



COLLEGE OF THE DESERT CITIZENS' OVERSIGHT COMMITTEE 2016-2017 ANNUAL REPORT

FOR FISCAL YEAR ENDED JUNE 30, 2017



LETTER FROM THE MEASURE B CITIZENS' OVERSIGHT COMMITTEE CHAIR

Dear Coachella Valley Residents,

The Citizens' Bond Oversight Committee is pleased to present its 13th annual report as required by Proposition 39, the legislative authority of Measure B. As your local representatives, it is our responsibility to oversee the expenditure of bond funds, as approved by the College of the Desert's Trustees, to ascertain that they are spent as specified in the ballot measure.

Measure B was approved by voters in March 2004, and, as required by the terms of the issue, the College Board of Trustees appointed an independent Citizens Oversight Committee. Your seven members represent a cross-section of Coachella Valley residents.

Our open meetings are held quarterly to review and discuss progress reports related to bond projects in various stages of development, expenditures of bond funds, as well as future plans and financial projections. We essentially perform a due diligence function. We question representatives of the College who work on the various projects, as well as the auditors engaged to assure that funds are spent in accordance with Measure B. As a committee, we have been impressed with the College's organization, planning, attention to detail, and the diligence of its staff.

The Coachella Valley has been experiencing unprecedented growth, resulting in College of the Desert seeing some of the highest enrollment numbers in the State of California. With increased demand being placed on programming and facilities, the College answered the call for additional class space in 2016-17 through renovation and creation of new classroom space. These projects aim to fulfill the commitment set forth by the College to provide all COD students with facilities capable of supporting integrative and comprehensive programs.

The picturesque campuses of College of the Desert are utilized by residents and visitors to the Coachella Valley. Whether attending one of the many events hosted by the College or enjoying the Street Fair on the weekend, College of the Desert facilities serve the entire community! Overwhelming support from the residents of the Valley for a new Bond program came to fruition in 2016. Measure CC will ensure that momentum continues as College of the Desert expands to meet the needs of Valley residents.

Measure B Bond projects address the College's most critical facility needs, including safety, energy savings, technology, and training programs in response to community needs. These changes will enable College of the Desert to continue providing an opportunity for a first-class education for the surrounding communities. The College improves the quality of life for the entire region through its training of professionals and workers for the economic-based industries of the valley.

Information on past and future meetings and the ongoing bond projects can be found at College of the Desert's Website: www.bond.collegeofthedesert.edu. We welcome all members of the public to our meetings. Feel free to contact us with your comments or questions.

Sincerely,
Vernon Kozlen, *Committee Chair*

| | | |
|------------------------------|--|---|
| C O N T E N T S | Projects in Process | 5 |
| What is Measure B? | Financial & Performance Audits | 6 |
| Projects Completed | Bond Expenditure Update | 7 |



MEASURE B

In March 2004, the citizens of the Coachella Valley approved a general obligation bond measure of \$346.5 million to fund facilities projects to train local residents for jobs, prepare students for four-year colleges and accommodate increasing student enrollment at College of the Desert by:

- Expanding nursing/police/firefighting training facilities;
- Repairing sewer systems, leaky roofs, decaying walls, plumbing, electrical systems;
- Upgrading/adding classrooms for computer technology;
- Repairing, acquiring, constructing, equipping buildings, sites, classrooms; and
- Acquiring sites and developing campuses in east and west valley areas.

The Board of Trustees of the Desert Community College District evaluated the District's urgent and critical facility needs, including safety issues, enrollment growth, energy reduction and information and computer technology in developing the scope of projects to be funded.

These are outlined in the College of the Desert Facilities Master Plan, approved on November 19, 2003, and further amended from time to time. In developing the scope of projects, the faculty, staff and students have prioritized the key health and safety needs so that the most critical needs are addressed. The Board of Trustees conducted independent facility evaluations and received public input and review in

developing the scope of the college facility projects to be funded. The projects are listed in the Facilities Master Plan which was unanimously approved by the Board of Trustees. This input of faculty, staff, and community and business leaders concluded that if these needs were not addressed now, the problems would only get worse. In preparing the Facilities Master Plan, the Board of Trustees made five important determinations:

- It is critically important for College of the Desert to provide facilities for job and vocational training to students and adults seeking to acquire job skills demanded by local businesses;
- College of the Desert must provide facilities to increase the number of trained nurses to help relieve the serious nursing shortage in the area;
- College of the Desert must add new facilities and classrooms to meet the rapid growth in the area which has resulted in thousands of new students seeking an affordable local college education;
- College of the Desert must provide facilities for academic programs to students who want to transfer to a four-year college; and
- The mission of College of the Desert is to provide facilities that support adult continuing education classes in subjects like financial planning, accounting and computers.

