

Peralta Community College District Citizens' Bond Oversight Committee

2006 Measure A & 2018 Measure G

Annual Compliance Report for Fiscal Year 2019 and Fiscal Years 2017 and 2018

PURPOSE OF THIS REPORT

The State of California requires Citizens' Bond Oversight Committees (CBOC) to inform the public and taxpayers concerning the Proposition 39 (55% local school bond measures) expenditures and use of bond funds at least once a year. *"The Citizens' Oversight Committee's shall actively review and report on the proper expenditure of taxpayers' money for school construction"**, in accordance with voter-approved projects listed in the local bond measure ballot language *(Cal. Educ. Code § 15278).

The citizens' oversight committee shall advise the public as to whether a school district or community college district is in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

This is the Citizens Bond Oversight Annual Report 2019 Fiscal Year 2018/2019 and Fiscal Years 2017 and 2018 on the Measure A and G Capital Improvement Program for Peralta Community College District (Peralta CCD).

FOCUS OF THIS REPORT

In November 2018 voters overwhelming passed the \$800 million Bond Measure G to continue upgrades to aging classrooms, technology, science labs; expand job training classrooms at the Peralta Community College District campuses.

Projects include the Berkeley City College **Milvia Street** Project, with additional Classrooms and STEM labs; **College of Alameda's** Science and administration building replacement (C/D), Aviation Complex Building, a new Automotive/Diesel complex, and funds permitting, a Performing Arts project; **Laney College's** Student and welcome center, a new STEAM (Science, Technology, Engineering, Arts and Math) center, a new Library and Learning Resource Center, renovated Performing Arts (theater) Center, • and funds permitting, a renovated Gymnasium; **Merritt College's** Combined Child Care Center & Child Development Center, Horticulture Complex replacement, Kinesiology physical fitness addition, and Genomics Institute. In addition, the bond will provide much needed improvements to infrastructure replacement, upgrades and repair, as well as improvements to the Information Technology infrastructure.

On June 6, 2006 Alameda County voters approved the \$390 million (2006) Measure A Bond. The PCCD has been performing construction work from these funds and is presently in the final stage of the spending program. These Capital Improvement Projects were for the acquisition, construction, repair, refurbishment, equipping, upgrading, and modernization of classrooms, campuses, buildings, facilities, and grounds throughout the PCCD.

Vice Chancellor of **General Services, Dr. Leigh Sata** currently leads the Bond Measure A and G capital program work. Dr. Sata was hired in late March 2019 as Interim Vice Chancellor. Dr. Regina Stanback Stroud

He was chosen by the Peralta CCD Board as the permanent Chancellor in October of 2019. Chancellor Stroud recommended and the PCCD Board approved **Dr. Leigh Sata** as permanent Vice Chancellor of General Services in May 2020.

Dr. Sata's first consideration when he came to Peralta CCD was aligning the program's goals with the Bond project lists and the capital program spending plan. In prior years the capital program/general services program under the direction of the previous chancellor had several leadership changes that created some variability in the bond measure program plans.

At our January meeting **Dr.Sata** provided the CBOC with a detailed slide presentation of the planned bond projects with materials that expressed that the projects undertaken meet the scope and intent of the bond ballot language for the Measures. The CBOC also has received financial expenditure reports for the 2006 Measure A Bond and a planned projects report for the 2018 G Bond Measure at our January 8th, 2020 CBOC meeting.(Links here).

In April Vice Chancellor Sata provided an overview of the Peralta CCD facilities program management plan for the capitals projects. **Dr.Sata** introduced AECOM as the consulting Bond Program Manager. They will assist the District in planning and implementation of design and construction activities. Additionally, Kitchell CEM, Roebbelen CM, and Swinerton Management and Consulting were hired as the Construction Managers, and were each assigned to specific campuses.

The final series of 2006 Measure A bond funds in the amount of \$65 million were sold on April 22, 2020 and the first series of 2018 Measure G bond funds in the amount of \$50 million were sold on April 22, 2020. The district also has refinanced previously issued bonds to take advantage of the historically low interest rates, thus saving the taxpayers over \$5 million. This process of selling and the resale of the Peralta CCD taxpayer bonds are facilitated by a team comprised of district staff and Backstrom McCarley Berry & Company, Barclays, Curls Bartling, Orrick, and Siebert-Williams (link here).

