

PROPOSITION M

Independent Citizens' Oversight Committee

2007-2008 ANNUAL REPORT

2007-2008 COMMITTEE MEMBERS

Richard Borevitz
Palomar College President's Associates

Maurice Haight
*Senior Citizen Org./Escondido Senior Citizen's
Counsel*

Pulkit Kanotra
*Palomar College Associated Student Government
Representative*

Ginny MacDonald, *Chair*
Member of the Community at Large

Michael McDowell
San Diego County Taxpayers' Association

John Nabors Jr., *Vice-Chair*
Member of the Community at Large

George Weiner
Local Business Organization/San Marcos EDC

GOVERNING BOARD

Mark Evilsizer, M.A., *President*
Darrell L. McMullen, M.B.A., *Vice President*
Ruth Larson, M.D., *Secretary*
Nancy C. Chadwick, M.S.W., M.P.A., *Trustee*
Michele T. Nelson, Ph.D., *Trustee*
Jesse Lyn, *Student Trustee*

SUPERINTENDENT/PRESIDENT

Robert P. Deegan

PALOMAR COLLEGE MISSION

Palomar College is an educational leader committed to quality learning. We provide our community the knowledge, information, skills, and aesthetic appreciation necessary to live responsibly, effectively, and creatively in an interdependent and changing world.

VISION

Learning for Success

ABOUT THE DISTRICT

Palomar College has been providing quality education to its District's residents for over 60 years. Our San Marcos campus is supplemented by an educational center in Escondido, as well as additional outreach sites located throughout inland north San Diego County. Palomar College offers over 300 associate and certificate programs and serves over 30,000 students each semester.



A LETTER FROM THE COMMITTEE CHAIR

Dear Community Member:

On November 7, 2006, voters in the Palomar Community College District approved a \$694 million facilities bond measure (Proposition M) under the rules established by Prop 39. This measure supports the District's Master Plan 2022, which was published in August 2003. More than 57% of the voters supported Proposition M, and saw it as an investment in their community college. Under the rules of Prop 39, a citizen's oversight committee (ICOC) was established September 26, 2006.

We are pleased to present our 2007-2008 Annual Report covering the period from May 2, 2007 to June 30, 2008, to the Palomar College Governing Board. The Annual Report is available to District residents, in fulfillment of the role of the ICOC, as specified by law, and to provide a report on the activities accomplished this past 18 months from that investment.

The Committee's primary responsibilities are to:

- Review expenditures to ensure that bond proceeds are expended only for the purposes set forth in Proposition M.
- Provide a statement indicating whether the district is in compliance with bond requirements.
- Present to the District's Governing Board an annual report summarizing the Committee's proceedings and activities for the preceding year.

The Committee reports that, to the best of its knowledge, Palomar Community College District is in full compliance with the responsibilities as described in Article XIII A of the California State Constitution. With this report, the ICOC members assure the community that Proposition M bond expenditures have been issued properly, and only for projects identified in the bond measure and that no measures or monies were used unlawfully for teacher and administration salaries.

It has been my pleasure to serve as ICOC Chair and to work closely with the committee and the District staff. I am proud of the work we have accomplished thus far on behalf of the community to "Maintain and Modernize Palomar College." We look forward to continuing the positive work your investment has provided as Palomar College continues to serve its community.

Thank You.

A handwritten signature in black ink that reads "Ginny MacDonald". The script is cursive and fluid.

Ginny MacDonald

Chair, Prop M Independent Citizens' Oversight Committee (ICOC)

COMMITTEE MEETINGS

The Independent Citizens' Oversight Committee meets on a quarterly basis. All meetings are open to the public. Agendas and meeting minutes from all committee meetings are available on the ICOC website at www.palomar/propm/icoc. Meetings are held on the San Marcos campus unless noted differently on the ICOC website.

Meetings held during the 2007-2008 and the 2008-2009 fiscal years were as follows:

- July 20, 2007
- September 7, 2007
- December 7, 2007
- March 7, 2008
- June 6, 2008
- September 12, 2008
- December 5, 2008
- March 6, 2009
- June 5, 2009

ABOUT PROPOSITION M

On November 7, 2006, voters in the District's service area approved Proposition M, a \$694 million facilities bond measure, which enables the District to:

- Upgrade nursing and emergency medical career training labs
- Modernize outdated science, computer and job training labs/equipment
- Upgrade electrical and technology infrastructure
- Repair/replace deteriorated roofs, plumbing, lighting, heating and ventilation systems
- Improve energy efficiency
- Modernize/replace outdated classrooms and student support facilities
- Complete safety upgrades to College buildings and grounds

The Independent Citizens' Oversight Committee monitors the expenditure of funds from the Proposition M General Obligation Bond to ensure that bond revenues are expended only for the purposes described and that no bond funds are used for any faculty or administrative salaries or other operating expenses. Proposition M was authorized pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, and subdivision (b) of Section 18 of Article XVI of the California Constitution in accordance with the requirements of the Strict Accountability in Local School Construction Bond Act of 2000 (Prop 39).

