

MEASURE L BOND PROGRAM

CITIZENS' OVERSIGHT COMMITTEE

2018-2019 ANNUAL REPORT
SAN JOAQUIN DELTA COLLEGE



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In November 2003 the San Joaquin Delta Community College District's Board of Trustees placed Measure L, a \$250-million bond, on the March 2, 2004, ballot.

Measure L is the District's first bond measure since 1969. The bond measure represents a large portion of the District's \$344-million 2010 Facilities Master Plan. The purpose of the bond measure is to renovate, upgrade and expand buildings, many of which are now over 40 years old, and to support site acquisition and development of educational centers to provide access to Delta College throughout the region.

Since the passage of Measure L, the District has refinanced approximately \$146.9 million of its Measure L Series 2005A and 2008B Bonds in 2015. The outcome is a gross saving for District taxpayers of \$25.8 million! Plus, the District's continued outstanding Aa2 credit rating from Moody's, and AA rating from Fitch enabled the District to enjoy lower short and long-term borrowing costs as it issued the final series of Measure L Bonds in Spring 2018.

Lower borrowing costs are great news for District taxpayers.



ROLE OF THE OVERSIGHT COMMITTEE

As provided in California Education Code Section 15278, a Citizens' Oversight Committee was formed by the San Joaquin Delta Community College District's Board of Trustees.

- Bond revenues are expended only for the construction, reconstruction, rehabilitation, or replacement of college facilities, including the furnishing, and equipping of college facilities or the acquisition or lease of real property for college facilities.
- No bond revenues are expended for any teacher or administrative salaries or other college operating expenses.

To carry out its role, the Citizens' Oversight Committee may:

- Receive and review copies of the annual independent performance audit conducted to ensure that the bond revenue is expended only on the specific projects listed in the bond proposition.
- Receive and review copies of the annual independent financial audit of the bond revenue and expenditures.
- Inspect college facilities and grounds to ensure that the bond revenue is expended in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.
- Receive and review copies of scheduled maintenance proposals or plans developed by the District.
- Review efforts by the District to maximize bond revenues by implementing various cost-saving measures.

SUMMARY OF MAJOR PROJECTS

2018–2019 FISCAL YEAR

CLOSED PROJECTS

- **Campus-wide Wireless/Emergency Notification System (ENS) (Study):** The initial study highlighted the need to better understand the insufficiencies in the building wiring in the legacy buildings. Ultimately, improved building wiring infrastructure is needed to support wireless systems. The outcome of this study will serve as a starting point for the newly created bond project: "Building Infrastructure Wiring and Wireless Access".
- **Renovation of the Project's Maker's Lab Space:** Construction began in June 2018. The renovation included minimal demolition/abatement work, updating the restroom to meet ADA requirements. In addition, the relocation of existing equipment with electrical and mechanical connections. The renovation project also added exhaust ductwork connections from the existing equipment to a new dust collector and an added new make-up air unit. Other interior improvements included new flooring and interior painting. The Maker's Lab was completed in August 2018.

IN PROGRESS PROJECTS

- **Holt & Budd Shops:** Increments I and II have been completed, general contractor BHM is completing the last of the punch list items. Renovation of Holt 126 was removed from BHM's contract, and final change order pricing/negotiations/documentation is underway. The project team decided to continue with the existing design as initially presented rather than the newly proposed renovations. The repacking of the bid docs is currently underway.
- **Path of Travel:** Phase III "West Side" – This project will design and construct improvements along the west side of the Stockton Campus, addressing issues related to accessible walkways, water conservation, and sustainable landscaping.
- **Locke Roof & Fascia:** The scope consists of replacing the roofing at the Locke sloped roof areas, plus fascia replacement (where needed), new pre-finished metal gutters and downspouts, and pre-finished metal cladding over the fascia.
- **Atherton Roof & Fascia:** The scope consists of replacing the ATHERTON roofing at the sloped roof areas, plus fascia replacement (where needed), new pre-finished metal gutters, and downspouts, and pre-finished metal cladding over the fascia.

- **Manteca Farm Improvements:** The project activities shared with the Board at the October 3, 2017; Board meeting are scheduled to resume. The Board subsequently authorized added services to LDA's architectural contract for work to proceed. The anticipated cost increase is due to price increases since Fall 2017, including recent tariffs placed on steel. The 90% Construction Documents were reviewed by the District and comments were given to LDA to update the drawings. The current estimate indicates the projected total cost. Therefore, a request for project budget augmentation will be brought before the Board at a subsequent Board meeting. Construction Documents (CDs) were submitted to DSA on December 21, 2018. It is anticipated that it will take 3 months to obtain DSA approval. Construction is expected to start in early June 2019.

FUTURE PROJECTS

- Irrigation Repair
- Manteca Barn/Shade/Fence
- Building Infrastructure Wiring & Wireless Access
- Blue Phone



INDEPENDENT AUDITOR'S REPORT

BOARD OF TRUSTEES AND CITIZENS' BOND OVERSIGHT COMMITTEE FOR MEASURE L SAN JOAQUIN DELTA COMMUNITY COLLEGE DISTRICT STOCKTON, CALIFORNIA

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure L General Obligation Bond funds for the year ended June 30, 2019, only for the purposes approved by the voters and only on the specific projects developed by the District's Board of Trustees, per the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

SCOPE

The District provided to us a list of all Measure L General Obligation Bond project expenditures for the year ended June 30, 2018 (the "List"). An approximate total of 326 transactions were identified, representing \$4,915,442 in expenditures from July 1, 2018, through June 30, 2019.

