



SOLANO
COMMUNITY COLLEGE

Citizens' Bond Oversight Committee
Fiscal Year 2017-2018



SOLANO
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June 19, 2019

Solano Community College CBOC 2017-18 Annual Report

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Citizens Bond Oversight Committee Annual Report 2017-18

INTRODUCTION

This report is intended to present activities and opinions of the Citizens' Bond Oversight Committee (CBOC) of the Solano Community College District (District) during the 2017-18 fiscal year. The CBOC is required to prepare and present to the District's Board of Trustees, in public session, an annual written report, which includes a summary of the CBOC's activities and a statement indicating whether the District is in compliance with requirements that the bond revenues have been used only for the purposes authorized by the bond measure.

During this period the CBOC attempted to meet six times but did not have a quorum for two of the meetings. Committee members received updates from District staff on the progress of Measure Q projects. The District and its consultants were forthcoming in providing and presenting requested information and project status updates. Due to the unfortunate history of not having quorums the CBOC was behind in generating annual reports. During this fiscal year, annual reports were created and presented to the Governing Board for the years 2015-16 and 2016-17.

The CBOC reports that to the best of its knowledge the District has complied with the requirements of state law in its accounting for and expending of bond funds. Information regarding the projects for the bond measure is provided in this report. Expenditures are cumulative through June 30, 2018.

ABOUT THE SOLANO COMMUNITY COLLEGE DISTRICT

Solano Community College was established in 1945 as Vallejo Junior College, as it was part of the Vallejo City Unified School District until 1967 when the College became a countywide institution. The 192-acre Fairfield campus, centrally located just off Interstate 80, was completed in 1971 and opened with 5,000 students. Since then, facilities, programs, staff and services have expanded to meet the needs of a growing County.

The College's service area encompasses the communities of Benicia, Dixon, Fairfield, Suisun, Vacaville, Vallejo and Winters, as well as Travis Air Force Base. Many graduates of the area's fifteen public high schools and three private schools take advantage of the educational opportunities offered by Solano Community College.

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The College currently serves about 11,000 students annually at facilities on the main Fairfield Campus, Vacaville Center properties, and Vallejo Center properties.

CITIZENS' BOND OVERSIGHT COMMITTEE

The Solano Community College District's Citizens' Bond Oversight Committee is comprised of nine members representing required constituent groups from throughout the District's service region.

The CBOC is responsible for the review of bond expenditures and preparation and presentation of an annual report. Solano Community College District's CBOC has oversight responsibilities for Measure Q. CBOC members serve a term of three (3) years, commencing as of the date of appointment by the Board. No member may serve more than two (2) consecutive terms. CBOC members are not compensated for their services.

Committee Members During 2017/2018 Fiscal Year:

Tina Lowden, Senior Citizen Organization, Winters (appointed 4/5/17)

Hermie R. Sunga, Member-At-Large, Business Organization – Vallejo, Vice Chair (appointed 1/18/12)

Neil Ferguson, Construction Trade Organization – Vacaville (appointed 7/16/14)

David Fleming, Solano Community College Foundation – Vacaville (appointed 2/18/15)

Andre Stewart, Member-At-Large - Benicia (appointed 11/19/15)

Ward Stewart, Member-At-Large – Vallejo (appointed 9/2/15)

Angelo Cellini, Construction/Trades – Suisun (appointed 5/5/14)

Janet Roberts, Taxpayers' Association – (appointed 1/17/18)

Holly Brown, Construction Trade Organization – (appointed 9/20/17)

Dawn LeBar, Educational Foundation – (appointed 1/17/18)

Doriss Panduro, Business – (appointed 1/17/18)

Danion Ghebremichael, Student Association

MEASURE Q BOND PROGRAM SUMMARY

The Solano Community College District had two bond authorizations: Measure G, approved by voters in 2002 (\$124.5 million) and Measure Q (\$348 million) approved by the voters in 2012. The proceeds from these bonds are to be used for site acquisition, facility renovation, construction of new facilities, and equipment procurement.

