAA |

As of 9.30.21
 Source: RBC GAM, ICE Data Services, Sector charts exclude cash & equivalents

Duration By Sector

Pima County Community College – Ultra Short Portfolio

| | Duration As of 6/30 | % Assets As of 6/30 | Contribution to Duration As of 6/30 | Duration As of 9/30 | % Assets As of 9/30 | Contribution to Duration As of 9/30 |
|-------------------------|--------------------------------|--------------------------------|--|--------------------------------|--------------------------------|--|
| Corporate | 0.72 Years | 7.43% | 5.24% | 0.47 Years | 7.35% | 4.12% |
| Gov't Related | 1.03 Years | 11.02% | 11.14% | 0.78 Years | 10.98% | 10.18% |
| Commercial Paper | 0.24 Years | 7.89% | 1.84% | 0.28 Years | 7.89% | 2.65% |
| Agency Secured | 0.67 Years | 7.27% | 4.76% | 0.69 Years | 4.83% | 3.92% |
| Treasury | 1.19 Years | 66.05% | 77.01% | 0.97 Years | 68.80% | 79.13% |
| Total | 1.02 Years | 100.00% | 100.00% | 0.85 Years | 100.00% | 100.00% |

As of 9.30.21

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

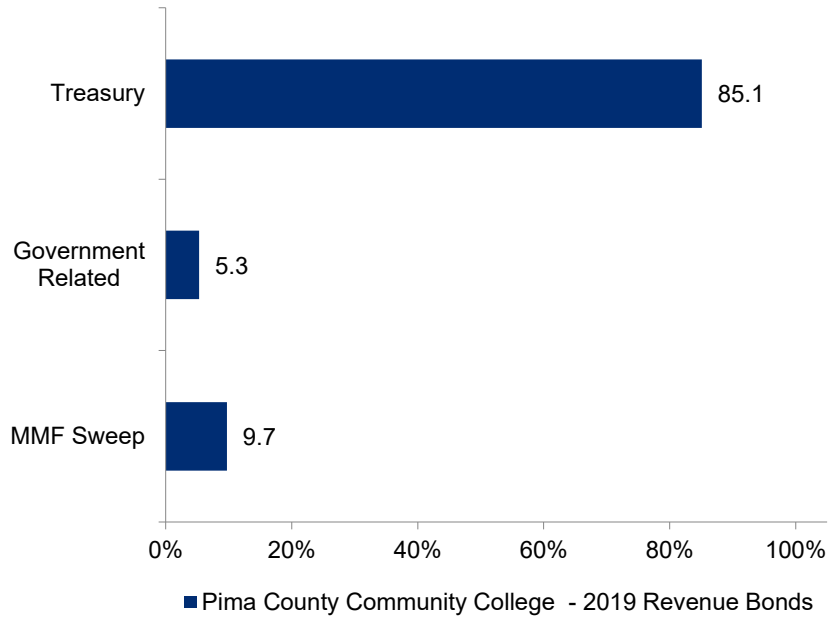


Pima County Community College District - 2019 Revenue Bonds

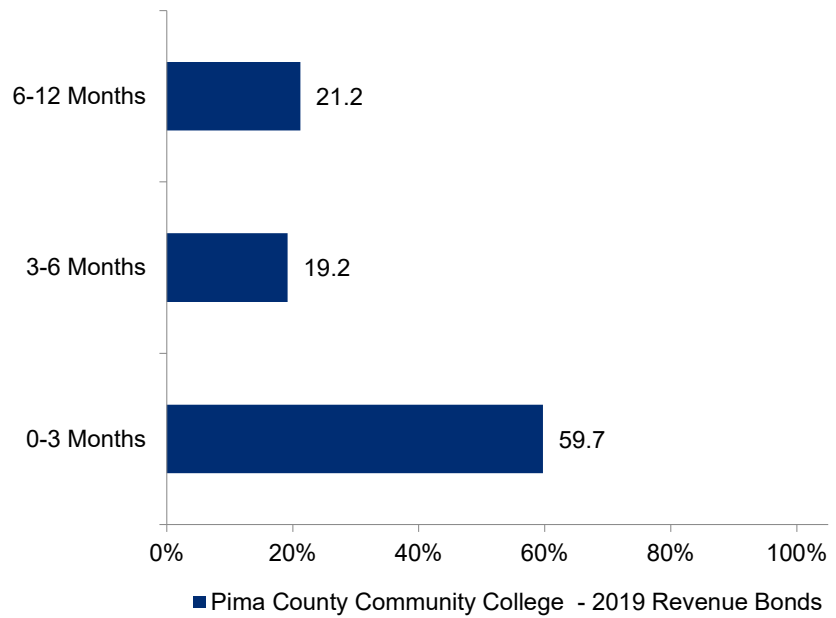


Pima County Community College – 2019 Revenue Bonds

Sector Distribution as of 9.30.21



Duration Distribution as of 9.30.21



| Characteristics | Pima County Community College – 2019 Revenue Bonds |
|--------------------|--|
| Effective Duration | 0.27 years |
| Market Yield | 0.06% |
| Book Yield | 0.08% |
| Average Quality | AAA |
| Market Value | \$37,986,577 |

As of 9.30.21
Source: RBC GAM

Economy & Market Review

Overview

Economic recovery continued at a slower pace in the 3rd quarter

- Resurgence of COVID from delta variant weighed down on economy
- Economic activity continues to recover, with expectations of return to pre-pandemic levels in early 2022
- Unprecedented fiscal and monetary policy helped the US avoid a lengthy recession
- Fiscal policies have shifted away from weathering the storm with a renewed focus on infrastructure
- The Fed continues to provide accommodative monetary policies but expectations are for them to begin tapering asset purchases before the end of the year
- The debt ceiling will be a key topic of debate until December
- Inflation pressures remain but would look to fall back to less concerning levels as supply chain issues resolve into 2022
- Front end rates remain historically low and anchored

U.S. still “early cycle”, though drifting toward “mid cycle” ²⁶”

U.S. business cycle scorecard

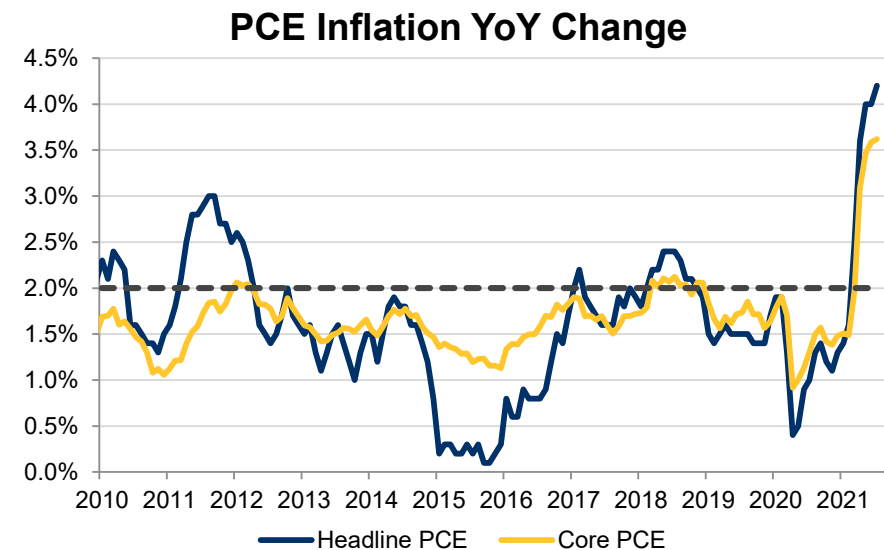
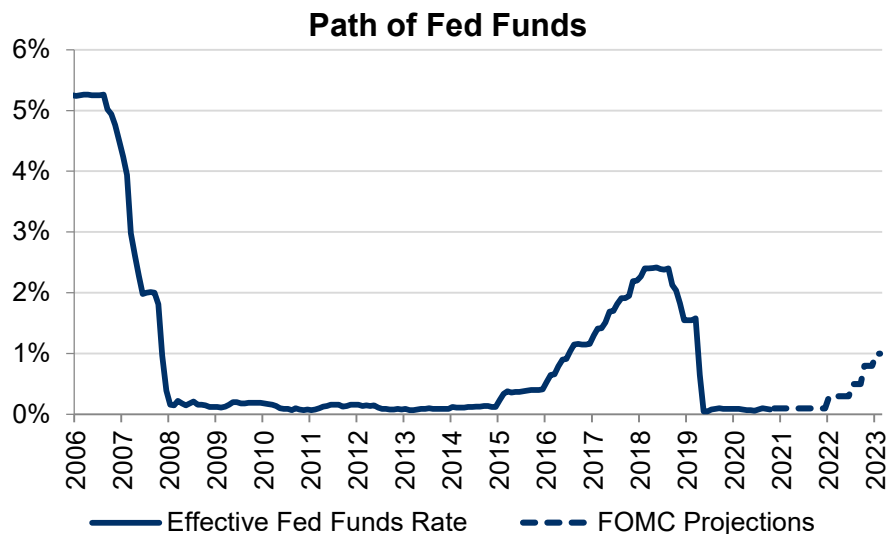
| | Start of cycle | Early cycle | Mid cycle | Late cycle | End of cycle | Recession |
|--|----------------|-------------|------------|------------|--------------|-----------|
| Cycle age | | | | | | |
| Monetary policy | | | | | | |
| Leverage | | | | | | |
| Credit | | | | | | |
| Bonds | | | | | | |
| Inventories | | | | | | |
| Economic trend | | | | | | |
| Sentiment | | | | | | |
| Consumer | | | | | | |
| Employment | | | | | | |
| Business investment | | | | | | |
| Volatility | | | | | | |
| Housing | | | | | | |
| Corporate profitability | | | | | | |
| Equities | | | | | | |
| Economic slack | | | | | | |
| Prices | | | | | | |
| Allocation to each stage of cycle | 2% | 53% | 29% | 13% | 3% | 0% |

Note: As at 2021-08-06. Darkness of shading indicates the weight given to each input for each phase of the business cycle. Source: RBC GAM

Federal Reserve – Balance Sheet Growth

The Fed continues to maintain accommodative stance to support recovery

- FOMC to keep easy-money policies in place with eye towards toward tightening
 - Labor market continues to improve but still remains below pre-pandemic levels
 - Inflation is anticipated to be elevated into 2021 before settling in around 2%
 - Supply chain issues are primary driver of inflation
- Asset purchases expected to continue with tapering beginning by the end of the year
 - Buying \$80b in Treasuries and \$40b in Agency MBS per month
 - Fed balance sheet has grown by \$3.7tn over the last year to nearly \$8tn
- FOMC now projecting first rate increase at the end of 2022

