

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
Measure C Bond Oversight Committee
Report to the Community
January 23, 2002

In November, 2001, voters in San Mateo County overwhelmingly approved Measure C which provided \$207 million in funding to update, modernize, and retrofit the three community colleges serving County residents: Cañada College, College of San Mateo and Skyline College. One of the key components of Measure C was the establishment of a Measure C Bond Oversight Committee, composed of community leaders with expertise in finance, accounting, education and local government. The 11-member Committee is charged with the responsibility to assure voters that bond proceeds are expended only for construction, reconstruction, rehabilitation or replacement of College facilities in compliance with the projects listed in the Measure C ballot language, and that no funds are used for teacher or administrator salaries or for other operating costs.

During the past year, the Bond Oversight Committee met quarterly to review the District's bond project plans, timelines and proposed expenditures. At each meeting, the Committee was provided with financial and project plan updates describing the bond-related activities undertaken by the District during the quarter. The major activities that took place during the past year include:

- Extensive planning, scheduling and campus consultation regarding the scope and sequence of the major bond projects (modernization, new construction, repair) that will take place at all three Colleges. The District has invested a considerable amount of staff time (not funded by the bond) in pre-construction planning and consultation activities in order to assure that bond project funds are efficiently and effectively expended on college improvements that will benefit students for generations to come.
- Issuance of \$96,875,613 in AA rated bonds (both current interest and capital appreciation bonds) at a total interest cost of 5.07%. Because of the favorable financing rate on this bond issue, the estimated cost to local taxpayers to repay the bonds was lowered from \$7.14 to \$7.05 per \$100,000 in assessed valuation. This reduction results in savings to taxpayers of at least \$2.45 million.
- Selection of Swinerton Management and Consultants as the program manager for bond project activities. Throughout the construction period, which is estimated to be 7-8 years, Swinerton will provide all program management services (budget and schedule management, communications, procurement strategies, etc) and construction management services (programming, design, bidding, contract award, construction, etc.) for bond projects.
- Acquisition of Pacific Heights Middle School in San Bruno, which is located directly adjacent to Skyline College's academic and student services buildings. This site will be used for the future growth and development of Skyline College which serves more than 200,000 North County residents.
- Award of a comprehensive energy management contract to CMS Energy/Viron Energy Services to repair and improve the energy infrastructure at all District

sites. It is expected that these improvements and repairs will minimize the ongoing expenses related to operation and maintenance of the District's energy systems.

The accounting firm of Vavrinek, Trine, Day & Company (VTD) conducted both a financial and a performance audit of the first year bond expenditures and activities. The firm found that the bond fund financial statements present fairly the financial position and results of operations for the fund. As part of a performance audit, VTD reviewed 10% of the expenditures in the bond fund for the 2002-03 fiscal year and found that the use of funds was consistent with the stated purposes of the bond measure that was approved by voters. The Measure C Bond Oversight Committee is pleased with the first-year results of the District's efforts.

More detailed information about the College District's bond projects, timelines, and expenditures-to-date are available on the District's web page: smccd.net. From the first page, click on "Facilities Planning and Operations" to find the bond projects list, minutes, agendas and reports considered by the Bond Oversight Committee. If you still have questions or concerns, please contact the Bond Oversight Committee at christensen@smccd.net.

The Bond Oversight Committee invites community members to attend its meetings which are held quarterly at the College District Office, 3401 CSM Drive, San Mateo CA 94402. All meetings are open to the public; meeting dates and agendas are posted on the District web site.

Measure C Bond Oversight Committee:

Jim Wyatt, Chair

Marion McDowell, Co-Chair

Members:

Marta Bookbinder

Coleman Campbell

George Cresson

Ronald Fick

Stanley Gross

Rose Jacobs-Gibson

Hien Kieu

William Nack

Ruth Nagler