

PROPOSITION M

Independent Citizens' Oversight Committee

2011 - 2012 ANNUAL REPORT



Dear Community Member:

It is my pleasure to present the 2011-2012 Annual Report on Proposition M. 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. Under the rules of Prop 39, an independent citizens' oversight committee (ICOC) was first established September 26, 2006.

This 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 investment activities accomplished this past 12 months.

The ICOC is responsible for reviewing expenditures to ensure that bond proceeds are spent only for the purposes set forth in Proposition M. 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 or other operating expenses.

I have thoroughly enjoyed serving as ICOC Chair and working closely with the committee and the District staff. Thank you to the citizens of this District for your ongoing support and confidence in Palomar Community College. We look forward to continuing the positive work your investment has provided.

Sincerely,



Glen Winn
Chair
Independent Citizens' Bond Oversight Committee



2011-2012 COMMITTEE MEMBERS

Terry L. Ardinger,
Member of the Community at Large

Jesse Lyn Clark
Palomar College Foundation

Thomas Clark
Member of the Community at Large

Rod Jones
Local Business Organization

Evelyn Lucero
*Palomar College Associated Student
Government Representative*

John Nabors
Taxpayers' Association

Glen Winn, *Chair*
*Local Business Organization/San Marcos
Economic Development Corporation*

GOVERNING BOARD

Darrell L. McMullen, *President*

Rose Marie Dishman, Ph.D., *Vice President*

Nancy C. Chadwick, *Secretary*

Paul P. McNamara, *Trustee*

Mark R. Evilsizer, *Trustee*

Cody Dean, *Student 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 additional sites located throughout inland North San Diego County. Palomar College offers over 300 associate and certificate programs and serves almost 30,000 students.



**Shown at the Palomar
Groundbreaking for the
Humanities Building and
the Teaching and Learning
Center**

November 3, 2011

*Left to right Palomar College
Governing Board Trustees:
Darrell McMullen; Nancy Chadwick;
Mark Evilsizer; Rose Marie Dishman;
Paul McNamara; and Palomar College
President Robert P. Deegan.*

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 Independent Citizens' Oversight Committee was initially appointed by the Palomar College Governing Board on May 8, 2007. The Committee met four times in fiscal year 2011-2012. Proceedings of these meetings have included:

- Reviewing bylaws and roles and responsibilities of ICOC with the bond attorney
- Developing the 2008-2009 Annual Report
- Updating of ICOC website -- <http://www.palomar.edu/propm/icoc/>
- Developing the 2011-2012 Annual Report
- Reviewing staff financial reports
- Reviewing construction projects

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.edu/propm/icoc. Meetings are held on the San Marcos campus unless noted differently on the ICOC website.

Meetings held or scheduled during the 2011-2012 and the 2012-2013 fiscal years include:

HELD

- September 23, 2011
- December 2, 2011
- March 2, 2012
- June 1, 2012

SCHEDULED/HELD

- September 7, 2012
- December 7, 2012
- March 1, 2013
- June 7, 2013



PROPOSITION M PROGRAM ACTIVITIES

- Began construction on the Escondido Center Re-Imaging project.
- Began construction on the Humanities Building in Fall 2011.
- Began construction on the Teaching Learning Center in Fall 2011.
- Began construction on the Theatre Remodel and Expansion in Summer 2011.
- Continued construction on Horse Ranch Creek Road.
- Opened the Industrial Technology Building in Spring 2012.
- Opened the Multimedia Lab and Planetarium Building in Spring 2012.
- Completed construction of the 12kV Electrical Infrastructure Upgrade.
- Completed construction of the Fire Alarm Infrastructure Upgrade.
- Developed a construction parking lot on three (3) acres adjacent to the San Marcos campus.
- Coordinated District design groups with architectural teams on the following projects: LRC (Library), Child Development Center, and South Education Center.



LEVERAGING OF PROP M FUNDS

- Included a complete photovoltaic electrical system on the Humanities Building project.
- All new projects have participated in the San Diego Gas & Electric “Savings By Design” program for energy efficiency.
- Continued to implement LEED standards on all buildings through sustainable design, and recycling and sale of materials no longer usable to the District.

SERIES A BOND ISSUANCE

In May 2007, the Palomar Community College District issued Series A bonds in the amount of \$160 million. The bonds were sold with a qualified tax opinion and investors were restricted to approved institutional buyers.

SERIES B BOND ISSUANCE

In November 2010, the Palomar Community College District issued Series B Bonds in the amount of \$175 million. The bonds consisted of \$83.5 million in federally taxable Build America Bonds and \$91.5 million in tax-exempt General Obligation Bonds.

