



## **PROPOSITION M**

### **Independent Citizens' Oversight Committee**

#### **2009 - 2010 ANNUAL REPORT**



*Dear Community Member:*

It is a pleasure to present to you the 2009-2010 Annual Report on Proposition M. As you will recall, voters in the Palomar Community College District approved a \$694 million facilities bond measure (Proposition M) under the rules established by Proposition 39.

Since its passage the Palomar Community College District has, to name a few, finalized design work for the Multimedia Lab & Planetarium, the Industrial Technology Center, the Escondido Center North Wing, began the construction on the Health Sciences Building -- which was completed in 2010 -- and selected civil engineers for grading on the site of the future Palomar College North Education Center at the northeast corner of Highway 76 and Interstate 15.

All of these projects support the District's Master Plan 2022. The citizens of the District can take pride in the fact that the college continues to come in under budget, with construction completed on time. At a time of a challenging State budget that continues to spiral out of control, the voters can be satisfied with the District's prudent oversight in managing the funds approved by the voters in 2006. These funds have been reinvested into the communities, providing jobs and supporting the local economies.

The ICOC is responsible for reviewing all expenditures to ensure that bond proceeds are expended only for the purposes set forth in Proposition M. The committee reports, to the best of its knowledge, that Palomar Community College District is in full compliance with the requirements of Article XIII A of the California State Constitution. With this Report, the ICOC members also assure the community that Proposition M bond funds have been spent only for projects identified in Proposition M and that no bond funds were used unlawfully for faculty or administrative salaries or other operating expenses.

The committee meets four times a year to review expenditures and to receive in-depth reports on all projects. The Administration provides complete transparency on all projects and assures the voters that the committee is fully informed about all matters and issues related to Proposition M.

The voters can be proud of the investment that they have made in the District, with the knowledge that their dollars are making a difference in the lives of students now and for generations to come. Due to term limits, several of the ICOC members will be termed out after June 2011, after having served for four years on the ICOC, including myself. On behalf of the ICOC, it has been a pleasure to serve the community and the Palomar Community College District.

We thank the voters for their support and confidence in Palomar Community College.

Sincerely,

A handwritten signature in cursive script that reads "Ginny MacDonald".

Ginny MacDonald

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

## 2009-2010 COMMITTEE MEMBERS

Richard Borevitz

*Palomar College President's Associates*

Maurice Haight

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

Claudia Duran

*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

Michele T. Nelson, Ph.D., *President*

Mark R. Evilsizer, M.A., *Vice President*

Darrell L. McMullen, M.B.A., *Secretary*

Rose Marie Dishman, Ph.D., *Trustee*

Nancy C. Chadwick, M.S.W., M.P.A. *Trustee*

## SUPERINTENDENT/PRESIDENT

Robert P. Deegan

## PALOMAR COLLEGE MISSION

Our mission is to provide an engaging teaching and learning environment for students of diverse origins, experiences, needs, abilities, and goals. As a comprehensive college, we support and encourage students who are pursuing transfer-readiness, general education, basic skills, career and technical training, aesthetic and cultural enrichment, and lifelong education. We are committed to promoting the learning outcomes necessary for our students to contribute as individuals and global citizens living 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 five additional sites located throughout inland North San Diego County. Palomar College offers over 300 associate and certificate programs and serves over 32,000 students.



## 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).





*Industrial Technology Building*



## **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](http://www.palomar/propm/icoc). Meetings are held on the San Marcos campus unless noted differently on the ICOC website.

Meetings held during 2009-2010 and scheduled for 2010-2011 were as follows:

- September 4, 2009
- December 4, 2009
- March 6, 2010
- May 14, 2010
- September 17, 2010
- December 10, 2010
- March 11, 2011
- June 10, 2011

## **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, 2010, 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](http://www.palomar.edu/fiscal_services/LeftNav/Reports.html).

## COMMITTEE ACTIVITY SUMMARY

The Independent Citizens' Oversight Committee (ICOC ) was established by the Palomar College Governing Board on Sept. 26, 2006. Members are appointed by the Governing Board.

In accordance with the ICOC by-laws, each member shall serve a term of two (2) years, starting on the first meeting of a fiscal year. No member may serve more than two (2) consecutive terms.

The ICOC met four times in fiscal year 2009-2010. Proceedings of these meetings included:

- Appointing the ICOC Chair and Vice-Chair, as well as reviewing by-laws and roles and responsibilities of the ICOC with the bond attorney;
- Developing the 2008-2009 ICOC Annual Report;
- Updating the ICOC website at [www.palomar.edu/propm/icoc/](http://www.palomar.edu/propm/icoc/);
- Reviewing staff financial reports; and
- Reviewing staff construction projects.





