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 2014 – April 2015

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, both of which exceeded 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 (1), a District/College Support Organization (1), 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.

Committee member Mr. Shane Patrick Connolly, Taxpayer Organization Representative, will term out in April 2015. He served from April 2011 – April 2015. Three members: Mr. Paul Cavagnolo (Senior Organization), Mr. Frank Jewett (District/College Support Organization), and Ms. Gail Long (Community-at-Large) have completed their initial term and have agreed to serve a second two-year term. Mr. Bill Hult (Community-at-Large) is beginning the second year of his initial two-year term. Mr. Hult previously served on the CBOC from April 2009 – April 2013. It is anticipated that two new members, one representing business organizations and the other representing student organizations, will be appointed to the committee in April 2015. The committee is actively seeking a member to fill the taxpayer organization vacancy, which will exist once Mr. Connolly departs the committee.

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 tenth year, the CBOC continued with its program of oversight and review of Measure H expenditures. It is anticipated that Measure H funds will be fully expended by December 2015. The CBOC continues its oversight and review of Measure C expenditures, which began in 2014. The compliance to Measure H and Measure C priorities and procedures by the District Staff and the CBOC were validated by the recent audit performed by Vavrinek, Trine, Day & Company LLP, which was presented to the CBOC on February 11, 2015. The auditors conducted a Measure H and Measure C 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 and Measure C Funds accurately present its financial status.

Through regular meetings and a variety of reports that the CBOC helped draft, the oversight process was timely and consistent.

MEASURE H FUNDING

<u>Sale of General Obligation Bonds</u>
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.

<u>Measure H—April 2014 through April 2015</u>

The Mission College Main Building Replacement, Phase I was completed in May 2014, with classes starting in the new facility in summer 2014.

MEASURE C FUNDING

<u>Sale of General Obligation Bonds</u>

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. The bond rating from Moody's was Aa2. In February 2015, the second series of bonds were issued in an aggregate principle of $150 million. The bond rating from Moody's and Standard & Poor's was AAA. Given the higher bond rating, the District will refund, or refinance, at a lower interest rate about $28 million in bonds that had been issued previously as part of Measure H. This will provide a savings is $6.6 million.

<u>Measure C – April 2014 through April 2015</u>

The working drawings for the Applied Arts & Sciences Building renovation at West Valley College were submitted to the Division of the State Architect (DSA) on June 26, 2013. This project is funded by both Measure H and Measure C. The project was tentatively expected to obtain DSA approval in March 2014. The project obtained DSA approval in May 2014. Construction is underway and expected to complete mid-late spring 2016.

The plans for the Underground Main Point of Entry replacement project were submitted to DSA in December 2013. Construction start is targeted for Summer/Fall 2015.

These projects were approved by DSA and are under construction.

- MC Wellness and Human Performance Center
- MC Facilities Replacement Building

These projects are in the working/construction drawings phase:

- MC Main Building Replacement Project Phase II
- District Facilities Building Replacement

These projects are in the Preliminary Design Phase:

- WV Student Services Center
- WV Planetarium Replacement Building
- WV Business and Administration of Justice

FINANCIALS

The CBOC reviewed the process that it 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 CBOC uses established procedures as its guide to review and report the staff's methods of reporting bond expenditures.

FINDINGS

The goal of the CBOC was to review its actions 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 CBOC 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 PROGRAM and MEASURE C AND CAPITAL OUTLAY PROGRAM PROJECT PROGRESS REPORTS:

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

B. UPDATE ON MEASURE H and MEASURE C EXPENSES BY PROJECT PHASE.

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

C. UPDATE ON MEASURE H and MEASURE C EXPENSES FOR ALL PROJECTS.

D. MEASURE H and MEASURE C VENDOR CONTRACTS WITH EXPENDITURES PER PROJECT.

E. MEASURE H and MEASURE C PROGRAM MASTER SCHEDULE

The CBOC finds that the District's provision of information to the committee, 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. Going forward, the CBOC will meet quarterly as per the by-laws, rather than bi-monthly, due to the established, consistent, and thorough reporting regimen.

The CBOC thanks 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.

Respectfully Submitted:

Shane Patrick Connolly, Chair

Attachment:

1. Annual CBOC Update on Measure H Bond Program; Expenditures through January 31, 2015, based on the June 21, 2011 Project Priority List for District Services, the May 20, 2014, Project Priority List for Mission College, and the June 17, 2014, Project Priority List for West Valley College.

2. Annual CBOC Update on Measure C Bond Program; Expenditures through January 31, 2015, based on the November 17, 2014, Project Priority List.

