

Proposition 39 Citizens' Oversight Committee

ANNUAL REPORT, 2002-2003

*Submitted to the
Merced Community College District*

Board of Trustees

Jim Glidden, Board President

Les McCabe, Vice President

Eugene J. Vierra, Clerk

Robert Haden

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Eva Delong

Proposition 39 Citizens' Oversight Committee

Chris Tafoya, Chairperson

Michelle W. Allison

Mary Villalta Brooks

Robert Edminster

Keith H. Groninga

Gerald K. Hoyt

Margaret Randolph

Barbara Ward



Statement of Compliance

This Annual Report is submitted to the Board of Trustees by the Merced Community College District Proposition 39 Citizens' Oversight Committee.

The Committee advises that, to the best of its knowledge, the Merced Community College District is in compliance with the requirements in Article XIII A, Section 1(b)(3) of the California Constitution. In particular, bond revenue has been expended only for the purposes so described in Measures H and J. As prohibited by Article XIII A, Section 1(b)(3)(a) of the California Constitution, no funds were used for any teacher or administrative salaries or other operating expenses.

Respectfully Submitted: _____

Chris Tafoya, Chairperson

Proposition 39 Citizens' Oversight Committee

Date: _____

Summary of the Committee's Proceedings and Activities for 2002-2003

The Merced Community College District was successful at the election conducted on November 5, 2002, in obtaining authorization from the District's voters to issue up to \$53,500,000 for the Merced Campus and up to \$11,930,000 for the Los Banos aggregate principal amount of the District's general obligation bonds. The election was conducted under Proposition 39 (chaptered as the Strict Accountability in Local School Construction Bonds Action of 2000, Education Code Section 15264 *et seq.*).

Pursuant to Education Code Section 15278, the District established the Citizens' Bond Oversight Committee at a meeting of the Board of Trustees held on February 4, 2003, in order to satisfy the accountability requirements of Proposition 39.

The Board of Trustees adopted the Citizens' Bond Oversight Committee Members at a meeting of the Board of Trustees held on June 17, 2003.

Each of the following members will serve a two-year term, with no more than two consecutive terms:

Chris Tafoya, Chairperson

Michelle W. Allison

Mary Villalta Brooks

Barbara Ward

Gerald K. Hoyt

Margaret Randolph

Robert Edminster

Keith H. Groninga

The Board of Trustees adopted the Citizens' Bond Oversight Committee Bylaws, setting forth the duties and rights of the Committee, at a meeting held on June 17, 2003.

Meetings of the Proposition 39 Citizens' Oversight Committee

The Committee conducts its meetings in accordance with provisions of the Ralph M. Brown Public Meetings Act, Government Code Sections 54950 *et seq.* Meeting notices and agendas are sent to members of the Committee within the required period of time, posted at the Merced Campus Administration Building and Los Banos Campus Administration Building, and are sent to each of the local newspapers. Meeting notices, agendas, minutes and all documents and reports received by the committee members are a matter of public record and made available on the Merced Community College District Website:

www.mccd.edu/news_events/news/coc

June 11, 2003

Merced College Tri-College Center Board Room
3600 M Street
Merced, CA 95340

- ✓ Staff personnel assigned to the Proposition 39 Bond Oversight Committee were introduced.
- ✓ A brief summary of the Master Planning Process was presented to the committee.
- ✓ A brief summary of the bond process was presented to the committee.
- ✓ The committee reviewed and discussed the proposed Citizens' Oversight Committee Bylaws.

- ✓ The committee reviewed options for financial reporting.
- ✓ The committee was briefed on its purpose:
 - (a) To receive and review copies of the annual independent performance audit conducted to ensure that the bond revenue has been expended only on the specific projects listed in the bond propositions;
 - (b) To receive and review copies of the annual independent financial audit of the bond revenue.

