

Measure A Citizens' Bond Oversight Committee



ANNUAL REPORT

May 18, 2006 - June 30, 2007

**CITIZENS BOND OVERSIGHT COMMITTEE
FOR BOND MEASURE A
SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT**

**ANNUAL REPORT
MAY 18, 2006 THROUGH JUNE 30, 2007**

In accordance with Education Code Section 15280, the following report is the fulfillment of the committee's annual requirement.

On April 4, 2006, the Governing Board of the Siskiyou Joint Community College District, appointed the following members to the Citizens Bond Oversight Committee:

Business Organization

*Robert McCrillis, Weed
Tom Moore, Mt. Shasta
Norman Shaskey, Yreka*

Senior Citizens' Organization

Allison Leal, Yreka

Taxpayers Association

vacant

Student Government

Walt Jennings

Foundation

*Dwayne Jones, Yreka
Rand Roselli, Weed*

Community At-Large

*Barbara Dillmann, Weed
Earl Wilson, Weed
James Wrobel, Weed*

Measure A was approved by the voters on November 8, 2005. The following Bond Resolution was adopted and signed by the Governing Board on July 21, 2005:

RESOLUTION NO. 2005-06-2

**RESOLUTION OF THE SISKIYOU JOINT COMMUNITY
COLLEGE DISTRICT BOARD OF TRUSTEES ORDERING
AN ELECTION, AND ESTABLISHING SPECIFICATIONS
OF THE ELECTION ORDER**

WHEREAS, the Board of Trustees (the “Board”) has determined that certain properties and equipment within the Siskiyou Joint Community College District (the “District”), within Siskiyou County (“Siskiyou County”), and Shasta County (“Shasta County”) need to be acquired, constructed, improved, and equipped to enable the District to maintain College of the Siskiyous as a valuable community resource to train and retrain local residents for higher-paying and skilled jobs, particularly in the fire safety, technology, medical and health care services, and to enhance the educational opportunities of the students in the District who desire to transfer to four-year colleges; and

WHEREAS, the Board has determined that the addition of a new library, as well as classrooms and facilities, especially for health care training, science laboratories, fire science classrooms, and instructional equipment; the installation of fire safety equipment; the improvement of electrical, lighting, ventilation and fire detection systems in existing classrooms; the need for disabled access improvements; and the improvement of campus safety are also among the highest priorities of the Board; and

WHEREAS, the Board, in collaboration with staff and the community has prepared a Strategic Master Plan for Educational Programs, Services and Facilities, which outlines the facility and educational needs of College of the Siskiyous; and

WHEREAS, notwithstanding ongoing efforts to obtain sufficient facility money from the State of California (the “State”), the State has been unable to provide the District with enough money for the District to adequately maintain and expand College of the Siskiyous for all its students; and

WHEREAS, in the judgment of the Board, it is advisable to provide additional funding for such facility, technology, and safety needs by means of a general obligation bond; and

WHEREAS, Proposition 46, approved by the voters of the State of California on June 3, 1986 (“Proposition 46”), amended Section 1(b) of Article XIII A of the California Constitution by adding a provision which exempts from the 1% of full cash value limitation, those ad valorem taxes used to pay for debt service of any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by voters voting on the proposition; and

WHEREAS, on November 7, 2000, the voters of California approved the Smaller Classes, Safer Schools and Financial Accountability Act (“Proposition 39”) which, as of its effective date, reduced the voter threshold for *ad valorem* tax levies used to pay for debt service

or bonded indebtedness to 55% of the votes cast on a community college district general obligation bond; and

WHEREAS, concurrent with the passage of Proposition 39, Chapter 1.5, Part 10, Division 1, Title 1 (commencing with Section 15264) of the Education Code (the "Act") became operative and established requirements associated with the implementation of Proposition 39; and

WHEREAS, the Board desires to make certain findings herein to be applicable to this election order and to establish certain performance audits, standards of financial accountability and citizen oversight which are contained in Proposition 39 and the Act; and

WHEREAS, the Board determines that the restrictions in Proposition 39 which prohibit any bond money to be used for administrator salaries and expenses be strictly enforced by a Citizens' Oversight Committee; and

