ANNUAL REPORT TO THE CITIZENS OF THE WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT ON THE DISBURSEMENT OF FUNDS UNDER THE REQUIREMENTS OF MEASURE H AND MEASURE C

April 2012 – April 2013

The Annual Report of the Citizens' Bond Oversight Committee (CBOC) is required by law in the language of Measure H, which was passed by the voters on November 2, 2004, and the language of Measure C, which was passed by the voters on June 5, 2012 by at least 55% of the votes cast.

On November 7, 2000, Proposition 39 (The Smaller Classes, Safer Schools & Financial Accountability Act) was approved by the voters, which allowed for a 55% majority vote for college districts to secure bonding for repair and upgrade of various campus structures and to support existing and new programs that are required of the District as part of its commitment to provide a college education at the community level.

Among the restrictions of Proposition 39, in addition to oversight by an appointed citizens' committee, is precluded prohibition against the use of bond monies for administrator salaries and expenses, among other things. The oversight committee must include representation from a bona fide taxpayers' association (1), a business organization (1), and a senior citizens' organization (1). Also included are representatives of the campus student body (2), a District/College Support Organization (2), and the Community-at-large (2). No District employees or vendors are allowed to serve on the CBOC. CBOC members' terms are two years, and they may re-apply for a second two-year term with approval of the Board of Trustees of the District. Two members will term out in April 2013. They are Bill Hult (Chair) – Senior Citizens' organization, and Bill Allman – WVMCCD Advancement Foundation. The committee has two additional members, Shirley Cantu (Community-at-large) and Betty Deal (Business Organization), who are each currently serving their second two-year term, which will expire in April 2014. Shane Patrick Connolly (Taxpayers' Organization) has completed his first term. His second two-year term will expire in April 2015. The committee also had one member resign during 2012, Mr. Len Duncan. In addition, Mr. Al Lipinski, whose term would have expired in April 2014, resigned effective March 13, 2013, and WVC student representative, Louis Morrone, resigned effective February 12, 2013. The District is currently attempting to fill all vacancies.

The CBOC is governed by the Brown Act of 1971 (The Open Meetings Act) and all meeting agendas are published and publicly placed at least 72 hours prior to any scheduled meeting where official business is to be transacted. The general public is invited to attend all meetings. There are no closed sessions of the CBOC.

ANNUAL REPORT

Concluding its eighth year, the CBOC continued with its program of oversight and review of Measure H expenditures. The compliance to Measure H priorities and procedures by the District Staff and the CBOC was validated by the recent audit performed by Vavrinek, Trine, Day & Company LLP, which was presented to the CBOC on March 13, 2013. The auditors conducted a Measure H Performance Audit to measure compliance with Proposition 39 and concluded that the District expended funds only for the specific projects approved by the voters. A separate

Financial Audit was conducted and concluded that the Financial Statements of the Measure H Fund accurately present its financial status.

At the time this report was prepared, there had been no expenditures of Measure C funds.

Through regular meetings and a variety of reports that the CBOC helped draft, the oversight process was timely and consistent. Quorums were met at all but one meeting during the April 2012-March 2013 period.

MEASURE H FUNDING, BOND RATING AND 2012-2013 REBASING

Sale of General Obligation Bonds
In November 2004, West Valley-Mission Community College District voters passed Measure H, a $235 million bond measure. On May 18, 2006, the District issued the first series of bonds in the aggregate principal amount of $100 million. The final series in the aggregate principal amount of $135 million was issued in May 2009. The District maintained a consistent bond rating from Moody's—Aa2.

Measure H – April 2012 through April 2013

- On July 19, 2012, the WVMCCD Board of Trustees approved the re-base of the Project Priority List. The re-base reflected project budget changes to the WV 19 – Science and Math Renovation project.

- The Board of Trustees awarded the contract for the West Valley Language Arts & Social Sciences Renovation project in the amount of $12,850,276 on December 6, 2012.

- The Board of Trustees awarded the contract for the Mission College Main Building Replacement Phase I project in the amount of $44,781,514 on December 6, 2012.

MEASURE C FUNDING

In June 2012, Measure C, a $350 million General Obligation bond measure, was approved by the voters. On August 21, 2012, the District issued the first series of bonds in the aggregate principal amount of $100 million.