At the time of this writing, our world is living the experience of the Covid 19 pandemic. All meetings are held virtually on "Zoom" meeting platform. Site visits and other subgroup in person meetings are not taking place at this time.

CBOC Membership

Andrea Dawson, Chair -Senior Citizen's Organization (2nd term expires 6/30/2022)

Kevin Jenkins, Vice Chair - At-Large Member (2nd term expires 6/30/2022)

Marcus Crawley - Taxpayers Organization 1st term expires 6/30/2021)

Patricia Ellis- At-Large Member (1st term expires 6.30/2021)

Yusef Herbert Business Organization (1st term expires 6/30/2021)

Ariana Brown Student Representative (2nd term expires 6/30/2022)

Benjamin Scott College Supporter (1st term expires 6/30/2022)

CBOC Membership Appointments Activities

In January of 2019 after the passage of the 2018 Measure G and local 2018 Parcel Tax the Peralta CCD Board chose to separate what had been one Citizens Oversight Committee into two separate committees respectively, the CBOC for oversight of the bond measure capital program and the COC for the parcel tax measures. The Peralta CCD did not dissolve the sitting COC until March of 2019 the District.

*Ed Code §15278 -through Ed Code §15282 regulates the process of appointing "an independent oversight committee" and expresses the oversight role of the committee. "The Board shall establish and appoint members to the independent citizens oversight committee, pursuant to Section 15282, within 60 days of the date the governing boards enters the election results on its minutes pursuant to Ed Code Section 15274."

Board Resolution 18/19-42 stipulated a new Citizen Bond Oversight Committee be formed; responsible for oversight of the (2018) Measure G Bond and the (2006) Measure A Bond. New CBOC members were appointed beginning in the late fall and early winter of 2019.

"The citizens' oversight committee shall consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms." Ed Code 15282

The committee is currently comprised of 7 appointees, including a Chairperson, Vice Chairperson. The committee first met on December 12, 2019 and met on January 8, 2020, and in April, June and July of 2020.

The initial newly appointed CBOC members were appointed with staggered expiration term dates, all new members first terms are less than two years given the dates of initial appointment and first convening. Three members 1st term expired on June 30, 2020 while other members 1st term will expire on June 30, 2021. Peralta CCD legal counsel stated the reason for not having all members terms expire simultaneously is to maintain continuity of the roles and reporting responsibilities of the committee. Three members were reappointed by the Board on June 23, 2020 and will continue their terms of service through June 30, 2022. A new member* was appointed on June 23, 2020 and will also serve through 2022. CBOC members may volunteer for additional terms, and if approved by the Peralta Board an individual may be appointed for up to three (3) consecutive two-year terms

FINANCIAL and PERFORMANCE AUDIT Reports

This Report examines the compliance of PCCD for (2006) Measure A and (2018) Measure G. Per the voter approved (2000) Proposition 39 and related Education Code 15278, the PCCD is required to have the annual independent financial and performance audit. It must be submitted to the CBOC and the District by March 31 of the year following for the prior fiscal years expenditures (Education Code section 15286) 1These yearly financial and performance audits are meant to form the basis of the CBOC's Annual Compliance Report to the public.

Eide Bailly LLP was contracted to conduct the performance and financial audit on of 2006 Measure A fiscal year ending June 30, 2019. Eide Bailly presented their findings to the CBOC at our April 8, 2020 Zoom conference meeting. Eide Bailly LLP in their 2018/19 fiscal year Audit of the Peralta CCD Bond Measure Program. Whereas the Audit found some irregularities with year-end proper accounting procedures Eide Bailly concluded that "there were no material audit findings that could be cause for concern".

(Link to report: Eide Bailey LLP 2018/2019 Measures "A Financial and Performance Audit Report)

Peralta CCD did not contract for a Performance and Financial Audit on of 2018 Measures G as the District reported that there were no expenditures in the Fiscal year 2018/19. (The first series of 2018 Measure G bond funds in the amount of \$50 million were sold on April 22, 2020.)