WHEREAS, Section 9400 *et seq.* of the Elections Code of the State of California (the "Elections Code") requires that a tax rate statement be contained in all official materials, including any ballot pamphlet prepared, sponsored or distributed by the District, relating to the election; and

WHEREAS, the Board now desires to authorize the filing of a ballot argument in favor of the proposition to be submitted to the voters at the election; and

WHEREAS, pursuant to the California Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on November 8, 2005, and to request each of the Siskiyou County Registrar of Voters and the Shasta County Registrar of Voters to perform certain election services for the District; and

WHEREAS, in the judgment of the Board, it is advisable to request each of the Siskiyou County Registrar of Voters, and the Shasta County Registrar of Voters to call an election pursuant to Proposition 39 on the question of whether general obligation bonds shall be issued and sold on behalf of the District for purposes set forth below;

NOW THEREFORE, THE SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT BOARD OF TRUSTEE DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. That the Board, pursuant to Education Code Sections 15100, 15264 *et seq.*, and Government Code Section 53506, hereby requests each of the Siskiyou County Registrar of Voters, and the Shasta County Registrar of Voters to call an election under the provisions of Proposition 39 and the Act and submit to the electors of the District the question of whether bonds of the District in the aggregate principal amount not to exceed \$31,400,000 (the "Bonds") shall be issued and sold to raise money for the purposes described in Exhibits "A" and "B" hereto. Exhibit B hereto is directed to be printed in the voter pamphlet.

Section 2. That the date of the election shall be November 8, 2005.

Section 3. That the purpose of the election shall be for the voters in the District to vote on a proposition, a copy of which is attached hereto and marked Exhibit "A" and incorporated by reference herein, containing the question of whether the District shall issue the Bonds to pay for improvements to the extent permitted by such proposition. In compliance with Proposition 39 and the Act, the ballot proposition in Exhibit "A" and the "Full Text Ballot Proposition" in Exhibit B is subject to the following requirements and determinations:

(a) the proceeds of the sale of the Bonds shall only be used for the purposes set forth in the ballot measure and not for any other purpose, including teacher and administrator salaries and other college operating expenses;

(b) that the Board, in compliance with Proposition 39, and in establishing the projects set forth in Exhibit "B", evaluated the safety, enrollment, class size and information technology needs of the District;

(c) that the Board will cause to be conducted an annual, independent performance audit to ensure that the Bond moneys get expended for the projects identified in Exhibit "B" hereto;

(d) that the Board will cause an annual, independent financial audit of the proceeds from the sale of Bonds to be conducted until all of the Bond proceeds have been expended;

(e) that the Board will cause the appointment of a Citizens' Oversight Committee in compliance with Education Code Section 15278 no later than 60 days after the Board enters the election results in its minutes pursuant to Education Code Section 15274;

(f) that the tax levy authorized to secure the bonds of this election shall not exceed the Proposition 39 limit per \$100,000 of taxable property in the District when assessed valuation is projected by the District to increase in accordance with Article XIII A of the California Constitution; and

Section 4. That the authority for ordering the election is contained in Education Code Sections 15100 *et seq.* and 15264 *et seq.* and Government Code Section 53506.

Section 5. That the authority for the specifications of this election order is contained in Section 5322 of the Education Code.

Section 6. That Siskiyou County Registrar of Voters, the Siskiyou County Board of Supervisors, the Shasta County Registrar of Voters, and the Shasta County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 8, 2005 within the District.

Section 7. That this Resolution shall stand as the "order of election" to each of the Siskiyou County Registrar of Voters, and the Shasta County Registrar of Voters to call an election within the boundaries of the District on November 8, 2005.

Section 8. That the Secretary of the Board is hereby directed to send a certified copy of this Resolution to each of the Siskiyou County Registrar of Voters, and the Shasta County Registrar of Voters no later than August 10, 2005.

Section 9. That the maturity of any Bonds issued pursuant to Section 15100 of the Education Code, and Bonds issued pursuant to Section 53506 of the Government Code shall not exceed the maturity limits set forth therein, respectively. The maximum interest rate on any Bond shall not exceed the maximum rate allowed by Education Code Sections 15140 to 15143, as modified by Government Code Section 53531.

