



SANTA CLARITA
COMMUNITY COLLEGE DISTRICT

Annual Report of the Independent Citizens' Bond Oversight Committee

2021-2022 FISCAL YEAR

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2022 ANNUAL REPORT OF THE INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE

SANTA CLARITA COMMUNITY COLLEGE DISTRICT
2021-2022 FISCAL YEAR

The District is pleased to deliver the Independent Citizens' Bond Oversight Committee's 2022 Annual Report to the Santa Clarita Valley. This Annual Report includes an overview of the Region and District Service Area, an explanation of the Independent Citizens' Bond Oversight Committee, highlights of the Committee activities, Measure E funding and capital projects, bond projects active in 2021-2022, and a summary to the bond performance and financial audits.

ABOUT THE DISTRICT

REGION

The Santa Clarita Valley (SCV) includes the communities of Saugus, Valencia, Canyon Country, Newhall, Stevenson Ranch, Castaic, Val Verde, and Agua Dulce. This valley, surrounded by scenic mountain ranges, is the northern gateway to Los Angeles County. Santa Clarita is the third largest city in Los Angeles County, exceeded in number only by Long Beach and the largest city, Los Angeles. Santa Clarita enjoys a lower density of population, with space for significant expansion. This is a stark contrast to most cities in the Los Angeles basin, where people and companies are simply running out of room. The area is characterized by many canyons that generally run in a north-south direction and slope upward toward the north. The valleys are fertile and once supported agriculture while they are now the location for rapidly growing housing and commercial development. Many of the almost 300,000 residents commute each day to the Antelope and San Fernando valleys and south into the Los Angeles basin.

DISTRICT SERVICE AREA

Changes and significant progress have occurred throughout the SCV over the decades while College of the Canyons (COC)/Santa Clarita Community College District (SCCCD) has been propelled forward by a combination of the community's growth and the unwavering vision of the leadership to transform it into the best community college district in the country. The Santa Clarita Community College District serves a geographic area of 520 square miles in the northwest portion of Los Angeles County in an area known as the Santa Clarita Valley. The district is south of the Sierra Pelona and north of the San Gabriel and Santa Susanna mountain ranges and borders Ventura County. The district is 40 miles north of Los Angeles International Airport, north of the San Fernando Valley and 30 miles east of the Pacific Ocean.

The Valencia campus of College of the Canyons is 34 miles north/northwest of downtown

Los Angeles. The 153.4-acre Valencia Campus already includes 825,000 of gross square feet with more than 560,000 square feet in dedicated learning space. Going forward, more space will be provided through a variety of projects before the Valencia campus reaches its final build-out capacity.

Prior to July 2021, the Canyon Country Campus contained 56,000 gross square feet, with more than 49,000 assigned square feet of dedicated learning space. Since then, the campus has tripled, adding 55,000 GSF with the completion of the Takeda Science Center (opened July 2021) and another 55,000 GSF in the Student Services/Learning Resource Center (opened December 2022) for a total of 166,000 GSF. The next major project on that campus will be a 25,000 GSF Public Health/Science building, which is currently in the programming phase.

INTRODUCING THE INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE

California Proposition 39, known as the School Facilities Local Vote Act, passed November 7, 2000. Prop 39 **reduced** the threshold needed to pass local California school district bond issues from a **two-thirds supermajority vote to a 55 percent vote**. California Education Code Section 15278 establishes requirements for an Independent Citizens' Bond Oversight Committee to be established when bond measures are passed under Prop 39. This committee, comprised of local residents, have the main charge of informing the public of how their bond dollars are spent and ensure expenses are in line with the approved ballot language.

The California Education Code specifies requirements of at least seven Committee members to serve for a term of three years (and no more than three consecutive terms).

- Members shall serve without compensation.
- The Committee shall be comprised of at least:
 - one member active in a business organization representing the business community located within the district;
 - one member active in a senior citizens' organization;
 - one member active in a bona fide taxpayer's organization;
 - one student both currently enrolled in District and active in a campus group (the student may serve up to six months after his or her graduation);
 - one member active in the support and organization of a district (such as a member of the advisory community college committee or the COC Foundation);
 - and two members of the community at-large.

No employee, official, vendor, contractor, or consultant of District shall be appointed to the Committee.

