SANTA CLARITA COMMUNITY COLLEGE DISTRICT

Annual Report of the Independent Citizens’ Bond Oversight Committee

2020-2021 FISCAL YEAR
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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 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 229,000 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 boarders 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 three years.

The District is pleased to deliver the Independent Citizens’ Bond Oversight Committee’s 2021 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 2020-2021 fiscal year, the Committee was comprised of eight appointed members, including a chairperson. District staff provide technical and administrative assistance to the Committee.

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair (COC Foundation)</td>
<td>Kevin Holmes</td>
</tr>
<tr>
<td>(Senior Citizens’ Organization)</td>
<td>Barbara S. Cochran</td>
</tr>
<tr>
<td>(Bona-Fide Taxpayers’ Organization)</td>
<td>Calvin Hedman</td>
</tr>
<tr>
<td>(Business Organization)</td>
<td>Don Kimball</td>
</tr>
<tr>
<td>(Community At Large)</td>
<td>Michael Hogan</td>
</tr>
<tr>
<td>(Community At Large)</td>
<td>Spencer Leafdale</td>
</tr>
<tr>
<td>(Community At Large)</td>
<td>Michael Lebecki</td>
</tr>
<tr>
<td>Associated Student Government Representative</td>
<td>Janette Mireles</td>
</tr>
</tbody>
</table>

**COMMITTEE ACTIVITIES - 2021**

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 2020-2021 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
 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:

- Boykin Hall Modernization Phase 2
- Canyon Country Campus – Early Childhood Education – Tick Canyon Fire Repairs
- Canyon Country Campus Student Services Learning Resources Building
- Chiller and Boiler Maintenance
- Pico Hall Sound Studio

The below are Measure E Projects Planned for the Future:

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

The below are Measure E Projects that have been Completed:

- ADA Transition Plan
- 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
The projects summarized in the table below were begun, in process, or completed in the 2020-2021 fiscal year using money from Measure E General Obligation Bonds.

<table>
<thead>
<tr>
<th>Project</th>
<th>2020-2021 Expenditures</th>
<th>LTD Cost as of 06/30/21*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Services Learning Resources Bldg. (CCC), Const. &amp; Equip.</td>
<td>$ 9,853,379</td>
<td>$ 13,482,341</td>
</tr>
<tr>
<td>Science Lecture Bldg. (CCC), Construction &amp; Equipment</td>
<td>$ 8,347,895</td>
<td>$ 37,627,972</td>
</tr>
<tr>
<td>CCC - Quad Modernization (HVAC)</td>
<td>$ 446,012</td>
<td>$ 1,213,359</td>
</tr>
<tr>
<td>Boykin Hall Modernization Phase 2, Construction &amp; Equipment</td>
<td>$ 383,410</td>
<td>$ 815,657</td>
</tr>
<tr>
<td>Central Plant (CCC)</td>
<td>$ 364,883</td>
<td>$ 7,315,152</td>
</tr>
<tr>
<td>ADA Transition Plan, Phases 1 &amp; 2, Construction &amp; Equip</td>
<td>$ 338,569</td>
<td>$ 4,404,568</td>
</tr>
<tr>
<td>Equipment - Network</td>
<td>$ 330,687</td>
<td>$ 941,587</td>
</tr>
<tr>
<td>Bonelli Hall Cooling Tower</td>
<td>$ 194,060</td>
<td>$ 218,315</td>
</tr>
<tr>
<td>Equipment - Computer Replacement/Audio Visual</td>
<td>$ 141,687</td>
<td>$ 1,181,302</td>
</tr>
<tr>
<td>Scheduled Maintenance - Misc.</td>
<td>$ 125,261</td>
<td>$ 183,111</td>
</tr>
<tr>
<td>Project Management Services/Other Expenses</td>
<td>$ 99,787</td>
<td>$ 1,971,356</td>
</tr>
<tr>
<td>Modernization - Misc.</td>
<td>$ 71,751</td>
<td>$ 576,555</td>
</tr>
<tr>
<td>Student Center Modernization</td>
<td>$ 54,000</td>
<td>$ 54,000</td>
</tr>
<tr>
<td>Classroom Bldg. #3 (CCC)</td>
<td>$ 49,000</td>
<td>$ 49,000</td>
</tr>
<tr>
<td>PE West Modernization, Construction &amp; Equipment</td>
<td>$ 37,915</td>
<td>$ 5,576,007</td>
</tr>
<tr>
<td>Construction Tech Storage</td>
<td>$ 30,699</td>
<td>$ 30,699</td>
</tr>
<tr>
<td>CTE Building - Rye Canyon</td>
<td>$ 29,413</td>
<td>$ 29,413</td>
</tr>
<tr>
<td>CCC - 302 - Food Service Modernization, Construction &amp; Equip</td>
<td>$ 29,370</td>
<td>$ 194,857</td>
</tr>
<tr>
<td>Tick Canyon Fire Clean Up</td>
<td>$ 21,868</td>
<td>$ 45,866</td>
</tr>
<tr>
<td>Pico Hall Dance Floor</td>
<td>$ 12,113</td>
<td>$ 12,113</td>
</tr>
<tr>
<td>Facilities Master Planning</td>
<td>$ 10,800</td>
<td>$ 10,800</td>
</tr>
<tr>
<td>Parking Lot 7 Utilities</td>
<td>$ 4,915</td>
<td>$ 957,237</td>
</tr>
<tr>
<td>Gas Station Project</td>
<td>$ 4,349</td>
<td>$ 4,349</td>
</tr>
<tr>
<td>CCC - Signage Project</td>
<td>$ 3,660</td>
<td>$ 3,660</td>
</tr>
<tr>
<td>CCC - Modular Upgrades</td>
<td>$ 1,276</td>
<td>$ 30,009</td>
</tr>
<tr>
<td><strong>Total FY 2020-2021 Bond Expenditures</strong></td>
<td><strong>$ 20,986,757</strong></td>
<td><strong>$ 76,929,286</strong></td>
</tr>
</tbody>
</table>

