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

March 2017 – March 2018

The Annual Report of the Citizens' Bond Oversight Committee (CBOC) is required by law in 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 (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 Bill Hult (Community-at-Large) has termed-out after completing consecutive two-year terms. Ms. Shirley Cantu (Taxpayer Organization Representative) is in the final year of her second term. The committee added three new members: Mr. Ron Jones (Senior Organization), Mr. Mike Foulkes (District/College Support Organization), and Ms. Brigit Espinosa (Community-at-large), and is actively seeking representatives in the following categories: Student, Business Organization and Community-at-Large. The Student Organization category has been vacant since 2015 and the Business Organization category has been vacant since March 2017.

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 thirteenth year, the CBOC continued with its program of oversight and review of Measure C expenditures. 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 April 4, 2018. The auditors conducted a 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 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 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. The third issuance in the amount of $100 million, was sold in September 2017.

Measure C – March 2017 through March 2018

The construction of the Main Building Replacement Project Phase II started in September 2015 and completed in December 2017, with occupancy in January 2018.

These projects were approved by DSA and are under construction.

- WVC Facilities Replacement Building
- WVC Planetarium (new building)
- WVC Student Services Replacement Building
- WVC Business and Administration of Justice Building Renovation

TLCD Architects was selected to renovate the Humanities & Fine Arts Building at West Valley College. A preplanning contract was approved by the Board of Trustees in August 2017.

DLR Group Architects was selected for the athletic field turf restoration project at West Valley College. A preplanning and design development contract was approved by the Board of Trustees in August 2017. This preplanning work is now complete, and budget adjustments for the restoration was approved in November 2017.

State matching funds were approved for the FY 2017-18 budget year for the Technology Enhanced Building at Mission College. Lionakis was selected as the architect for this project. Planning is well underway with the submittal of the preliminary plans to the State Chancellor's Office in spring 2018.

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:

Shirley Cantu, Chair

Attachment:

1. Annual CBOC Update on Measure C Bond Program; Expenditures through January 31, 2018, based on the November 14, 2017, Project Priority List.

		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	$ 380,992,250	$ 30,992,250	$ 350,000,000	$ 176,875,750	$ 173,124,250	51%
2	**West Valley College Projects**	$ 175,953,111	$ 18,253,111	$ 157,700,000	$ 54,560,019	$ 103,139,981	35%
3	Program Contingency	$ 3,915,786	$ -	$ 3,915,786	$ -	$ 3,915,786	0%
4	Operation Expenses	$ 765,412	$ -	$ 765,412	$ 679,749	$ 85,663	89%
5	Swing Space for Building Projects	$ 5,400,000	$ -	$ 5,400,000	$ 2,601,202	$ 2,798,798	48%
6	Applied Arts and Science Renovation	$ 30,532,447	$ 15,336,143	$ 15,196,304	$ 14,290,157	$ 906,147	94%
7	Student Services Center	$ 38,144,514	$ -	$ 38,144,514	$ 11,311,097	$ 26,833,417	30%
8	Business Division & Admin Justice Renovation	$ 19,391,836	$ -	$ 19,391,836	$ 13,343,209	$ 6,048,627	69%
9	Planetarium - New Building	$ 8,356,890	$ 2,021,968	$ 6,334,922	$ 4,928,136	$ 1,406,786	78%
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	$ 100,350	$ 14,969,295	1%
12	Learning Resource Center Reconstruction	$ 20,405,092	$ -	$ 20,405,092	$ 1,616,880	$ 18,788,212	8%
13	PE Department Building Renovation - Phase 1	$ 856,164	$ -	$ 856,164	$ 781,920	$ 74,245	91%
14	Technology System Refresh Projects	$ 1,350,000	$ -	$ 1,350,000	$ 957,545	$ 392,455	71%
15	Vasona Creek Restoration and Green Belt Improvements	$ 2,395,000	$ 895,000	$ 1,500,000	$ 1,500,000	$ -	100%
16	Parking Lot & Campus Walkway Resurface/Replacement	$ 3,400,985	$ -	$ 3,400,985	$ 1,787,916	$ 1,613,069	53%
17	Athletic Field Turf Restoration - Phase 1	$ 19,367,000	$ -	$ 19,367,000	$ 661,860	$ 18,705,140	3%
18	**Total West Valley College**	$ 175,953,111	$ 18,253,111	$ 157,700,000	$ 54,560,019	$ 103,139,981	35%
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**	$ 168,524,000	$ 10,824,000	$ 157,700,000	$ 94,562,796	$ 63,137,204	60%
21	Program Contingency	$ 5,565,455	$ -	$ 5,565,455	$ -	$ 5,565,455	0%
22	Operational Expenses	$ 765,412	$ -	$ 765,412	$ 651,957	$ 113,455	85%
23	Wellness and Human Performance Addition	$ 10,485,737	$ -	$ 10,485,737	$ 10,460,142	$ 25,595	100%
24	Mission College Main Building Replacement Phase II	$ 87,221,352	$ -	$ 87,221,352	$ 81,758,590	$ 5,462,762	94%
25	Main Plaza Canopy/Landscaping	$ 3,678,439	$ -	$ 3,678,439	$ 206,746	$ 3,471,693	6%
26	Technology Enhanced Building	$ 34,098,400	$ 10,824,000	$ 23,274,400	$ 12,964	$ 23,261,436	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	$ 1,472,396	$ 42,722	97%
29	**Total Mission College**	$ 168,524,000	$ 10,824,000	$ 157,700,000	$ 94,562,796	$ 63,137,204	60%
30	Mission Bond Funds Unallocated	$ -		$ -			
31	**District Services Projects**	$ 36,515,139	$ 1,915,139	$ 34,600,000	$ 27,752,935	$ 6,847,065	80%
						$ -	
32	Program Contingency	$ 318,167	$ -	$ 318,167	$ -	$ 318,167	0%
33	Operational Expenses	$ 231,626	$ -	$ 231,626	$ 230,251	$ 1,375	99%
34	District Facilities Building Replacement	$ 21,050,000	$ -	$ 21,050,000	$ 16,715,216	$ 4,334,784	79%
35	Datatel Infrastructure Project	$ 3,108,814	$ -	$ 3,108,814	$ 3,066,225	$ 42,589	99%
36	Underground MPOE Replacement	$ 2,610,207	$ -	$ 2,610,207	$ 2,610,207	$ -	100%
37	HVAC and Lighting Energy Retrofit Projects	$ 5,554,819	$ 1,915,139	$ 3,639,680	$ 2,638,051	$ 1,001,629	72%
38	Security, Safety and Monitoring	$ 2,079,896	$ -	$ 2,079,896	$ 1,819,262	$ 260,634	87%
39	Energy Management System Replacement	$ 1,561,610	$ -	$ 1,561,610	$ 673,722	$ 887,888	43%
40	**Total District Services**	$ 36,515,139	$ 1,915,139	$ 34,600,000	$ 27,752,935	$ 6,847,065	80%
41	District 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	$ 350,000,000	$ 176,875,750	$ 173,124,250	51%
43	Series B Bond funds issued in February 2015		$ 150,000,000				
44	Series C Bond funds issued in October 2017		$ 100,000,000				