



MEASURE L BOND PROGRAM CITIZENS' OVERSIGHT COMMITTEE

2017-2018 ANNUAL REPORT
SAN JOAQUIN DELTA COLLEGE



MEASURE L BOND PROGRAM CITIZENS' OVERSIGHT COMMITTEE

2017–2018 ANNUAL REPORT
SAN JOAQUIN DELTA COLLEGE

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 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 savings 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.



COC CHAIRPERSON'S LETTER



I am pleased to present the 2017-2018 Annual Report on behalf of the Measure L Citizens' Oversight Committee (COC). Thanks to local taxpayers, Measure L is continuing to change the face and infrastructure of the college. This Annual Report highlights the accomplishments during the 2017-2018 fiscal year using funds provided through the Measure L Bond program.

All funds expended from Measure L are audited annually by an independent audit firm. During the past year, the Committee reviewed the financial activity for capital projects funded by bond proceeds. The Committee also received the District's Independent Auditor's Report for the financial activity of the bond funds as of June 30, 2018. This report fulfills the requirement for a separate review of the financial activity per the provisions of Proposition 39. The Oversight Committee has reviewed expenditures and projects and believes the District is in compliance with the requirements of

Article XIII A Section 1(b)(3) of the California Constitution and consistent with the District's approved local bond measure.

I encourage you to read about these projects and review the financials provided in our annual report. The Citizen's Oversight Committee meetings are open to the community and we encourage you to attend. Information about the Committee, including meeting dates can be found on the District's website at www.deltacollege.edu/measure-l-bond/citizens-oversight-committee. Please do not hesitate to contact the District's Office of the Vice President of Operations at 209-954-5052 for further information.

— Pamela Sloan, COC Chair

SUMMARY OF MAJOR PROJECTS

2017–2018 FISCAL YEAR

HOLT AND BUDD SHOPS RENOVATIONS PROJECT INCREMENT 2

The Holt and Budd Shops Increment 2 is a modernization project of three Career Technical Education shops, two music rooms and the creation of a Maker's Lab space. The scope of work for the shops included structural, and infrastructure improvements intended to create a positive learning and safe environment for students and instructors. These efforts bring a renewed learning environment with the addition of new equipment helpful in attracting and retaining students who choose vocational programs.

Within the scope of the project, the following accomplishments were met:

- Repaired, upgraded, and enhanced instructional facilities
- Modernized aging electrical, HVAC and related utility systems to increase efficiency and reduce energy consumption
- Improved environmental, health and safety systems
- Upgraded electrical systems
- Installed wiring for computer technology and internet access
- Upgraded and replaced outdated technology in classrooms

During the prior reporting period, the project was awarded to BHM Construction and construction began in September 2016. This reporting year (July 2017–June 2018), the Automotive, Machine and Welding Shops were renovated and turned over for occupancy for the Fall 2017 semester. Construction for the Sheet Metal Shop began in August 2017 and was turned over for occupancy for the Spring 2018 semester. The renovation of the music labs H113 and H213 was completed and turned over for occupancy by Fall 2017. The renovation of the music labs included new flooring and acoustical treatment, and the H213 Choir Room received multimedia upgrades. The 'smart classroom' phase of the project, which consisted of multimedia upgrades to 16 rooms, was completed by January 2018.

Other work completed extended to new roofing at the Holt and Budd Shops, exterior painting, new hydronic piping tie-in from the main campus loop to the new shops, a trash compactor enclosure, outdoor welding yard containing a new CMU wall, and landscaping. This work was completed in the latter part of 2017.

The final phase of the project involved the renovation of the Project's "Maker's Lab Space." Construction began in June 2018. The renovation involved minimal demolition/abatement work, updating a restroom to meet ADA requirements, and relocation of existing equipment with electrical and mechanical connections. The renovation added exhaust



H213 Choir Room received multimedia upgrades (top). The 'smart classroom' phase of the project consisted of multimedia upgrades to 16 rooms (above).



ductwork connections from the existing equipment to a new dust collector and added a new make-up air unit. The Shop also received interior improvements including new flooring and interior painting. The Maker's Lab was complete in August 2018.