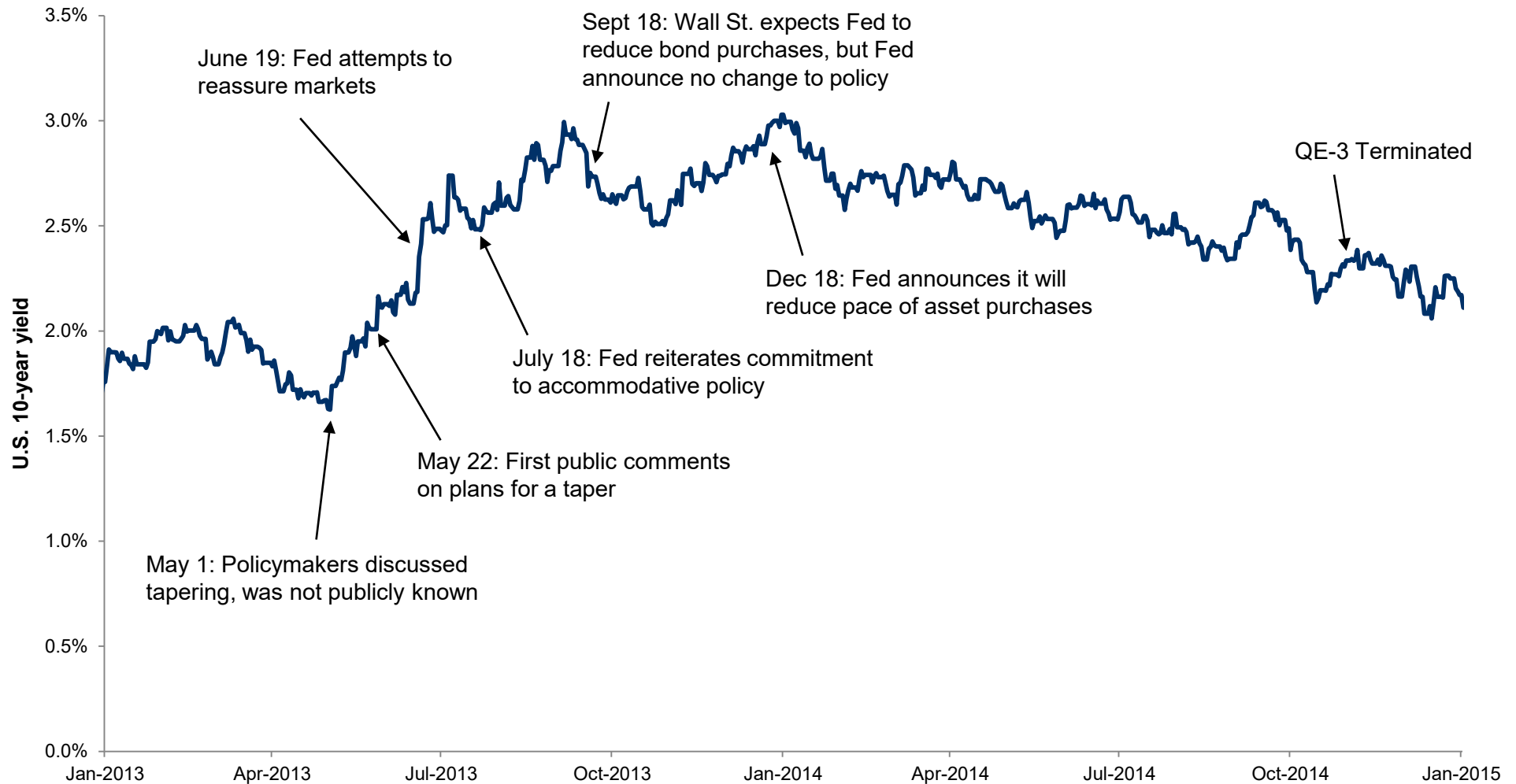


As of 9.30.21
Source: Bloomberg, Federal Reserve

Addressing concerns around Fed tapering

A timeline on the importance of clear communication

The 10-year rose 1.4% in four months as the Fed struggled communicating its taper strategy



Source: RBC GAM, Bloomberg. U.S. 10-year yield as of January 1, 2013 to December 31, 2014.

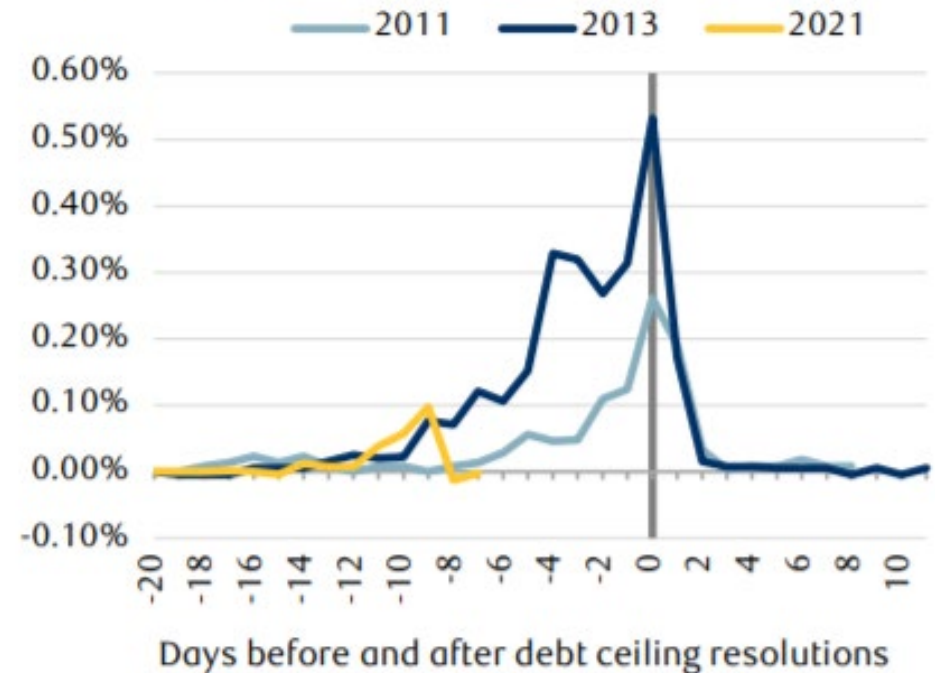
Debt Ceiling – Temporary Fix

A political football over the U.S. debt ceiling has captured recent headlines

- The U.S. Treasury has been warning for several months that it not be able to meet its debt obligations by mid-October
- On October 7th, Senate leaders from both parties agreed on a **temporary** deal to raise the debt ceiling by \$480 billion (to \$28.9 trillion)
- The deal allows the government to fulfill its obligations through December 3rd, setting up another consequential deadline and pushing out the default risk
- Congress is expected to have enough time to pass a larger debt ceiling increase, possibly through the reconciliation process before the December date
- It continues to be a fluid situation and we think there will be an eventual positive outcome that Congress will come to a solution to avoid any sort of default and further disrupt markets

Over before it started: Drop in yields suggests debt debate defused, for now

Net change in yield on near-term Treasury bills that would be most sensitive to a temporary default



Source - RBC Wealth Management, Bloomberg; data through 10/7/21

Inflation

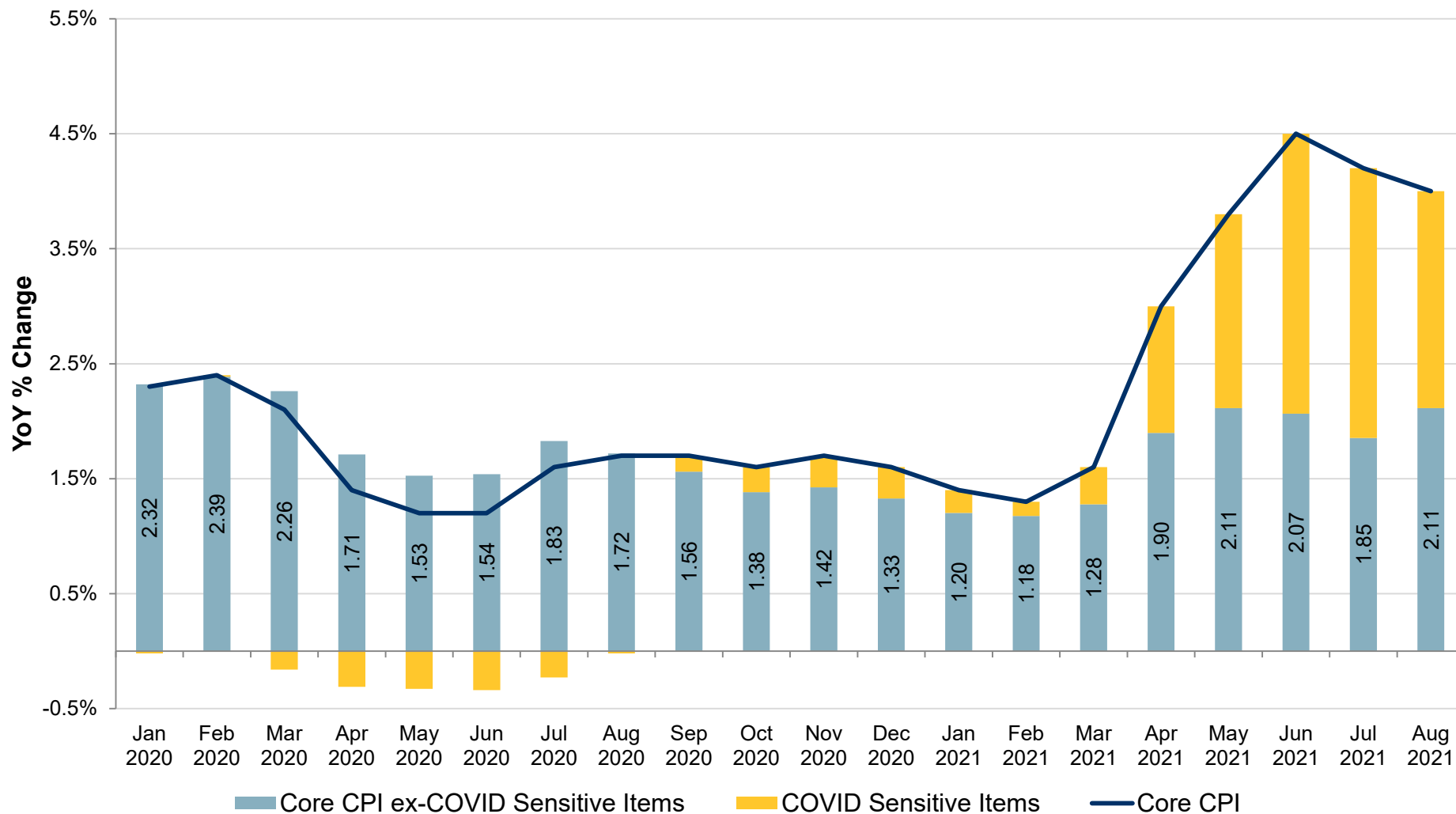
Inflation pressures remain elevated, but long term headwinds will keep it muted

- Reopening economies and strong consumer balance sheet have fueled demand
- The supply side has struggled to keep up due to bottlenecks in the supply chain combined with shortages in labor and materials
- Strong demand/inadequate supply and base effect comparisons has led to a surge in inflation
- Inflationary pressures are anticipated to ebb into 2022
- Long term demographics and technological changes are disinflationary
 - Aging and slowing population growth
 - Technology improves efficiencies and reduces prices

Inflation readings remain high

But below the surface, it is not as alarming as it may appear

US Core CPI: Contributions from COVID Sensitive Items



Source: Bloomberg, RBC GAM. Data as of August 31, 2021.