Measure C – June 2012 through April 2013

On January 15, 2013, the Board of Trustees approved the Project Priority List and the architects for the following projects:

- MC Facilities Building Replacement
- MC Wellness & Human Performance Addition
- District Facilities Building Replacement

FINANCE SUB-COMMITTEE

Shane Patrick Connolly was appointed chair of the Finance Sub-Committee. In addition to Mr. Connolly, Mr. Bill Hult and Ms. Shirley Cantu also serve. The Finance Sub-committee reviews the process that the CBOC and the Measure H and Measure C staff use to measure the performance level of reporting expenditures and to review the accuracy of the financial presentations. The Finance Sub-Committee uses established procedures as its guide to, as accurately as possible, review and report the CBOC's tracking and staff's methods of reporting bond expenditures.

The Finance Sub-Committee's report is an integral part of this Annual Report, along with a year-to-year fiscal summary of expenditures for 2012-2013, provided by the Measure H and Measure C staff.

The CBOC wishes to thank the Measure H and Measure C staff members for their commitment to being prompt and factual and for maintaining high standards of transparency. The CBOC is also grateful for the skilled administrative support provided by District staff during the past year.

Citizen's Bond Oversight Committee (CBOC) Finance Sub-Committee Findings

The goal of the committee was to review the actions taken by the CBOC to assure that the expenditure of funds were consistent with the requirements of Measure H and Measure C and to prepare a statement to be included in the Annual Report of the CBOC for presentation to the Board of Trustees.

The Committee finds that appropriate procedures to approve and report any and all movements of monies from contingency, and between delineated projects, are in place. Reports to identify time frames and critical path points are produced and reviewed at all CBOC meetings.

Those reports that allow for CBOC oversight of bond money expenditures are listed as follows:

A. MEASURE H AND CAPITAL OUTLAY PROGRAMS: PROJECT PROGRESS REPORT:

   Pre-Design Phase, Preliminary Design Phase, Working Drawings Phase, Bid and Award Phase, Construction Phase, and Construction Projects Completed.

B. UPDATE ON MEASURE H EXPENSES BY PROJECT PHASE.

   West Valley Projects, Mission College Projects, Central Services Projects.

C. UPDATE ON MEASURE H EXPENSES FOR ALL PROJECTS.

D. VENDOR CONTRACTS WITH EXPENDITURES PER PROJECT.

E. WEST VALLEY-MISSION COMMUNITY COLLEGE DISTRICT UPDATE WITH BASELINE

The Finance Sub-Committee finds that the District's provision of information to the CBOC, appropriate staffing to update said reports, and prompt response to CBOC requests results in accurate information and allows the CBOC to provide positive oversight of the expenditure of public monies.

Respectfully Submitted:

Finance Sub-Committee

Shane Patrick Connolly, Chair
Shirley Cantu
Bill Hult

Attachment:

1. Annual CBOC Update on Measure H Bond Program; Expenditures through January 31, 2013 based on the June 21, 2011 Project Priority List for District Services and Mission College, and the June 19, 2012 Project Priority List for West Valley College

