

2019-2020 Measure GC Committee Annual Report

Measure G and Measure GC Citizens' Bond Oversight Committee

Measure G, a \$98 million facilities bond measure, was passed on March 5, 2002 to authorize the repair and rehabilitation of deteriorated educational facilities and to add classrooms and instructional support space at the Verdugo Campus of Glendale Community College (GCC) and the Adult Community Training Center (ACTC), renamed the Garfield Campus (Garfield).

Measure GC, at the election conducted on November 8, 2016, the voters approved the issue of up to \$325,000,000 of the Glendale Community College District's general obligation bonds. These funds will enable the District to continue to upgrade educational facilities, add classrooms and instructional support space at the Verdugo campus, Garfield campus and the Professional Development Center (PDC) in Montrose.

The Measure G and Measure GC Citizens' Bond Oversight Committee was established in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

Committee Members for 2019-2020

Zanku Armenian
Armik Avedisian
Peter Braganca - Spring 2020
Sophal Ear

Roberta Hacopian
Larry Hanson
Seda Khachaturian
Kevin Lee

Harry Leon
Alex Parajon
Jennifer Quinonez-Skinner
Annie G. Reed

Melanie Kasparian, ASGCC (Associated Students of Glendale Community College) Student Representative was appointed in July 2018 to the Measure GC Committee and transferred out in July 2019 to a four-year university. Her contributions and service to the committee were much appreciated and we wish her well on her educational journey. Peter Braganca was appointed by ASGCC in Spring 2020 and serves as the new Student Representative. Mr. Armik Avedisian continued as chair for the committee for 2019-2020

Due to the Covid-19 pandemic, on March 18, 2020, Glendale Community College began conducting classes through remote instruction. This enabled some projects to be moved forward since there are no classes on campus. However,

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there are delays in approval of projects from the Department of the State Architect's office (DSA) due to reduction in staff. There were also some disruptions in the material supply chain which affected project schedules.

As of June 30, 2019, all of the Measure G funds had been allocated. The final issuance of the 2016 Measure GC General Obligation Bonds was approved by the Board of Trustees on April 21, 2020. This total was roughly \$203 million dollars.

Two members were termed out. Mr. Armik Avedisian and Mr. Kevin Lee were thanked for their contributions and service to the Measure G and Measure GC Committee as their terms expire in June 2020. A search for new committee members was be conducted.

There were three meetings held this fiscal year: August 5, 2019, November 4, 2019, (February 3, 2020 was cancelled) and May 4, 2020.

Highlights of the Measure G and Measure GC projects for the year include:

- Montrose Campus Expansion – classrooms in the PDC (Professional Development Center) are unsuitable for credit classes because they do not meet the standards set by the State. Approved classrooms built in the Citibank building could accommodate up to 1000 students, which would qualify the Montrose Campus as a “Center”. This would allow the Glendale Community College District to be able to receive funding (apportionment) from the State. A parking structure is still being considered to replace the two parking lots behind PDC and Citibank.
- The Kinesiology, Dance and Music (KDM) building has been renamed the Instructional Building and Conference Center (IBCC).
- Renovation of the Admissions and Records Office has been completed and Human Resources will be occupying this space. Admissions and Records has relocated to the new Sierra Vista Building.
- The San Gabriel Building computer labs will be renovated so that all of the Disabled Students Programs and Services (DSPS) will be located in the same building. Currently, part of the program has been located in the San Rafael Building and part in the San Gabriel Building.

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- Additional projects include the Football Stadium, classroom renovations and upgrades and window replacement in the Administration Building (original windows from 1926). The committee members toured one of the renovated classrooms (AD 252) after the August 5, 2019 meeting.
- The Garfield Campus Project has acquired almost all of the properties needed for the project. A relocation company has been assisting tenants with relocation to other living conditions.

Go through minutes again for more information 10-6-20

***Financial and Performance Audits General Obligation Bond Construction Fund (Measure G)
Excerpts from Independent Auditor's Report - June 30, 2019***

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(The full audit is available on the Measure G and Measure GC website. Hard copies are available upon request from Administrative Services.)

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements. In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The results of our tests indicated that the District's Measure G General Obligation Bond Fund (Measure G) funds are in compliance with Proposition 39 as outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

AUTHORITY FOR ISSUANCE

The Measure G General Obligation Bonds (the Bonds) were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The District received authorization from an election held on March 5, 2002, to issue bonds of the District in an aggregate principal amount not to exceed \$98,000,000 to finance construction, acquisition, furnishing and equipping of District facilities, and projects approved by the voters. The measure required approval by at least 55 percent of the votes cast by eligible voters within the District.

In October 2002, the District issued General Obligation Bonds, Election of 2002, Series A in the amount of \$27,000,000. The Series A Bonds were authorized by a resolution adopted by the County Board of Supervisors on September 17, 2002, pursuant to a resolution of the Board of Trustees of the District adopted on August 26, 2002.

In July 2003, the District issued General Obligation Bonds, Election of 2002, 2003 Series B in the amount of \$5,000,000. The Series B Bonds were authorized by a resolution adopted by the County Board of Supervisors on April 15, 2003, pursuant to resolutions of the Board of Trustees of the District adopted on March 17, 2003.

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In July 2003, the District issued General Obligation Bonds, Election of 2002, 2003 Series C in the amount of \$12,499,929.62. The Series C Bonds were authorized by a resolution adopted by the County Board of Supervisors on April 15, 2003, pursuant to resolutions of the Board of Trustees of the District adopted on March 17, 2003.