COVID-sensitive items include household furnishings and supplies, lodging away from home, new vehicles, used cars and trucks, car and truck rentals, airline fare, and moving, storage, freight expense.



Financial Assets Continue to Soar

US IG Corporate Spreads

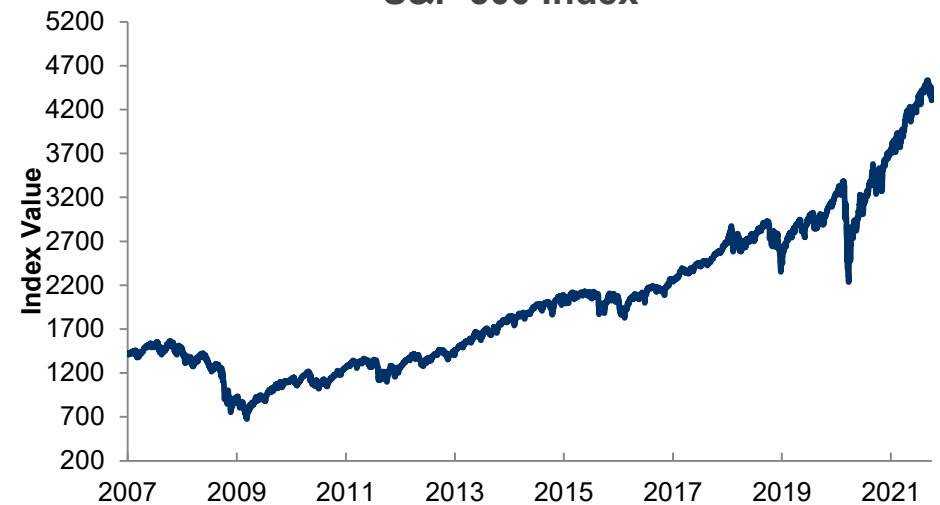


Oil Prices



- IG Corporate spreads remain at historically tight levels
- The S&P 500 continues to advance in 2021 and set record highs
- The massive, coordinated monetary and fiscal responses to Covid-19 resulted in a fast, full cycle recovery

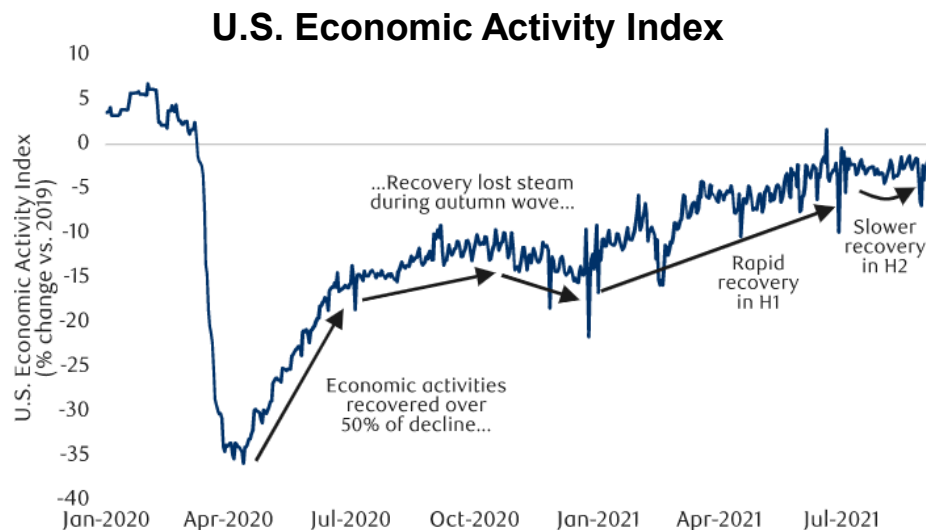
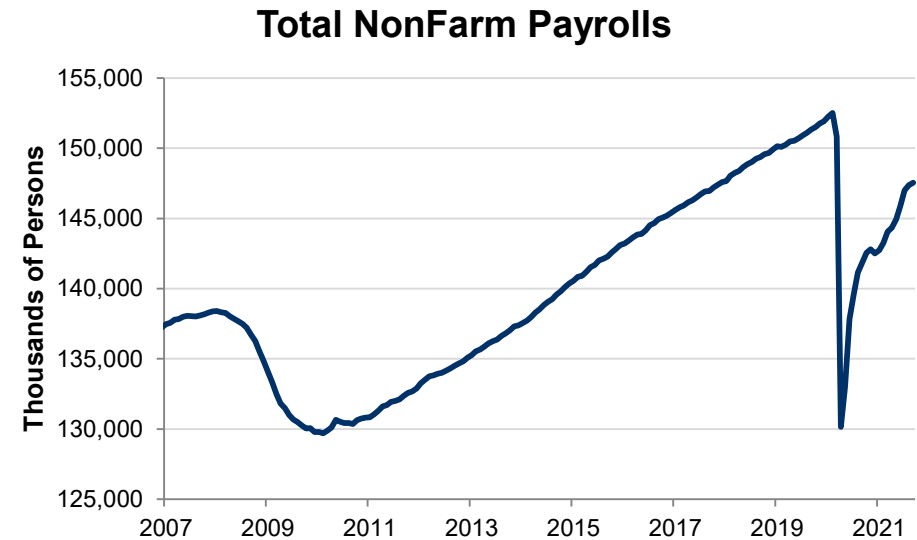
S&P 500 Index



As of 9.30.21
Source: Bloomberg

US Economy – continued growth, but slowing down

- Improving unemployment
 - Added 5M jobs year-to-date
 - Brings official unemployment rate to 4.8%
 - Remain 5M jobs below pre-pandemic peak
- Recovery continues to be uneven
 - Delta variant has slowed hiring
 - Pace of hiring has slowed as candidates have been slow to return to workforce
- U.S. job openings at record highs
 - Structural decline in labor force participation
 - A record 4.3M Americans quit their jobs in August
- Bottom line: Uncertainty remains, but improvement continues



As of 9.30.21. Economic Activity Index is the average of nine high-frequency economic data series measuring the percentage change versus the same period of 2019. Source: Bank of America, Goldman Sachs, OpenTable, Macrobond, RBC GAM

Credit Market Environment

Current state

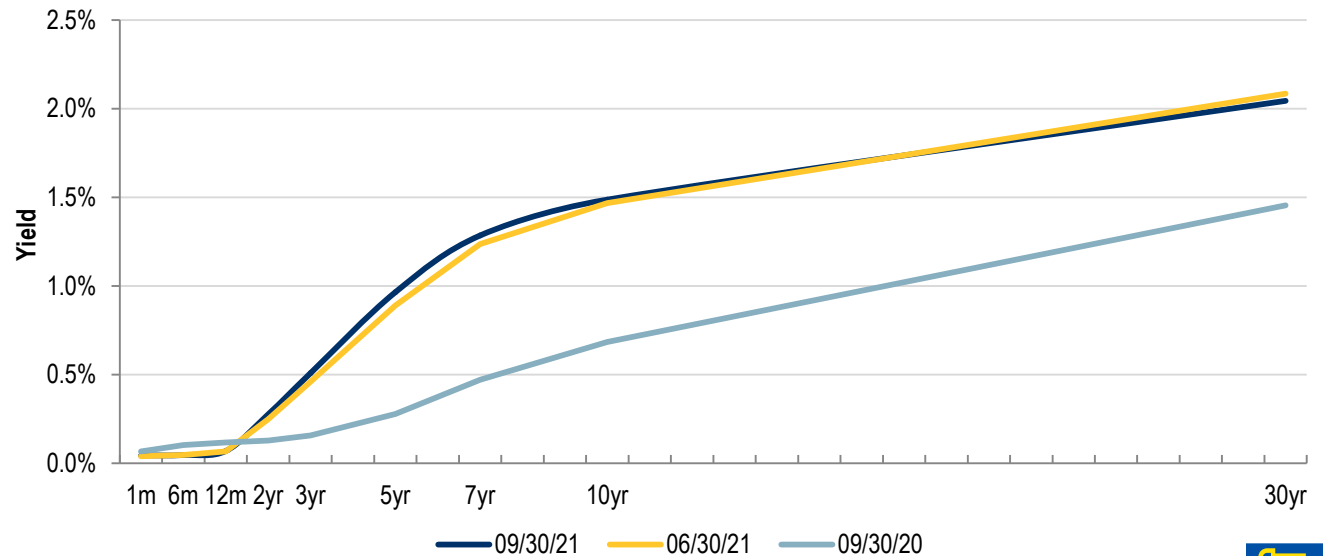
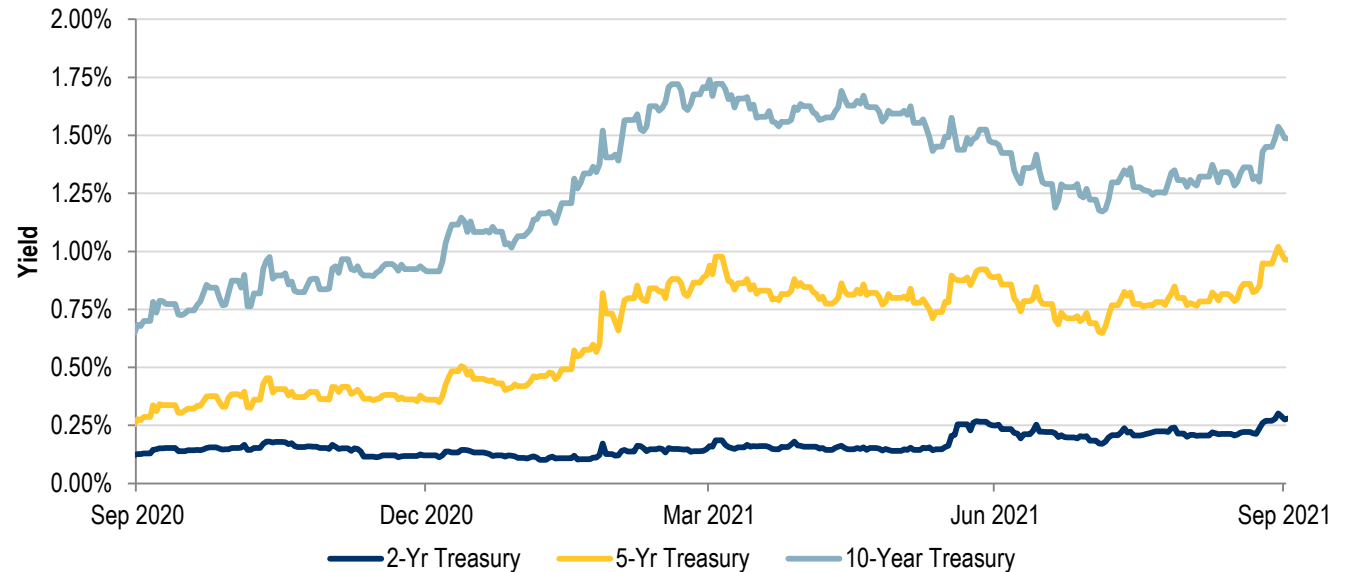
- Strong corporate earnings growth as economies reopen and consumer demand rebounds
- Cost inflation and supply chain issues are beginning to pressure margins. Large companies are better equipped to manage through these challenges.
- Debt leverage has started to decline with improved earnings and debt reduction
- Cash on company balance sheets at record level, beginning to decline
- Low global interest rates continue to support demand
- Valuations remain tight, corporate spreads at lowest level since 2007

