

**SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2 (COALINGA AREA)
WEST HILLS COMMUNITY COLLEGE DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE**

Date: March 21, 2011

To: Members of the Board of Trustees,
West Hills Community College District

Subject: Annual Report to the Board of Trustees

As Chairperson of the West Hills Community College District Citizens' Bond Oversight Committee I am pleased to submit this annual report to the Board of Trustees of the West Hills Community College District. As stated in the West Hills Community College District Citizens' Bond Oversight Committee Bylaws, Section 3.3. (a); this annual report states whether or not the West Hills Community College District (WHCCD) is in compliance with Article XIII A, Section 1(b) (3) of the California Constitution. It also summarizes the major topics dealt with by the Committee since the inception of the School Facilities Improvement District No. 2 (Coalinga Area) (SFID-2) bond.

Once again, I would like to thank my fellow Committee members for their time and efforts in overseeing the WHCCD's long-term construction and facilities improvement projects. I also wish to thank those staff members of the WHCCD who have continued to work with us to set up the processes to ensure that independent oversight of the projects is possible.

As the voice of the Committee, I would like to state that the Committee looks forward to continuing its efforts to ensure that SFID-2 bond revenues are spent judiciously and to keep the community informed on the progress of the projects.

Respectfully submitted,

Richard Hill, Chairperson
School Facilities Improvement District No. 2 (Coalinga Area)
West Hills Community College District
Citizens' Bond Oversight Committee

**SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2 (COALINGA AREA)
WEST HILLS COMMUNITY COLLEGE DISTRICT
CITIZENS' BOND OVERSIGHT COMMITTEE**

Annual Report

Inception – June 30, 2010

I. Description of School Facilities Improvement District No. 2 (Coalinga Area):

In the November 4, 2008 general election, the West Hills Community College District (WHCCD) succeeded in obtaining authorization from the Coalinga area's voters to issue \$11,600,000 in general obligation bonds. The School Facilities Improvement District No. 2 (Coalinga Area) (SFID-2) was a facilities and equipment bond measure on the ballot. Proceeds from the sale of the bonds were to be used for financing the long-term construction and facilities improvement projects at West Hills College Coalinga (WHCC).

II. Citizens' Bond Oversight Committee:

The following persons held positions on the Citizens' Bond Oversight Committee (the Committee), since the inception, which were appointed by the WHCCD Board of Trustees:

Mike Isaac	Support of a Community College
Carol Kreamer	Senior Citizen's Representative
Dixie Carrana	Senior Citizen's Representative
Ralph Gorrill	Local Business Representative
James Yates	Local Business Representative
Ron Lander, Vice Chairperson	At-Large Representative
Richard Hill, Chairperson	At-Large Representative
Lisa Carrana	Student Representative
VACANT	Taxpayer's Organization

The Committee does not make decisions regarding the use of SFID-2 funds, but it does inform the public of bond revenue expenditures. To carry out its stated purpose, the following duties are set forth in the Committee Charter:

Inform the public concerning information regarding the WHCCD's expenditures of revenues received from the sale of SFID-2 approved bonds.

Review expenditures to ensure that the bond proceeds are expended only for purposes set forth in the ballot.

Ensure that no bond proceeds are used for teacher or administrative salaries or other operating expenses.

The Committee shall present to the WHCCD Board of Trustees an Annual Report in written format which shall include a statement indicating whether the WHCCD is in compliance with the requirements of Article XIIA, Section 1(b) 3 of the California Constitution; and a summary of the Committee's proceedings and activities of the preceding fiscal year.

III. Meetings:

The Committee held its annual organizational meeting on March 15, 2011 at which time Ron Lander, Ralph Gorrill, Richard Hill, and Mike Isaac were re-elected to their respective positions for a two year term. The following issues were discussed:

- Approval of the October 13, 2009, March 16, 2010 and the September 21, 2010 meeting minutes
- 2011/ 2012 Meeting Schedule
- Review of Audit Report 2008/ 2009 and 2009/ 2010
- Appointment / Re-Appointment of Committee Members
- SFID-2 Facility Project Completion Recap
- Photovoltaic Solar Project
- Outreach/ Learning Centers update -- Huron
- SFID-2 Facility Project Update
- SFID-2 Series B sales / Bond Ratings

The Committee has met semi-annually at the West Hills College Coalinga (WHCC) Speech, Arts, Music (SAM) building conference room. Project updates are provided at each meeting along with financial reports by WHCCD staff, along with performance presentations from WHCCD consultants on topics of project planning, execution and completion. Agendas are developed from Committee member's request for data and staff input.