The Independent Citizens’ Bond Oversight Committee:

- Actively reviews and reports on the expenditure of taxpayers’ money for construction to ensure the bond funds are spent in accordance with the provisions of the Bond and is accountable to the public.

The purpose of the Independent Citizens’ Bond Oversight Committee is to provide oversight for the bond program, transparency, and communication with the public about bond expenditures. ***It does not have authority to choose, prioritize, or direct bond projects.*** During the 2021-2022 fiscal year, the Committee was comprised of eight appointed members, including a chairperson. District staff provide technical and administrative assistance to the Committee.

Position	Name
Chair (Auxiliary Organization - COC Foundation)	Kevin Holmes
(Senior Citizens’ Organization)	Barbara S. Cochran
(Bona-Fide Taxpayers’ Organization)	Calvin Hedman
(Business Organization)	Don Kimball
(Community At Large)	Michael Hogan
(Community At Large)	Spencer Leafdale
(Community At Large)	Michael Lebecki
Associated Student Government Representative	Stephanie Smith

COMMITTEE ACTIVITIES - 2022

The Committee convened and participated in several key activities central to their main charge, including reviewing program expenditures and annual audits and providing feedback to the Annual Report. The Independent Citizens’ Bond Oversight Committee met on two dates during the 2021-2022 fiscal year. Proceedings of Independent Citizens’ Bond Oversight Committee meetings included:

- Review and Accept of Financial and Performance Audits
- Review Life-to-Date Expenditures Reports
- Review and Affirm District’s Compliance with Requirements
- Review and Revise Committee Bylaws
- Review Roles and Responsibilities
- Review Committee Membership
- Discussions with Bond Counsel and Consultants to:
 - Review Bond Issuance Process
 - Review Bond Pricing Process
 - Review Project Status Reports

MEASURE E FUNDING AND CAPITAL PROJECTS

Measure E General Obligation Bonds were authorized in an election held on June 7, 2016. The election approved the issuance of \$230 million of general obligation bonds. Measure E passed with 58.46 percent voter approval. Measure E funds were approved to complete and remodel the Valencia Campus and provide funding for new Canyon Country Campus permanent buildings.

- The first issuance occurred in April 2017 in the amount of \$50,000,000.
- The second issuance occurred in August 2019 in the amount of \$85,000,000.
- The third issuance occurred in November 2022 in the amount of \$70,000,000.
- There is \$25,000,000 available for future issuances as needed.

The below are Measure E Projects that are currently in progress:

- ADA Transition Plan Phase 2
- Boykin Hall Modernization Phase 2
- Canyon Country Campus Student Services/Learning Resource Center
- CCC – Modernization (HVAC & Modulars)
- Multi-Cultural Center

The below are Measure E Projects planned for the future:

- Advanced Technology Building
- Canyon Country Health Science Building
- CCC Facilities Building Warehouse/Loading
- Student Center Modernization
- Student Support Replacement (Nursing)

The below are Measure E Projects that have been Completed:

- ADA Transition Plan Phase 1
- Bonelli Cooling Tower Replacement
- Boykin 105 Remodel
- Cafeteria Remodel
- Canyon Country Campus Central Plant
- Canyon Country Campus Modernization
 - 302 Food Service Modernization
 - HVAC
 - Modular Upgrades
 - Signage Project
- Canyon Country Campus Science/Lecture Building
- Parking Structure Valencia Campus

- PE West Modernization
- Pico Hall Dance Floor
- Repairs and Modernization Projects
 - Bloom Fuel Cell Project
 - Bonelli Lower Level
 - Emergency System Repairs (CCC)
 - Hasley Atrium Fireproofing
 - Pool Chemical Room Ventilation
 - Towsley HVAC Energy Upgrades
 - Valencia ECE Roofing
- Secondary Effects
 - Student Business Office Remodel
- Site Improvements
 - Door & Lock Replacement Phase 2
 - Gas Station Project
 - LED Lighting Energy Upgrades
 - Parking Lot 7 Utilities
 - Towsley HVAC Energy Upgrades
- Upper Practice Field Improvements

BOND PROJECTS ACTIVE IN 2021-2022

The projects summarized in the table below were begun, in process, or completed in the 2021-2022 fiscal year using money from Measure E General Obligation Bonds.