Positioning

- Prefer companies with stable to improving credit profiles
- Focus on companies that are in the process of reducing debt
- Remain overweight to Utilities, Communications and Banks
- More defensively positioned in commodity and cyclical sectors

U.S. Treasury Rates

- The yield curve steepened slightly in Q3
- The 10-year Treasury finished the quarter at 1.49%
- Longer rates have moved higher following the Fed's Sept meeting
- Front end rates continue to be low and anchored by the Fed's policies



As of 9.30.21
Source: Bloomberg

Economic activity remains strong into 2022

- Expect continued but slower growth
 - Supply chain issues will continue to hamper global economic growth into 2022

- Fiscal stimulus

- Dems debate on infrastructure package

- Secondary issues

- Reduced globalization
- Geopolitics – China / Iran / Russia
- Increased social tensions

- US GDP outlook

- 2021 expecting +6.2%
- Output back to peak mid-2021 / Full potential in 2022

- Federal Reserve – Expect to start tapering asset purchases before the end of the year

- Interest Rates Recover

- Yield curve steepest since 2015
- Markets jittery about inflation, but long term dynamics will keep inflation muted
- 10-year Treasury fair value 1.50-1.75% over the medium term

- Risk assets – Continued support from accommodative Fed and investor demand

| Forecast year | 2021 | | | 2022 | | |
|---------------------|--------------|---------|-----------------------|--------------|---------|-----------------------|
| GDP forecast | RBC GAM | | RBC GAM vs. CE | RBC GAM | | RBC GAM vs. CE |
| Forecast date | Q2 2021 | Q3 2021 | CE forecast, Jul 2021 | Q2 2021 | Q3 2021 | CE forecast, Jul 2021 |
| U.S. | 6.4 → -0.2 → | 6.2 | -0.4 | 4.1 → -0.3 → | 3.8 | -0.6 |
| Canada | 6.1 → +0.1 → | 6.2 | 0.0 | 3.7 → 0.0 → | 3.7 | -0.5 |
| Eurozone | 4.6 → +0.1 → | 4.7 | 0.1 | 4.6 → -0.8 → | 3.8 | -0.6 |
| U.K. | 6.0 → +0.7 → | 6.7 | -0.1 | 6.2 → -1.2 → | 5.0 | -0.3 |
| Japan | 3.1 → -0.6 → | 2.5 | 0.0 | 3.0 → -0.4 → | 2.6 | -0.4 |
| Developed countries | 5.4 → -0.1 → | 5.3 | -0.2 | 4.3 → -0.5 → | 3.7 | -0.6 |
| World | 6.7 → -0.1 → | 6.6 | 0.1 | 4.7 → -0.2 → | 4.5 | -0.3 |

RBC GAM forecast as of 07/30/2021. RBC GAM vs CE (Consensus Economics) calculated as RBC GAM forecast minus CE forecast. Developed countries include U.S., Canada, Eurozone, U.K. and Japan. World includes developed countries aforementioned, plus China, India, South Korea, Brazil, Mexico, and Russia. Source: CE, RBC GAM

Appendix

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.

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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.

Disclosures

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

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

All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. The security valuations contained in this evaluation have been obtained from reliable sources. They do not, however, represent guaranteed bids, offers, or markets for securities, and are subject to change. The prices, yields, and maturities have been obtained from sources believed to be reliable, but the data is not necessarily complete, the reliability cannot be guaranteed, and the availability of specific issues is subject to change. The performance figures in this report represent the past performance of your account and do not guarantee future results. Gross performance returns for the account do not include management fees and any other expenses incurred in the management of the account. Asset ID typically represents the CUSIP of the holding. When a CUSIP is not available, the Asset ID may represent a SEDOL or an internal security ID. For unrated securities, RBC GAM-US may assign an equivalent rating for calculation of portfolio analytics.

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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Governing Board's Finance and Audit Committee Charter

Purpose

The purpose of the Finance and Audit Committee ("the Committee") is to assist the Pima County Community College District (PCCCD) Governing Board's oversight and monitoring responsibilities of financial, audit, and investment related performance, policies, and procedures, including:

- The College's financial condition, annual budget performance; and capital investment;
- The reliability, integrity, and transparency of financial information reporting and disclosure;
- The ongoing monitoring of processes to ensure the adequacy of the system of internal controls and their functioning;
- The independence and performance of internal and external auditors;
- The compliance program and internal audit program;
- The investment function and its policies, procedures, and performance; and
- Identification and control of key risks and related policies, processes, and ongoing monitoring efforts.

Composition

The Committee will consist of no fewer than seven but no greater than ten members, independent of the staff of the College and free of any relationships that would interfere with their abilities to exercise independent judgment as Committee members. The chief financial officer of the College will serve on the committee *ex officio* and will be responsible for providing staff support to the Committee.

The composition of Committee members shall be as follows:

- PCCCD Governing Board Members (2)
- Community Representatives (5-8)
- Chief financial officer (*ex officio*, non-voting)

The two PCCCD Governing Board Members shall be appointed by a vote by the Governing Board.

The community representatives shall be professionally knowledgeable about finance, accounting, auditing, and/or investments and will be recommended by the Committee and appointed by the PCCCD Governing Board.

All members of the Committee shall be familiar with the basics of PCCCD finance and accounting practices, understand PCCCD's business, and generally understand internal control and risk management frameworks. To obtain this familiarity and understanding, Committee members will be provided training conducted by PCCCD.

The Committee shall elect a chair and chair-elect, which will be community representatives. One of the College's Governing Board members will serve on the Committee as the co-chair. To the extent possible, the co-chair will be a member of the Board who has previously served on the Committee. Length of service will be expected to be at least one full fiscal year and will be a maximum of two three-year terms, with each year being a fiscal year. In the event a committee member begins service part way through a fiscal year, the remaining portion of that fiscal year shall not count towards the term limit, but rather the first complete fiscal year served will count towards the term limit. Due to

the nature of some of the information that Committee members will work with, Committee members will be required to sign a confidentiality statement.

Meetings

The Committee will meet no fewer than four times per year and more often as needed. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared and approved at a subsequent Committee meeting.

The Committee may hold executive sessions when deemed necessary (e.g. to discuss matters with external auditors, internal auditors, and/or general counsel). Executive sessions allow for the discussion of any matters believed better discussed without members of management present. Such matters might include complaints, ethics violations, fraud, or legal and regulatory inquires.

State of Arizona open meeting statutes A.R.S. §§ 38-431 to 431.09 will be applicable.

Responsibilities

The College's chief financial officer, the director for internal audit, the Chancellor, and other College employees are responsible for, among other things: determining that the College's financial statements are complete, accurate, and prepared in accordance with generally accepted accounting principles; planning or conducting audits; developing budgets; and managing the financial operations of the College. These employees are also responsible for the preparation, presentation, and integrity of the College's financial statements and for the appropriateness of the accounting principles and reporting policies used by the College. Independent external auditors are responsible for auditing the College's financial statements and other aspects of the College's business.

The responsibilities of the Finance and Audit Committee are to assist the Governing Board and College administration by monitoring:

I. Financial Reporting

1. Review with College staff, the external auditors, and the director of internal audit, financial statements, reports, and other financial information related to College business.
2. Review with College staff, the external auditor, and the director of internal audit, recent or proposed professional and regulatory pronouncements, including, when applicable, those having a material impact on the financial statements.
3. Annually, review with College staff, the external auditors, and the director of internal audit, the external auditor's proposed audit scope and approach for the upcoming annual audits, including coordination of efforts with internal audit.
4. Annually, review with College staff, the external auditor, and the director of internal audit, the annual audited financial statements, and related documents.
5. Annually, review with finance personnel, College staff, the external auditor, and the director of internal audit, the external auditors' report on Internal Control over Financial Reporting and Compliance, and the results of tests of compliance with certain provisions of laws, regulations, contracts, and grants.

II. Investments

1. Review investment policies including investment goals, asset allocation, distribution policies, and performance benchmarks, adjusting as market changes dictate.
2. Review investment costs, including cost of internal management, fees to outside managers, and custodial, reporting, and brokerage fees.

3. Review performance of investments compared to relevant benchmarks or indices.
4. Provide recommendations for improvements as determined.

III. Risk, Internal Control, and Governance

1. At least annually, review with College staff, the external auditor, the director of internal audit, and other involved parties, major risks and exposures, including physical and information technology security, and the steps taken to monitor and control such risk and exposures.

IV. Internal Audit Function

1. Review with College staff and the director of internal audit completed internal audits and audits in progress.
2. Review with College staff and the director of internal audit the status of any outstanding internal audit recommendations and action plans, including any follow-up activity that was performed.
3. Annually, with College staff and the director of internal audit, review internal audit's risk-based annual audit plan and provide recommendations to the Governing Board.
4. Annually, review with College staff and the director of internal audit the adequacy of the internal audit charter, objectives, budget, and staffing, including the adequacy of its organizational reporting structure, to ensure it supports an independent internal audit function.
5. Annually, review with College staff and the director of internal audit the compliance of internal audit with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

V. Audit Committee Management, Reporting, and Other Responsibilities

1. Provide an open avenue of communication between the Finance and Audit Committee and external auditors, the director of internal audit, finance personnel, College staff, and the Governing Board.
2. Review any substantive issues that arise with respect to the quality or integrity of the financial statements and information, risk management processes, systems of internal control, governance processes, compliance with legal or regulatory requirements, and the performance and independence of external auditors or internal auditors.
3. Review related findings and recommendations of the external and internal auditors together with management responses.
4. The Committee may request the Governing Board investigate matters brought to its attention.
5. Periodically review and update this Charter.
6. Annually provide a report to the Governing Board describing the Committee's composition, meeting minutes, responsibilities, and how they were discharged.
7. Review such other financial-related matters as may be requested by the Governing Board from time to time.