*Industrial Technology Building Rendering*

### PROPOSITION M PROGRAM ACTIVITIES (2009-2010)

- Broke ground on May 26, 2010 and started construction on the Multimedia Lab & Planetarium.
- Broke ground on April 9, 2010 and began construction on the Industrial Technology Building.
- Continued construction on the Health Sciences Building.
- Continued construction on the Multidisciplinary Building (State Capital Outlay funding , with augmentation from Prop. M).
- Completed installation of Phase I 12kV (high-voltage) Electrical Infrastructure Upgrade and completed plans for Phase 2.
- Received certification of the San Marcos Campus Program Environmental Impact Report.
- Submitted final plans and specifications of the Theater Addition and Remodel project to the Division of State Architects for approval.
- Started construction on the Escondido Center North Wing Retrofit scheduled for completion in fall 2010.
- Coordinated District designer groups with architectural teams on the following projects: landscape upgrades; Phase 2 12kV Electrical Infrastructure Upgrade; Fire Alarm Upgrade; T-Building Renovation; Horse Ranch Creek Road (North Education Center); and Humanities Building.
- Purchased 26.95 gross acres site located at 11111 Rancho Bernardo Road in the city of San Diego. The property includes an approximately 110,000-square-foot “shell” building and associated parking garage and surface parking.
- Completed construction design on the Humanities Building, construction to begin in 2011.
- Continued the expansion of the wireless network on the San Marcos campus.
- Installed additional access points in existing buildings and an emergency generator in the San Marcos building that houses the District’s server.





## LEVERAGING OF PROP M FUNDS

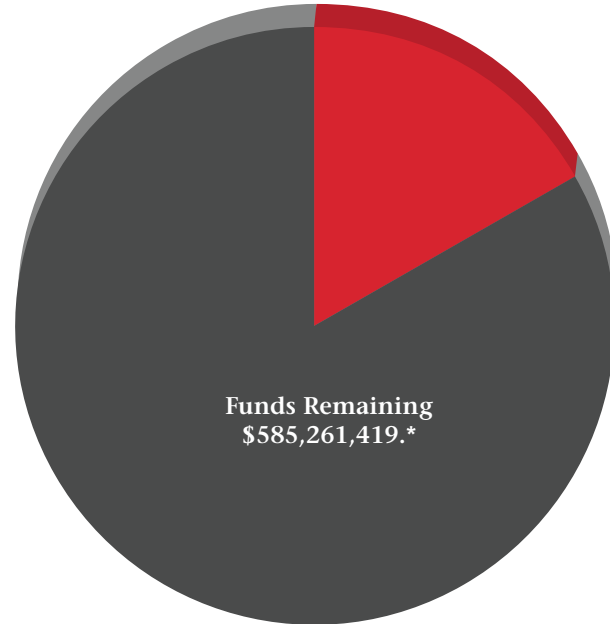
- Worked with San Diego Gas & Electric and the California Community Colleges and Investor-Owned Utility partnership to identify projects eligible for incentives, including the Multimedia Lab & Planetarium (est. \$8,000); the Multidisciplinary Building (est.\$131,000); and the Industrial Technology Building (to be determined).
- Designing all buildings to LEED standards through sustainable design, and recycling and sale of materials no longer usable to the District.
- Received a San Diego Gas & Electric “Savings by Design” award for energy efficiency for the campus-wide HVAC Retrofit for \$33,823.
- Received a San Diego Gas & Electric “Savings by Design” award for energy efficiency for the infrastructure change to the Server “Virtualization” for \$16,600.
- Purchased 26.95 gross acres of land located at 11111 Rancho Bernardo Road in the City of San Diego for \$38,300,000., on June 30, 2010. The property includes an approximately 110,000-square-foot “shell” building and associated parking garage structure. The District purchased the property to serve the southern portion of the District’s geographical boundaries. It was estimated during the due diligence process that had the District purchased the land and constructed the building, parking garage and other surface parking, the costs would have been \$32 million more, which represents 50 percent of what the District would have had to otherwise spend to achieve the same results. The District was able to take advantage of favorable market conditions, to save the taxpayers approximately \$32 million because of its long history of master and strategic planning for the future of the District to serve its community.