Expenditures through Jan 31, 2015

ANNUAL CBOC UPDATE ON MEASURE H BOND PROGRAM

Based on Jun 17, 2014 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	$ 306,256,496	$ 47,253,057	$ -	$ 24,003,439	$ 235,000,000	$ 224,684,470	$ 10,315,530	96%
2	Bond Interest	$ 6,818,926	$ -	$ 6,818,926	$ -				
3	Construction Program Totals	$ 313,075,423	$ 47,253,057	$ 6,818,926	$ 24,003,439	$ 235,000,000	$ 224,684,470	$ 10,315,530	
4	**West Valley College Projects**	$ 157,005,206	$ 38,168,520	$ 2,514,985	$ 19,321,701	$ 97,000,000	$ 86,968,159	$ 10,031,841	90%
5	Program Management	$ 3,543,544	$ -	$ -	$ -	$ 3,543,544	$ 3,543,544	$ -	100%
6	Program Contingency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
7	Operation Expenses	$ 993,353	$ -	$ -	$ -	$ 993,353	$ 992,482	$ 871	100%
8	Educational Master Facilities Plan	$ 159,565	$ -	$ -	$ -	$ 159,565	$ 159,565	$ -	100%
9	Environmental Impact Report	$ 146,536	$ -	$ -	$ -	$ 146,536	$ 146,536	$ -	100%
10	Aquatic Center Project	$ 7,727,257	$ -	$ -	$ -	$ 7,727,257	$ 7,722,997	$ 4,260	100%
11	Campus Technology Center	$ 21,614,039	$ 16,694,674	$ -	$ -	$ 4,919,365	$ 4,919,365	$ -	100%
12	Science and Math Replacement/Addition	$ 7,756,353	$ 5,628,806	$ -	$ 63,935	$ 2,063,612	$ 2,063,612	$ -	100%
13	Science and Math Building Renovation	$ 20,119,411	$ 15,845,040	$ -	$ -	$ 4,274,371	$ 4,274,371	$ -	100%
14	ADA Barrier Removal Plan	$ 2,042,733	$ -	$ -	$ -	$ 2,042,733	$ 2,042,733	$ -	100%
15	Utility Infrastructure Modernization	$ 6,535,351	$ -	$ -	$ -	$ 6,535,351	$ 6,535,351	$ -	100%
16	Surface Improvements	$ 8,818,240	$ -	$ -	$ -	$ 8,818,240	$ 8,724,038	$ 94,202	99%
17	Infrastructure Modernization - Projects	$ 173,000	$ -	$ -	$ -	$ 173,000	$ 173,000	$ -	100%
18	Interim Housing/Swing Space/Wet Labs	$ 6,194,941	$ -	$ -	$ -	$ 6,194,941	$ 6,194,941	$ -	100%
19	Campus Center Building Renovation Phase I	$ 14,165,876	$ -	$ -	$ -	$ 14,165,876	$ 14,159,579	$ 6,297	100%
20	Language Arts and Social Science Recon	$ 18,559,541	$ -	$ -	$ -	$ 18,559,541	$ 18,503,462	$ 56,079	100%
21	Classroom & Student Services Fac. Upgrd	$ 1,390,909	$ -	$ -	$ -	$ 1,390,909	$ 1,390,909	$ -	100%
22	Solar Photo Voltaic System Project	$ 7,576,447	$ -	$ 2,514,985	$ 5,061,462	$ -	$ -	$ -	
23	Applied Arts and Science Remodel	$ 29,488,110	$ -	$ -	$ 14,196,304	$ 15,291,806	$ 5,421,674	$ 9,870,132	35%
24	Total West Valley College	$ 157,005,206	$ 38,168,520	$ 2,514,985	$ 19,321,701	$ 97,000,000	$ 86,968,159	$ 10,031,841	90%
25	West Valley Bond Funds Unallocated	$ 0				$ 0			