FIRE LIFE SAFETY IMPROVEMENTS

The Fire Life Safety Improvements project was a result of discussions with the Stockton Fire Department Authorities on reasonable modifications to approximately 100 classrooms. A classroom inventory report in the Fall of 2017 documented existing conditions and subsequently helped outline the improvements.

H129 Sheet Metal Shop before renovation (left, first column top) and after (left, first column bottom). FLS Increment 1 consisted of replacing aging door hardware and exit signage (left, second column), occupancy signs and fire extinguishers were added where applicable.

The project was broken out into two increments and consisted of work in the Budd, Holt, Locke and Shima buildings.

Increment 1 consisted of replacing aging door hardware and exit, occupancy signs and fire extinguishers were added where applicable. The project began in the summer 2018 and was completed in Fall 2018 (November).

Increment 2 included upgrades and additions to the fire alarm system in the common or exterior areas of each legacy building (Budd, Holt, Locke and Shima). The design phase began in March 2018 and delays were experienced during the design phase. The project Construction Documents are anticipated to be completed in the latter part of 2018 and submitted to DSA for approval. The construction phase is scheduled to start in Spring of 2019.

SECURITY/ADA DOOR HARDWARE

During the January 9, 2018 Board of Trustees meeting, the Trustees authorized the District to proceed with a project to procure and replace door hardware meeting health and safety requirements by using internal labor force and bidding out through public works contracts for

the Stockton campus, the Manteca Farm and South Campus at Mountain House.

The various phases that began the summer of 2018 include 1) the installation of exit devices in the 100 classrooms awarded to JHK Construction; 2) installation of new hardware at exterior stairwell doors at Admin, Budd, Locke, Holt, and Shima buildings awarded to JHK Construction; 3) installation of new hardware at the Mountain House Campus exterior doors awarded to JHK Construction; 4) and replacing doors and door hardware on exterior storefront doors through the main campus, awarded to McFadden Construction. These projects are scheduled for completion in the Winter of 2019.

The District with their own labor force will install new door hardware in non-instructional spaces during Spring of 2019. Lastly, the replacement of security locks (omni-locks) will be coordinated during the Spring semester 2019.

CAMPUS WIDE ENS

A Request for Qualifications and Proposals (RFQ/RFP) was issued in the Fall of 2017, for an assessment of the existing network cabling infrastructure within eight legacy buildings. The findings included recommendations to modernize the infrastructure, and subsequently the development of a Design-Bid-Build Request For Proposal.



Replaced door hardware (left, top and bottom) to meet health and safety requirements. Existing data rack (below bottom). New data rack with cable management (below top).



INDEPENDENT AUDITOR'S REPORT

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

We have conducted a performance audit of the San Joaquin Delta Community College District Measure L General Obligation Bond funds for the year ended June 30, 2018.

We conducted our performance audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 6 of this report which includes determining the compliance with the performance requirements for the Proposition 39 Measure L General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the bonds and net proceeds thereof. Management is responsible for San Joaquin Delta Community College District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of San Joaquin Delta Community College District to determine the audit procedures that are appropriate for the purpose of providing a conclusion on the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express any assurance on the internal controls.

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, 2018 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.



CROWE HORWATH LLP

Sacramento, California • December 12, 2017

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, 2018 only for the purposes approved by the voters and only on the specific projects developed by the District's Board of Trustees, in accordance with 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 362 transactions were identified, representing \$9,275,893 in expenditures from July 1, 2017 through June 30, 2018.

METHODOLOGY

We performed the following procedures to the List of Measure L General Obligation Bond project expenditures for the year ended June 30, 2018:

- 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, 2018.
- Selected a sample of 25 expenditures totaling \$6,369,566. The sample was selected to provide a representation across specific construction projects, vendors and expenditure amounts. The sample represented 69% of the total expenditure amounts. Verified that the expenditures were for the approved projects and were expended to prepare students for jobs, transfer to four year colleges, repair buildings, improve safety and accommodate growing enrollment and that the funds were not spent for District administrative or instructional salaries or other administrative expenses.

