



RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT 2005

ANNUAL REPORT

THE CITIZENS' BOND OVERSIGHT COMMITTEE

FACT:

The 12 volunteer members of the bond oversight committee meet three times a year to review progress on Measure E projects.

LETTER FROM THE CHAIR



Ahead of schedule and right on budget! Measure E-funded projects are nearing completion and steady progress continues on a wide range of efforts – from the new Library/Learning Resource Center at

Santiago Canyon College to the new Digital Media Center at Santa Ana College.

Keeping these large-scale projects on budget and ahead of schedule despite heavy rains has been no easy feat given skyrocketing construction costs. Fortunately, through guidance from the bond oversight committee, the board of trustees, and the management team, Rancho Santiago Community College District (RSCCD) has made sound fiscal decisions, resulting in the savings of millions of dollars maximizing the benefits of the \$337 million general obligation bond passed by local voters in 2002.

It is gratifying for me, as the chair of the bond oversight committee, to see the progress made on new construction and renovation. Facility improvements and expansion are critical to

the delivery of our higher education programs. You should take pride in knowing that through your vote, many future generations of adults will benefit from quality community college instruction that will enable them to earn associate degrees, transfer to four-year universities, and advance in their careers – thereby fueling our local economy.

The bond oversight committee is pleased to report full compliance with all Measure E requirements, including regular project updates and comprehensive financial reports on all expenditures.

If you have not already done so, I encourage you drive past Santiago Canyon College and Santa Ana College. You will see the progress made this year and will look forward in anticipation, as I do, to the full completion of these large-scale new construction and renovation efforts.

Thank you for your continued confidence in the work of the bond oversight committee, the board of trustees, and the administration of RSCCD as they keep their promises to you through Measure E.

DARIN WOINAROWICZ, CHAIR

ABOUT A PROPOSITION 39 BOND MEASURE

Measure E was presented to the electorate under the provision of Proposition 39, stipulating that at least 55 percent of voters approve a measure for its passage. As a requirement of this type of ballot measure, an independent citizens' oversight committee must be appointed within 60 days of election results certification. By statute, the committee must include a member of the business community, an active member of a senior citizens organization, an enrolled student active in a community college group, a member of the college's foundation or other support organization, and two members representing each college from the community at large. All committee members serve in an uncompensated capacity for terms of two years, and not exceeding two consecutive terms. No committee members may be college district employees or officials, or vendors, contractors, or consultants to the college district.

2005 Annual Report to the Community

FACT:

In 2005, the college district refinanced the first bond issuance saving taxpayers more than \$3 million and providing an additional \$5 million for construction and renovation.

FACT:

By providing its own program management services, the college district will save an estimated \$20.2 million.

BOND ISSUANCE AND EXPENDITURES

In March 2005, the college district's second bond offering yielded \$119,999,867. Once again, bonds received an insured AAA rating to which a low interest rate was applied, thus saving public funds as the loan is repaid. The district will issue bonds in two subsequent phases, the last issuance is projected for 2009.

GENERAL OBLIGATION BOND ISSUANCE SCHEDULE

2003	\$ 96,125,000
2005	119,999,867
2006 (est.)	75,000,000 (est.)
2009 (est.)	45,875,133 (est.)
Total	\$337,000,000

PROJECT PERFORMANCE

Bond funded projects that were in progress through 2005 are listed below. Local contractors have been selected to perform most project work, subject to vendor qualifications and pricing.

Projects Underway in 2005

Amount Expended in 2005*

SANTA ANA COLLEGE

Renovation of 14 buildings	\$ 122,021
Library renovation	\$ 3,065
Campus infrastructure	\$ 168,240
Centennial Education Center renovation	\$ 9,787
Athletic fields improvement	\$ 36,007
Acquired adjacent properties along College Avenue	\$ 3,998,020
Women's locker room	\$ 76,740
Orange County Sheriff's Regional Training Academy	\$ 691,421
Digital Media Center construction	\$ 2,533,069
Design parking structure	\$ 449,498

Santa Ana College Total \$ 8,087,868

SANTIAGO CANYON COLLEGE

Infrastructure improvements	\$ 259,974
Acquired site and built Orange Education Center	\$ 17,074,247
Library/Learning Resource Center	\$ 198,626
Construct student services & classroom building	\$ 984,758
Design science/math building	\$ 301,766
Construct parking lot	\$ 235,429

Santiago Canyon College Total \$ 19,054,800

DISTRICT

Computer system upgrades \$ 536,835

All Sites Total \$ 27,679,503

* Expenditures do not reflect the total cost of each project, but only what was spent on a particular project in the calendar year.

