

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE



2016 – 2017

ANNUAL REPORT

2016 - 2017 COMMITTEE MEMBERS

David Aguilar

Student, Palomar College Associated Student Government

Jesse Lyn Clark

Palomar College Foundation

Thomas Clark

Chair, Member of the Community at Large

Rod Jones

Local Business Organization

Sarah Rosenfield

Co-Chair, Member of the Community at Large

GOVERNING BOARD

Nancy Ann Hensch, *President*

Paul P. McNamara, *Vice President*

John J. Halcón, *Secretary*

Mark Evilsizer, *Trustee*

Nina Deerfield, *Trustee*

Malik Spence, *Student Trustee*

SUPERINTENDENT/PRESIDENT

Joi Lin Blake, Ed.D.





A LETTER FROM THE COMMITTEE CHAIR

Dear Community Member:

It is my pleasure to present the 2016-2017 Proposition M Annual Report. 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. Under the rules of Prop 29, a citizen's oversight committee (ICOC) was first established September 26, 2006.

The 2016-2017 year saw a significant amount of activity within the Prop M projects. This Annual Report is made 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.

We thank you, as a resident of the District, for your continued support and confidence in Palomar College and the vision it has for the future of education.

Sincerely,

Thomas Clark, Chair

Independent Citizens' Oversight Committee

PALOMAR COLLEGE MISSION

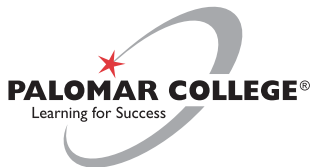
Our mission is to provide an engaging teaching and learning environment for students of diverse origins, experiences, needs, abilities, and goals. As a comprehensive college, we support and encourage students who are pursuing transfer-readiness, general education, basic skills, career and technical training, 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 70 years. Our San Marcos campus is supplemented by an educational center in Escondido, as well as four additional sites located throughout inland North San Diego County. Palomar College offers over 250 associate degree and certificate programs and serves more than 25,000 students each semester.





ABOUT PROPOSITION M

On November 7, 2006, voters in the District's service area approved Proposition M, a \$694 million facilities bond measure, enabling 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).

PROPOSITION M PROGRAM ACTIVITIES

- Continued construction for the Learning Resource Center.
- Began construction for the South Education Center in Rancho Bernardo.
- Began construction for the new Parking Structure and Campus Police facility.
- Began construction for the new Maintenance & Operations facility.
- Began construction for the new North Education Center in Fallbrook.

PARKING STRUCTURE/POLICE STATION GROUNDBREAKING:

*From left, Palomar College
Police Department (PCPD)
Sergeant Mike Maines,
PCPD Sergeant Chris Moore,
PCPD Chief Mark DiMaggio,
and Vice President, Student
Services Adrian Gonzales*



COMMITTEE ACTIVITY SUMMARY

The Independent Citizens' Oversight Committee was appointed by the Palomar College Governing Board on May 8, 2007, and met five times in fiscal year 2007-2008. Proceedings of these meetings have 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

PARKING STRUCTURE GROUNDBREAKING, BELOW:

From left, Governing Board Trustee Nina Deerfield, Governing Board Trustee Mark Evilizer, Superintendent/President Dr. Joi Lin Blake, and Governing Board Secretary John Halcón.



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

All meetings are held on the San Marcos campus unless noted differently on the ICOC website.

Meetings held or scheduled during the 2016-2017 and the 2017-2018 fiscal years include:

HELD

September 2, 2016
December 2, 2016
March 3, 2017
June 2, 2017

SCHEDULED

September 1, 2017
December 1, 2017
March 2, 2018
June 1, 2018

LEVERAGING OF THIS INVESTMENT

- By utilizing sustainable design practices, the construction for the Maintenance & Operations facility has the intent of a net zero building, with a complete Photovoltaic Electrical system.
- Incorporated a complete Photovoltaic Electrical system for the Learning Resource Center, South Education Center, MD Building, Escondido Center, and Palomar College Police facility.
- Continued participation 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.

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, 2017, 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 Department and implemented by staff.

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



RANCHO BERNARDO SOUTH EDUCATION CENTER GROUNDBREAKING: *From left, Governing Board Trustee Mark Evilsizer, Governing Board Trustee Nina Deerfield, Superintendent/President Dr. Joi Lin Blake, Governing Board Trustee Emeritus Nancy Chadwick, Governing Board Vice President Paul McNamara, and Governing Board Secretary John Halcón.*

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.