AUTHORITY AND PURPOSE OF THE CITIZENS' OVERSIGHT COMMITTEE

Measure B was approved under the requirements of California's Proposition 39, the Strict Accountability in Local School Construction Bonds Act, passed by state voters in 2000. As required by Proposition 39, the College of the Desert Board of Trustees appointed an independent committee of citizens to oversee the expenditure of all bond funds. Proposition 39 requires representatives from taxpayer groups, business and industry, senior citizens' organizations and students, and is charged with ensuring that all bond funds are spent as promised on capital

projects within the College district.

Since September 2004, the Committee has been meeting regularly to review the College's bond-funded construction program and to ensure the program maximizes all funding sources and makes the most prudent use of taxpayer dollars. The Committee is also charged with assuring that the College adheres to the requirements of Proposition 39, including spending funds only on those projects identified in Measure B and approved by the voters.

INCOMING BOND OVERSIGHT COMMITTEE MEMBERS FOR 2017-2018



Seven people are responsible for overseeing the \$346.5 million bond issue approved by voters in March 2004 for College of the Desert construction and campus renovations. The group meets quarterly to review expenditures and to see that the Proposition 39 guidelines are followed. They're responsible for an audit and an annual report. They (and the constituencies they represent) are, (from left, top row): **Mr. Vernon Kozlen**, *Chair, College Support Organization*; **Andrew Harker, Ed.D.**, *Vice Chair, West Valley Representative*; **Mr. Steven Bayard**, *East Valley Representative*; **Ms. Margie Eklund**, *Senior Citizen Group Representative*; **Ms. Eileen Packer**, *Business Representative*; **Ms. Vicki Shepard**, *Taxpayers' Association Representative*; **Mr. Scott Relerford**, *Student Representative*.



2016-17 CITIZENS' OVERSIGHT COMMITTEE MEMBERS

Mr. Vernon Kozlen
Chair, College Support Organization

Mr. Andrew L. Harker, Ed.D.
Vice Chair, West Valley Representative

Mr. Steven Bayard
East Valley Representative

Ms. Eileen Packer
Business Representative

Ms. Margie Eklund
Senior Citizen Group Representative

Ms. Vicki Shepard
Taxpayers' Association Representative

Mr. Liam Withrow
Student Representative

COLLEGE OF THE DESERT PROGRAM MANAGEMENT TEAM

Ms. Lisa Howell
Vice President, Administrative Services

Mr. John Ramont
Director, Fiscal Services

Mr. Mac McGinnis
*Program Manager,
Bond Management Office*

THIRTEENTH YEAR REPORT: MEASURE B PROJECTS COMPLETED OR IN PROCESS

Since the passage of Measure B in 2004, the District has followed a building program that responds to its Education Master Plan, facilities condition assessment; the need for replacement of insufficient or inefficient facilities; seismic, safety and other building code issues, and long overdue infrastructure and technology upgrades. This process continues to be followed with updated data for educational needs and continuously updated building codes. The District takes seriously its responsibility to be good stewards of the Bond proceeds to ensure the demands of the Bond language and the expectations of the citizens of the Coachella Valley are met while completing right sized, well planned projects that will serve the District and the community far into the future. Planning began on several new projects on the Palm Desert campus as well as the new facilities planned for east and west valley sites.

Palm Desert Campus

The highly anticipated Central Campus Renovation has been approved by the Department of the State Architect (DSA). The next steps are bidding and then construction. This project brings the College Library and Learning Resource Center back to the heart of the campus. The District has taken extensive design steps to preserve the original John Carl Warnecke architecture which holds deep sentimental value to the District and the Coachella Valley community yet boasts a modern open concept inviting innovative minds and a community feel. A total renovation of the C Building which is adjacent to the Library, will finally provide the campus with a dedicated Board Room and a Presidential suite of offices. Anticipated completion of this project is summer of 2019.