Revenue Bond Projects - Inception to Date

FY=22 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 | 67,853,370 | 0 | (443,102) | (29,399,776) | 38,010,492 |
| 5R8000 | RVB PROJ - Control | 67,853,370 | 0 | (443,102) | (29,399,776) | 38,010,492 |
| 581001 | RVB Proj -Advanced Mfg.New Bldg | 0 | 0 | (11,066,315) | 8,073,782 | (2,992,532) |
| 5R8001 | RVB PROJ - Applied Tech- Building | 0 | 0 | (11,066,315) | 8,073,782 | (2,992,532) |
| 581003 | RVB Proj - Transportation New Bldg | 0 | 0 | (13,488,968) | 13,826,585 | 337,617 |
| 5R8002 | RVB PROJ - AppTech COE AE WFD SS | 0 | 0 | (13,488,968) | 13,826,585 | 337,617 |
| 581005 | RVB Proj - ST Bldg Renovations | 0 | 0 | (87,322) | 308,682 | 221,360 |
| 5R8003 | RVB PROJ - AppTech Weld,Mach,Engr,M | 0 | 0 | (87,322) | 308,682 | 221,360 |
| 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) | 1,373,263 | 0 |
| 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 | (439,381) | 439,381 | 0 |
| 581036 | RVB Proj -DC RE Infrastructure Dev | 0 | 0 | (366,671) | 366,567 | (104) |
| 581034 | RVB Proj -DC 333 W Drachman (FT2) | 0 | 0 | (1,712,800) | 1,712,800 | 0 |
| 581032 | RVB Proj -DC Historic Assessment | 0 | 0 | (178,371) | 141,995 | (36,376) |
| 5R8005 | RVB -DC Campus Expansion & Developm | 0 | 0 | (5,432,331) | 5,395,851 | (36,480) |
| 581013 | RVB Proj -PSI ESI | 0 | 0 | (35,480) | 35,480 | 0 |
| 5R8007 | RVB PROJ -PSEI EMSI | 0 | 0 | (35,480) | 35,480 | 0 |
| 581015 | RVB Proj -Science Labs | 0 | 0 | (1,680,569) | 1,231,707 | (448,862) |
| 5R8008 | RVB PROJ -Science Labs | 0 | 0 | (1,680,569) | 1,231,707 | (448,862) |
| 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) | 3,642 | 0 |
| 5R8012 | RVB PROJ -NW Bookstore/Food Svc | 0 | 0 | (3,642) | 3,642 | 0 |
| 581025 | RVB Proj -WC Campus Store | 0 | 0 | 0 | 0 | 0 |
| 5R8013 | RVB PROJ -WC Bookstore/Food Svc | 0 | 0 | 0 | 0 | 0 |
| 581027 | RVB Proj -DV Cafe | 0 | 0 | 0 | 0 | 0 |
| 5R8014 | RVB PROJ -DV Bookstore/Food Svc | 0 | 0 | 0 | 0 | 0 |

Revenue Bond Projects - Inception to Date

FY=22 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 |
| | | 67,853,370 | 0 | (32,755,907) | (5,870) | 35,091,594 |



Agenda Item Details

| | |
|----------|--|
| Meeting | Nov 10, 2021 - Regular Governing Board Meeting |
| Category | 3. INFORMATION ITEMS (5 min.) |
| Subject | 3.2 Fiscal Year 2022 Capital Project Plan Update |
| Access | Public |
| Type | Information |
| Goals | Accreditation-Criterion 5: Resources, Planning, and Institutional Effectiveness Accreditation-Criterion 2: Integrity: Ethical and Responsible Conduct |

Public Content

Contact Person:

Dr. David Bea,
Executive Vice Chancellor for
Finance and Administration
(520) 206-4519

Contributing Authors:

Agnes Maina, Director of Financial Services
Keri Hill, Executive Assistant for Finance and Administration

Information:

The College's annual capital budget planning process identifies equipment replacement and facilities projects that exceed \$5,000 and meet the College's mission, strategic priorities, and needs. Capital project requests are reviewed for alignment with Program Review Outcomes, the Strategic Plan, and the Educational and Facilities Master Plans.

On [May 12, 2021](#), the Governing Board approved the Capital Budget Plan for fiscal year 2022. The plan included \$47.9M of budget capacity to make significant investments in Information Technology, COVID-19 remediation, deferred maintenance, academic equipment, and Centers of Excellence. At the time of the plan adoption, the College received a large grant award through the Higher Education Emergency Relief Funds (HEERF), and a proposal had been submitted to the state for appropriations. The Capital Budget Plan enabled the College to have the budget capacity to expend these funds.

The College committed to reviewing the approved capital projects and providing quarterly reports on the Capital Budget Plan to the Finance and Audit Committee and the Governing Board.

Capital Budget Plan Review Process:

After the start of the fiscal year, employees from Finance, Facilities, and Information Technology discussed the Capital Budget Plan. The group discussed the capacity to complete projects within the current fiscal year, projects that qualified for the HEERF grants, STEM projects, projects that had a change in scope or were discontinued, and projects to fulfill Prop 481 initiatives. A summary of changes is provided below:

Capital Projects Deferred to a Future Fiscal Year

- Sciences Classroom Sink Removal and Gas Jet Reinstall - \$20,000
- Science Telescope Dome Repair and Installation - \$133,000
- Learning Center Renovation C217 - \$31,000
- ABECC Testing Room - \$77,000
- Applied Tech Freezer ST Building - \$30,000

- Arts Makerspace Digital Fab Lab - \$240,000

Capital Projects Funded from Higher Education Emergency Relief Funds (HEERF)

- Adult Education Laptops - \$454,000
- *Deferred Maintenance - Environment Sustainability - \$1,192,400

Capital Projects Funded from FY22 STEM Appropriations

- IT CoE Uninterruptible Power Supplies Equipment - \$370,000
- Automotive Vehicle Purchase \$128,000
- Aviation Furnishings - \$1,142,000
- Aviation Twin Engine Aircraft - \$230,000
- Aviation Turbine Engine - \$242,000

Capital Projects with Changes in Scope or Discontinued

- Arts 3D Printers - \$240,000. Discontinued due to extensive HVAC replacements needed that exceeded the value of the printers. No costs were incurred.

Strategic Capital Projects to Fund Prop 481 Initiatives

- DV Childcare Renovations -\$400,000 - Full scope of the project was determined after the capital budget was approved.

Administrative Content

Executive Content



Agenda Item Details

| | |
|----------|--|
| Meeting | Nov 10, 2021 - Regular Governing Board Meeting |
| Category | 3. INFORMATION ITEMS (5 min.) |
| Subject | 3.3 Fiscal Year 2022-2023 Budget Development Calendar |
| Access | Public |
| Type | Information |
| Goals | Accreditation-Criterion 5: Resources, Planning, and Institutional Effectiveness Accreditation-Criterion 2: Integrity: Ethical and Responsible Conduct |

Public Content

Contact Person:
 Dr. David Bea,
 Executive Vice Chancellor for
 Finance and Administration
 (520) 206-4519

Contributing Author:
 Keri Hill, Executive Assistant for
 Finance and Administration

Information:

Adopted annually by the Governing Board as required by Arizona Revised Statutes, the College budget establishes the maximum spending capacity for the fiscal year. Certain components of the budget are reviewed and approved by the Governing Board as part of the annual budget development cycle.

The budget balances anticipated revenues and expenditures in alignment with College planning processes and strategic goals:

| | |
|--|--|
| <p>College Revenues</p> <ul style="list-style-type: none"> • Tuition and fees • Property taxes • State appropriations • Federal, state, and other grants • Contracts • Investment income • Auxiliary services • Propositions 207 and 301 | <p>College Expenditures</p> <ul style="list-style-type: none"> • Operational <ul style="list-style-type: none"> ◦ Personnel <ul style="list-style-type: none"> ▪ Salaries and Wages ▪ Benefits ◦ Contractual Obligations ◦ Utilities • Capital Projects • Debt Service |
|--|--|

The Chancellor submits the following calendar of budget development activities in preparation for the Public Hearing and Special Meeting to adopt the budget and set property tax levies and rates for Fiscal Year 2022-2023. This calendar provides a broad overview of Governing Board actions and major milestones in the budget development process.

Budget Calendar:

September & October, 2021

Initial budget conversations began with various College administrative groups, including the Executive Leadership Team, the Deputies Group, the Pima Administrative Council, and the All Employee Representative Council. The conversations included a [financial overview and budget discussion](#), with an emphasis on enrollment declines as a result of the COVID-19 pandemic and finding opportunities to reallocate existing resources to growth areas.

November 29, 2021

Governing Board Study Session to review the College's budget forecast and receive Board direction on potential scenarios and/or key budget parameters, including, but not limited to, property taxes, salaries and wages, and tuition and service fees.

January 12, 2022

Presentation of the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2021 to the Governing Board.

February 2022

Course fees for the 2022-2023 Academic Year will be presented to the Governing Board as an Information Item at their Regular Meeting.

Governing Board Study Session to review the budget model and scenarios for Fiscal Year 2022-2023. The budget model and scenarios will be developed using the direction of the Governing Board from their November 29, 2021 Study Session. The discussion will include, but not be limited to:

- Budget forecast
- Expenditure limitation
- Enrollment
- State aid
- Tuition and service fees
- Salaries and wages
- Employee benefits
- Property taxes
- Debt service
- Capital budget

March 2022

Governing Board Regular Meeting to review and potentially approve tuition and service fees for the 2022-2023 Academic Year.

April 2022

Governing Board Regular Meeting to review and potentially approve:

- Salaries and wages
- Employee benefits
 - Medical and pharmaceutical
 - Dental
 - Short term disability
 - Life and Accidental Death & Dismemberment insurance
 - Public Safety Personnel Retirement System

May 2022

Governing Board Regular Meeting to review the proposed Fiscal Year 2022-2023 budget and approve the Publication of the Proposed Budget and, if required, Truth in Taxation Notification. The capital budget will also be presented for review and approval.

June 2022

Governing Board Public Hearing and Special Meeting to:

- Set property tax levies and rates
- Adopt the Fiscal Year 2022-2023 budget

Governing Board Regular Meeting to review and approve:

- General liability and automobile insurance
- Workers compensation
- Property insurance
- Major contractual obligations (Information Technology, Facilities, etc.)

The College shall work with the Governing Board's Finance and Audit Committee to review proposed budget actions, and feedback will be obtained through presentations to students, faculty, staff, administrators, and community members.