The dates for the semi-annual Committee were established per the October 13, 2009 meeting; where the meeting dates were set on the third Tuesday of every sixth month. The meeting time was at 6:00 p.m. The meeting dates were:

October 13, 2009
March 16, 2010
September 21, 2010
March 15, 2011

At the March 15, 2011 meeting the Committee voted to change the 2011 / 2012 meeting schedule to be held every four months, with the meetings to be held on Tuesday and the meeting time to remain at 6:00 pm. This will accommodate more frequent updates, timely review of reports and schedule the annual meeting in January. The 2011/2012 meeting dates are scheduled to be:

September 20, 2011
January 24, 2012
May 22, 2012
September 18, 2012

All agendas and minutes are posted at the WHCC office bulletin board. Meetings are held in accordance with the Ralph M. Brown Act (Open Meeting Laws).

IV. Activities of the Committee:

The following are activities in which the Committee regularly participates

Approval of minutes from prior Committee meetings

The Committee reviews budget, construction project analysis reports and reconciliation for SFID-2 revenues and expenditures are presented by Mr. Kevin Cobb, Principal Architect of AP Architects

The financial reports for SFID-2 revenues are presented by Mr. Ken Stoppenbrink, Vice Chancellor Business/ Human Resources WHCCD

The Committee takes periodic tours of the construction projects to review the progress. Any questions or concerns can be discussed on the sites so that a full understanding of all projects is achieved

Any changes in the status or budgets of the projects are discussed openly and fully to the satisfaction of the Committee.

V. Establishment of Committee Member Terms:

Establishment of terms for Committee Members as well as voting for continuation of membership or replacement of members due to expiration of term or resignation of members is the duty of the WHCCD Board of Trustees. All original Committee Members drew lots to determine the initial terms of their membership; lots were for one (1) or two (2) year assignments. The Committee Bylaws state that all members may serve a maximum of two consecutive terms.

The terms for the current members and dates appointed by the WHCCD Board of Trustees were as follows:

<u>Member</u>	<u>Term</u>	<u>Expiration of Current Term</u>	<u>Date Appointed</u>
Mike Isaac	Second term	March 20, 2013	March 20, 2009
Ralph Gorrill	Second term	March 20, 2013	March 20, 2009
Richard Hill	Second term	March 20, 2013	March 20, 2009
Ron Lander	Second term	March 20, 2012	March 20, 2009
Carol Kreamer	First term	October 26, 2011	October 27, 2009

Local Business – Vacated by James Yates – March 20, 2010

Student Representative – Vacated by Lisa Carrana – March 20, 2011

VI. Projects

There are currently 23 various capital improvement projects ranging from utility upgrades to new construction of campus facilities budgeted through SFID-2 funds. As of December 31, 2010 the following SFID-2 projects have been completed:

- Residence Halls Phase 1
- CDC Relocatables
- Elm Street Improvements
- Switch Replacement
- CDC Expansion Payment
- Switch Maintenance

VII. Audit:

As dictated by state law, the SFID-2 bond requires a financial and performance audit which examines the usage of the bond funds. The firm of Vavrinek, Trine, Day & Company, LLP audited the SFID-2 bond program for the fiscal year 2009 / 2010 ending June 30, 2009.

The audit reports for the fiscal year 2009 / 2010 were presented to the Committee during their March 15, 2011 meeting. The audits were supportive of the program and its management.

The auditor's report gave an unqualified opinion that the financial statements fairly presented, in all material respects, the financial position and changes of the SFID-2 bond fund in conformity with accounting principles and generally accepted accounting standards.

In regards to the performance audit, the auditor's report noted no instances of noncompliance with the terms of Prop 39 for SFID-2. Nothing examined came to auditor's attention to indicate that WHCCD didn't implement appropriate management controls to ensure the bond proceeds are administered economically, efficiently and effectively.

VIII. Statement of Compliance:

Based on the information provided by WHCCD, the Committee finds that as of this reporting from the inception of the SFID-2 through June 30, 2010, that WHCCD is in compliance with the standards of Article XIII A Section 1(b) 3 of the California State Constitution and the terms of the original bond ballot.

Respectfully submitted,

Richard Hill, Chairperson
School Facilities Improvement District No. 2 (Coalinga Area)
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