



2020 Annual Report of the Independent Citizens' Bond Oversight Committee

SANTA CLARITA
COMMUNITY COLLEGE DISTRICT

2019-2020 FISCAL YEAR

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2020 ANNUAL REPORT OF THE INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE

SANTA CLARITA COMMUNITY COLLEGE DISTRICT
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REGION:

The Santa Clarita Valley (SCV) includes the communities of Saugus, Valencia, Canyon Country, Newhall, Stevenson Ranch and Castaic. This valley, surrounded by scenic mountain ranges, is the northern gateway to Los Angeles County. Santa Clarita is the fourth largest city in Los Angeles County, exceeded in number only by Glendale, 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 367 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. While 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.

The Canyon Country Campus currently has 56,000 assigned square feet, with more than 49,000 assigned square feet of dedicated learning space. With current expansion of the permanent campus now underway, using funds from Measure E, the campus is expected to triple in size over the next five years.

The District is pleased to deliver the Independent Citizens' Bond Oversight Committee's

2020 Annual Report to the Santa Clarita Valley. This Annual Report includes a response to the bond performance and financial audits.

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 15728 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 two 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;

- is accountable to the public; and
- **is not under the authority of SCCCD Board.**

The Independent Citizens' Bond Oversight Committee's purpose is oversight of 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 2019-2020 fiscal year, the Committee was comprised of ten appointed members, including a chairperson. District staff provide technical and administrative assistance to the Committee.

Position	Name
Chair (COC Foundation)	Nicholas Lentini
(Senior Citizens' Organization)	Barbara S. Cochran
(Bona-Fide Taxpayers' Organization)	Calvin Hedman
(Business Organization)	Don Kimball
(Community At Large)	Michael Hogan
(Community At Large)	Kevin Holmes
(Community At Large)	Spencer Leafdale
(Community At Large)	Michael Lebecki
(Community At Large)	Ruthann Levison
Associated Student Government Representative	Sebastian Cazares

COMMITTEE ACTIVITIES - 2020

The Committee convened and participated in several key activities central to their main charge, such as preparing the Annual Report and reviewing program expenditures and annual audits. The Independent Citizens' Bond Oversight Committee met on two dates during the 2019-2020 fiscal year. Proceedings of Independent Citizens' Bond Oversight Committee meetings included:

- Review and Acceptance of Financial and Performance Audits
- Review and Affirming District's Compliance with Requirements
- Review and Revision of Committee Bylaws
- Review of Roles and Responsibilities
- Review of Committee Membership
- Discussions with Bond Counsel and Consultants
- Review of Life-to-Date Expenditures Reports
- Review of Bond Issuance Process
- Review of Bond Pricing Process

- Review of Project Status Reports

ABOUT MEASURE E

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.
- There is \$95,000,000 available for future issuances as needed.

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

- Canyon Country Campus Science/Lecture Building
- Canyon Country Campus Student Services/Learning Resource Center
- Canyon Country Campus Central Plant
- ADA Transition Plan
- Bonelli Cooling Tower Replacement
- CCC – Early Childhood Education - Tick Canyon Fire Repairs
- Cafeteria Remodel
- Chiller and Boiler Maintenance
- Canyon Country Modernization
 - HVAC
 - CCC – 302 Food Service Modernization
 - CCC – Modular Upgrades
- PE West Modernization
- Boykin Hall Modernization Phase 2

The below are Measure E Projects Planned for the Future:

- Canyon Country Instructional Building
- Student Center Modernization - Valencia
- Towsley Modernization
- Seco Modernization
- M&O Warehouse/Support Buildings
- Health Professions Building

The below are Measure E Projects that have been Completed:

- Parking Structure Valencia Campus
- Upper Practice Field Improvements
- Repairs and Modernization Projects
 - Pool Chemical Room Ventilation
 - Hasley Atrium Fireproofing
 - Valencia ECE Roofing
 - Emergency System Repairs (CCC)
 - Bloom Fuel Cell Project
 - Bonelli Lower Level
 - Towsley HVAC Energy Upgrades
- Site Improvements
 - LED Lighting Energy Upgrades
 - Parking Lot 7 Utilities
- Secondary Effects
 - Student Business Office Remodel
- Boykin 105 Remodel
- Door & Lock Replacement Phase 2

BOND PROJECTS ACTIVE IN 2019-2020

The projects summarized in the table below were begun, in process, or completed in the 2019-2020 fiscal year using money from Measure E General Obligation Bonds.