Both Measure G (closed in June 2017) and Measure Q were passed under Proposition 39

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provisions, which allow passage of school bond measures with 55% voter approval if certain conditions are met. Proposition 39 allows the District to use bond funds only for projects described in the bond measure language. The funds cannot be used for staff salaries or projects not described in the language of the bond measures. It also mandates the formation of a Citizens' Bond Oversight Committee (CBOC).

SUMMARY OF CBOC ACTIVITIES FOR FISCAL YEAR 2017/2018

The CBOC attempted to conduct meetings on the following dates in Fiscal Year 2017/18: August 29, 2017 (no quorum); December 5, 2017; February 20, 2018; March 20, 2018 (no quorum); April 3, 2018; and June 5, 2018.

Following is a brief summary of the highlights of each meeting.

August 29, 2017 (no quorum): Although no official business was conducted because only three committee members were present, District staff, Lucky Lofton, Pam Kinzie, and Rob Gold, were present to provide project updates and answer committee members' questions.

December 5, 2017: Ward Stewart was elected CBOC chair. A volunteer subcommittee was named to create a draft of the Fiscal Year 2015-16 Annual Report. Those members were Hermie Sunga, Tina Lowden, and Ward Stewart.

February 20, 2018: The draft annual report was presented to the Committee and was approved after several revisions were suggested. David Casnocha provided training in the fundamentals of bond oversight committees.

March 7, 2018: Ward Stewart presented the Fiscal Year 2015-16 Annual Report to the District's Governing Board in public session.

March 20, 2018 (no quorum): No official business was conducted although District staff provided updates on building projects. Discussion of the 2016-17 Annual Report took place.

April 3, 2018: Review and approval of the 2016-17 Annual Report. District staff presented updates of progress on various bond projects.

May 2, 2018: Ward Stewart presented the Fiscal Year 2016-17 Annual Report to the District's Governing Board in public session.

June 5, 2018: Rob Diamond made a presentation on bond financing. Lucky Lofton and Pam

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Kinzie provided updates on bond projects.

BOND PROJECTS AND FINANCIAL SUMMARY

Measure Q active projects this fiscal year included:

Fairfield Campus: Performing Arts Building Renovation, Science Building (Phase 1), Library/Learning Resource Center, Horticulture Site Improvements, Horticulture Modular Restroom Building, Substation #1 and #2 Replacement, and Campus Entry Sidewalk Improvements. Small Capital Projects: Softball Bleacher Replacement, Campus Directory Signs, Building 600 Room 604 Renovation, Building 1800B Exiting Corridor, Building 1800 Maker's Lab and Robotics Renovation, and Bench for Campus Entry Internment.

Vacaville Center: Vacaville (Annex) Classroom Building Renovation, Biotechnology and Science Building, Vacaville Center Intersection Improvements, and Vacaville Center HVAC Upgrade

Vallejo Campus: Autotechnology Building and Vallejo Center HVAC Upgrade

Districtwide: Utility Infrastructure Upgrade – Solar and IT Infrastructure (Phase 2) Projects: Network Upgrade, Building 100 Generator, Classroom Technology Upgrade, Faculty/Staff/Student Computer Replacement, Security Camera System Upgrade, Printer & Copier Replacement, Email System Upgrade, and Security Camera Replacement

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Solano Community College District Measure Q Bond (Financials as of 6/30/2018)									
									