MEASURE E PROJECT UPDATES



SCC's Library/Learning Resource Center allows the college to better serve students.

SANTIAGO CANYON COLLEGE

Orange Education Center

Despite torrential rainfalls early in 2005, a nine-month whirlwind transformation of a former microchip plant culminated in the grand opening of the new state-of-the-art educational facility in February. The Orange Education Center, a 92,000 square-foot building, located at 1465 North Batavia in Orange, is open and welcoming continuing education students. The center has been recognized with several architectural awards for its innovative, engaging design. It contains 21 classrooms, two computer labs, an instructional learning center, three large meeting rooms, a bookstore, and a child development center.

Library/Learning Resource Center

After 18 years in planning, funding and development, the Library/Learning Resources Center is expected to be open to students by fall 2006. With space for 100,000 books, the 40,000 square-foot facility includes a tutoring center, a faculty technology training center and space for student art displays. The building is funded by both Measure E and state funds.

Math/Science Building

Working drawings for both the state-funded and Measure E-funded portions of this project have been submitted the Division of State Architect (DSA), the agency that approves building and renovation plans for all educational facilities in the state.



The Library/Resource Center's construction has moved ahead quickly since breaking ground in January 2005.



The Orange Education Center is a state-of-the-art continuing education center.



Renovations at Santa Ana College improve the educational facilities and campus.

SANTA ANA COLLEGE

Master Plan Revision

The college's master plan was revised in February. Among the changes in the plan is relocation of the parking structure to the interior of campus; relocating the child development center to a site closer to the instructional core of the campus; and moving the soccer and softball fields to the campus perimeter. These changes responded to staff and community residents' suggestions.

Repair, Renovation and Refurbishment

Many renovations have been completed on the Fine Arts Building, Dunlap Hall and the athletic fields. Building improvements include new flooring, paint, ceiling materials and air conditioning equipment.

Property Redevelopment

All tenants living in district-owned properties along College Avenue - between 17th and Washington - were successfully relocated. In addition, demolition was completed with the exception of a portion of the church which is the temporary home of the child development center. This space will accommodate parking, an operations and maintenance facility, and the relocated soccer fields.

Exercise Science Locker Room Complex

In October 2005, ground was broken for the 22,000 square-foot Exercise Science Locker Room Complex slated for completion by fall 2006. The new complex includes locker room facilities for men and women, classrooms, equipment storage areas, faculty offices and conference rooms. The women's locker room has been funded by Measure E; the men's locker room with state construction funds.

Digital Media Center

This 28,000 square-foot state-of-the-art facility, at the gateway to Santa Ana's Bristol Street Corridor, is slated for completion by June 2006 with a fall grand opening. Offering entrepreneurs that produce or use digital media technologies a home to grow successful businesses, the Digital Media Center will also house Santa Ana College's digital media arts instruction, a media production and television studio, and business seminars.

Orange County Sheriff's Regional Training Academy

In November 2005, ground was broken for the 52,000 square-foot Orange County Sheriff's Regional Training Academy at the former Tustin Marine Corps Air Station on land conveyed to the college district by the City of Tustin. The tarmac was demolished and preparation of the building pad will be complete and ready for foundations by April 2006.

Science Building

Architect A.C. Martin was hired for a proposed 52,000 square-foot science building. Design for this project, which will be situated in the middle of the college campus, will begin in late spring and should be completed by fall 2006. Measure E will fund the design of the project; additional resources are needed for the construction.

Child Development Center

Fields Devereaux Architects was hired and initial design work was completed in 2005. Construction is projected to begin in late 2006 or early 2007.



In 2005, Dunlap Hall was renovated.

Infrastructure Improvements

Master plan architect LPA completed the design of a new maintenance and operations building. Construction should commence in late 2006 and the building will be located at the corner of Washington Street and College Avenue.

DISTRICT INFRASTRUCTURE

Datatel, Inc., was selected to provide an integrated information technology system for the district's student, fiscal and human resources data. Using Measure E bond revenues, this \$1.63 million contract was awarded to Datatel after extensive research on information technology system implementations in other California community college districts. Selection was based on the vendor's achievement record in other colleges, functional requirements and competitive price.



The Exercise Science Locker Room Complex will serve 21 athletic teams and 120 exercise science classes each semester.



The Digital Media Center will provide up-to-date training to digital media arts students.