Expenditures through Jan 31, 2015

ANNUAL CBOC UPDATE ON MEASURE H BOND PROGRAM

Based on Jun 17, 2014 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**	$ 108,902,680	$ 4,559,537	$ 2,661,404	$ 4,681,739	$ 97,000,000	$ 96,938,039	$ 61,961	100%
27	Program Management	$ 3,543,543	$ -	$ -	$ -	$ 3,543,543	$ 3,543,543	$ -	100%
28	Program Contingency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
29	Operational Expenses	$ 1,043,353	$ -	$ -	$ -	$ 1,043,353	$ 1,042,438	$ 915	100%
30	Main Building Third Floor Reconstruction	$ 5,453,516	$ 4,559,537	$ -	$ 243,201	$ 650,778	$ 650,778	$ -	100%
31	Master Plan	$ 532,844		$ -	$ -	$ 532,844	$ 532,844	$ -	100%
32	Initial Study for EIR	$ 203,560	$ -	$ -	$ -	$ 203,560	$ 203,560	$ -	100%
33	Utility Survey (Infrastructure)	$ 140,771	$ -	$ -	$ -	$ 140,771	$ 140,771	$ -	100%
34	Hospitality Management Reconstruction	$ 8,798,625	$ -	$ -	$ -	$ 8,798,625	$ 8,798,625	$ -	100%
35	Infra Upgrade-Elec/Data/Tele/Sewer/Water	$ 9,884,683	$ -	$ -	$ -	$ 9,884,683	$ 9,884,683	$ -	100%
36	Main Building Replacement Phase 1: Building 1E	$ 65,312,763	$ -	$ -	$ -	$ 65,312,763	$ 65,251,718	$ 61,046	100%
37	Childcare Replacement	$ 3,576,853	$ -	$ -	$ -	$ 3,576,853	$ 3,576,853	$ -	100%
38	Main Bldg Fire Alarm Upgrade	$ 860,898	$ -	$ -	$ -	$ 860,898	$ 860,898	$ -	100%
39	Solar Photo Voltaic System Project	$ 7,099,942	$ -	$ 2,661,404	$ 4,438,538	$ -	$ -	$ -	
40	Classroom and Student Services Upgrades	$ 2,451,329	$ -	$ -	$ -	$ 2,451,329	$ 2,451,329	$ -	100%
41	Total Mission College	$ 108,902,680	$ 4,559,537	$ 2,661,404	$ 4,681,739	$ 97,000,000	$ 96,938,039	$ 61,961	100%
42	Mission Bond Funds Unallocated	$ -				$ -			
43	**Central Services Projects**	$ 47,167,537	$ 4,525,000	$ 1,642,537	$ -	$ 41,000,000	$ 40,778,272	$ 221,728	99%
44	Program Management	$ 1,497,785	$ -	$ -	$ -	$ 1,497,785	$ 1,497,785	$ -	100%
45	Debt Service Restructuring (*)	$ 16,449,757	$ -	$ -	$ -	$ 16,449,757	$ 16,449,757	$ -	100%
46	Program Contingency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
47	Operational Expenses	$ 243,318	$ -	$ -	$ -	$ 243,318	$ 243,105	$ 213	100%
48	Information Systems Building	$ 9,515,224	$ -	$ -	$ -	$ 9,515,224	$ 9,515,224	$ -	100%
49	IS Interim Housing	$ 1,329,839	$ -	$ -	$ -	$ 1,329,839	$ 1,329,839	$ -	100%
50	Server Replacement	$ 1,441,152	$ -	$ -	$ -	$ 1,441,152	$ 1,440,340	$ 812	100%
51	Data Network	$ 7,116,828	$ -	$ -	$ -	$ 7,116,828	$ 7,085,829	$ 30,999	100%
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	$ 569,096	$ 115,952	83%
54	Information Systems Support Facility	$ 3,641,035	$ -	$ 1,642,537	$ -	$ 1,998,498	$ 1,997,596	$ 902	100%
55	Police Building Renovation	$ 524,700	$ -	$ -	$ -	$ 524,700	$ 521,991	$ 2,709	99%
56	**Total Central Services**	$ 47,167,537	$ 4,525,000	$ 1,642,537	$ -	$ 41,000,000	$ 40,778,272	$ 221,728	99%
57	Central Services Bond Funds Unallocated	$ -				$ -			
	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	$ 224,684,470	$ 10,315,222	96%
59	Series B Bond funds issued in June 2009		$ 14,184,692						
60	Series C Bond funds issued in June 2009		$ 120,815,000						

		All Funds	Capital Funds	Measure C Funds			
Project Number	Description	Total Project Budget	State/Others	Bond Funds	Bond Funds Expended	Bond Balance	% Spent
	Measure C Bond & Capital Funds						
1	Total Construction Projects	$ 365,291,806	$ 15,291,806	$ 350,000,000	$ 27,164,050	$ 322,835,950	8%
						$ -	
2	**West Valley College Projects**	$ 172,991,806	$ 15,291,806	$ 157,700,000	$ 6,979,228	$ 150,720,772	4%
						$ -	
3	Program Contingency	$ 13,167,004	$ -	$ 13,167,004	$ -	$ 13,167,004	0%
4	Operation Expenses	$ 224,796	$ -	$ 224,796	$ 174,994	$ 49,802	78%
5	Swing Space for Building Projects	$ 5,400,000	$ -	$ 5,400,000	$ 2,079,900	$ 3,320,100	39%
6	Applied Arts and Science Renovation	$ 29,488,110	$ 15,291,806	$ 14,196,304	$ 1,045,259	$ 13,151,045	7%
7	Student Services Center Replacement Bldg	$ 30,418,569	$ -	$ 30,418,569	$ 824,591	$ 29,593,978	3%
8	Business Division & Admin Justice Renovation	$ 10,431,000	$ -	$ 10,431,000	$ 133,717	$ 10,297,284	1%
9	Learning Resource Center Reconstruction	$ 29,458,800	$ -	$ 29,458,800	$ 29,540	$ 29,429,260	0%
10	Fine Arts Building - New Replacement Building	$ 11,110,797	$ -	$ 11,110,797	$ -	$ 11,110,797	0%
11	Hum-Fine Arts Bldg Renovation	$ 15,069,645	$ -	$ 15,069,645	$ -	$ 15,069,645	0%
12	PE Department Building Renovation	$ 18,772,100	$ -	$ 18,772,100	$ 744,106	$ 18,027,994	4%
13	Technology System Refresh Projects	$ 1,350,000	$ -	$ 1,350,000	$ -	$ 1,350,000	0%
14	Vasona Creek Restoration and Green Belt Improv	$ 1,350,000	$ -	$ 1,350,000	$ 890,201	$ 459,799	66%
15	Parking Lot&Campus Walkway Resurface/Replacement	$ 5,400,985		$ 5,400,985	$ 882,579	$ 4,518,406	16%
16	Planetarium Upgrade	$ 1,350,000	$ -	$ 1,350,000	$ 174,342	$ 1,175,658	13%
						$ -	
17	**Total West Valley College**	$ 172,991,806	$ 15,291,806	$ 157,700,000	$ 6,979,228	$ 150,720,772	4%
						$ -	
18	West Valley Bond Funds Unallocated	$ -		$ -		$ -	