Administrative Content

Executive Content

Financial Overview and Budget Discussion

Pima Administrative Council

September 30, 2021

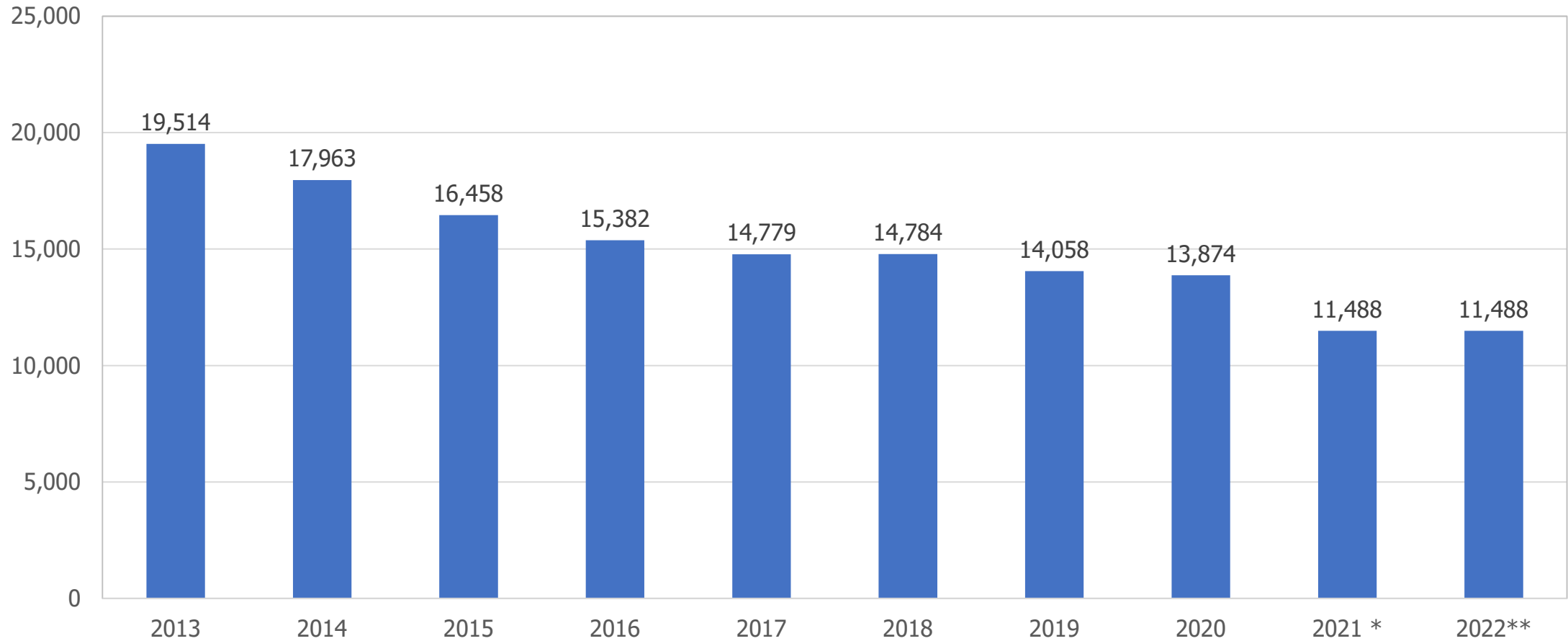
Presented by: Dr. David Bea



Financial Overview

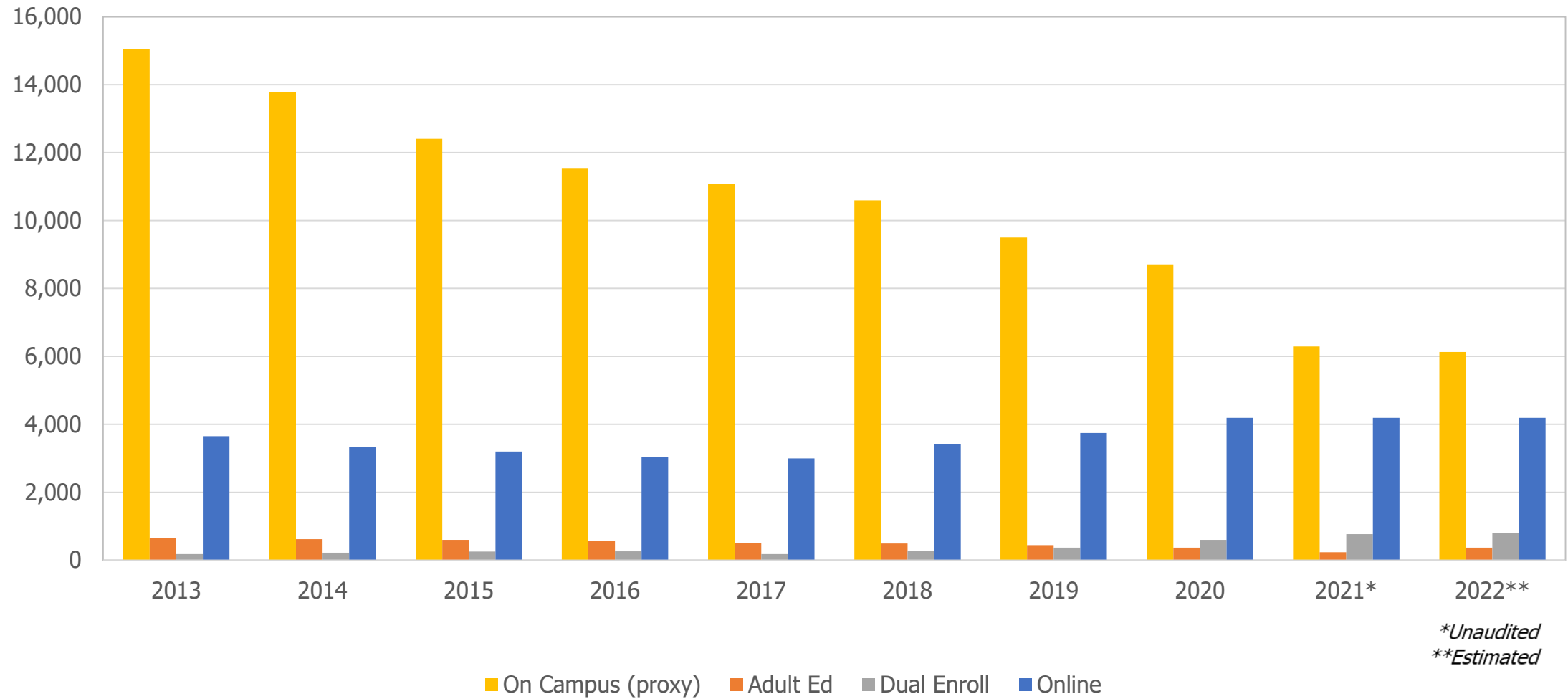
- Good News
 - Prop 481
 - Prop 207
 - Tax Levy Capacity
 - State Aid
 - Federal Support
- Bad News
 - Enrollment
 - Tuition
 - Onsite Revenue
 - Continued Inefficiencies
 - Staffing
 - Scheduling
 - Infrastructure