SERIES C BOND ISSUANCE

In April 2015, the Palomar Community College District issued Series C bonds in the amount of \$220 million in tax-exempt General Obligation Bonds.

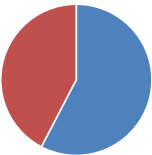
SERIES D BOND ISSUANCE

In April 2017, the Palomar Community College District issued Series D bonds in the amount of \$139 million in tax-exempt General Obligation Bonds.

BREAKDOWN OF BOND EXPENDITURES - THROUGH JUNE 30, 2017

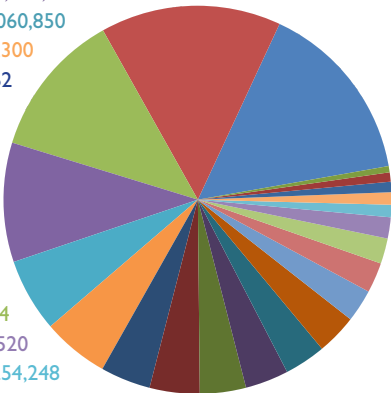
Total Bond monies available, including interest through 6/30/17: \$711,952,507

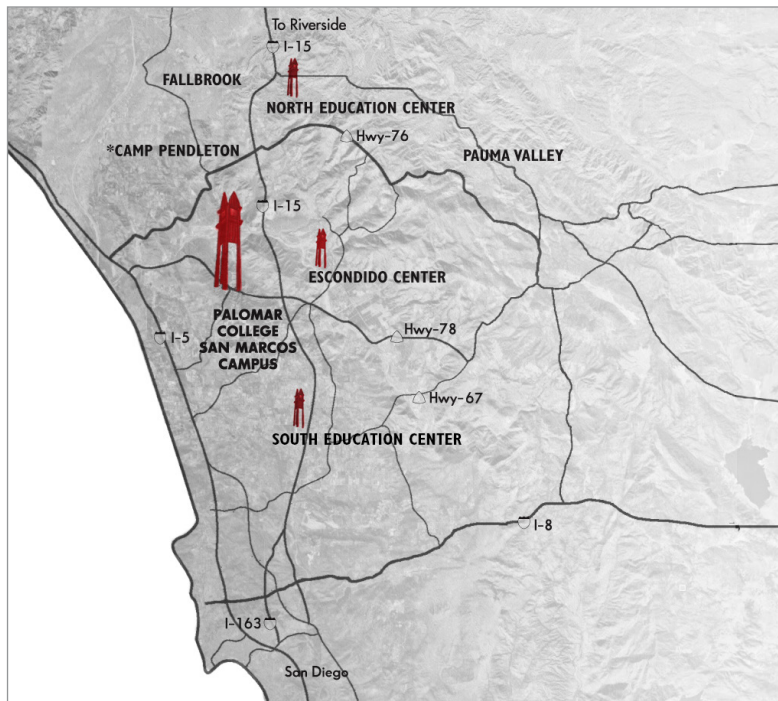
\$301,632,243
Funds Remaining
as of 6/30/17



\$410,320,264
Total Bond Expenditures
through 6/30/17

- South Education Center \$62,768,069
- North Education Center \$61,767,885
- Humanities H Bldg \$49,779,403
- Library & Learning Resource Center \$40,738,590
- Parking Structure & Improvement Projects \$25,060,850
- Theatre/Performing Arts Complex \$22,682,300
- Early Childhood Education Lab Center \$17,119,262
- Information Services Projects \$17,076,173
- Escondido Center Improvements \$15,751,151
- T Building Renovation \$14,829,750
- Other Costs \$14,110,065
- Industrial Technology \$13,829,426
- Health Sciences Bldg \$11,156,530
- Baseball Field Complex \$10,341,066
- Multimedia Lab & Planetarium \$8,705,554
- Infrastructure Improvements \$7,236,520
- Teaching & Learning Center \$4,254,248
- Multidisciplinary Instructional Building \$4,245,706
- Natural Sciences Building \$3,554,258
- Maintenance & Operations Bldg \$3,174,691
- San Marcos Campus CEQA/EIR Study \$2,138,768





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WWW.PALOMAR.EDU/PROPM/ICOC