Project Number	Description	All Funds	Capital Funds	Measure C Funds			
		Total Project Budget	State/Others	Bond Funds	Bond Funds Expended	Bond Balance	% Spent
						$ -	
19	**Mission College Projects**	$ 157,700,000	$ -	$ 157,700,000	$ 14,545,902	$ 143,154,098	9%
						$ -	
20	Program Contingency	$ 15,543,098	$ -	$ 15,543,098	$ -	$ 15,543,098	0%
21	Operational Expenses	$ 226,902	$ -	$ 226,902	$ 176,633	$ 50,269	78%
22	Wellness and Human Performance Addition	$ 9,933,857	$ -	$ 9,933,857	$ 3,753,284	$ 6,180,573	38%
23	Mission College Main Building Replacement Phase II	$ 78,499,217	$ -	$ 78,499,217	$ 10,183,747	$ 68,315,470	13%
24	Main Plaza Canopy/Landscaping	$ 3,678,439	$ -	$ 3,678,439	$ -	$ 3,678,439	0%
25	Technology Enhanced Building	$ 23,274,400	$ -	$ 23,274,400	$ -	$ 23,274,400	0%
26	Performing Arts Building	$ 25,194,087	$ -	$ 25,194,087	$ -	$ 25,194,087	0%
27	Technology System Refresh Projects	$ 1,350,000	$ -	$ 1,350,000	$ 432,237	$ 917,763	32%
				$ -		$ -	
28	**Total Mission College**	$ 157,700,000	$ -	$ 157,700,000	$ 14,545,902	$ 143,154,098	9%
						$ -	
29	Mission Bond Funds Unallocated	$ -		$ -		$ -	
						$ -	
30	**Central Services Projects**	$ 34,600,000	$ -	$ 34,600,000	$ 5,638,920	$ 28,961,080	16%
						$ -	
31	Program Contingency	$ 3,322,698	$ -	$ 3,322,698	$ -	$ 3,322,698	0%
32	Operational Expenses	$ 137,302	$ -	$ 137,302	$ 105,921	$ 31,381	77%
33	District Facilities Building Replacement	$ 16,650,000	$ -	$ 16,650,000	$ 934,338	$ 15,715,662	6%
34	Datatel Infrastructure Project	$ 2,250,000	$ -	$ 2,250,000	$ 2,096,937	$ 153,063	93%
35	Underground MPOE Replacement	$ 2,700,000	$ -	$ 2,700,000	$ 539,191	$ 2,160,809	20%
36	HVAC and Lighting Energy Retrofit Projects	$ 4,050,644	$ -	$ 4,050,644	$ 1,360,528	$ 2,690,116	34%
37	Security, Safety and Monitoring	$ 3,029,656	$ -	$ 3,029,656	$ 426,177	$ 2,603,479	14%
38	Energy Management System Replacement	$ 2,459,700	$ -	$ 2,459,700	$ 175,828	$ 2,283,872	7%
						$ -	
39	**Total Central Services**	$ 34,600,000	$ -	$ 34,600,000	$ 5,638,920	$ 28,961,080	16%
40	Central Services Bond Funds Unallocated	$ -		$ -			
	Measure C Bond Summary	**Total Bond Amount**	**Bond Funds Sold to Date**	**Bond funds Revenue**	**Bond funds Expended**	**Bond Fund Revenue Balance**	**% Spent**
41	Series A Bond funds issued in August 2012	$ 100,000,000	$ 100,000,000	$ 100,000,000	$ 27,164,050	$ 72,835,950	27%