Documents Received During Meeting:

- ┌ Committee Membership Roster and General Information
- ┌ Resolution Ordering School Facilities Improvement District 1
 - Merced Campus
- ┌ Resolution Ordering School Facilities Improvement District 2
 - Los Banos Campus
- ┌ Official Statement Prepared by Stone & Youngberg
- ┌ Brown Act Requirements

Financial Reports of the Citizens' Oversight Committee

The first bond sale was June 19, 2003. Total principal amount for the Merced Campus was \$20 million and total principal amount for the Los Banos Campus was \$5 million. This annual report is for the period ending June 30, 2003.

School Facilities Improvement District 1

Merced Campus



BOND PRINCIPAL - FIRST ISSUANCE	\$20,000,000	
<u>EXPENDITURES:</u>	<u>2002/03</u>	
ELIGIBLE BOND PROJECT COSTS	\$78,616	(1)
<u>FIRE & SAFETY/NORTH ROAD LOOP</u>		
Planning		
Preliminary Drawings		
Working Drawings		
Construction		
Equipment		
Total	\$0	
<u>LEARNING RESOURCE CENTER</u>		
Planning	\$31,302	
Preliminary Drawings		
Working Drawings		
Construction		
Equipment		
Total	\$31,302	
<u>BUSINESS RESOURCE CENTER</u>		
Planning		
Preliminary Drawings		
Working Drawings		
Construction		
Equipment		
Total	\$0	
<u>SCIENCE BUILDING REMODEL</u>		
Planning		
Preliminary Drawings		
Working Drawings		
Construction		
Equipment		
Total	\$0	
<u>TOTAL EXPENDITURES</u>	\$109,918	0.55% Expended
REMAINING BOND PRINCIPAL	\$19,890,082	99.45% Remaining

(1) The amount shown has not yet been allocated to the applicable project(s). Each project will subsequently share a percentage of these costs based upon a generally accepted allocation method.

School Facilities Improvement District 2

Los Banos Campus



BOND PRINCIPAL - FIRST ISSUANCE	\$5,140,000	
<u>EXPENDITURES:</u>	<u>2002/03</u>	
BOND ISSUANCE COSTS	\$133,800	(1)
ELIGIBLE BOND PROJECT COSTS	\$51,512	(2)
<u>NEW CAMPUS SITE DEVELOPMENT</u>		
Planning		
Preliminary Drawings		
Working Drawings		
Construction		
Equipment		
Total	\$0	
<u>ACADEMIC TECHNOLOGY BUILDING</u>		
Planning		
Preliminary Drawings		
Working Drawings		
Construction		
Equipment		
Total	\$0	
<u>VOCATIONAL EDUCATION BUILDING</u>		
Planning		
Preliminary Drawings		
Working Drawings		
Construction		
Equipment		
Total	\$0	
<u>TOTAL EXPENDITURES</u>	\$185,312	3.61% Expended
REMAINING BOND PRINCIPAL	\$4,954,688	96.39% Remaining

(1) Underwriter's Discount	\$102,800
Bond Insurance Premium	<u>\$31,000</u>
Total Bond Issuance Costs	<u>\$133,800</u>



		PROJECT DESCRIPTION							
Vendor	Phase	Services Provided	Unallo- cated Project Costs	New Campus Site Dev	Academic Technology Building	Vocational Education Building	Class- room/ Library Building	Other Necessary Improvements	Total
PROJECT COSTS:									
Lionakis Beaumont Design Group	Planning	Master Planning	26,146						26,146
Stone & Youngberg	Issuance	Underwriter Discount	102,800						102,800
MBIA Insurance Corporation	Issuance	Bond Ins Premium	31,000						31,000
GDR Engineering Inc	Planning	Preliminary Plans	7,610						7,610
Christopher Joseph	Planning	EIR	17,337						17,337
Kronick Moskowitz Tiedeman	Planning	Legal Svcs - Land Acq	420						420
Total Project Costs			185,312						185,312

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