Multiple projects were completed in 2016-17 on the Palm Desert Campus. Although the projects did not come in the package of new facilities, these small projects made a huge impact on the students and staff at College of the Desert. These projects include the total renovation of PSA 16. This renovation transformed an unused fitness center into a functional computer lab boasting 57 new works stations. This new class space and computer lab addresses overcrowding and lack of accessibility to essential education technology.



College of the Desert continues striving to serve everyone in the Coachella Valley seeking to enhance their lives through education. In 2016-17, President Kinnamon and the Board of Trustees announced their intent to implement pLEDGE which would offer high school graduates from the Coachella Valley with two full years of free tuition and fees at College of the Desert. To make this dream a reality, it immediately became clear that additional facilities must be added to mitigate the already crowded classroom and labs. From this challenge, the Diesel Mechanic's Second Floor project was born. This project took unused raw space and transformed it into four flex space classrooms, one computer lab and six private offices. The modern design and cutting-edge technology serve to inspire students and staff to look beyond their exterior walls and imagine transformation and progress.

Foodie: not just a word but a way of life. The culinary arts have exploded in recent years and the Coachella Valley has reaped the benefits! This resort community loves to enjoy innovative cuisine and the College of the Desert Culinary Arts program consistently delivers fresh new talent into this exciting industry. Inspiring the next great chef starts with a

THIRTEENTH YEAR REPORT: MEASURE B PROJECTS COMPLETED OR IN PROCESS

functional and fresh facility. A new preparation space, additional storage and electrical upgrades were made to the College of the Desert kitchen in 2016-17.

The cafeteria of a college campus is more than a place to grab a quick bite, it's the social hub of the campus community. Beeps café is seldom found empty; packed with students utilizing the casual atmosphere for brainstorming and building relationships. Beeps café underwent a transformation in 2016-17 with new flooring and seating arrangements as well as a fresh new modern color scheme. Students and staff are abuzz with excitement for the new Beeps style.



East Valley

Completion of the Indio campus brought much needed educational facilities to one of the fastest growing areas in the Coachella Valley. The College is committed to serving the educational needs of the students eager to learn and grow through education. The Student Kiosk at the Indio Campus is an exciting design of a student-operated enterprise comprised of snacks and drinks waiting to serve the students and staff. Students will have the opportunity to receive a hands-on education while they run this business with staff supervision. The expansive variety of seating takes advantage of the Coachella Valley's beautiful weather with fixed outdoor, window and interior seating options.



In response to strong enrollment numbers and projected growth, the Board of Trustees approved the expansion of the existing

Mecca/Thermal Campus. This expansion project incorporates a new Interdisciplinary Lab and Prep Room, a Computer Lab and one general use classroom into the existing campus program. These new facilities work to specifically address curriculum needs of the citizens who reside in the surrounding communities as identified by a study completed in 2014. Construction on the project commenced in 2016 and is expected to see completion winter 2017.



Included in this expansion project is a new Observatory that will expand the Astronomy program and provide access to both new 17" and 1 meter telescopes.



West Valley

In early 2016, the Desert Community College District Board of Trustees unanimously approved the acquisition of the old Palm Springs Mall for the new site of the West Valley Campus. The Desert Community College District is committed to building an environmentally responsible facility that is central to the West Valley and the City of Palm Springs' thriving hospitality and performing arts community. While sale negotiations continue, the College moved forward with a temporary modular campus in Palm Springs. The temporary campus will open its doors to students January of 2018.

ADDENDUM

The District reaffirms the efficacy of continuing the bond program to completion at a time when it faces operating budget challenges due to reductions in state funding. It was concluded that it was essentially impractical to contemplate suspension of the bond program and in fact there are at least ten good reasons for pursuing it to completion:

1. It enables COD to develop new campus sites and facilities to serve the entire Coachella Valley during the second 50 years of the College's existence.
2. It addresses contemporary health and safety, disability access, and building code compliance requirements.
3. It gives students and faculty access to the highest quality teaching and learning environments which is critical to our mission.
4. It enables renovation of substandard and no-longer-fit-for-purpose facilities and permits systematic replacement of all modular buildings.
5. It facilitates the replacement of aging and inefficient services infrastructure.
6. It takes COD closer to contemporary technology standards.
7. It positions COD long-term to meet the demands of a growing and diversifying valley population once the short-term state funding crisis is overcome.
8. It provides the opportunity for COD to practically demonstrate leadership in sustainability stewardship in all its new buildings and campuses.
9. It must be aggressively pursued to completion because the bond funds must be expended in a defined timeframe for the purposes identified in the bond election and we are currently enjoying the most favorable construction market in years.
10. It represents a significant economic development driver for the valley in its own right currently and in the longer term through the facilities created.