Expenditures through Jan 31, 2013

ANNUAL CBOC UPDATE ON MEASURE H BOND PROGRAM

Based on June 19, 2012, Project Priority List

		All Funds	Capital Outlay	Bond Interest	Land Corp/Other	Measure H Funds			
Project Number	Description	Total Project Budget	State Funds	Bond Interest Funds	Land Corp/ Other Funds	Bond Funds	Bond Funds Expended	Bond Balance	% Spent
	Measure H Bond & Capital Outlay Program								
1	Total Construction Projects	$ 301,080,287	$ 56,273,152		$ 9,807,135	$ 235,000,000	$ 177,046,639	$ 57,953,361	75%
2	Bond Interest	$ 6,900,000		$ 6,900,000					
3	Construction Program Totals	$ 307,980,287	$ 56,273,152	$ 6,900,000	$ 9,807,135	$ 235,000,000	$ 177,046,639	$ 57,953,361	
4	**West Valley College Projects**	$ 151,832,262	$ 47,188,615	$ 2,518,251	$ 5,125,397	$ 97,000,000	$ 79,332,646	$ 17,667,354	82%
5	Program Management	$ 3,543,544	$ -			$ 3,543,544	$ 3,543,543	$ 0	100%
6	Program Contingency	$ -	$ -			$ -	$ -	$ -	
7	Operation Expenses	$ 993,353	$ -			$ 993,353	$ 956,708	$ 36,645	96%
8	Educational Master Facilities Plan	$ 159,565	$ -			$ 159,565	$ 159,565	$ 0	100%
9	Environmental Impact Report	$ 146,536	$ -			$ 146,536	$ 146,536	$ (0)	100%
10	Aquatic Center Project	$ 7,745,253	$ -			$ 7,745,253	$ 7,666,826	$ 78,427	99%
11	Campus Technology Center	$ 21,643,540	$ 16,696,460			$ 4,947,080	$ 4,918,526	$ 28,554	99%
12	Science and Math Replacement/Addition	$ 7,759,107	$ 5,628,806		$ 63,935	$ 2,066,366	$ 2,062,832	$ 3,534	100%
13	Science and Math Building Renovation	$ 20,193,701	$ 15,845,039			$ 4,348,662	$ 4,229,192	$ 119,470	97%
14	ADA Barrier Removal Plan	$ 2,175,412	$ -			$ 2,175,412	$ 1,419,177	$ 756,235	65%
15	Utility Infrastructure Modernization	$ 6,563,874	$ -			$ 6,563,874	$ 6,508,026	$ 55,848	99%
16	Surface Improvements	$ 8,043,240	$ -			$ 8,043,240	$ 8,039,162	$ 4,078	100%
17	Infrastructure Modernization - Projects	$ 173,304	$ -			$ 173,304	$ 170,359	$ 2,945	98%
18	Interim Housing/Swing Space/Wet Labs	$ 6,240,872	$ -			$ 6,240,872	$ 6,194,955	$ 45,917	99%
19	Campus Center Building Renovation Phase I	$ 14,482,869	$ -			$ 14,482,869	$ 13,934,792	$ 548,077	96%
20	Language Arts and Social Science Recon	$ 18,794,006	$ -			$ 18,794,006	$ 15,512,859	$ 3,281,147	83%
21	Classroom & Student Services Fac. Upgrd	$ 1,500,000	$ -			$ 1,500,000	$ 1,389,588	$ 110,412	93%
22	Solar Photo Voltaic System Project	$ 7,579,713	$ -	$ 2,518,251	$ 5,061,462				
23	Applied Arts and Science Remodel	$ 24,094,374	$ 9,018,310			$ 15,076,064	$ 2,479,997	$ 12,596,067	16%
24	Total West Valley College	$ 151,832,262	$ 47,188,615	$ 2,518,251	$ 5,125,397	$ 97,000,000	$ 79,332,646	$ 17,667,354	82%
25	West Valley Bond Funds Unallocated	$ 0				$ 0			