Section 10. That the Board requests the governing body of any such other political subdivision, or any officer otherwise authorized by law, to partially or completely consolidate such election and to further provide that the canvass be made by any body or official authorized by law to canvass the returns of the election, and that the Board consents to such consolidation.

Section 11. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of each of Siskiyou County, and Shasta County are requested to permit the Registrar of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse each of Siskiyou County, and Shasta County, such services to include the printing of the Full Text Ballot Proposition in the voter pamphlet, the publication of a Formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code) pursuant to the terms of Section 5363 of the Education Code and Section 12112 of the Elections Code.

ADOPTED, SIGNED AND APPROVED this 21st day of July, 2005.

EXHIBIT A

College of the Siskiyou's Job/Career Training and Undergraduate Education Act: "To train and prepare students for jobs, careers and transfer to four-year universities, expand nursing, medical training, fire science and technology skills programs

- Build/renovate libraries, classrooms for healthcare, science, computer/job training programs,
- Acquire, construct, modernize and equip facilities,
- Repair, upgrade deteriorating classrooms, restrooms, plumbing, electrical systems,

Shall Siskiyou Joint Community College District qualify for State matching funds, and issue \$31,400,000 in bonds, at legal rates, with **citizen oversight, annual audits** and no money for administrator's salaries?"

Bonds – Yes

Bonds - No

EXHIBIT B
FULL TEXT BALOT PROPOSITION
OF THE SISKIYOU JOINT COMMUNITY COLLEGE DISTRICT
BOND MEASURE ELECTION NOVEMBER 8, 2005

The following is the full proposition presented to the voters of the Siskiyou Joint Community College District.

College of the Siskiyous Job/Career Training and Undergraduate Education Act:

To train and prepare students for jobs, careers and transfer to four-year universities, expand nursing, medical training, fire science and technology skills programs

- Build/renovate libraries, classrooms for healthcare, science, computer/job training programs,
- Acquire, construct, modernize and equip facilities,
- Repair, upgrade deteriorating classrooms, restrooms, plumbing, electrical systems,

Shall Siskiyou Joint Community College District qualify for State matching funds, and issue \$31,400,000 in bonds, at legal rates, with **citizen oversight, annual audits** and no money for administrators' salaries?"

Bonds – Yes

Bonds – No

PROJECTS

The Board of Trustees of the Siskiyou Joint Community College District has evaluated the District's urgent and critical facility needs, including demands for health care job training, other career preparation programs, including fire safety officers, safety issues, improved libraries and distance learning capacities, modernization of all science labs and classrooms and information and computer technology, in developing the scope of projects to be funded, as outlined in the College of the Siskiyous Strategic Master Plan, dated April 2005, incorporated herein, and as shall be further amended from time to time. In developing the scope of projects the faculty, staff and students have prioritized the key job training, health and safety needs, classroom repair and renovation, library improvements, medical training programs and enrollment demands so the most critical needs are addressed. The Board conducted independent facilities projects to be funded, as listed in the Strategic Master Plan, which was unanimously approved by the Board of Trustees. This input of faculty, community and business leaders concluded that if these needs were not addressed now, the problems would only get worse. They advised the Board that it would be less expensive to upgrade and repair aging college buildings and classrooms now, than in the future.

The Strategic Master Plan reflects seven important perspectives:

- (i) In tough economic times community colleges including College of the Siskiyous, are critically important to re-train people who want to expand their job skills;
- (ii) College of the Siskiyous must provide more classrooms for healthcare job training programs such as nursing, dental hygiene, emergency medical care, lab technicians and medical assistant training to meet the increasing healthcare needs of the community and alleviate the local shortage of trained emergency medical, nursing and fire safety personnel;
- (iii) Statewide budget cuts are damaging the College's ability to provide a high-quality affordable education for local students and provide programs for students who want to transfer to four-year colleges;
- (iv) College of the Siskiyous must provide modernized facilities and programs that expand access to English, reading, math, science, language and fire science programs;
- (v) College of the Siskiyous must provide facilities and programs that "connect" the College with all local high schools so that distance learning can be improved throughout the District;
- (vi) College of the Siskiyous must leverage local bond money to qualify for State matching funds so that more classrooms can be modernized and constructed with less local bond money;
- (vii) It would be less expensive to construct, upgrade and repair aging community college buildings and classrooms now, than in the future.