**PROP M PROGRAM**  
**(TOTAL BOND AUTHORIZATION - \$694,000,000.)**

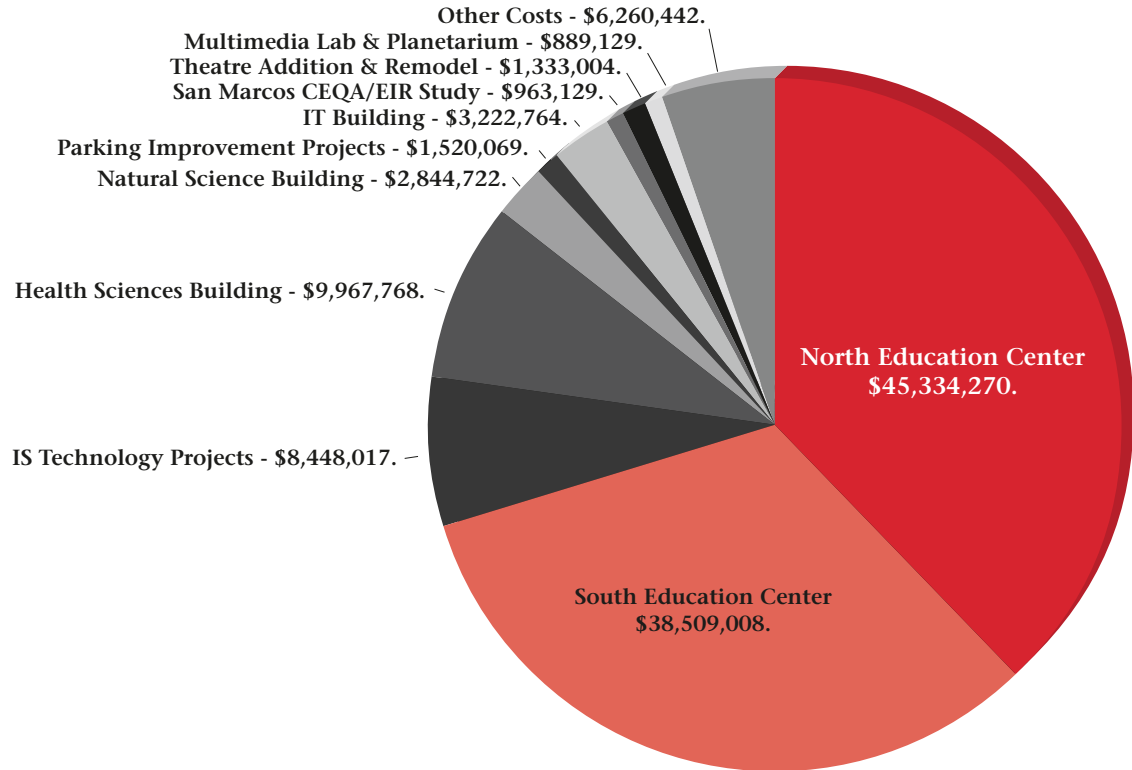
## **Bond Expenditures**

Expenditures for  
May 2, 2007 - June 30, 2010,  
\$119,292,323.



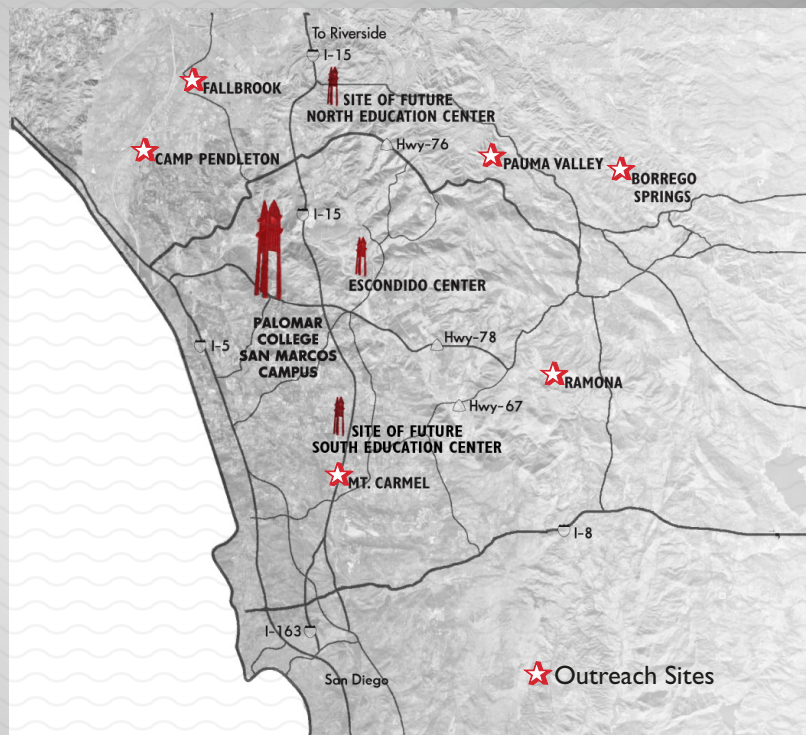
\*Including total of interest earned as of  
June 30, 2010, \$10,553,742.

**Breakdown of Bond Expenditures  
through June 30, 2010  
\$119,292,323.**



## **PALOMAR COLLEGE**

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San Marcos, CA 92069  
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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.*