Project	2019-2020 Expenditures	LTD Cost as of 06/30/20*
Science Lecture Bldg. (CCC), Construction & Equipment	\$ 13,327,620	\$ 29,280,077
PE West Modernization, Construction & Equipment	\$ 3,825,391	\$ 5,538,091
Student Services Learning Resource Bldg. (CCC)	\$ 2,116,701	\$ 3,628,963
ADA Transition Plan, Phases 1 & 2, Construction & Equip	\$ 1,356,851	\$ 4,151,903
Central Plant (CCC)	\$ 784,874	\$ 6,950,270
CCC - Quad Modernization (HVAC)	\$ 704,932	\$ 767,347
Equipment - Computer Replacement/Audio Visual	\$ 566,817	\$ 857,381
Door & Lock Replacement Phase 2	\$ 450,017	\$ 913,708
Parking Structure Valencia	\$ 245,575	\$ 23,909,018
Project Management Services/Other Expenses	\$ 177,765	\$ 1,604,125
Valencia ECE Roofing	\$ 170,088	\$ 170,088
CCC - 302 - Food Service Modernization, Construction & Equip	\$ 165,487	\$ 165,487
Equipment - Network	\$ 151,846	\$ 1,167,368
Pool Filter & Equipment Room Repair	\$ 129,486	\$ 208,870
Student Business Office Remodel, Construction & Equipment	\$ 116,186	\$ 128,385
Bonelli Hall Modernization	\$ 70,867	\$ 70,867
VLC Cafeteria Modernization	\$ 55,675	\$ 55,675
Equipment - Modernization	\$ 46,739	\$ 119,461
Towsley Prop 39 HVAC	\$ 38,119	\$ 49,668
Boykin Hall Modernization Phase 2	\$ 35,247	\$ 35,247
Bloom Fuel Cell	\$ 30,077	\$ 62,920
CCC - Modular Upgrades	\$ 28,734	\$ 28,734
Bonelli Hall Cooling Tower	\$ 24,255	\$ 24,255
Tick Canyon Fire Clean Up	\$ 23,998	\$ 23,998
Arts & Lecture Bldg. (CCC)	\$ 8,195	\$ 78,195
Scheduled Maintenance	\$ 1,200	\$ 1,805,453
Student Center Modernization	\$ 45	\$ 45
Modernization - Miscellaneous	\$ -	\$ 2,482,485
Total FY 2019-2020 Bond Expenditures	24,652,787	84,278,085

**Please note that these Life-to-Date (LTD) expenditures only reflect those projects with activity in FY 2019-2020 and not the total LTD bond expenditures.*

CANYON COUNTRY SCIENCE/LECTURE BUILDING

This new 55,000 square foot building will house:

- 24 Faculty Offices
- 8 Lecture Rooms
- 2 Computer Labs

- 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

Final Working Drawings were submitted to the Division of the State Architect (DSA) on January 28, 2017. DSA began their review in March 2017, and at the end of November 2017, the District received DSA approvals.

Concrete benches and the stone embeds at the amphitheater located in between the Science Building and the future Student Services/Learning Resource Building are complete. The concrete stairs, columns and trellis structure are complete as well. Next up on the site is the concrete flatwork and the landscape/irrigation work.

Most of the work within the Science Building is complete. Contractors are currently working on and installing the lighting and architectural specialties. The casework for the labs, lab service, and common areas are being installed as well. Next up on the interior of the building is the delivery and installation of the fume hoods followed by the flooring.

