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

January – December 2023

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, and Measure W, which was passed by voters on November 6, 2018, both 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 a 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 employee or vendor is 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.

<u>Committee Members</u>

With the passage of Measure W, the Measure C committee by-laws were amended and restated to include oversight of Measure W. The 2019 amended and restated by-laws were approved by the Board of Trustees at its February 5, 2019, meeting. As a result of the amended by-laws, members who had previously served on the Measure C Committee shall be permitted to serve on the expanded Committee and, if appointed by the Board, are entitled to serve three (3) consecutive two (2) year terms from the date of their appointment. All but one existing committee member agreed to serve under the new by-laws and are entitled to serve three consecutive two-year terms. The re-appointment of existing members to the expanded Measure C & Measure W CBOC was approved by the Board at its April 2, 2019, meeting (Item 7.6).

The following members are now serving their final terms:

- Shirley Cantu (Taxpayer Organization) May 2023 – April 2025
- Paul Cavagnolo (Community-at-large) May 2022 – April 2024
- Karen DiLullo (Business Organization) May 2022 – April 2024
- Michael Foulkes (District/College Support Organization) May 2023 – April 2025
- Travis Ginn (Student Organization) May 2022 – April 2024

The following members are now serving their initial terms:
Paula Lacey (Community-at-large) January 2023 – April 2025

The terms of the six above existing members were staggered to ensure continuation of experienced committee members.

In November 2023, the Governing Board appointed two new members to the committee, Mary Alden (Business Organization) and Maureen Heath (Senior Citizen's Organization), whose initial term will be November 2023 – April 2025.

The CBOC would like to thank outgoing committee members Paul Cavagnolo, Karen DiLullo and Travis Ginn in advance for their service.

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 twenty-first year, the CBOC continued with its program of oversight and review of Measure C & Measure W expenditures. The compliance to Measure C & W priorities and procedures by the District Staff and the CBOC were validated by the recent audit performed by Cossolias, Wilson, Dominguez, and Leavitt, CPA's, which will be presented to the CBOC on December 13, 2023. The auditors conducted Measure C & W Performance Audits to measure compliance with Proposition 39 and concluded that the District expended funds appropriately for the specific projects approved by the voters. A separate Financial Audit was conducted and concluded that the Financial Statements of Measure C & W 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. It is anticipated that 99% of Measure C funds will be expended by December 30, 2023.

Measure C – January 2023 through December 2023

Construction continues at both colleges. Three large projects are active under Measure C for this reporting period.

A summary of the projects by project phase are as follows:

Planning Phase

- None

Preliminary Design Phase

- None

Working Drawings and DSA Approval Phase

- None

Bidding Phase

- None

Construction Phase

- WVC – Learning Resource Center Renovation
  This project is funded by State Capital Outlay, Measure C, and Measure W local bond funds. The project is currently under construction and is estimated to be complete January 2025.

Completed Projects

- MC – MT Replacement Building (MTR)
- WVC – Fine Arts Replacement Building

MEASURE W FUNDING

Sale of General Obligation Bonds

In November 2018, Measure W, a $698 million General Obligation bond measure, was approved by the voters. The District issued the first series of bonds in April 2019 in the aggregate principal amount of $150 million. The second series of bonds was sold in July 2022 in the aggregate principal amount of $175 million.

Measure W – January 2023 through December 2023

Planning Phase

- MC - STEM Building – Programming is under way. This project will be a design build project. Design Build RFQ is in progress.
- WVC – Wellness Center – Programming is under way. This project will be a design build project. Design Build RFQ is in progress.

<u>Preliminary Design Phase</u>

- None

<u>Working Drawings and DSA Approval Phase</u>

- MC – Performing Arts Center
  This project is funded by State Capital Outlay funds and Measure W. The working drawings are complete and are in the Division of the State Architect (DSA) for review and approval. DSA approval was received in November 2023. We're awaiting State approval on the plans to bid the project.

- MC – Library Renovation
  The working drawings are complete and are in the Division of the State Architect (DSA) for review and approval. DSA approval is estimated in December 2023.

- WVC - Fine Arts and Music Replacement Building
  The working drawings are complete and are in the Division of the State Architect (DSA) for review and approval. DSA approval is estimated in January 2024.

- WVC – Theater Renovation and Expansion Project
  This project is funded by State Capital Outlay funds and Measure W. The working drawings are complete and are in the Division of the State Architect (DSA) for review and approval. DSA approval is estimated in January 2024.

<u>Bidding Phase</u>

- MC – Swing Space for Renovation Projects – TAV Boiler
  Bids for this project were received in November 2023 and approved by the Board of Trustees in December 2023.

- WVC- Swing Space for Renovation Projects – Music/Theater
  Bids for the construction to the Art Labs and Cilker Building where the Music and Theater program will be housed during construction are in progress. Construction for the Swing Space project is anticipated to start February 2024.

<u>Construction Phase</u>

- DS - Public Safety & Community Services Building
  The project is in construction and is estimated to be complete by December 2024.

- MC – Plaza Completion Project
  The project is under construction and is estimated to be complete by end of December 2023.

- DS MC – Alternative Energy - Solar Panels – Parking Lots B and E
  The project is under construction and is estimated to be complete by February 2024.

- WVC – Learning Resource Center Renovation
  This project is funded by State Capital Outlay, Measure C, and Measure W local bond funds. The project is currently under construction and is estimated to be complete February 2025.

<u>Completed Projects</u>

- MC – Child Development Center Renovation
- MC – MT Replacement Building (MTR) Audio Visual
- WVC – The Facilities Master Plan update.
- WVC – Outdoor Physical Education Facilities Upgrades – Baseball complex
- DS WVC – Vasona Creek Improvements
- DS – Utility and Electrical Upgrades at West Valley College – IS Generator replacement

FINANCIALS

The CBOC reviewed the process that it and the bond 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 was consistent with the requirements of Measures C & W 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, MEASURE W 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 AND MEASURE W EXPENSES BY PROJECT PHASE.

   West Valley Projects, Mission College Projects, District Projects.

C. UPDATE ON MEASURE C AND MEASURE W EXPENSES FOR ALL PROJECTS.

D. MEASURE C AND MEASURE W VENDOR CONTRACTS WITH EXPENDITURES

PER PROJECT.

E. MEASURE C AND MEASURE W PROGRAM MASTER SCHEDULE

The CBOC finds the District's provision of information to the committee, maintenance of appropriate staffing to update said reports, and prompt response to CBOC requests results in accurate information and allows the CBOC to provide 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 & W 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.

The Chair would like to make particular note of the District successfully recruiting two new committee members this year. In addition, the community volunteers are to be acknowledged and thanked for their service in reaching and achieving quorum at our meetings.

Respectfully Submitted:

Michael Foulkes, Chair

Attachments:

1. Measure C Performance and Financial Audits
2. Measure W Performance and Financial Audits