

2007 Annual Report to the Board of Trustees



Bond Measure I Citizens' Oversight Committee



Presented February 19, 2008

Letter From The Chair



As Chair of the Allan Hancock College Citizens' Oversight Committee, it is my pleasure to introduce the first Annual Report to the Board of Trustees of the Measure I Bond program. The Board of Trustees of the Allan Hancock Joint Community College District established this committee in Section 3 of Resolution No. 06-35 and approved it on August 15, 2006, in compliance with Education Code Section 15274 and Proposition 39. Our first meeting was held on November 7, 2006, and we have since met quarterly.

Each meeting of the Citizens' Oversight Committee has been informative and productive. We have reviewed each Quarterly Financial Report to include Income Statements, Projects List, and the Project Expenditure Summary. AHC staff has been very helpful in providing timely information to us and fulfilling our requests for additional information when needed. We have conducted campus site tours of current and future projects. In our estimation, stemming from the committee's oversight activities and the independent financial and performance audits referenced in the following pages, the district is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.

With this report, the bond oversight committee members assure voters that Measure I bond expenditures have been properly made and only for projects identified in the bond measure. I trust you find the Annual Report interesting, informative, and comprehensive.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Dworaczyk", written over a faint background image of a graduation ceremony.

Terry Dworaczyk
Chair, Citizens' Oversight Committee

The Citizens' Oversight Committee

As promised to voters and required by law, on August 15, 2006, the Allan Hancock College Board of Trustees adopted Resolution No. 06-35, establishing the Measure I Citizens' Oversight Committee. There are eight established seats on the committee.

The laws governing implementation of the Citizens' Oversight Committee require a minimum of seven members be selected based on criteria established by Proposition 39:

- One active member from the following: a business organization representing the business community located in the district; a senior citizen's organization; a bona-fide taxpayers association; a support organization for the college; and, a student enrolled in a community college support group.
- Two members of the community at-large.

Members of the Citizens' Oversight Committee are appointed for one or two years terms and may not serve more than two consecutive two-year terms. Members serve without compensation. Meetings are scheduled quarterly. Meetings are held in the Captain's Room, Building B, on the Santa Maria campus. They are open to the public and subject to the Brown Act. The organizational meeting was held on November 7, 2006.

Subsequent meetings were held:

- February 6, 2007 at 4 p.m.
- May 1, 2007 at 4 p.m.
- August 7, 2007 at 4 p.m.
- November 6, 2007 at 4 p.m.
- February 5, 2008 at 4 p.m.

The agenda, minutes and all reports for Measure I Citizens' Oversight Committee meetings are posted on the web site, <http://www.hancockcollege.edu>. Click on "Bond Measure I."

Citizens' Oversight Committee members

- **Terry Dworaczyk, Chair**, 2006-2008, an active member of a business organization.
- **David Schmarje, Vice Chair**, 2006-2008, an active member of a senior citizens' organization.
- **John "Jack" Pellerin**, an active member of a taxpayers association serving two one-year terms consecutively.
- **Joannie Jamieson**, an active member of a support organization for the college (Allan Hancock College Foundation).
- **Barbara Nelson** and **Camillo Wilde** serve as the two "at-large" community representatives.
- **Andrew Maldonado**, a student enrolled and active in the Allan Hancock College student government. (*served November 2006 to August 2007*)
- **Milton L. Washington**, an active student enrolled at Allan Hancock College serving a one year term. (*served November 2006 to August 2007*)
- **Felipa Velasco**, a student enrolled and active in a community college support group serving a one year term. (*service beginning November 2007*)
- **George E. Baker, Jr**, an active student enrolled at Allan Hancock College serving a one year term. (*service beginning November 2007*)



November 7, 2006



Period covered by the report

This is the first report of the Measure I Citizens' Oversight Committee. With the passage of the bond in June 2006 and the initial formation of the committee in November 2006, the time period of this report is 17 months from July 2006 to December 2007. In the future, it is the intent of the Citizens' Oversight Committee to issue reports annually, from January through December.

Statement of purpose/responsibilities of the Citizens' Oversight Committee

The Measure I Citizens' Oversight Committee, with members representing the various facets of our communities, serves as the representatives of local residents to monitor the expenditures of Measure I funds. The Citizens' Oversight Committee reviews the progress and expenditure reports to ensure that bond proceeds were expended only for the purposes set forth in the Measure I bond, and will report their findings annually to the Allan Hancock College Board of Trustees.



Report on independent financial and performance audits

The district has received and the Citizens' Oversight Committee has reviewed the financial and performance audit for the Measure I General Obligation Bond for the fiscal year ending June 30, 2007. Vavrinek, Trine, Day & Co., LLP, an independent auditing firm, conducted their audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States of America. Those standards require that they plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Vavrinek, Trine, Day & Co., LLP stated "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position – modified accrual basis – of the Measure I General Obligation Bonds of Allan Hancock Joint Community College District as of June 30, 2007, and the results of its operations – modified accrual basis – for the year then ended".