The exterior wall panels, storefront glass and doors are near 100% completion. The contractors installing the HVAC equipment on the roof and throughout the Science building are nearly complete and ready for startup of the systems.

This 20-month construction schedule had to overcome a few speed bumps, but now the District is on track to open the building for students in time for the Fall 2021 Semester.



CANYON COUNTRY CENTRAL PLANT

The building structure is complete and watertight, while plumbing, electrical, mechanical and controls contractors have completed the equipment installation.

The testing and flushing out of the Central Plant systems has been completed. The Central Plant is now ready for startup once the Science Building HVAC systems are able to put a load on the system.



ADA TRANSITION PLAN (MODERNIZATION AND SITE UPGRADES)

The first phase of the overall ADA Transition Plan project includes upgrading all of the entry/exits so they are accessible according to the ADA guidelines.

Plans for this phase were submitted to DSA in June 2016, and approval was received February 21, 2018 (20-month turnaround).

Phase I of the ADA Plan to remove all barriers within each building is substantially complete and Phase II of the transition plan has already begun. The original project schedule was delayed with the uncovering of some heretofore-concealed conditions in a few of the entryways, which required additional design and construction time.

Phase II of the overall ADA Transition Plan construction project will include modifications to parking areas and site paths of travel. The plans for the scope of work were submitted to the State Architect in Fall 2020.

The third and final phase of the ADA Transition Plan will include restroom and public space modifications, and will immediately follow Phase II.

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:

Bonelli Cooling Tower Replacement

This project will replace 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 15-20 years. The District, using exceptional levels of maintenance, has been able to preserve the functionality of the cooling tower well beyond its expected useful life; however, it is now time to replace the existing cooling tower.

CCC – Early Childhood Education - Tick Canyon Fire Repairs

The architect and engineering contracts have been issued. The consultants are preparing the drawings required by DSA. The drawings were submitted on May 15, 2020. Once the District receives DSA approval, we will bid, award contracts and commence construction.

Cafeteria Remodel

An additional location has been created for the Coffee Kiosk-operated coffee service. Now available in the Valencia campus' Cafeteria, the café space was renovated to meet the latest health code standards and involved upgrading the space with new flooring, plumbing, equipment, and a custom-built counter. This space is completed and has received Health Department final approvals. The District plans to be operational and open for business when the campus returns to face-to-face operations.

CANYON COUNTRY STUDENT SERVICES ADMINISTRATION/LEARNING RESOURCES BUILDING

Planning has been completed and the construction documents were submitted to DSA on September 18, 2018. Comments were received back from the state architect and addressed by the District's design team. The revised plans were re-submitted to DSA. Our planning and design efforts paid off, and in December 2019, we received DSA approval to start the bid process.

The approved plans, specifications and bid documents were issued to potential bidders in late December and the bid opening was held on February 13, 2020. Contracts were awarded at the March 11th Board meeting, and we broke ground on March 20, 2020 with some help from the Chancellor, who drove the tractor to remove the existing structure! The construction phase is expected to last 20 months.

This mirror image of the 55,000 square foot Science/Lecture Building will house administrative offices, Health & Wellness Center, Learning Center, Library and Canyons Extension.

To make way for the project to begin, a temporary retention wall/shoring was installed on the south side of the amphitheater. This made way for the earthwork and grading for the footprint of this new structure/building and is now complete. Footings for the structural

concrete have been dug, the steel rebar cages have been dropped in to the trenches, and we are almost ready to pour concrete. Underground utility piping and conduit have also been installed below the future concrete slab of the building.



CANYON COUNTRY MODERNIZATION

HVAC

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 includes replacing the current wall mounted HVAC units with mini-split heat pump units, which are infinitely quieter and more efficient than the current units. We received DSA approval and the project was publicly bid and awarded in December 2019. Work began immediately during Winter intersession, will continue through the Spring semester, so it is ready for students when they return to our campuses as permitted by the Los Angeles County Department of Health.