COMMITTEE ACTIVITY SUMMARY

The Palomar College Governing Board approved members to the ICOC on May 8, 2007. The Committee met five times in fiscal year 2007-2008. Proceedings of these meetings included:

- Organization meeting to include appointment of Chair; review bylaws and roles and responsibilities of ICOC
- Development of ICOC Website -- <http://www.palomar.edu/propm/icoc/>
- Review of financial reports
- Review of construction projects

PROPOSITION M PROGRAM ACTIVITIES

- Purchased an 84-acre parcel of land for the new Palomar College North Education Center (near the northeast corner of Highway 76 and Interstate 15).
- Conducted the required California Environmental Quality Act/Environmental Impact Report for the Palomar College North Education Center site.
- Augmented the new Natural Science Building, a State Capital Outlay Project, opened in fall 2007, for equipment and technology needs.
- Commenced the California Environmental Quality Act/Environmental Impact Report study process for the San Marcos campus.
- Submitted final plans and specifications to the Division of the State Architect for approval of the Health Sciences Building and the Multidisciplinary Instructional Building (MIB).
- Purchased and installed computers in student labs, and in faculty and staff offices.
- Coordinated District designer groups with architectural teams on the following projects: Multimedia Lab and Planetarium; Escondido Center North Wing retrofit; parking improvement plans; Industrial Technology Building; Howard Brubeck Theater addition and remodel; baseball field relocation; high-voltage infrastructure upgrade; and the A-Building emergency generator.
- Identified more than 100 facilities improvement and special projects, which are in various stages of completion.

LEVERAGING PROP M FUNDS

- Received a San Diego Gas & Electric “Savings by Design” award for energy efficiency -- the largest award to an educational institution in San Diego County (\$131.5K).
- Committed to design all buildings to LEED standards through sustainable design, and recycling and sale of materials no longer usable to the District.
- Secured approval of State Capital Outlay funds for the Library/Learning Resource Center project.
- Redistributed computers replaced throughout the District and donated 200 “gently used” computers to Vista High School.

SERIES A BOND ISSUANCE

In May 2007, the Palomar Community College District issued Series A bonds in the amount of \$160 million.

REVIEW OF EXPENDITURES

The firm of Vicenti Lloyd & Stutzman LLP, Certified Public Accountants conducted the Financial and Performance Audit for proceeds and use of general obligation bonds for the fiscal year ended June 30, 2008, as required by Proposition 39. The results of the procedure performed indicated that expenditures were made for authorized bond projects.

The finding of no discrepancies validates the success of internal controls established by the Palomar College Finance and Administrative Services Division and implemented by staff.

To view the complete independent accountant's report, please visit www.palomar.edu/fiscal_services/LeftNav/Reports.html.

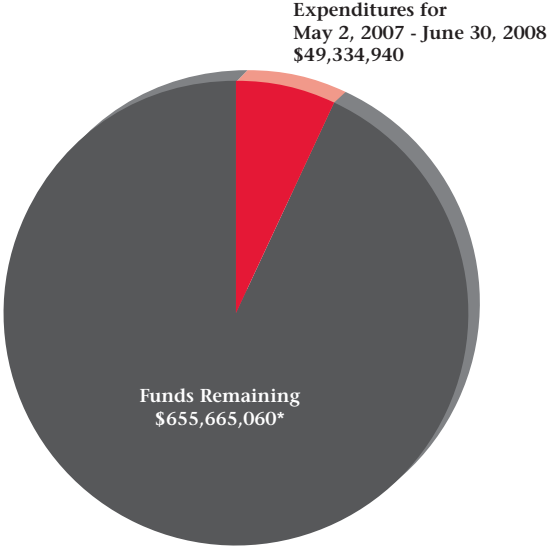


Health Sciences Groundbreaking Ceremony, April 17, 2009

From left to right: George Weiner, ICOC member; Richard Borevitz, ICOC member; Robert P. Deegan, Superintendent/President, Palomar College; Ginny MacDonald, ICOC Chair; Bonnie Ann Dowd, Vice President, Finance and Administrative Services, Palomar College; and John Nabors Jr., ICOC Vice-Chair.