SUSTAINABILITY STEWARDSHIP, WALKING THE GREEN TALK AT COLLEGE OF THE DESERT

The District's Policy of Sustainability Stewardship, its Green Council and other Sustainability Performance Targets and Guidelines can be found on the District's website, at: <http://www.collegeofthedesert.edu/community/ss/Pages/default.aspx>.

These, as well as other Bond planning and design documents are available on the Bond website www.bond.collegeofthedesert.edu.

Developed by the U.S. Green Building Council (USGBC), the LEED® Green Building Rating System™ is a framework for identifying, implementing and measuring green building and neighborhood design, construction, operations and maintenance. LEED is voluntary and designed for new and existing commercial, institutional, and residential building, including neighborhood development. Several categories are used in the LEED Green Building Rating System such as sustainable sites, water efficiency, energy and atmosphere,

materials and resources, indoor environmental quality, awareness and education, location and linkages, neighborhood pattern and design, green infrastructure and building, innovation in design /operations, and regional priority.

The LEED rating system is based on a 100 point scale with an extra 10 bonus points available for innovation in design, exemplary performance, or achievement of credits identified as having regional importance on a project's location. LEED certification is awarded based on this scale: 40-49 points Certified; 50-59 points Silver; 60-79 points Gold; and 80+ points Platinum. There are four standard principal types of LEED requirements: prerequisites, core credits, innovation credits and regional priority credits. For more information about LEED® Certification and guidelines visit the U.S. Green Building Council website at www.usgbc.org/.

INDEPENDENT FINANCIAL AND PERFORMANCE AUDITS

In compliance with Proposition 39, the Board of Trustees engaged the independent audit firm of Vavrinek, Trine, Day & Co., LLP, to complete independent audits of the financial records and the construction records of the bond program.

The first issuance for bond sales was for \$65 million in August 2004 and refunded in June 2005 bringing the total to \$73 million. In November 2007, the District issued General Obligation Bonds, Series 2007B in the amount of \$57,850,000. In December 2007, the District issued the final approved principal amount of General Obligation Bonds, Series 2007C in the amount of \$223,648,444. The District's bond insured rating from Moody and S&P

continued as AAA. The audit firm reported that the College of the Desert "... has properly accounted for the expenditures of the funds held in the Bond Fund and that such expenditures were made on authorized bond projects. Further it was noted that the funds held in the Bond Fund and expended by the District were not expended for salaries of school administrators or other operating expenditures." The audit had no adverse findings and no questionable costs were noted.

A copy of the full financial and performance audits can be viewed on the College of the Desert Bond web page at www.bond.collegeofthedesert.edu.

UPDATED BOND PROJECTS EXPENDITURES AND PROGRESS REPORT AT JUNE 30, 2017

Audited results as reported to the Citizens' Oversight Committee by District Staff. Total budget does not include other funding sources. For more details on expenditures go to www.bond.collegeofthedesert.edu.