Project	2021-2022 Expenditures	LTD Cost as of 06/30/22*
Student Services Learning Resources Bldg. (CCC) , Const. & Equip.	\$ 16,771,275	\$ 30,253,617
Science Lecture Bldg. (CCC), Construction & Equipment	\$ 1,839,640	\$ 39,467,612
Equipment - Computer Replacement/Audio Visual	\$ 822,446	\$ 2,003,748
Central Plant (CCC)	\$ 531,627	\$ 7,846,779
Facilities Master Planning	\$ 394,200	\$ 405,000
ADA Transition Plan, Phases 1 & 2, Construction & Equip	\$ 215,404	\$ 4,705,876
Boykin Hall Modernization Phase 2, Construction & Equipment	\$ 192,172	\$ 1,007,828
Scheduled Maintenance - Misc.	\$ 152,171	\$ 335,282
Pico Hall Sound Studio	\$ 147,264	\$ 147,264
Bonelli Hall Cooling Tower	\$ 145,249	\$ 363,563
Equipment - Modernization	\$ 123,307	\$ 651,057
Modernization - Misc.	\$ 69,022	\$ 109,725
Parking Lot 7 Utilities	\$ 45,174	\$ 1,002,411
CCC - Signage	\$ 17,047	\$ 20,707
Project Management Services/Other Expenses	\$ 11,300	\$ 1,296,056
CCC – Sculptures	\$ 6,388	\$ 6,388
Bloom Fuel Cells	\$ 6,211	\$ 69,131
Valencia Shade Structures 2022	\$ 4,864	\$ 4,864
Tick Canyon Fire Clean Up	\$ (8,356)	\$ 1,094,219
Total FY 2021-2022 Bond Expenditures	\$ 21,486,405	\$ 90,791,127

**Please note that these Life-to-Date (LTD) expenditures only reflect those projects with activity in FY 2021-2022 and not the total LTD bond expenditures.*

CANYON COUNTRY STUDENT SERVICES LEARNING RESOURCES BUILDING

This structure is a 55,000 square-foot mirror building to the Science/Lecture Building. It will house Admissions and Records, Financial Aid, Counseling, Student Health, EOPS, Career Center, DSPS, CalWORKS, Veterans, Student Business Office, Library, TLC, Switchboard, Reprographics, Tech Center, Classrooms and Staff offices. The project began in November 2020.



Furniture installation began October 17, 2022 and was completed November 25, 2022 – at which time the District took full occupancy of the building.

CANYON COUNTRY SCIENCE/LECTURE BUILDING

This is a new 55,000 square foot building that houses 24 Faculty Offices, 8 Lecture Rooms, 2 Computer Labs, and 8 new laboratory classrooms for Chemistry, Biology, Anatomy & Physiology, Zoology, Botany, Marine Biology, Physics, Environmental Science and Astronomy complete with fume hoods, lab service rooms, and state of the art equipment. The building was completed July 1, 2021 and opened for instruction on August 23, 2021.



CANYON COUNTRY CENTRAL PLANT

This project, which provides all HVAC heating and cooling for the buildings, was completed on July 1, 2021.



ADA TRANSITION PLAN (MODERNIZATION AND SITE UPGRADES)

The first phase of the overall ADA Transition Plan project included upgrading all the entry/exits, so they are accessible according to the ADA guidelines. This was completed March 1, 2021.

Phase 2 of the Plan, which includes all exterior remediation and improvements, began October 17, 2022 and is expected to be completed April 2023.



Phase 3 of the Plan, which includes restrooms, has begun the investigation phase. Once the items on the Transition Plan have been confirmed, drawings will be rendered and sent to the DSA. Afterwards, construction will commence. This is an intensely detailed project, and we expect to start construction in early 2024.

BOYKIN HALL MODERNIZATION PHASE 2

This project will include a full seismic retrofit of the building, a complete modernization of all three floors, and ADA compliant upgrades to the adjacent restrooms and elevator. The state has approved funding for 50% of the design and construction costs of this project.



Abatement of the 1970's-constructed building has been completed and the demolition and the seismic retrofitting has started. The current schedule reflects a Fall 2023 completion.

MISCELLANEOUS REPAIRS AND MODERNIZATION PROJECTS, DISTRICTWIDE

These funds covered a variety of projects to keep the district up-to-date and functional. The planned projects included:

CCC – Early Childhood Education - Tick Canyon Fire Repairs

The project punch list has been created and final work items are being completed. Furniture has been delivered and set up.