PROJECT NAME	MEASURE Q PROJECT BUDGET AS OF 03/21/2018 BSP ⁽¹⁾	BOT APPROVED CHANGE	MEASURE Q PROJECT BUDGET AS OF 06/6/2018 BSP ⁽²⁾	BOT APPROVED CHANGE	MEASURE Q PROJECT BUDGET AS OF 06/20/2018 BSP ⁽³⁾	OTHER FUNDING BUDGET ⁽⁴⁾	OTHER FUNDING EXPENDITURES AS OF 06/30/2018 ⁽⁵⁾	MEASURE Q EXPENDITURES AS OF 06/30/2018 ⁽⁵⁾	PERCENT SPENT
FF CAMPUS									
Library & Learning Resource Center	\$ 21,800,000		\$ 21,800,000		\$ 21,800,000	\$ 20,881,000	\$ 1,543,000	\$ 39,117	3.7%
Performing Arts Building (Phase 1 B1200 Renovation)	\$ 6,347,818		\$ 6,347,818		\$ 6,347,818	\$ 13,760,000	\$ 13,760,000	\$ 6,229,718	99.4%
Performing Arts Building (Phase 2)	\$ 13,700,000		\$ 13,700,000		\$ 13,700,000	\$ -	\$ -	\$ 33,151	0.2%
Science Building (Phase 1)	\$ 37,600,000		\$ 37,600,000		\$ 37,600,000	\$ -	\$ -	\$ 10,926,313	29.1%
Science & Math Building (Phase 2)	\$ 8,000,000		\$ 8,000,000		\$ 8,000,000	\$ -	\$ -	\$ -	0.0%
Career Technology Building (CTE)	\$ 3,000,000		\$ 3,000,000		\$ 3,000,000	\$ -	\$ -	\$ -	0.0%
Agriculture (Horticulture)	\$ 2,000,000		\$ 2,000,000		\$ 2,000,000	\$ -	\$ -	\$ 997,460	49.9%
VV CAMPUS									
VV Classroom Building Purchase & Renovation	\$ 8,200,000		\$ 8,200,000		\$ 8,200,000	\$ -	\$ -	\$ 6,828,698	83.3%
Biotechnology & Science Building	\$ 33,750,000		\$ 33,750,000	\$ (366,565)	\$ 33,383,435	\$ -	\$ -	\$ 33,191,993	99.4%
Aeronautics & Workforce Development Building	\$ 15,000,000		\$ 15,000,000		\$ 15,000,000	\$ -	\$ -	\$ 1,264,848	8.4%
Student Success Center/LRC	\$ 15,500,000		\$ 15,500,000		\$ 15,500,000	\$ -	\$ -	\$ -	0.0%
Fire Training	\$ 6,250,000		\$ 6,250,000		\$ 6,250,000	\$ -	\$ -	\$ -	0.0%
Vacaville Center HVAC Upgrade	\$ 2,315,000		\$ 2,315,000		\$ 2,315,000	\$ -	\$ -	\$ 934,448	40.4%
VJ CAMPUS									
Vallejo Property Purchase Belvedere	\$ 4,794,343		\$ 4,794,343		\$ 4,794,343	\$ -	\$ -	\$ 4,794,343	100.0%
Vallejo Property Purchase Northgate	\$ 6,871,471		\$ 6,871,471		\$ 6,871,471	\$ -	\$ -	\$ 6,871,471	100.0%
Site Improvements	\$ 2,825,000		\$ 2,825,000		\$ 2,825,000	\$ -	\$ -	\$ -	0.0%
Autotechnology Building	\$ 23,800,000	\$ (64,039)	\$ 23,735,961		\$ 23,735,961	\$ -	\$ -	\$ 23,735,961	100.0%
Student Success Center/LRC	\$ 22,000,000		\$ 22,000,000		\$ 22,000,000	\$ -	\$ -	\$ -	0.0%
Career Technology Building	\$ 19,800,000		\$ 19,800,000		\$ 19,800,000	\$ -	\$ -	\$ -	0.0%
Vallejo Center HVAC Upgrade	\$ 2,175,024	\$ (39,846)	\$ 2,135,178		\$ 2,135,178	\$ -	\$ -	\$ 2,135,178	100.0%
INFRASTRUCTURE IMPROVEMENTS									
IT Infrastructure Improvements	\$ 14,200,000		\$ 14,200,000		\$ 14,200,000	\$ -	\$ -	\$ 5,380,202	37.9%
Utility Infrastructure Upgrade (Energy)	\$ 24,105,000		\$ 24,105,000	\$ 266,602	\$ 24,371,602	\$ 712,447	\$ 712,447	\$ 15,113,848	63.1%
ADA & CLASSROOM IMPROVEMENTS									
Small Capital Projects	\$ 8,753,246		\$ 8,753,246		\$ 8,753,246	\$ -	\$ -	\$ 3,195,691	36.5%
ADA Improvements	\$ 10,900,000		\$ 10,900,000		\$ 10,900,000	\$ 50,000	\$ 50,000	\$ 356,708	3.7%
PLANNING, ASSESSMENTS & PROGRAM MANAGEMENT									
Program Management, District Support and Planning	\$ 25,400,000		\$ 25,400,000		\$ 25,400,000	\$ -	\$ -	\$ 13,489,796	53.1%
RESERVE & INTEREST									
Program Reserve	\$ 10,886,344	\$ 103,885	\$ 10,990,229	\$ 366,565	\$ 11,356,794	\$ -	\$ -	\$ -	
Net Interest Earned/Treasury Fees	\$ 44,053	\$ 844,711	\$ 888,764	\$ (266,602)	\$ 622,162			\$ 473,165	
TOTAL BOND SPENDING PLAN	\$ 350,017,299		\$ 350,862,010		\$ 350,862,010	\$ 35,403,447	\$ 16,065,447	\$ 135,992,111	39.4%