CONCLUSIONS

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, 2018 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 2017–2018

Project Expenditures by Category – Program to Date 06/30/18

Closed
 Active

Budget		Project Expenditures by Category – Program to Date							
Projects	Board Approved	Site Acq, Dev & Planning	Program & Project Mgmt	Design	Construction – Indirect	Construction – Direct	Grp II Equip	Other*	Total Expended
Facilities Master Plan - 2015	500,000	392,485	49,211						441,696
Blue Phones	1,500,000		5,250						5,250
Building Infrastructure Wiring	5,000,000		19,250						19,250
Campus Wireless(CW)/(ENS)	300,000	10,580	10,550	67,500	335		139,324		228,289
Fire/Life Safety Improvements	2,500,000		25,900	85,548		25,993			137,441
Holt/Budd Shop Renovation	22,800,000	5,625	326,609	1,798,425	1,795,385	14,181,095	652,894		18,760,033
Irrigation Repair	300,000		3,450	6,000	21,000	83,670			114,120
Manteca Farm Improvements	4,035,000		10,637	45,064					55,701
Path of Travel Phase III - West	4,500,000		20,650						20,650
Program Mgmt Services	980,800		489,100						489,100
Roof/Fascia Atherton	2,000,000			21,700	22,950				44,650
Roof/Fascia Locke	1,700,000			35,000	24,750				59,750
Security/ADA Door Hardware	2,000,000			11,200	23,230	563,888			598,318
Rebate	989,769							842,866	842,866
Program Contingency	4,986,074							(10,304)	(10,304)
Cost of Issuance	11,829,491							6,011,555	6,011,555
Debt Reduction	11,941,892							11,941,892	11,941,892
Total Current Projects	\$77,363,026	\$16,204	\$911,396	\$2,070,436	\$1,887,650	\$14,854,646	\$792,218	\$18,786,010	\$39,318,561
Total Closed Out Projects	\$214,566,604	\$15,399,390	\$10,857,924	\$18,023,080	\$23,639,561	\$136,070,590	\$9,057,667	\$1,518,392	\$214,566,604
Measure L Bond Program	\$291,929,629	\$15,415,594	\$11,769,320	\$20,093,516	\$25,527,211	\$150,925,236	\$9,849,885	\$20,304,402	\$253,885,164

FINANCIAL STATEMENTS

SAN JOAQUIN DELTA COLLEGE – MEASURE L BOND PROGRAM
Q4 2017–2018

Budget Reconciliation Refunded and State Funds 06/30/18

Bond Budget Reconciliation			
Projects	Bond Budget	State Budget	Total Budget
Blue Phones	1,500,000		150,000
Building Infrastructure Wiring	5,000,000		5,000,000
Campus Wireless(CW)/(ENS)	300,000		300,000
Fire/Life Safety Improvements	2,500,000		2,500,000
Holt/Budd Shop Renovation	22,800,000		22,800,000
Irrigation Repair	300,000		300,000
Manteca Farm Improvements	4,035,000		4,035,000
Path of Travel Phase III - West	4,500,000		4,500,000
Program Mgmt Services	980,800		980,800
Roof/Fascia Atherton	2,000,000		2,000,000
Roof/Fascia Locke	1,700,000		1,700,000
Security/ADA Door Hardware	2,000,000		2,000,000
Program Contingency	4,986,074		4,986,074
Reserve for Arbitrage Interest Rebate	989,769		989,769
Cost of Issuance	11,829,491		11,829,491
Debt Reduction	11,941,892		11,941,892

Budget Reconciliation Program Contingency Summary 06/30/18

Bond Budget Reconciliation			
Closed Project Name	Board Approved Budget	Total Expenditures	Excess Budget to Contingency
Beginning Contingency Balance from Q3 2017-18			\$4,927,770
Facilities Master Plan - 2015			\$58,304
Net Change			\$58,304
Ending Contingency Balance Q4 2017-18			\$4,986,074

