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 2016 – April 2017

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 members Mr. Paul Cavagnolo (Senior Organization), Mr. Frank Jewett (District/College Support Organization), and Ms. Gail Long (Community-at-Large) have termed-out after completing their consecutive two-year terms. Mr. Bill Hult (Community-at-Large) is serving the last year of his second two-year term. Ms. Shirley Cantu, (Taxpayer Organization Representative) and Mr. Peter Kuo (Business Organization), have completed the second year of their initial term and have agreed to serve for another two-year term. The committee is actively seeking representatives in the following categories: student, Senior Organization, District/College Support Organization, and Community-at-Large.

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 twelfth year, the CBOC continued with its program of oversight and review of Measure C expenditures. Measure H funds were fully expended in February 2016. The compliance to 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 March 8, 2017. 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

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 and Measure C - April 2016 through April 2017

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, and approved on March 26, 2014. This project was funded by both Measure H and Measure C. Construction was completed in August 2016, with fall 2016 occupancy. The funds from Measure H have been completely expended. In February 2017, the District refunded at a lower interest rate about $120 million in bonds that had been previously funded from Measure H. This provided a savings of $12.8 million to the taxpayers.

MEASURE C FUNDING

Sale of General Obligation Bonds

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 refunded at a lower interest rate about $28 million in bonds that had been issued previously as part of Measure H. This provided a savings of $6.6 million to the taxpayers.

Measure C – April 2016 through April 2017

The working drawings for the MC Wellness and Human Performance Center were approved by DSA in January 2014. Construction started in summer 2014 and was completed in summer 2016, with classes starting in fall 2016.

These projects were approved by DSA and are under construction.

- MC Main Building Replacement Project Phase II
- WVC Facilities Replacement Building
- WVC Planetarium (new building)
- WVC Student Services Replacement Building
- WVC Business and Administration of Justice Building Renovation

On January 18, 19 & 20, 2017, a committee of eleven, composed of College Vice Presidents and Deans, District Facilities staff, and Gilbane staff, interviewed sixteen architectural firms and selected eight firms to be included in a pool of firms for future bond projects. It is the intent of the District to have the Board of Trustees approve the list on April 4, 2017.

FINANCIALS

The CBOC reviewed the process that it and the 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 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 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 C EXPENSES BY PROJECT PHASE.

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

C. UPDATE ON MEASURE C EXPENSES FOR ALL PROJECTS.

D. MEASURE C VENDOR CONTRACTS WITH EXPENDITURES PER PROJECT.

E. 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. The CBOC meets quarterly, as per the by-laws, due to the established, consistent, and thorough reporting regimen.

The CBOC thanks the 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:

Frank Jewett, Chair

Attachment:

1. Annual CBOC Update on Measure C Bond Program; Expenditures through January 31, 2017, based on the December 6, 2016, Project Priority List.

Project Number	Description	All Funds	Capital Funds	Measure C Funds			
		Total Project Budget	State/Others	Bond Funds	Bond Funds Expended	Bond Balance	% Spent
	Measure C Bond & Capital Funds						
1	Total Construction Projects	$ 369,846,860	$ 19,846,860	$ 350,000,000	$ 109,997,282	$ 240,002,718	31%
						$ -	
2	**West Valley College Projects**	$ 175,631,721	$ 17,931,721	$ 157,700,000	$ 27,021,258	$ 130,678,742	17%
						$ -	
3	Program Contingency	$ 9,953,728	$ -	$ 9,953,728	$ -	$ 9,953,728	0%
4	Operation Expenses	$ 532,305	$ -	$ 532,305	$ 508,891	$ 23,414	96%
5	Swing Space for Building Projects	$ 5,400,000	$ -	$ 5,400,000	$ 2,547,387	$ 2,852,613	47%
6	Applied Arts and Science Renovation	$ 29,532,447	$ 15,336,143	$ 14,196,304	$ 13,240,872	$ 955,432	93%
7	Student Services Center	$ 30,418,569	$ -	$ 30,418,569	$ 2,678,630	$ 27,739,939	9%
8	Business Division & Admin Justice Renovation	$ 19,391,836	$ -	$ 19,391,836	$ 1,281,368	$ 18,110,468	7%
9	Planetarium - New Building	$ 7,664,500	$ 1,329,578	$ 6,334,922	$ 902,375	$ 5,432,547	14%
10	Fine Arts Building - Renovation	$ 6,602,340	$ -	$ 6,602,340	$ -	$ 6,602,340	0%
11	Hum-Fine Arts Bldg Renovation	$ 15,069,645	$ -	$ 15,069,645	$ -	$ 15,069,645	0%
12	Learning Resource Center Reconstruction	$ 29,458,800	$ -	$ 29,458,800	$ 1,199,088	$ 28,259,712	4%
13	PE Department Building Renovation - Phase 1	$ 9,582,109	$ -	$ 9,582,109	$ 760,117	$ 8,821,992	8%
14	Technology System Refresh Projects	$ 1,350,000	$ -	$ 1,350,000	$ 603,727	$ 746,273	45%
15	Vasona Creek Restoration and Green Belt Improv	$ 2,766,000	$ 1,266,000	$ 1,500,000	$ 1,453,464	$ 46,536	97%
16	Parking Lot&Campus Walkway Resurface/Replacement	$ 3,400,985		$ 3,400,985	$ 1,689,593	$ 1,711,392	50%
17	Athletic Field Turf Restoration - Phase 1	$ 4,508,457		$ 4,508,457	$ 155,747	$ 4,352,710	3%
18	**Total West Valley College**	$ 175,631,721	$ 17,931,721	$ 157,700,000	$ 27,021,258	$ 130,678,742	17%
19	West Valley Bond Funds Unallocated	$ -		$ -		$ -	