⁽¹⁾ Per Bond Spending Plan Revision Approved by BOT 3/21/2018

⁽²⁾ Per Bond Spending Plan Revision Approved by BOT 6/6/2018

⁽³⁾ Per Bond Spending Plan Revision Approved by BOT 6/20/2018

⁽⁴⁾ Note other funding sources include State Funding, Proposition 39 Energy and Solano Transportation Authority

⁽⁵⁾ District is currently in fiscal year-end close and is also in process of the annual financial audit, any variances will be included in the next quarterly report.

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BOND AUDIT REPORTS FOR FISCAL YEAR 2017/2018

In accordance with Proposition 39, Measure Q contains strict financial safeguards, including a requirement that an independent audit be conducted annually to ensure bond funds are spent on classroom and facility improvements as identified in the ballot measure.

Measure Q had a clean financial audit, with no findings. The Auditor found that the District properly accounted for the expenditures and bond funds were spent on authorized projects.

The Financial and Performance Audit Reports for fiscal year 2017/2018 are available on the District website: www.solano.edu/measureq

CBOC COMMENTS AND RECOMMENDATIONS

District Staff, including the Superintendent/President treated members of the CBOC with respect and appeared to value the role of the CBOC.

Irrespective of whether a quorum was attained, District Staff provided project updates. Even more importantly, they consistently answered all members' questions capably and competently. Information and documentation requested was provided without apparent reservation, which was both recognized and appreciated by CBOC members.

Neither District Staff, nor the Superintendent/President restricted the number of meetings the CBOC chose to conduct, nor were agenda items limited or controlled by other than CBOC membership, via its Chairman.

The cooperation and participation by District Staff was helpful and appropriate, and was welcomed by the CBOC.

The CBOC recommends that the District go out to bid and consider changing accounting firms periodically for the annual bond audit. There is a concern that by using the same firm year after year there may be the appearance of compromised objectivity.

There has been a problem getting quorums during the last few years and, perhaps, during the entire lifetime of Measure Q. The CBOC urges the Governing Board to remove committee members who miss two or three meetings without giving prior notice and act expeditiously to fill vacancies once they occur.

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CBOC COMPLIANCE STATEMENT

Bond expenditures and bond projects have been reviewed by the Citizens' Bond Oversight Committee to ensure the money is spent only on school facility improvements authorized by Measure Q. Bond expenditures are audited annually by an independent audit firm retained by the District. The CBOC has reviewed the audit reports, District Quarterly Progress Update Reports, and other materials requested from the District, and believes the District is in compliance with the requirements of Article XIII A Section 1(b)(3) of the California Constitution.