METHODOLOGY

We performed the following procedures to the List of Measure L General Obligation Bond project expenditures for the year ended June 30, 2019:

- Verified the mathematical accuracy of the List.
- Reconciled the List to total bond expenditures as reported by the District in the District audited Measure L General Obligation Bonds financial statements for the year ended June 30, 2019.
- Selected a sample of 25 expenditures totaling \$3,301,812. The sample was selected to provide a representation across specific construction projects, vendors, and expenditure amounts. The sample represented 67% of the total expenditure amounts. Verified that the expenditures were for the approved projects and were not spent for District administrative or instructional salaries or other administrative expenses.

CONCLUSION

The results of our tests indicated that, in all significant respects, San Joaquin Delta Community College District expended Measure L General Obligation Bond funds for the year ended June 30, 2019, only for the specific projects developed by the District's Board of Trustees and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

FINANCIAL STATEMENTS

SAN JOAQUIN DELTA COLLEGE - MEASURE L BOND PROGRAM Q4 2018-2019

ANNUAL MEASURE L BOND PROGRAM REVENUE

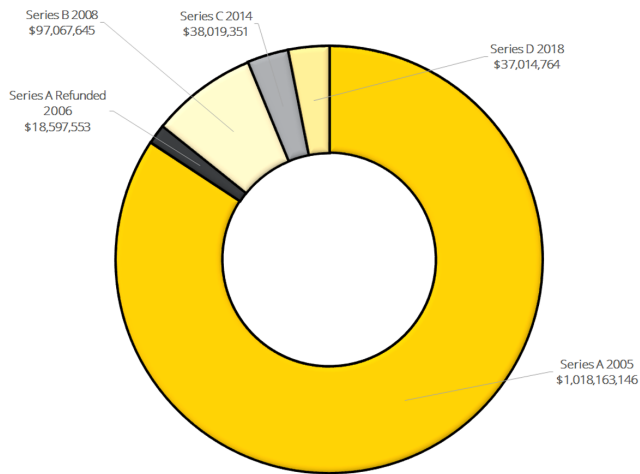
\$292,515,628 Total Bond Program Revenue
(Interest & Other Revenue)

ANNUAL MEASURE L BOND PROGRAM EXPENDITURES

\$258,800,605 Total Bond Program Expenditures (To Date)

MEASURE L BOND PROGRAM TOTAL REVENUE

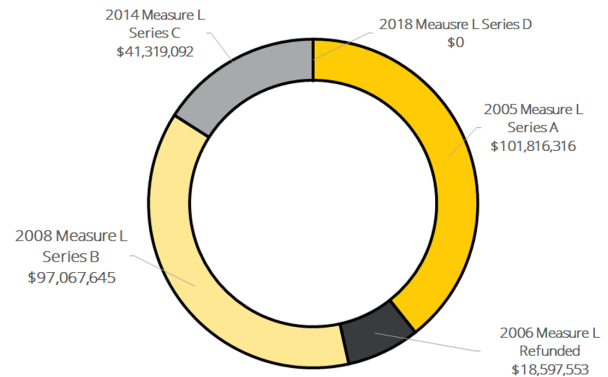
2018 - 2019 = \$292,515,628



MEASURE L BOND PROGRAM TOTAL EXPENDITURES

2018 - 2019

Program to Date = \$258,800,606



SAN JOAQUIN DELTA COMMUNITY COLLEGE DISTRICT BOARD OF TRUSTEES

Steve Castellanos, FAIA
*Area 5, East SJC & Calaveras
Clerk*

Carlos Huerta
*Area 2, Central Stockton
Member*

Janet Rivera
*Area 3, North Stockton
President*

C. Jennet Stebbins
*Area 1, South Stockton &
Weston Ranch
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Richard Vasquez
*Area 4, Lodi, Galt & Delta
Vice President*

Dr. Teresa Brown
*Area 6, Tracy, and Mountain
House
Member*

Catherine Mathis, M.D.
*Area 7, Lathrop, Manteca,
Partial S. County
Member*

Rafael Medina
*(effective May 17, 2016)
Student Representative*

CITIZENS' OVERSIGHT COMMITTEE MEMBERS (DURING FY18-19 PERIOD)

**Mercedes Silveira-
Gouveia**
*Foundation Representative
2018 – 2020*

Armando Valerio
*At Large Representative
2018 – 2020*

VACANT
*Senior Citizens Representative
2016 – 2018*

Lester Patrick
*Taxpayer Representative
2018 – 2020*

Nicole Goehring
*Business Representative
2018 – 2020*

Mary Webb
*At Large Representative
2018 – 2020*

Colm Fitzgerald
*Student Representative
2018 – 2020*

INQUIRIES

For more information regarding Measure L and the Citizens' Oversight Committee, please visit the Measure L Bond Website at: deltacollege.edu/measure-l-bond-program or call 209-954-5052.

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