		All Funds	Capital Funds	Measure C Funds			
Project Number	Description	Total Project Budget	State/Others	Bond Funds	Bond Funds Expended	Bond Balance	% Spent
						$ -	
20	**Mission College Projects**	$ 157,700,000	$ -	$ 157,700,000	$ 65,235,500	$ 92,464,500	41%
						$ -	
21	Program Contingency	$ 5,798,562	$ -	$ 5,798,562	$ -	$ 5,798,562	0%
22	Operational Expenses	$ 532,305	$ -	$ 532,305	$ 508,891	$ 23,414	96%
23	Wellness and Human Performance Addition	$ 10,485,737	$ -	$ 10,485,737	$ 9,965,485	$ 520,252	95%
24	Mission College Main Building Replacement Phase II	$ 87,221,352	$ -	$ 87,221,352	$ 53,638,579	$ 33,582,773	61%
25	Main Plaza Canopy/Landscaping	$ 3,678,439	$ -	$ 3,678,439	$ -	$ 3,678,439	0%
26	Technology Enhanced Building	$ 23,274,400	$ -	$ 23,274,400	$ 3,700	$ 23,270,700	0%
27	Performing Arts Building	$ 25,194,087	$ -	$ 25,194,087	$ -	$ 25,194,087	0%
28	Technology System Refresh Projects	$ 1,515,118	$ -	$ 1,515,118	$ 1,118,845	$ 396,273	74%
				$ -		$ -	
29	**Total Mission College**	$ 157,700,000	$ -	$ 157,700,000	$ 65,235,500	$ 92,464,500	41%
30	Mission Bond Funds Unallocated	$ -		$ -		$ -	
						$ -	
31	**Central Services Projects**	$ 36,515,139	$ 1,915,139	$ 34,600,000	$ 17,740,525	$ 16,859,475	51%
						$ -	
32	Program Contingency	$ 353,300	$ -	$ 353,300	$ -	$ 353,300	0%
33	Operational Expenses	$ 106,700	$ -	$ 106,700	$ 100,660	$ 6,040	94%
34	District Facilities Building Replacement	$ 21,050,000	$ -	$ 21,050,000	$ 8,359,673	$ 12,690,327	40%
35	Datatel Infrastructure Project	$ 3,108,814	$ -	$ 3,108,814	$ 2,712,541	$ 396,273	87%
36	Underground MPOE Replacement	$ 2,700,000	$ -	$ 2,700,000	$ 2,571,605	$ 128,395	95%
37	HVAC and Lighting Energy Retrofit Projects	$ 5,554,819	$ 1,915,139	$ 3,639,680	$ 2,228,063	$ 1,411,617	61%
38	Security, Safety and Monitoring	$ 2,079,896	$ -	$ 2,079,896	$ 1,309,416	$ 770,480	63%
39	Energy Management System Replacement	$ 1,561,610	$ -	$ 1,561,610	$ 458,566	$ 1,103,044	29%
40	**Total Central Services**	$ 36,515,139	$ 1,915,139	$ 34,600,000	$ 17,740,525	$ 16,859,475	51%
41	Central Services Bond Funds Unallocated	$ -		$ -			
	Measure C Bond Summary		**Bond Funds Sold to Date**	**Bond Funds Revenue**	**Bond Funds Expended**	**Bond Funds Revenue Balance**	**% Spent**
42	Series A Bond funds issued in August 2012		$ 100,000,000	$ 250,000,000	$ 109,997,282	$ 140,002,718	44%
43	Series B Bond funds issued in February 2015		$ 150,000,000				