The Fiscal Years 2017 and FY 2018 Bond Audit Financial and Performance Report were issued on 5/24/19. While both of these Audits some found irregularities with year-end proper accounting procedures, the Vavrinek Trine and Day Co. LLP and Performance Financial Audits determined that the (2006) Measure A expenditures complied with the approved bond projects list. They are posted on the District website ([link here](#)).

The previous sitting Citizens Oversight Committee did not write an Annual Report for Fiscal Years 2017 and 2018 That COC's duty was to review and report on the 2006 Measure A Bond expenditures as well as and the local Parcel Tax expenditures.

The previous COC did not submit or provide a statement of opinion on compliance to the Peralta CCD Board for the fiscal years of 2016/17 and 2017/18 for the Bond Measure A activities.

The last Annual Report that was written and submitted to Peralta CCD by the previous COC was on the 2006 Bond Measure A for fiscal year 2016. ([link here](#)) This committee was dissolved under Board Resolution 18/19-42, approved on 1/22/19.



Program expenditures and facility reports pertinent to bond revenue expenditures were presented by Vice Chancellor Leigh Sata and his staff at our January CBOC meeting. Updates from prior years on 2006 Measure A, and progress and developments on capital improvements in the bond program were also provided to this CBOC. (Links to presentations here)

• 2019 Citizens' Bond Oversight Committee Statement on 2006 Measure A Bond Regarding Compliance

The 2018/2019 Citizens' Bond Oversight Committee Statement of Compliance opinion is submitted to Peralta Community College District for the 2006 Measure A Bond program in accordance with requirements listed in Cal. Educ. Code § 15278 (b), and Article XXIIA, Section 1(3)(C) *"requiring a community college board conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed"*.

The committee advises that, based on available information provided by the Peralta District staff and the Eide Bailly fiscal year 2018/2019 Financial and Performance Audit to the CBOC; our committee does find the District is in compliance with the requirements of Article XXIIA, Section 1(b)(3) of the California Constitution.

2019 Citizens' Bond Oversight Committee Statement on 2018 Measure G Bond Regarding Compliance

Dr. Leigh Sata, Vice Chancellor of General Services confirmed that no spending activities occurred in Fiscal year 2018/19, and that the 1st Series of Bonds Measure B was sold in April of 2020. The district consequently did not contract for an independent Financial and Performance Audit for Fiscal Year 2018/19 on the 2018 Measure G Bond. Therefore the 2018/2019 Citizens' Bond Oversight Committee does not offer a Statement of Compliance opinion on the 2018 Measure G Bond Program.

CBOC'S RECOMMENDATIONS

The CBOC has the following recommendations for Peralta CCD's consideration.

1. Terms of CBOC members:

CBOC recommends that Peralta CCD policy on appointments be amended to follow CA Ed Code 15282, *"The citizens' oversight committee shall consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms."*

2. CBOC Website:

CBOC recommends that the "Bond Report" home page website be easily accessed/linked with the official Peralta homepage. The PCCD website information about the CBOC is completely separate from the Parcel COC Tax information.

3. Performance Effectiveness Audit

CBOC recommends the Annual Performance Audit be attentive to the best practice effectiveness & results and should report an opinion of the District's performance related to expenditure of bond funds.

4. Bond Funding Reporting

CBOC recommends the official Peralta CBOC website contain information and links to documents on all financial Bond Issuances and financial Refunding Transactions.

5. Project Labor Agreement [PLA]

PCCD has indicated it may implement a Project Labor Agreement [PLA] for the Measure G CBOC recommends that PCCD have a public forum on the proposed 'a Project Labor Agreement [PLA] prior to implementation.

6. Pre-apprentice Program

- PCCD has indicated that it favors a 'Pre-Apprenticeship' program. The CBOC recommends that PCCD have a public forum on the proposed 'Pre-Apprenticeship' program prior to implementation.

7. Policy on CBOC Membership Size

This CBOC recommends that the District consider changing Board policy to add two (2) more members to CBOC. This CBOC believes we could do a better job if the committee could consistently achieve a quorum of sitting members.

End of Report