FTSE, FY 2013 – FY 2022

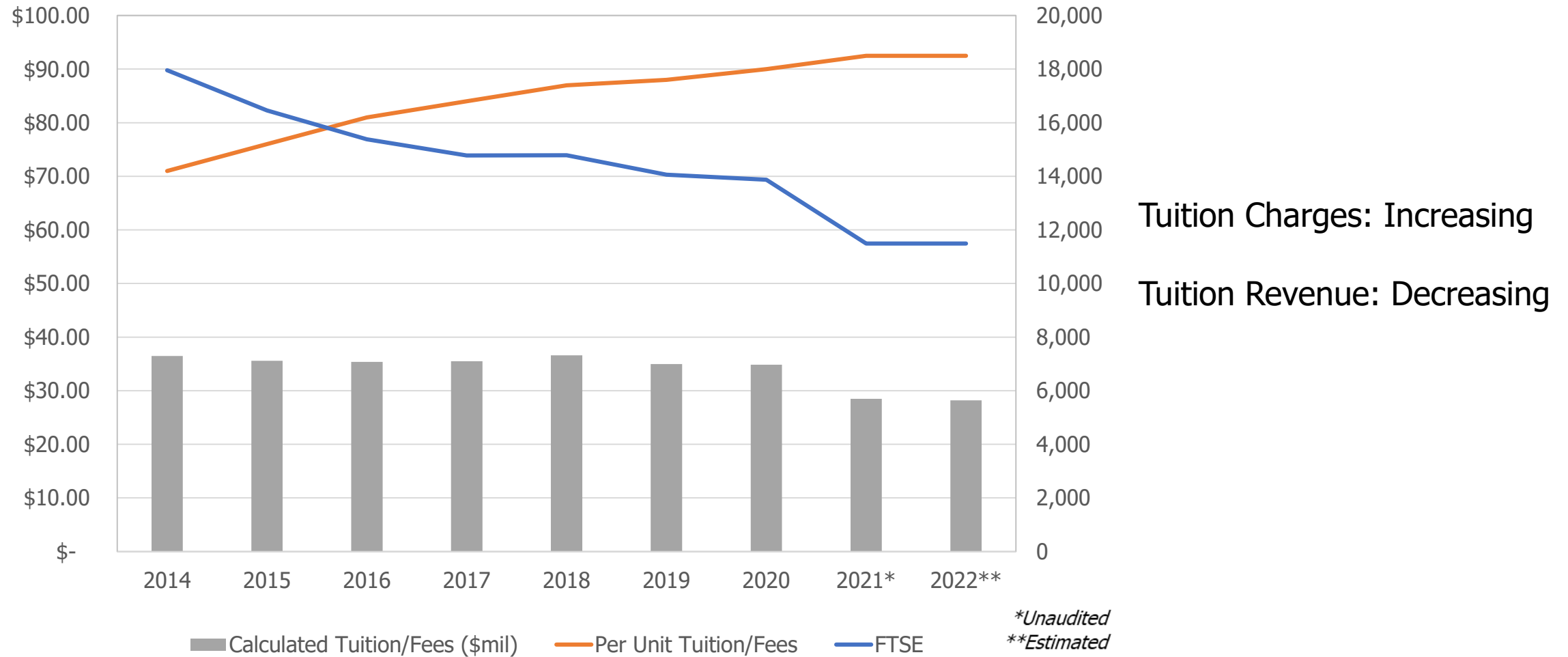


**Unaudited*
***Estimated*

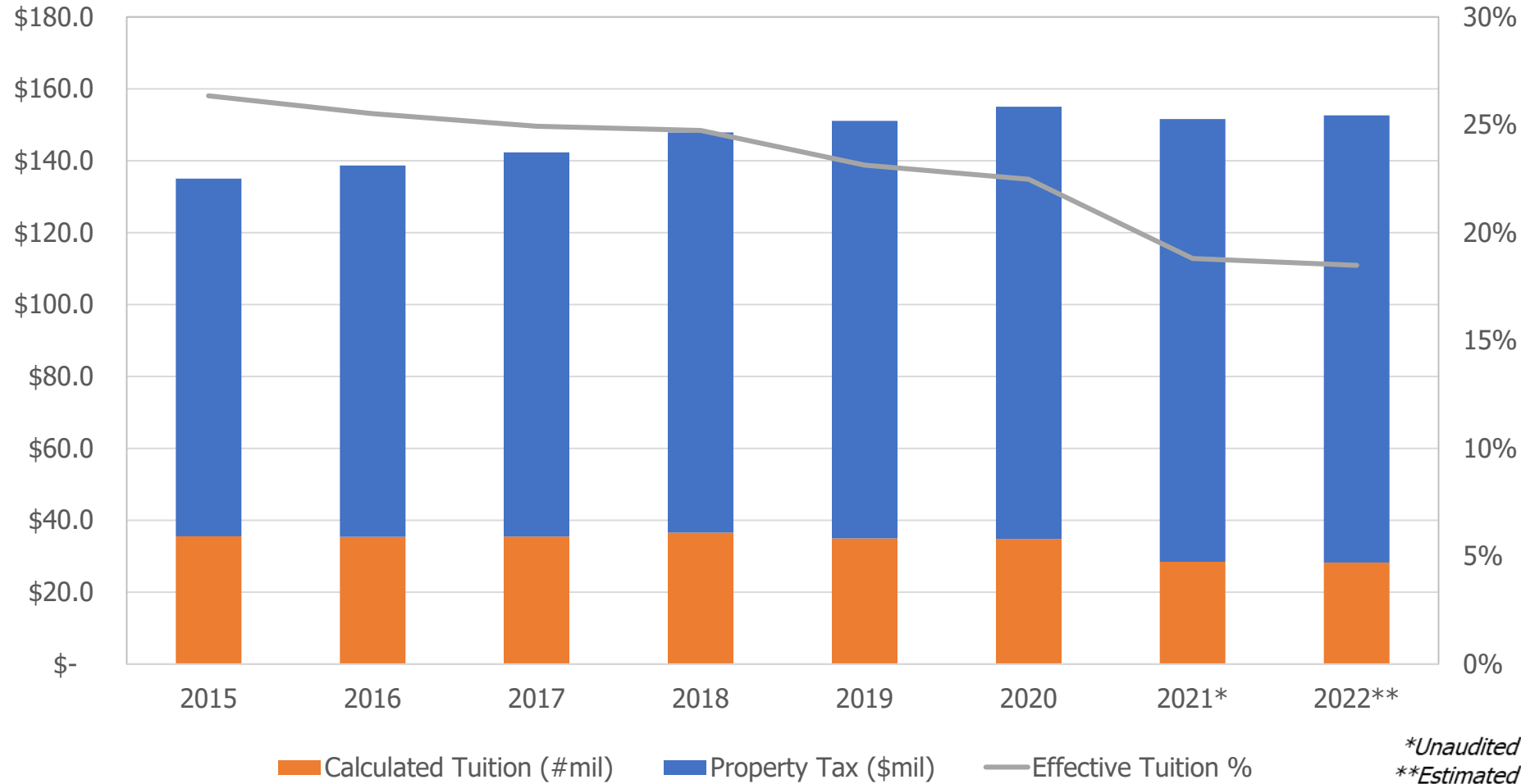
FTSE by Delivery Method, FY 2013 – FY 2022



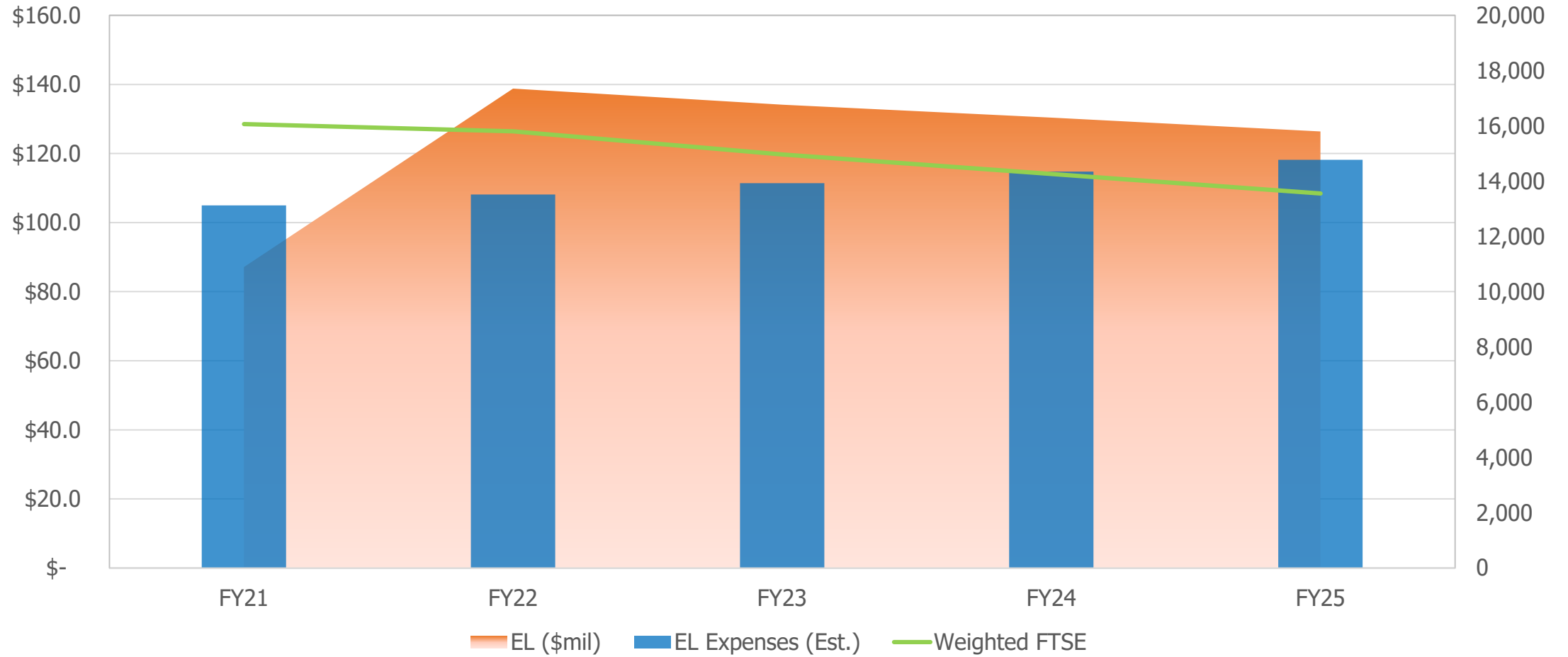
Declining FTSE = Declining Revenues



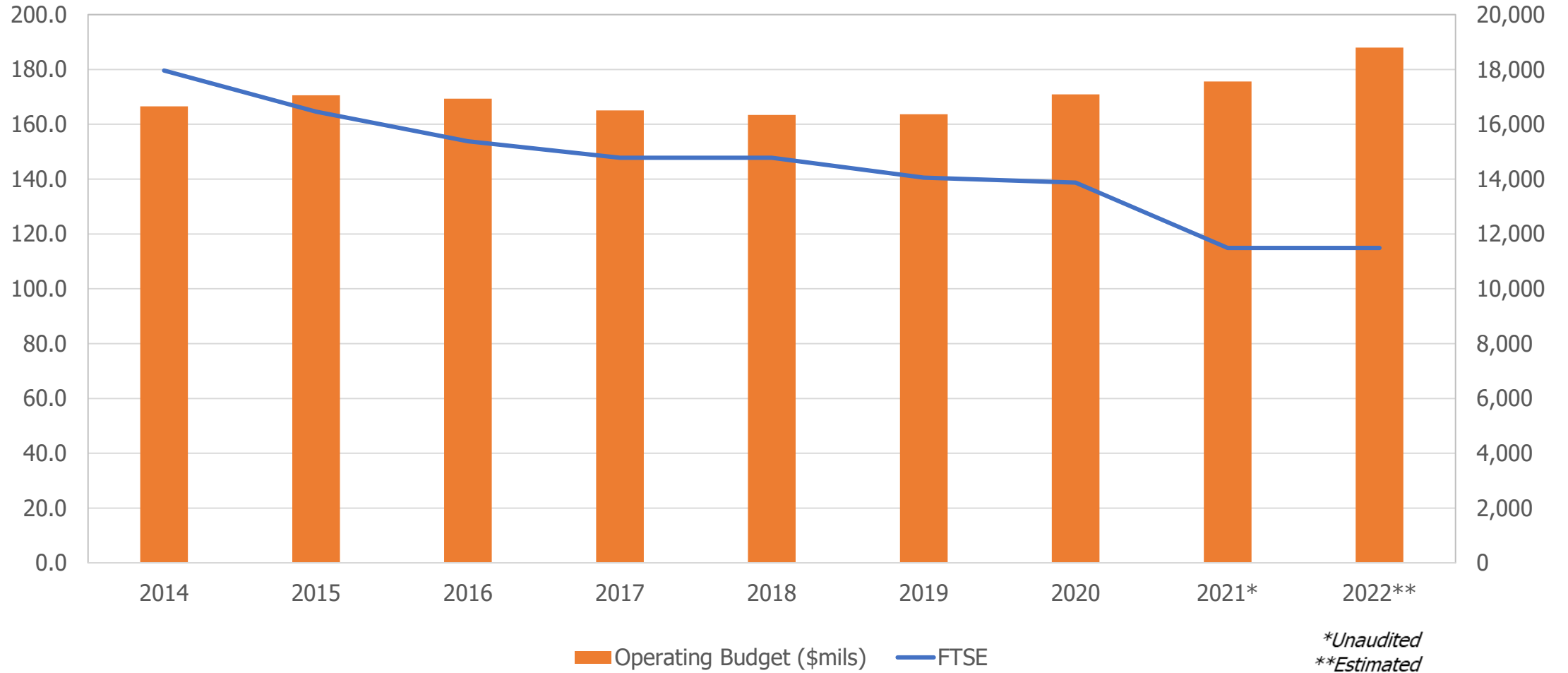
Primary Revenue Sources/Two-Legged Stool?



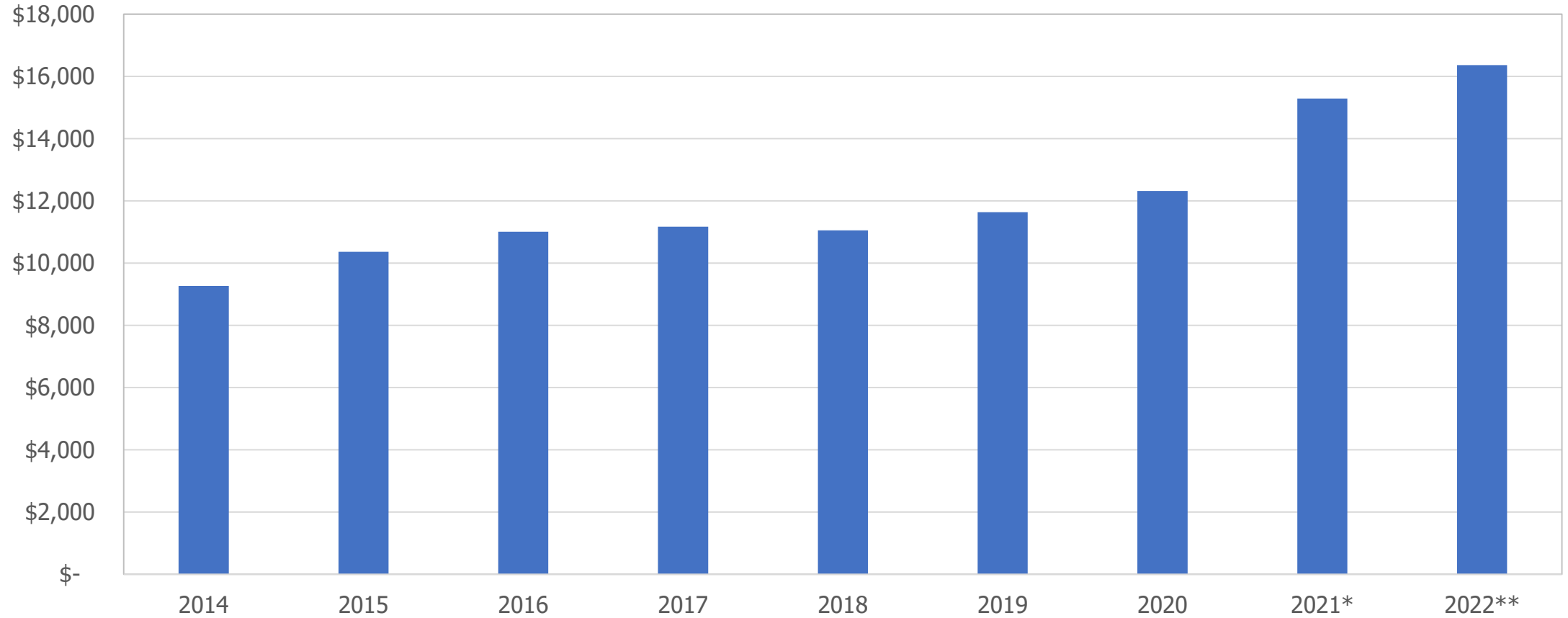
Expenditure Limitation (EL) Projection (Flat enrollment, 3% expenditure growth)