CCC – 302 Food Service Modernization

The existing Café building at the Canyon Country campus falls within the new Student Services Building footprint and was demolished during the groundbreaking. In order to keep food and coffee services, the District is relocating the café to CCC 303.

The CCC Café relocation includes a new food prep area, power upgrades, tile flooring, LED lighting, HVAC upgrade, service counter, new casework and equipment. The new café will be complete in Spring 2020 and will be open for students when they arrive back on campus.

VALENCIA PE WEST MODERNIZATION

The District completed the planning and working drawing phases of the project, and received DSA approval in January, 2019. The project was bid, and contracts were awarded in February. Construction began the first of March 2019.

All finishes will be replaced and/or updated and a few areas in the building are being repurposed to accommodate the instructional programs needs of various academic departments.

A majority of the work has been completed. This includes: new and remodeled office space, updated lobby restrooms, new ceilings, refinished gym floor, and re-stripping/new logo for the main gym floor.

The small gym has been remodeled for dance, which used to be located in WPEK 110. The new dance space has a built in storage area, new finishes and a high ceiling. The remaining items left to be completed in this space include a new dance floor and installation of the mirrors that were salvaged from their previous location.

The ceiling tiles and a few finishes will complete the 3 added classroom spaces located in the old WPEK 110. Flooring and finishes in the lower level offices and corridors will complete the scope for those areas. Also, the finishing touches and new restroom fixtures will be installed in the locker rooms.

The project was substantially complete at the start of Spring 2020 and is awaiting final approval and closeout from the State Architect



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, approximately \$4,800,000.

The preliminary design was submitted and approved by the state chancellor's office. Now that the preliminary design is approved, the architect began the development of the Construction Design documents. Facilities and the design team met with the Boykin faculty and staff one last time to go over the specific details of the project in early September. Once the architect was armed with all the final design information, they completed the construction documents, which were submitted to DSA in mid-October.

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 26, 2020. 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, 2020 (see page 2):

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

The audit confirms the June 30, 2020 General Obligation Bond totals in the District's books and records:

Beginning Fund Balance – Construction Fund 48	\$ 18,622,786
Local Revenues (Interest Earned)	\$ 1,352,180
Other Financing Sources – Proceeds from Issuance of Bonds	\$ 85,331,500
Less Expenditures	<u>\$(25,254,290)</u>
Ending Fund Balance	\$ 80,052,176

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 22).*** The auditors performed five 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 \$25,254,290 of General Obligation Bond funds in 2019-2020, for a total of \$61,702,863 since the inception of the bonds.
2. The District followed approved appropriate procedures related to disbursement of Measure E funds. The Auditors tested 39% of all expenditures and reviewed the associated purchase orders, approved invoices, bid documentation, contracts, and budgets.
3. The District appropriately charged one employee's salary and benefits to General Obligation Bond funds, as that employee provided direct oversight to Measure E

projects. A schedule was prepared of all costs incurred in Fiscal Year 2019-20 as well as inception-to-date expenditures.

4. The District's planned capital improvement projects are detailed on page 21 for an estimated total of \$287 million. These projects are projected to be funded with \$142 million in Measure E General Obligation Bond funds, and \$145 million in contributions from other sources, primarily Measure M General Obligation Bond funds.
5. As of June 30, 2020, the following Measure E General Obligation Bond funds available:

GO Bond Proceeds to Date	\$ 138,831,065
Interest/Revenue from Other Sources	<u>\$ 2,923,974</u>
Subtotal- Available Funds	\$ 141,755,039
Expenditures to Date	<u>\$(61,702,863)</u>
Planned for Expenditure	\$ 80,052,176

INTERNAL CONTROLS REPORT SUMMARY:

No adjustments, audit findings, or questioned costs were noted on either the Financial or Performance Audits, and it was confirmed that bond funds have been spent appropriately. An unmodified opinion was issued, which is the best rating possible.

FAQ'S

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