*Please note that these Life-to-Date (LTD) expenditures only reflect those projects with activity in FY 2020-2021 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 and is expected to be completed by Summer 2022.

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 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.

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.

The final construction documents have been approved by DSA, and we have submitted the “Approval to Go To Bid” package to the state Chancellor’s Office. Once they approve the working drawings and bid documents, we will bid the project.

After bids are received, we must submit a final package to the state Chancellor’s Office, “Approval to Award Construction Contracts.” After that, we award the contracts and begin construction. We expect a 12 to 14-month construction period once we commence.
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.

The second phase of the overall ADA Transition Plan construction project will include modifications to parking areas and site paths of travel. The plans for this scope of work are currently in design and will be submitted to the State Architect in January 2022.

The third and final phase will entail restroom and public space modifications and will immediately follow Phase 2.

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.
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 architect and engineering contracts have been issued. The drawings were approved by the DSA in May 2021, and the project was bid in July/August 2021. The Construction contract was awarded in October 2021, and work will begin in November 2021. This is an 8-month project, and we expect to occupy the building in time for the Summer 2022 session.

**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. It is expected to be completed by Summer 2022.
VALENCIA PE WEST MODERNIZATION

We 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 were replaced and/or updated, and a few areas in the building were repurposed to meet the instructional goals of various academic departments. The work included new and remodeled office space, updated lobby restrooms, new ceilings, refinished gym floor, and re-striping/new logo for the main gym floor.

The small gym was remodeled for dance, which used to be held in WPEK 110. The new dance space has a built-in storage area, new finishes, and a high ceiling.

The project was completed at the start of Spring 2020 and received final approval and closeout from the State Architect in December 2020.

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.
This year’s General Obligation Bond Financial and Performance audits were performed by Eide Bailly, LLP the week of October 25, 2021. 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, 2021:

- 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, 2021 General Obligation Bond totals in the District’s books and records:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Fund Balance – Construction Fund 45</td>
<td>$ 80,052,176</td>
</tr>
<tr>
<td>Local Revenues (Interest Earned)</td>
<td>$ 404,634</td>
</tr>
<tr>
<td>Change in FMV of Cash Held by LA County Treasury</td>
<td>($ 360,881)</td>
</tr>
<tr>
<td>Less Expenditures</td>
<td>($ 20,986,755)</td>
</tr>
<tr>
<td><strong>Ending Fund Balance</strong></td>
<td><strong>$ 59,109,174</strong></td>
</tr>
</tbody>
</table>

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 13). The auditors performed eight 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 $20,986,755 of General Obligation Bond funds in 2020-2021, for a total of $82,689,622 since the inception of the bonds.

2. The District followed approved appropriate procedures related to disbursement of Measure E funds. The Auditors tested 54% of all expenditures incurred 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 2020-2021 as well as inception-to-date expenditures.

4. The District’s planned capital improvement projects are detailed on page 18 of the audit report for an estimated total of $269 million. These projects are projected to be funded with $142 million in Measure E General Obligation Bond funds, and $127 million in contributions from other sources, primarily Measure M General Obligation Bond funds.

5. As of June 30, 2021, the following Measure E General Obligation Bond funds available:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>GO Bond Proceeds to Date</td>
<td>$138,831,065</td>
</tr>
<tr>
<td>Interest/Revenue from Other Sources</td>
<td>$3,328,615</td>
</tr>
<tr>
<td>Subtotal- Available Funds</td>
<td>$142,159,680</td>
</tr>
<tr>
<td>Expenditures to Date</td>
<td>$(82,689,622)</td>
</tr>
<tr>
<td><strong>Planned for Expenditure</strong></td>
<td><strong>$59,470,058</strong></td>
</tr>
</tbody>
</table>
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.