Operating Budget vs. FTSE

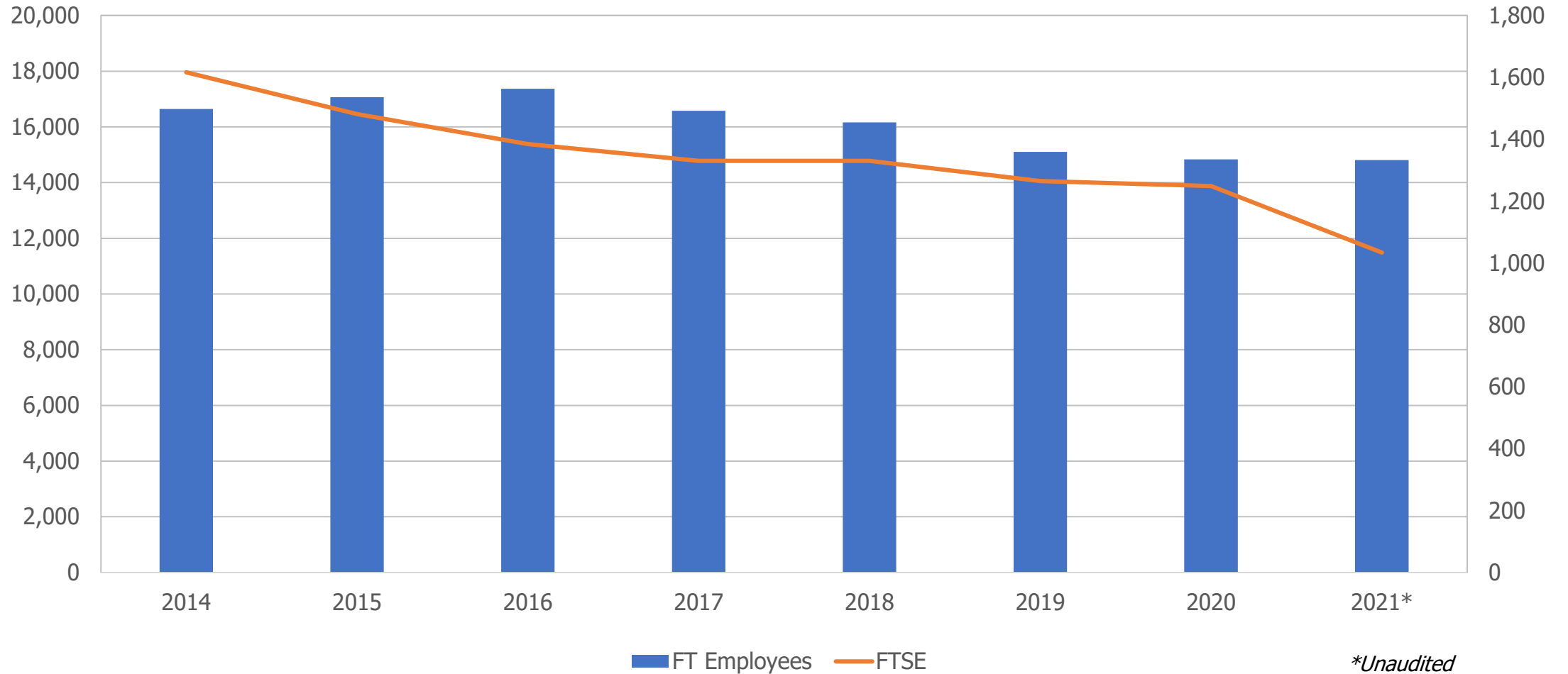


General and Designated Funds Budget per FTSE



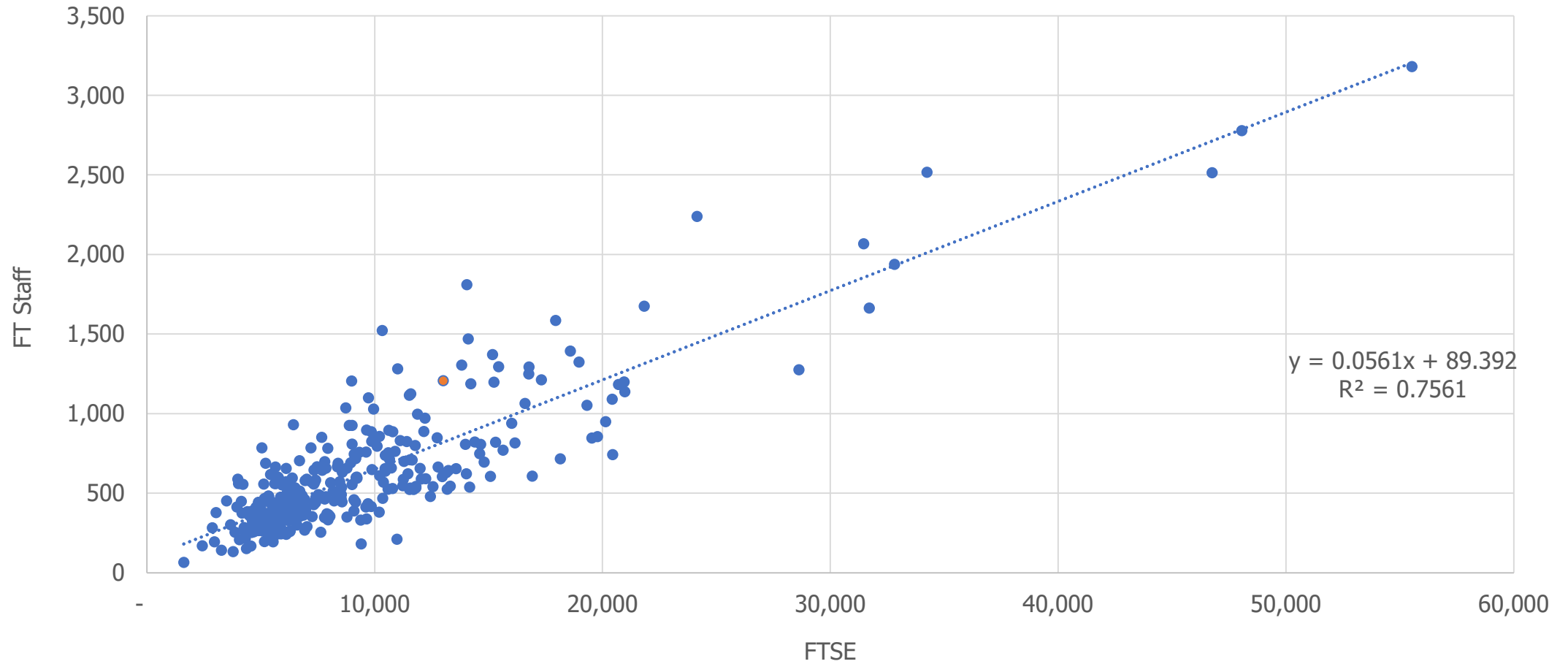
**Unaudited*
***Estimated*

FTSE vs. Full Time Employees



Benchmarking Staffing

2018-19 IPEDS Full Time Staffing vs. Full Time Equivalent Students (334 2-year Colleges)



Benchmarking Staffing - Summary

- 2019 Full Time Staffing Data
 - Average Ratio: 16.3 FTSE per staff
 - PCC Ratio: 10.8 FTSE per staff
 - 293rd of 334
 - ~400 higher than Regression line
 - ~530 higher than Regression line for current enrollment level

Expense Requests

Bowen's Law: "No limit to the amount of money an institution could spend for seemingly fruitful educational needs"

- Class/Comp
 - Labor market challenges/Hard to fill positions
 - Expectations
- Digital Fluency
 - Hot spots/student technology
 - Integrated classroom technology (HyFlex, rapidly/constantly changing technology, etc.)
- Food Pantry
- New Program Support
- Childcare
- Bus Passes
- Free Performances
- Athletics
- Free Success Support Courses
- Increased Advisors
- Elimination of Deletions for Non-Payment
- Sustainability/Environmental Impact/Energy
 - EV charging stations
 - Fountains
- Current Educational Technology
- Program Review/Elimination
- Classroom Funding
 - Course fill rates
 - Class caps
 - Release time
- Low Tuition
- Food Service

Next Steps and Discussion

- Communications
- Timeline
- Data
- Cost Savings and Opportunities for Reallocation

Communications

- Leadership Groups
 - ELT: 8/31; 9/21; 10/4; monthly
 - Deputies: 9/14
 - PAC: 9/30
- Governance and Other Committees
 - Staff Meetings
 - Staff Council (monthly)
 - Faculty Senate
 - AERC
 - Governing Board Study Sessions
 - Finance and Audit Committee
- Budget Forums (typically January/February)

Timeline

- September and October
 - Preliminary conversations
- November
 - Class/comp data received
 - Budget calendar presented to Governing Board
- December
 - Study Session (outlook and metrics)
- January
 - Presentation of the Comprehensive Annual Financial Report to the Governing Board
- February
 - Property tax information received from County
 - Budget Forums
 - Course fees presented to Governing Board
 - Governing Board Study Session (tentative)
- March
 - Tuition & Service Fees to Governing Board
- April
 - Salary discussions
 - Employee benefits to the Governing Board
- May
 - Preliminary budget to Governing Board
- June
 - Public Hearing and Special Meeting to adopt the budget and set property tax rates and levies



Data

- Typical

- Enrollment
- Arizona community college tuition, property tax, and salary info
- Financial metrics
- Classroom funding model
- Positions
 - Administrator (Director)
 - Faculty (Staff Instructor)
 - Staff

- Additional

- Class/comp
- Vacancies
- Division/Academic Ratios
 - Class caps/fill rates
- Staffing Ratios
 - Full time faculty to FTSE (50:1)
 - IPEDS
 - Arizona community college data
 - Management/FTSE;
Management/Employees

Cost Savings and Opportunities for Reallocation

-



 **Keep striving.**