Financial compliance confirmation

All expenditures authorized by Measure I have been reviewed by the Citizens' Oversight Committee to ensure the money was spent only on improvement projects as required by Proposition 39. All funds expended from Measure I will be audited annually by the independent accounting firm, Vavrinek, Trine, Day & Co., LLP.

The Citizens' Oversight Committee has reviewed expenditures and projects, and finds the district is in compliance with the requirements of Article XIII A Section 1(b)(3) of the California Constitution and consistent with the district's approved Measure I local bond measure.

Measure I Citizens' Oversight Committee contact information

To contact Allan Hancock College regarding Bond Measure I, or members of the Citizens' Oversight Committee, please write, call, or email Ms. Rebecca Alarcio, Director of Public Affairs and Publications, 800 South College Drive, Santa Maria, CA 93454-6399, Phone: (805) 922-6966 ext. 3280, Email: ralarcio@hancockcollege.edu.

Measure I online

To learn more about Measure I, including news articles and information materials, go to www.hancockcollege.edu and click on "Bond Measure I" on the home page.



Oversight Committee activities

Over the past 17 months the committee has been an active participant overseeing the district's Measure I capital, technology, and scheduled maintenance projects. Campus site tours have been conducted with current and future projects reviewed. The committee has reviewed various budget and project issues. In accordance with Proposition 39, the committee has regularly reviewed bond expenditures, as well as the independently conducted financial and performance audits.

Allan Hancock College Measure I projects highlights

In just over a year, funding from Measure I, the \$180 million bond passed by voters in June 2006 coupled with state funding, has begun to transform the Allan Hancock College campus. Bond funding helped complete two new classroom facilities: the 44,302 square-foot Science building and the 18,482 square-foot Community Education building. Both opened for students this fall.



“Already the bond has made a huge impact collegewide,” said José M. Ortiz, Allan Hancock College superintendent/president, “not only in helping us to complete two major construction projects, but in advancing our technology to the next level through software and equipment.”

The Science building was nearly two years in the making and offers state-of-the-art classrooms and labs. The college's entire health sciences program, including nursing and dental assisting, are in the new building. In anticipation of the increased space, the LVN/RN program expanded to 80 students.



The Community Education building houses all of Community Education (formerly in building T), along with computer labs, ESL classrooms and a professional culinary teaching kitchen. The Noncredit Counseling and Matriculation offices are also centrally located in this new space.

Through Measure I funding, the college is also currently planning for the construction of a new public safety facility for police and fire training and a new “one stop shop” student services building. Additional major construction and technology projects are scheduled, including a multimillion-dollar mainframe computer system to support student and operational needs. More than 1 million dollars is set aside annually for technology upgrades and advancement.

“With the completion of these new buildings, and the January 2007 opening of the new Academic Resource Center, the campus is truly transforming. It is an exciting time for Allan Hancock College, our students, and our community,” said Ortiz.

Measure I project status

On June 6, 2006, voters in the Allan Hancock College Joint Community College District approved Measure I, a \$180 million facilities construction bond measure, to modernize technology, upgrade the failing infrastructure of decades-old classrooms and labs, and build new teaching and learning spaces.

Measure I was presented to voters under the provision of Proposition 39, stipulating that at least 55 percent of voters approve a measure for its passage. It passed by 56.9 percent of the vote.

The time period of this report is 17 months from July 2006 to December 2007.

Capital construction projects

July 2006

Request for Proposal (RFP) process for a project management firm for capital construction and schedule maintenance projects

RFP process for architectural services

MVE Institutional Inc selected for Public Safety Complex and Childcare Addition

BFGC Architects selected for Industrial Technology Building Modernization and Addition Project.

October 2006

URS Corporation selected as project management firm for capital construction and scheduled maintenance projects

April-June 2007

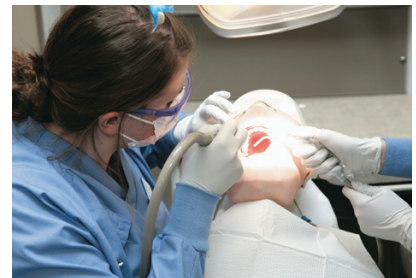
RFP process for pool of architects and construction managers

Eight architectural firms and two construction management firms selected

Steinberg Architects selected for One Stop Student Services Project

June 2007

Ten-Year Scheduled Maintenance Plan approved



August 2007

Science/Health Occupations and Community Education Buildings open for classes

Landscaping of Science/Health Occupations under construction with anticipated completion of December 2007

September 2007

Initial Project Proposal (IPP) for Public Safety Complex approved

IPP for Childcare Addition board approved

Final Project Proposal (FPP) for Public Safety Complex in development with options for two sites