| | Actual Costs for Fiscal Year Ended June 30, 2017 | Actual Costs August 1, 2004 through June 30, 2017 | Total Budget at June 30, 2017 |
|--|--|---|-------------------------------|
| JOB AND CAREER TRAINING PROJECTS | | | |
| Applied Sciences | \$ (415.00) | \$ 12,125,866.76 | \$ 12,125,866.76 |
| Barker Nursing Complex | 0 | 10,962,344.30 | 10,962,344.30 |
| Burn Tower | 0 | 2,875,267.10 | 2,875,267.10 |
| Child Development Center | 0 | 6,066,889.91 | 6,066,889.91 |
| Nursing Building Renovation | 0 | 3,538,287.21 | 3,538,287.21 |
| Public Safety Academy Phase I | 0 | 14,911,665.49 | 14,911,665.49 |
| Subtotal | \$ (415.00) | \$ 50,480,320.77 | \$ 50,480,320.77 |
| CLASSROOM BUILDINGS AND FACILITIES | | | |
| Alumni Center | \$ 0 | \$ 2,714,816.33 | \$ 2,714,816.33 |
| Athletic facilities & Aquatics | 0 | 23,697,447.38 | 23,697,447.38 |
| Business Building Renovation | 0 | 4,598,035.81 | 4,598,035.81 |
| Central Campus Redevelopment | 1,014,313.83 | 3,617,001.83 | 37,550,000.00 |
| Communications Building | 0 | 20,221,674.53 | 20,221,674.53 |
| Cravens Student Center | 0 | 22,948,365.23 | 22,948,365.23 |
| Culinary Kitchen | 0 | 410,529.17 | 410,529.17 |
| Desert Hot Springs | 0 | 1,140.00 | 1,140.00 |
| Dining Hall Renovation | 0 | 5,399,909.77 | 5,399,909.77 |
| Mecca/Thermal Interim Modulars | 0 | 9,913,928.58 | 9,913,928.58 |
| Imaging | 0 | 299,539.84 | 299,539.84 |
| Indio Campus | 0 | 24,091,496.95 | 24,091,496.95 |
| Math Science Technology | 750.00 | 23,997,569.18 | 24,040,932.01 |
| Mecca/Thermal Campus Expansion | 2,868,946.19 | 3,131,977.19 | 29,700,000.00 |
| Relocations Project | 0 | 699,229.67 | 898,059.68 |
| Scene Shop | 0 | 74,676.42 | 74,676.42 |
| Science Labs | 0 | 223,624.27 | 223,624.27 |
| Soil Contingency | 0 | 0 | 101,500.00 |
| South Annex | 0 | 3,867,843.21 | 3,867,843.21 |
| Stagecraft Shop | 0 | 2,042,836.43 | 2,042,836.43 |
| Temporary Dining Facilities | 0 | 752,839.90 | 752,839.90 |
| Visual Arts Building | 0 | 8,434,163.14 | 8,434,163.14 |
| Visual Arts Canopy | 103,778.72 | 180,327.72 | 180,327.72 |
| Voice Over I.P. Communication | 0 | 964,486.71 | 964,486.71 |
| West Valley Palm Springs Phase 1 | 0 | 5,403,355.00 | 5,403,355.00 |
| West Valley Palm Springs Campus & Temporary Modulars | 291,082.16 | 300,972.30 | 34,586,645.00 |
| Wireless Access | 0 | 322,555.12 | 322,555.12 |
| Subtotal | \$ 4,278,870.90 | \$ 168,310,341.68 | \$ 263,440,728.20 |
| HEALTH AND SAFETY PROJECTS | | | |
| Subtotal | \$ 0 | \$ 39,533,238.54 | \$ 39,604,434.90 |
| ENERGY EFFICIENCY IMPROVEMENTS | | | |
| Subtotal | \$ 0 | \$ 16,464,459.49 | \$ 16,743,568.09 |
| SAFETY, SECURITY AND SITES | | | |
| Subtotal | \$ 0 | \$ 15,830,866.68 | \$ 15,844,279.02 |
| OTHER | | | |
| Planning & Program Management & Contingency | 2,793,152.23 | 31,605,238.23 | 34,780,966.93 |
| Subtotal | \$ 2,793,152.23 | \$ 31,605,238.23 | \$ 34,780,966.93 |
| Total | \$ 7,071,608.13 | \$ 322,224,465.39 | \$ 420,894,297.91 |

STAY IN TOUCH

The Citizens' Oversight Committee meets quarterly to review Measure B projects and progress. All meetings are open to the public and are held at 3:30 p.m. in the North Annex Conference Room on the Palm Desert Campus at 43-500 Monterey Ave., Palm Desert, CA 92260.

For more information on Measure B, the Facilities Master Plan, Citizens Oversight Committee agendas and meeting minutes, go to the COD Bond Website at www.bond.collegeofthedesert.edu or call the College at (760) 773-2511.

UPCOMING MEETING DATES:

March 13, 2018, 3:30 p.m.

June 12, 2018, 3:30 p.m.

September 11, 2018, 3:30 p.m.

December 11, 2018, 3:30 p.m.

Location: North Annex Conference Room

2016-2017

DESERT COMMUNITY COLLEGE DISTRICT BOARD OF TRUSTEES

Aurora Wilson, Becky Broughton, Bonnie Stefan, Ed.D.,
Fred Jandt, Ph.D., Mary Jane Sanchez-Fulton,
Isiah Estrada, *Student Trustee*

Joel L. Kinnamon, Ed.D.
College Superintendent/President



43500 Monterey Ave., Palm Desert, CA 92260