The Orange County Sheriff's Regional Training Academy site will be ready for foundations soon.

EXAMINATION OF EXPENDITURES

To ensure Measure E bond revenues are spent as authorized and not for prohibited purposes, the college district regularly provides the bond oversight committee with comprehensive financial and project updates. Project time-lines, vendor lists and cross-referenced spreadsheets are available so that expenditures can be tracked and categorized easily.

INDEPENDENT FINANCIAL AND PERFORMANCE AUDITS

Macias, Gini & Company, an independent accounting firm, conducted a financial audit of bond expenditures and activities for the period July 1, 2004, through June 30, 2005. The firm found the college district in compliance in all materials respects with requirements: that funds were properly expended for the specified projects on the published bond list, and that funds were used to finance acquisition, construction and modernization of property and facilities in the college district. No exceptions were reported.

Macias, Gini & Company recorded that the college district spent \$28,208,514 for Measure E bond projects at Santa Ana College, Santiago Canyon College and for the college district during the fiscal year ending June 30, 2005, the third audit period.

COST-SAVING MEASURES

Since the passage of Measure E, the college district has initiated a number of fiscally prudent actions to ensure that bond revenues stretch as far as possible. For example, the district's facility planning staff has provided program management services saving an estimated \$20.2 million. During the construction of the Orange Education Center, completed in 2005, the district acted as its own general contractor, bidding each trade component such as plumbing, electrical, drywall, concrete and landscaping. All told, such cost-saving measures have saved more than \$67.5 million.

ISSUES

Throughout 2005 and in the immediate future, one of the greatest challenges presenting the college district continues to be substantial, unprecedented increases in construction costs. Rising costs of steel, copper, lumber and concrete globally, as well as construction booms in China and the impact of Hurricane Katrina, are putting upward pressure on construction costs in California. Experts say that construction costs in the state have jumped nearly 30 percent in the past year alone. Such escalations have a dramatic impact on how many projects will be constructed with the fixed bond revenue from Measure E.

Another project development issue that continues to impact the college district has been significant delays in obtaining review and approval of construction projects from the Division of State Architect, the agency responsible for ensuring that all modernization and renovation efforts comply with building and education code provisions. With the state's rising tide of bond-funded construction projects, this agency's approval process is backlogged at least six months.

CONCLUSIONS

The bond oversight committee finds that Rancho Santiago Community College District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution in accounting for and expending public bond funds. It has exercised fiscal prudence in selecting best practices designed to expedite projects through meticulous planning and contract management.

FACT:

The escalating price of both oil/gas and steel are driving project costs upwards.

FACT:

A former microchip manufacturing plant was transformed into a state-of-the-art continuing education facility in just nine months.

FACT:

The high-tech Digital Media Center has been constructed in 16 months despite heavy rainfalls throughout the project.

COMMITTEE MEETINGS

The bond oversight committee meets three times a year. Its next public meetings in 2006 will be on April 27, July 27 and November 16 at 6:00 p.m. in the district operations center board room, 2323 N. Broadway, Santa Ana, California 92706.

For online access to bond oversight committee information, go to:

www.rscsd.org/mE/oversight.htm

For questions or comments about the bond oversight committee and its activities, please call the college district's vice chancellor of business operations/fiscal services, Dr. Mark Zacovic, at 714-480-7340.

PUBLIC ATTENDANCE

All bond oversight committee meetings are open to the public.

BOND OVERSIGHT COMMITTEE FOR 2005

- Darin Woinarowicz
Chair, Vice President of Planning and Security, Orange County Teachers Federal Credit Union
- Patricia Garcia-Velasquez
Vice Chair, Santa Ana College Foundation & President, LUPAT Corporation, DBA Advance Realty & Continental Financial Services
- Jim Adams
Council Representative, Los Angeles/Orange Counties Building & Construction Trades Council
- Barbara deBoom
President/Chief Executive Officer of the Orange Chamber of Commerce
- Larry L. Means
Santa Ana College Foundation
- Cristina Montero
President, Santiago Canyon College Associated Student Body
- Robert Odle
Orange County Taxpayers Association
- Edith Ortiz
President, Santa Ana College Associated Student Government
- Pearl Soria Raya
Southwest Senior Center, Santa Ana
- Tien Tat Chu
At-large Member
- Chongge Vang
Hmong and Laotian Communities in Orange County
- Michael Weisman
Partner and President of DGWB Advertising and Communications, Santiago Canyon College Foundation



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