FINANCIAL STATEMENTS

SAN JOAQUIN DELTA COLLEGE – MEASURE L BOND PROGRAM Q4 2017–2018

Active Projects Reference to Ballot Language 06/30/18

Ref	Active Projects	Budget/Actual	Other	Measure L Ballot Language				
				1	2	3	4	5
				Repair leaky roofs, decaying walls, electrical wiring	Improve fire safety	Remove asbestos	Expanding/establishing Stockton, Manteca, Tracy, Lodi/Galt, Foothill area campuses/education centers	Upgrading, acquiring, constructing, equipping buildings, sites, classrooms
5	Blue Phones	1,500,000						5,250
5	Building Infrastructure Wiring	5,000,000						19,250
5	Campus Wireless(CW)/(ENS)	300,000						228,289
2	Fire/Life Safety Improvements	2,500,000			137,441			
5, 3	Holt/Budd Shop Renovation	22,800,000						18,760,033
1	Irrigation Repair	300,000		114,120				
4	Manteca Farm Improvements	4,035,000					55,701	
5	Path of Travel Phase III - West	4,500,000						20,650
5	Program Mgmt Services	980,800						489,100
1	Roof/Fascia Atherton	2,000,000		44,650				
1	Roof/Fascia Locke	1,700,000		59,750				
5	Security/ADA Door Hardware	2,000,000						598,318
	Reserve for Arbitrage Interest Rebate	989,769	842,866					
	Program Contingency	4,986,074	(10,304)					
	Cost of Issuance	11,829,491	6,011,555					
	Debt Reduction	11,941,892	11,941,892					
	Closed Projects	214,566,604		4,060,352	2,106,966	805,471	39,689,448	167,904,367
	Measure L Bond Program	\$291,929,629	\$18,786,010	\$4,278,872	\$2,244,407	\$805,471	\$39,745,149	\$188,025,257
	Measure L Bond Total Expenditures							\$253,885,164

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*
Member

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 FY17-18 PERIOD)

Mark S. Adams

Business Representative
2016-18

Beverly Fitch McCarthy

At-Large Representative
2016-18

Pamela Sloan

At-Large Representative
2016-18

Mercedes Silveira-Gouveia

Foundation Representative
2016-18

Garry Potten

Senior Citizens Representative
2016-18

Alyssa Leiva

Student Representative
2016-18

Lester Patrick

Taxpayers Representative
2016-18

UPCOMING MEETINGS

The Citizens' Oversight Committee invites community members to attend its regularly scheduled quarterly meetings. Committee meetings are held in the Board Room at the President's Office (Administration 103) on the campus of San Joaquin Delta College, 5151 Pacific Ave, Stockton, CA 95207. All meetings are open to the public. Meeting dates and agendas are posted on the Citizens' Oversight Committee website (shown at right) and Citizens Oversight Committee bulletin boards, which are located on the first floor of Delta's Administration Building.

Additionally, the same information is posted on an exterior board located on Atherton Auditorium next to the college's Holt/ Atherton entry gate. Access the COC Website at: deltacollege.edu/measure-l-bond/citizens-oversight-committee

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

INQUIRIES

Gerardo Calderón, MLIS

Vice President of Operations
gcalderon@deltacollege.edu
209-954-5052
5151 Pacific Avenue, Stockton, CA 95207

Kathy Roach

SJDCCD Measure L Bond Program Manager
Bond Management Office
kroach@deltacollege.edu
209-954-5052
5151 Pacific Avenue, Stockton, CA 95207





MEASURE L BOND PROGRAM CITIZENS' OVERSIGHT COMMITTEE

SAN JOAQUIN DELTA COLLEGE

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
Attn. Bond Management Office
Measure L Citizens' Oversight Committee
5151 Pacific Avenue
Stockton, CA 95207

Project Supervisors: Gerardo Calderón and Stacy Bourret
Publications Center Manager: Gilbert Vanover
Graphic Design/Layout: Carolyn Edmunds, Vireo Creative