FPP for Childcare Addition in development with use workshops starting in October



November 2007

IPP for One Stop Student Services project submitted to state

Steinberg Architect selected to develop a comprehensive Measure I facilities site and utilities master plan

Remaining construction fencing removed from the Science/Health Occupations project and the parking lot re-opened for use

Science/Health Occupations and Community Education projects installed electrical and conduit infrastructure to support audiovisual presentation stations



Maintenance projects

Completed since July 2006

- Pool Resurfacing
- Lompoc Valley Center (LVC) Chiller Replacement
- Underground Fuel Tank Replacement
- Parking Lot 1 Expansion

In progress as of December 2007

- LVC Energy Management Replacement

In design phase

- Science/Health and Community Education Audiovisual Equipment project

In development for 2008-2009

- Building C Roof, Paint, Flooring, and Americans with Disabilities Act (ADA) Upgrade
- Building D Roof, Heating, Ventilation, & Air Conditioning (HVAC) & ADA Upgrades
- LVC Mechanical, Roof, and ADA Upgrades
- Walkway & Parking Lot Lighting
- Fire Alarm & Energy Call System Upgrade
- Phase I Energy Projects

Technology projects

The Phoenix Project (mainframe replacement)

- October 2006** Released RFP for project management services for the project
- February 2007** Selected Project Management Services firm, Strata Information Group (SIG)
- April 2007** Signed Addendum to upgrade to the current release of SunGard Bi-Tech Integrated Financial & Administrative Solutions (IFAS) product
- June 2007** Released RFP for the replacement of the Student Information System
- July 2007** Selected SunGard Higher Education and Datatel as the two finalists for the new Student Information System.
Designed a new 'requisition to check' business process for the Bi-Tech upgrade
- August 2007** Purchased Dell hardware systems to host the SunGard Bi-Tech IFAS financial system upgrade
- September 2007** Hosted two vendor demonstrations of proposed Student Information Systems.
Purchased CommVault Backup solution
- October 2007** Received pricing proposals for the Student Information System
Completed the installation of the hardware and software for the Bi-Tech upgrade
- November 2007** Selected SunGard Higher Education as the preferred vendor for the new student system
- December 2007** Signed agreements for new student system software licenses. Started training classes on the upgraded SunGard Bi-Tech IFAS financial system.



Technology & Instructional Equipment Modernization Project

- October 2006** Developed process for Technology Advisory Committee (TAC) to identify, prioritize, and recommend technology and instructional equipment modernization projects
- December 2006** Recommended 34 modernization projects for \$790,119 for fall 2006
- May 2007** Recommended 14 modernization projects for \$200,136 for spring 2007
- July 2007** Purchased computers, printers, laptops and wireless for new Community Education and Science buildings and video conference equipment for four-year programs for \$560,000



- August 2007** Purchased six mobile audio video equipment units for new Community Education and Science buildings for \$52,000

- September 2007** Created SharePoint web site to share TAC Measure I information with district employees

- October 2007** Purchased audiovisual equipment and computers to convert eight more classrooms into “smart rooms.”



- Purchased automobile diagnostic software for the industrial technology program
- November 2007** Purchased the installation of a data fiber connection between Santa Maria campus and Lompoc Valley Center

- December 2007** Purchased Learning Assistance equipment, student lab computers, Pacific Conservatory of the Performing Arts (PCPA) production production computers, classroom presentation systems, and welding class equipment

**Allan Hancock Joint Community College District
General Obligation Bond Expenditure Report
September 1, 2006 - December 31, 2007**

Measure I Expenditures

REVENUE	
Beginning Balance (1st issuance of \$180 million authorized)	\$ 68,000,000
Interest	\$ 2,718,577
Premium on Sale of Bonds	\$ 528,271
TOTAL REVENUE	\$ 71,246,848
EXPENDITURES	
Cost of Issuance	\$ 528,271
Certificate of Participation (COP) Repayment (Refinance)	\$ 8,275,496
Project Management	\$ 1,295,777
Public Safety Complex	\$ 111,840
Skills Center	\$ 1,670,776
Science/Health Occupations Complex	\$ 3,269,105
One Stop Student Services Center	\$ 10,392
Industrial Technology Modernization/Addition	\$ 30,482
Child Care Center Addition	\$ 34,850
Pool Resurfacing Project	\$ 52,985
Lompoc Valley Center Energy Management System (EMS)/HVAC	\$ 277,681
Underground Fuel Tank Removal/Replacement	\$ 106,085
Parking Lot One Expansion	\$ 151,315
Phoenix Project	\$ 660,835
Instructional Equipment Modernization	\$ 1,041,890
Technology Equipment Modernization	\$ 477,021
TOTAL EXPENDITURES	\$ 17,994,801
ENDING BALANCE	\$ 53,252,047



Allan Hancock College Joint Community College District Board of Trustees

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