Measure A

Citizens' Bond Oversight Committee

Pursuant to Section 15278 of the Education Code, the District is obligated to establish a Citizens' Bond Oversight Committee in order to satisfy the accountability requirements of Prop. 39. The Citizens' Bond Oversight Committee shall have the duties and rights set forth in the attached Bylaws; however, the Citizens' Bond Oversight Committee does not have independent legal capacity from the District.

A Bona-Fide Taxpayers Association Member is still needed for the Citizens' Bond Oversight Committee. Such a representative has been consistently solicited via newspaper advertisements and in newspaper stories on the Bond Oversight Committee.

The following information/material was presented to the Citizens' Bond Oversight Committee at various meetings:

June 19, 2006

- ✓ Rules & Responsibilities
- ✓ Report on Proposed Projects
- ✓ Selection of Terms of Members
- ✓ Election of Officers

October 2, 2006

- ✓ Tour of Residence Halls & Welding Shop
- ✓ Progress Report on Proposed Projects
- ✓ Report from Project Manager
- ✓ Schedule of Project Expenditures
- ✓ Summary of Bond Projects
- ✓ Selection of Committee Chair
- ✓ Terms for Committee Members

February 5, 2007

- ✓ Financial/Performance Audit (Nystrom & Company)
- ✓ Project Progress Report
- ✓ Report from Program Manager
- ✓ Summary of Bond Projects

June 4, 2007

- ✓ Summary of Bond Projects
- ✓ Progress Report from Program Manager/Director of Maint. & Operations
- ✓ Tour of Proposed Site for Rural Health Sciences Institute

The Citizens' Bond Oversight Committee verifies, by this report, that the bond revenues were expended only on the specific projects approved by the voters and that no funds were used for any teacher or administrative salaries or other school operating expenses. An audit of the first year ending June 30, 2006 was conducted by Nystrom and Company, Certified Public Accountants. The independent auditors' report dated November 6, 2006 reads as follows:

NYSTROM & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Siskiyou Joint Community College District
Weed, California

We have audited the accompanying financial statements of the Measure A Bond Funds (Measure A Debt Service Fund and the Measure A Building Fund) of Siskiyou Joint Community College District (District) as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the financial statements present only the Measure A Bond Funds and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2006, and the changes in its financial position and cash flow for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure A Bond Funds of the District as of June 30, 2006, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2006, on our consideration of the Measure A Bond Funds' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

November 6, 2006

NYSTROM & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

Upon approval by the Citizens' Bond Oversight Committee, this annual report will be presented to the Governing Board of the Siskiyou Joint Community College District at its next regularly scheduled meeting. It will also be posted on the Internet at:

<http://www.siskiyous.edu/bond/>

Complete documentation for the items listed can also be found at the above Internet address:

- Resolutions
- Committee Meetings/Minutes
- Project Summaries
- Annual Independent Auditors' Report
- Committee Bylaws

Copies will also be available to the public, either electronically or hard copy, or by contacting any of the following:

Via U.S. Mail:

**Superintendent/President's Office
College of the Siskiyous
800 College Avenue
Weed, CA 96094**

In Person:

**Superintendent/President's Office
College of the Siskiyous
800 College Avenue
Administration Building
Weed, CA 96094**

**By Telephone:
530-938-5200**

**By Fax:
530-938-5506**

By Email:

Applewhite@siskiyous.edu

**Approved by the Citizens' Bond Oversight Committee
for Bond Measure A
Siskiyou Joint Community College District**

*Barbara Dillmann
Walt Jennings
Dwayne Jones
Allison Leal
Robert McCrillis
Tom Moore
Rand Roselli
Norman Shaskey
Earl Wilson
James Wrobel*

**Signed by: _____
James Wrobel, Chairperson
Citizens Bond Oversight Committee
for Bond Measure A
Siskiyou Joint Community College District**