Expenditures through Jan 31, 2013

ANNUAL CBOC UPDATE ON MEASURE H BOND PROGRAM

Based on June 19, 2012, Project Priority List

		All Funds	Capital Outlay	Bond Interest	Land Corp/Other	Measure H Funds			
Project Number	Description	Total Project Budget	State Funds	Bond Interest Funds	Land Corp/ Other Funds	Bond Funds	Bond Funds Expended	Bond Balance	% Spent
26	**Mission College Projects**	$ 108,923,025	$ 4,559,537	$ 2,681,749	$ 4,681,739	$ 97,000,000	$ 57,094,620	$ 39,905,380	59%
27	Program Management	$ 3,543,543	$ -			$ 3,543,543	$ 3,543,543	$ 0	100%
28	Program Contingency	$ 2,184,513	$ -			$ 2,184,513	$ -	$ 2,184,513	0%
29	Operational Expenses	$ 1,043,353	$ -			$ 1,043,353	$ 1,004,864	$ 38,489	96%
30	Main Building Third Floor Reconstruction	$ 5,453,516	$ 4,559,537		$ 243,201	$ 650,778	$ 650,778	$ 0	100%
31	Master Plan	$ 532,844				$ 532,844	$ 532,844	$ -	100%
32	Initial Study for EIR	$ 217,432	$ -			$ 217,432	$ 203,560	$ 13,872	94%
33	Utility Survey (Infrastructure)	$ 176,055	$ -			$ 176,055	$ 140,771	$ 35,284	80%
34	Hospitality Management Reconstruction	$ 8,818,835	$ -			$ 8,818,835	$ 8,760,542	$ 58,293	99%
35	Infra Upgrade-Elec/Data/Tele/Sewer/Water	$ 9,937,212	$ -			$ 9,937,212	$ 9,679,943	$ 257,269	97%
36	Main Building Replacement Phase 1: Building 1E	$ 62,778,221	$ -			$ 62,778,221	$ 26,666,822	$ 36,111,399	42%
37	Childcare Replacement	$ 3,720,344	$ -			$ 3,720,344	$ 3,506,573	$ 213,771	94%
38	Main Bldg Fire Alarm Upgrade	$ 924,000	$ -			$ 924,000	$ 94,774	$ 829,226	10%
39	Solar Photo Voltaic System Project	$ 7,120,287	$ -	$ 2,681,749	$ 4,438,538	$ -	$ -	$ -	
40	Classroom and Student Services Upgrades	$ 2,472,870	$ -	$ -	$ -	$ 2,472,870	$ 2,309,607	$ 163,263	93%
41	Total Mission College	$ 108,923,025	$ 4,559,537	$ 2,681,749	$ 4,681,739	$ 97,000,000	$ 57,094,620	$ 39,905,380	59%
42	Mission Bond Funds Unallocated	$ -				$ -			
43	**Central Services Projects**	$ 47,225,000	$ 4,525,000	$ 1,700,000	$ -	$ 41,000,000	$ 40,619,374	$ 380,626	99%
44	Program Management	$ 1,497,785	$ -	$ -	$ -	$ 1,497,785	$ 1,497,785	$ (0)	100%
45	Debt Service Restructuring (*)	$ 16,449,757	$ -	$ -	$ -	$ 16,449,757	$ 16,449,757	$ -	100%
46	Program Contingency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0%
47	Operational Expenses	$ 243,318	$ -	$ -	$ -	$ 243,318	$ 234,342	$ 8,976	96%
48	Information Systems Building	$ 9,515,224	$ -	$ -	$ -	$ 9,515,224	$ 9,515,223	$ 1	100%
49	IS Interim Housing	$ 1,329,839	$ -	$ -	$ -	$ 1,329,839	$ 1,329,837	$ 2	100%
50	Server Replacement	$ 1,441,152	$ -	$ -	$ -	$ 1,441,152	$ 1,440,340	$ 812	100%
51	Data Network	$ 7,116,828	$ -	$ -	$ -	$ 7,116,828	$ 7,080,893	$ 35,935	99%
52	Master Plan - Central Services	$ 197,851	$ -	$ -	$ -	$ 197,851	$ 127,711	$ 70,140	65%
53	Fire Alarm System Replacement	$ 5,210,048	$ 4,525,000	$ -	$ -	$ 685,048	$ 428,655	$ 256,393	63%
54	Information Systems Support Facility	$ 3,698,498	$ -	$ 1,700,000	$ -	$ 1,998,498	$ 1,992,840	$ 5,658	100%
55	Police Building Renovation	$ 524,700	$ -	$ -	$ -	$ 524,700	$ 521,991	$ 2,709	99%
56	**Total Central Services**	$ 47,225,000	$ 4,525,000	$ 1,700,000	$ -	$ 41,000,000	$ 40,619,374	$ 380,626	99%
57	Central Services Bond Funds Unallocated	$ (0)				$ (0)			

	Measure H Bond Summary	**Total Bond Amount**	**Bond Funds Sold to Date**			**Bond funds Revenue**	**Bond funds Expended**	**Bond Fund Revenue Balance**	**% Spent**
58	Series A Bond funds issued in May 2006	$ 234,999,692	$ 100,000,000			$ 234,999,692	$ 177,046,639	$ 57,953,053	75%
59	Series B Bond funds issued in June 2009		$ 14,184,692						
60	Series C Bond funds issued in June 2009		$ 120,815,000						