The ECE Department is completing its assessment, which includes anticipated additional items necessary to meet future accreditation requirements.

Chiller and Boiler Maintenance

Ongoing maintenance to keep the Chiller and Boiler up-to-date and functional.



Pico Hall Sound Studio

This project modernizes Pico 107 from a lecture room into a state-of-the-art sound studio, which resulted from the Program Viability process. The project will be completed and ready for occupancy November 7, 2022.



BONELLI HALL COOLING TOWER

This project replaced the existing cooling tower at the Central Plant Bonelli roof. The cooling tower was originally installed in 1994. The life cycle of a cooling tower is 15 to 20 years. Using exceptional levels of maintenance, we preserved the functionality of the cooling tower well beyond its expected useful life. The project was completed in October 2021.

CANYON COUNTRY MODERNIZATION (HVAC & MODULARS)

As part of the modernization of District facilities, we developed plans and specifications for the replacement of HVAC systems for the modular classroom buildings at the Canyon Country Campus. This project included replacing the current wall mounted HVAC units with mini-split heat pump units, which are infinitely quieter and more efficient than the current units. The project was completed in September 2021.



CCC – 302 FOOD SERVICE MODERNIZATION (CAFÉ)

The CCC Café relocation includes a new food prep area, power upgrades, tile flooring, LED lighting, a HVAC upgrade, a service counter, and new casework and equipment. The work in the new café is complete, and once health inspections are performed, it will be open for students when they arrive back on campus.

COUNSELING – 2ND FLOOR CANYONS HALL

This project will demo the entire Counseling office space in Canyons Hall, and be rebuilt to better utilize the existing space to better accommodate student counseling needs.

The User Group met to review the Preliminary Plans in late October of 2022. After the User Group has completed their work, Working Drawings will be created and sent to the DSA. Afterwards, construction will commence. We are anticipating a start date of late summer/early Fall 2023 and a 6-month duration.

MULTI-CULTURAL CENTER

College of the Canyons has been preparing for a Multi-Cultural Center for many years. In 2020/2021, students and employees came together to see how we could open the Multi-Cultural Center. A group of 90+ employees and students, worked together to determine the needs of a Multi-Cultural Center. They determined we could open a Multi-Cultural Center virtually until a physical space could be established.



The Multi-Cultural Center opened virtually in November 2021. As we now turn to opening a physical space, we recognize there are many needs to opening a successful Multi-Cultural Center. The Multi-Cultural Center (MCC) will serve as:

- A resource for the campus community, while placing the experiences of diverse and historically minoritized and marginalized groups at the center.
- A dynamic learning space with deliberate programming and opportunities to

support all members of COC with the goal of increased diversity, equity, and inclusion.

- A place to meet, build community, and serve as another access point/bridge to existing resources.

In collaboration with constituents across the district, the Multi-Cultural Center will be home to many alliance groups, the Undocucenter, group workshops, events, meeting rooms, open study space, college and community trainings, counseling services and student services.

Construction of the Multi-Cultural Center began October 12, 2022 and is scheduled to be completed in February 2023.

CANYON COUNTRY MODERNIZATION (SIGNAGE PROJECT)

The replacement of all non-conforming-to-district-standard exterior signage began in August 2022 and was completed in November 2022.

SUMMARY OF MEASURE E AUDIT

This year's General Obligation Bond Financial and Performance audits were performed by Eide Bailly, LLP the week of October 31, 2022. Each year, the District provides the auditors with the parameters for the Performance Audit - below.

FINANCIAL STATEMENT SUMMARY:

The Financial Audit affirms that the financial statements present fairly, in all material respects, the financial position of the Measure E General Obligation Bonds as of June 30, 2022:

- There were no findings or questioned costs;
- There were no audit adjustments;
- An unmodified opinion was issued, which is the best rating possible.