REVIEW OF EXPENDITURES

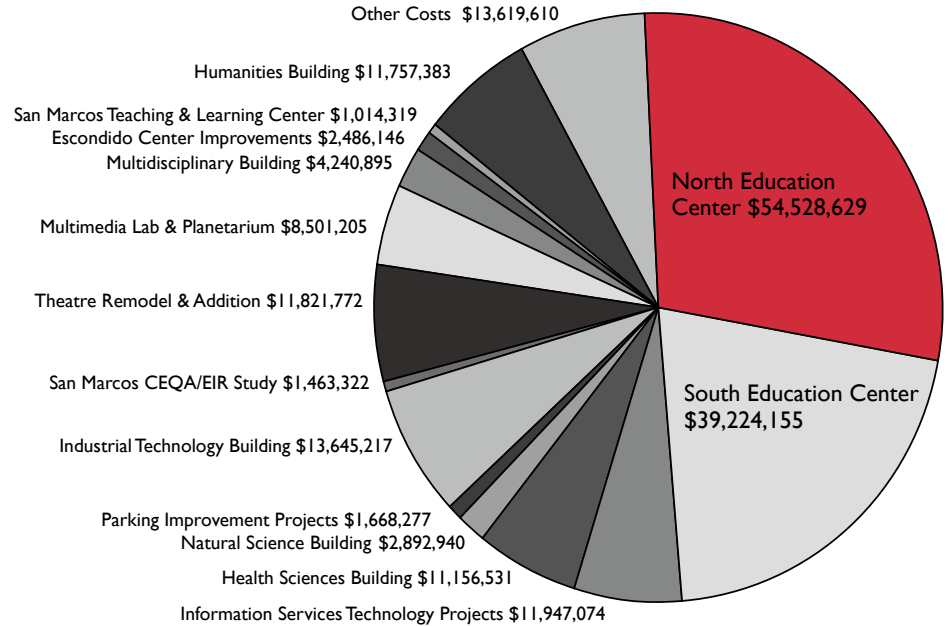
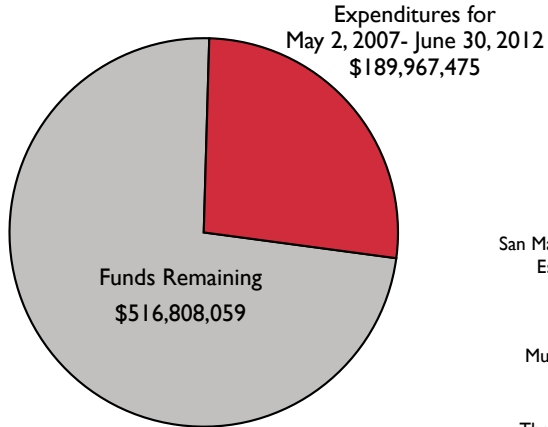
The firm of Christy White Associates, Certified Public Accountants conducted the Financial and Performance Audit for proceeds and use of general obligation bonds for the fiscal year ended June 30, 2012, as required by Proposition 39. The results of the procedure performed indicated that expenditures 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.



Breakdown of Bond Expenditures through June 30, 2012



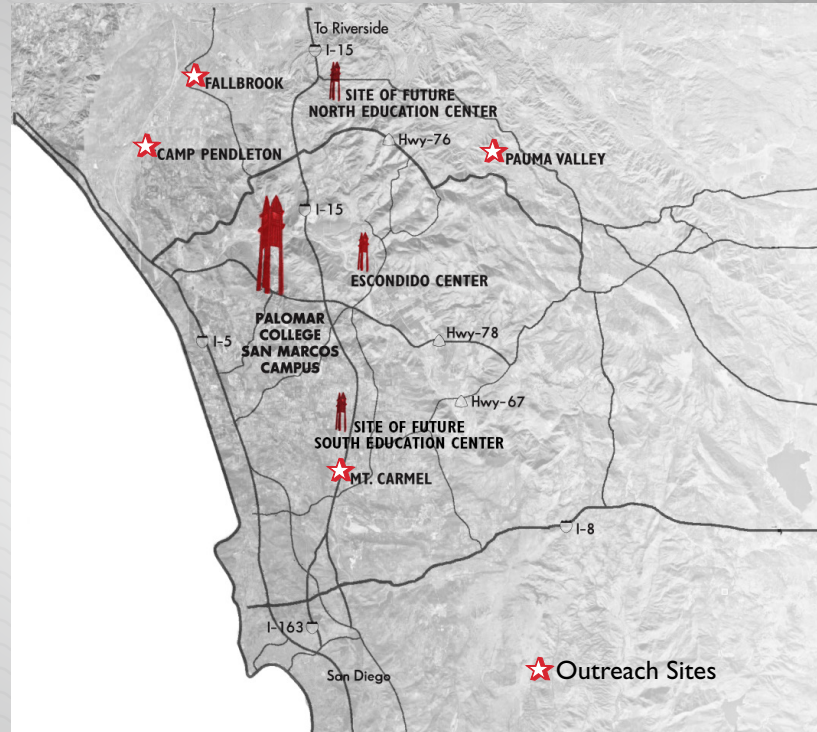
PALOMAR COLLEGE

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