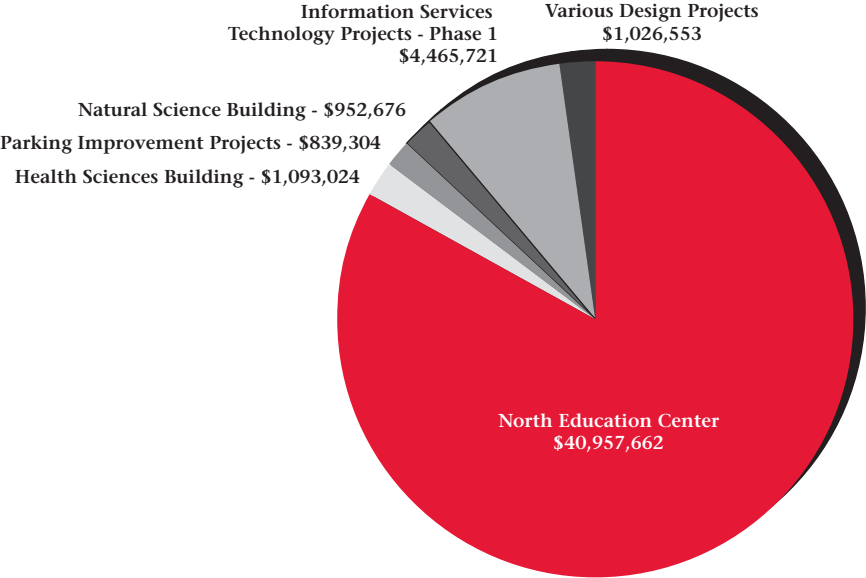
PROP M PROGRAM (TOTAL BOND AUTHORIZATION - \$694,000.000)

Bond Expenditures



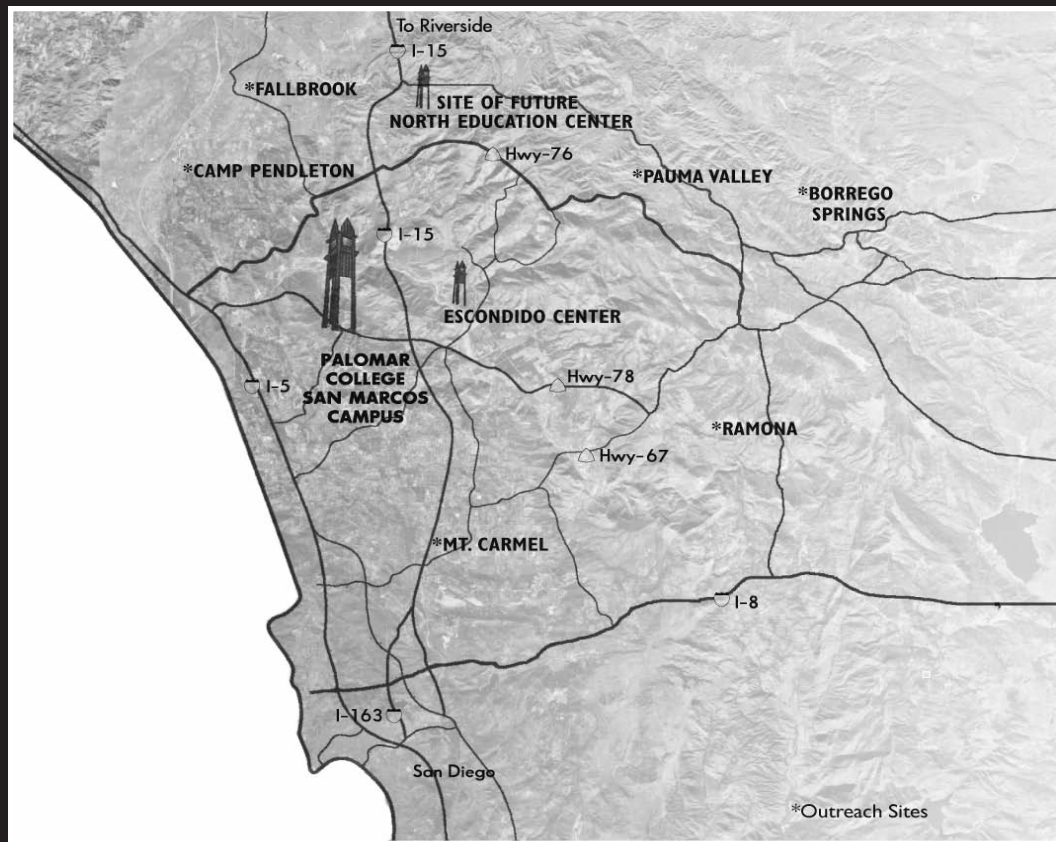
*Including interest earned as of
June 30, 2008

**Breakdown of Bond Expenditures
through June 30, 2008
\$49,334,940**





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Palomar Community College District is committed to reducing environmental impacts through increased use of recycled materials. This report was printed on recycled paper product.