The audit confirms the June 30, 2022 General Obligation Bond totals in the District's books and records:

Beginning Fund Balance – Construction Fund 45	\$ 59,109,174
Local Revenues (Interest Earned)	\$ 313,282
Change in FMV of Cash Held by LA County Treasury	\$ (1,336,403)
Less Expenditures	\$ (21,486,406)
Ending Fund Balance	\$ 36,599,647

PERFORMANCE AUDIT SUMMARY:

The results of the Performance Audit confirmed that ***Measure E General Obligation Bond funds were appropriately spent on specific projects approved by the voters (see page 14)***. The auditors performed seven procedures to fulfill the Performance Audit requirements included in Proposition 39 and the California Constitution. These procedures confirmed the following:

1. The District properly accounted for the bond funds separately in the accounting records. The District expended \$21,486,405 of General Obligation Bond funds in 2021-2022, for a total of \$104,176,027 since the inception of the bonds.
2. The District followed approved appropriate procedures related to disbursement of Measure E funds. The Auditors tested 71% of all expenditures incurred and reviewed the associated purchase orders, approved invoices, bid documentation, contracts, and budgets.
3. The District appropriately charged all expenditure in accordance with the voter-approved bond project list and all expenditures and contracts and bids were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
4. The District's planned capital improvement projects are detailed on page 19 of the audit report for an estimated total of \$287 million. These projects are projected to

be funded with \$143 million in Measure E General Obligation Bond funds, and \$144 million in contributions from other sources, primarily Measure M General Obligation Bond funds.

5. As of June 30, 2022, the following Measure E General Obligation Bond funds available:

GO Bond Proceeds to Date	\$ 138,831,068
Interest Income	<u>\$ 3,641,890</u>
Subtotal- Available Funds	\$ 142,472,958
Expenditures to Date	<u>\$ (104,176,027)</u>
Planned for Expenditure	\$ 38,296,931

WHAT IS A GENERAL OBLIGATION BOND?

General obligation bonds fund projects such as the renovation of existing classrooms and school facilities, as well as construction of new schools and classrooms. Similar to a home loan, general obligation bonds are typically repaid over 30 years. The loan repayment comes from a tax on all taxable property – residential, commercial, agricultural and industrial – located in the District.

WHAT IS THE INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE AND WHY DOES IT MATTER TO ME?

As required by Education Code Section 15278, the District appoints a committee of local residents, whose main charge is to inform the public about how the bond dollars are being spent. The Committee, known as the Independent Citizens' Bond Oversight Committee, actively reviews and reports on the expenditure of taxpayer's money for school construction to ensure that bond funds are spent in accordance with the provisions of the bond. The Committee is comprised of volunteers who represent specific constituencies, including senior citizens, businesses, or the community-at-large. This additional oversight is important because you pay for these bonds as part of your property taxes.

HOW CAN I BE SURE THAT GENERAL BOND OBLIGATION FUNDS WILL BE SPENT ON IMPROVING OUR SCHOOLS?

Each year, a fiscal and performance audit of bond expenditures is conducted. The audits verify that SCCCD complied in all material respects with bond measure requirements to expend proceeds only on the school facilities

projects specified in the bond measure legislation. The Independent Citizens' Bond Oversight Committee is responsible for reviewing the audit reports and is required to present this information to the public each year.

CAN BOND FUNDS BE USED FOR TEACHER OR ADMINISTRATIVE SALARIES?

No. Only personnel working directly for the bond program are charged to the bond. To manage and coordinate a construction project to completion, personnel are needed to monitor contracts and project funding, oversee construction progress, and perform overall project management and accounting. Bond funds cannot be used to pay teacher or site administrator salaries, pensions or benefits. The annual fiscal and performance audit of the bond measures reviews all personnel charged to the bond and verifies that they are charged properly and meet state requirements.

DOES THE INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE OVERSEE THE ACTUAL CONSTRUCTION?

No. The District's Assistant Superintendent/Vice President of Facilities oversees the construction.

HOW ARE CONSTRUCTION MANAGEMENT, ARCHITECTS/ ENGINEERS, CONTRACTORS AND PROFESSIONAL CONSULTANTS FOR BOND PROJECTS SELECTED?

District administration defines specific requirements, and then solicits proposals from qualified companies willing to work on a project. Contract award recommendations are made to the Board of Trustees for final approval.

WHY DO THE COSTS OF THE PROJECTS OFTEN FLUCTUATE FROM THE ORIGINAL ESTIMATED COSTS?

Construction costs change depending on the cost of materials and the current economy. When the prices of raw materials such as steel or copper wiring rise, it can dramatically increase the cost of the project. In addition, if there are many construction projects underway in the area, it can result in strained labor resources and bids tend to come in higher. Recently the occurrence of many natural disasters in our local area, as well as nationally, have dramatically affected the availability of labor and materials, which create spikes in construction costs and schedules.