In October 2005, the District issued the General Obligation Refunding Bonds, 2002 Election, 2005 Series A in the amount of \$16,951,097. The Refunding Bonds were authorized to be issued pursuant to a request of the District made by a resolution adopted by the Board of Trustees of the District on September 19, 2005. The proceeds of the Bonds will be used to refund certain general obligation bonds of the District's previously issued bonds, fund certain capital improvements of the District, and pay all legal, financial, and contingent costs in connection therewith.

In October 2006, the District issued General Obligation Bonds, Election of 2002, 2006 Series D in the amount of \$34,500,000. The Series D Bonds were authorized by a resolution adopted by the County Board of Supervisors on September 12, 2006, pursuant to resolutions of the Board of Trustees of the District adopted on August 22, 2006.

In April 2011, the District issued General Obligation Bonds, Election of 2002, 2011 Series E in the amount of \$5,001,453.25. The Series E Bonds were authorized by a resolution adopted by the County Board of Supervisors on March 29, 2011, pursuant to resolutions of the Board of Trustees of the District adopted on February 28, 2011.

In February 2013, the District issued the General Obligation Bonds, Election of 2002, 2013 Series F in the amount of \$13,995,000. The Series F Bonds were authorized by a resolution adopted by the County Board of Supervisors on January 9, 2013, pursuant to resolutions of the Board of Trustees of the District adopted on November 19, 2012.

In June 2014, the District issued 2014 General Obligation Refunding bonds in the amount of \$26,660,000. The Refunding Bonds were authorized to be issued pursuant to a request of the District made by a resolution adopted by the Board of Trustees on May 19, 2014. The proceeds of the Bonds will be used to advance refund a portion of the outstanding General Obligation Bonds, Election 2006, Series D and pay all costs associated with the issuance of the Bonds.

PURPOSE OF ISSUANCE

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The net proceeds of the Bonds issued under the 2002 Authorization will be used for the purposes specified in the District bond proposition submitted at the Election, which include the purposes of improving safety and the quality of education in the District by replacing and repairing deteriorating buildings, classrooms, including plumbing, heating, air conditioning and sewer systems; repairing and upgrading electric wiring for computer technology; modernizing laboratories; improving security, lighting and parking; removing asbestos; and building new classrooms to accommodate rapid growth. A portion of the proceeds of the Bonds will also be used to refund certain existing lease obligations of the District.

AUTHORITY FOR THE AUDIT

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools, and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in Education Code Sections 15278-15282:

- 1. Requires that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3)(C) of the California Constitution, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.*
- 2. The community college district must list the specific school facilities projects to be funded in the ballot measure, and must certify that the governing board has evaluated safety, class size reduction, and information technology needs in developing the project list.*
- 3. Requires the community college district to appoint a Citizens' Oversight Committee.*
- 4. Requires the community college district to conduct an annual independent financial audit and performance audit in accordance with the Government Auditing Standards issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.*

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5. *Requires the community college district to conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed.*

OBJECTIVES OF THE AUDIT

1. *Determine whether expenditures charged to the General Obligation Bond Construction Fund (Measure G) have been made in accordance with the Bond project list approved by the voters through the approval of the Measure G.*
2. *Determine whether salary transactions charged to the General Obligation Bond Construction Fund (Measure G) were in support of Measure G and not for District general administration or operations.*

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2018 to June 30, 2019. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2019, were not reviewed or included within the scope of our audit or in this report.

CONCLUSION

The results of our tests indicated that, in all significant respects, Glendale Community College District has properly accounted for the expenditures held in the General Obligation Bond Construction Fund (Measure G) and that such expenditures were made for authorized Bond projects. There were no salaries of administrators charged to the Bond Funds for District general administration or operations. District procedures for disbursement of funds were applied in accordance with laws and regulations, as well as policies approved by the Board of Trustees.

***Financial and Performance Audits General Obligation Bond Construction Fund (Measure GC)
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In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The results of our tests indicated that the District's Measure GC General Obligation Bond Fund (Measure GC) funds are in compliance with Proposition 39 as outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

AUTHORITY FOR ISSUANCE

The Measure GC General Obligation Bonds (the Bonds) were issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California Education Code, and other applicable provisions of law. The District received authorization from an election held on November 8, 2016, to issue bonds of the District in an aggregate principal amount not to exceed \$325,000,000 to finance the acquisition, construction, modernization, and equipping of District sites and facilities, and to pay the costs of issuing the bonds. The measure required approval by at least 55 percent of the votes cast by eligible voters within the District.

In February 2017, the District issued General Obligation Bonds, Election of 2016, Series A in the amount of \$122,000,000. The Series A Bonds were authorized by a resolution adopted by the Board of Trustees of the District on February 21, 2017.

PURPOSE OF ISSUANCE

Pursuant to the 2016 Authorization, the proceeds of the Bonds will be used to finance the acquisition, construction, modernization, and equipping of District sites and facilities, specifically, to complete the projects listed in the information given to the voters. The list includes:

- *Repairing classrooms/labs to prepare students/veterans for jobs/university transfer.*

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- *Upgrading vocational education equipment/technology for engineering/nursing/law enforcement/firefighting careers.*
- *Repairing deteriorating gas/sewer lines.*
- *Improving handicapped accessibility/ earthquake safety.*
- *Acquiring, constructing, repairing sites, facilities/equipment.*

AUTHORITY FOR THE AUDIT

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools, and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55 percent of the electorate. In addition to reducing the approval threshold from two-thirds to 55 percent, Proposition 39 and the enacting legislation (AB 1908 and AB 2659) requires the following accountability measures as codified in Education Code Sections 15278-15282:

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OBJECTIVES OF THE AUDIT

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2. *Determine whether salary transactions charged to the General Obligation Bond Construction Fund (Measure GC) were in support of Measure GC and not for District general administration or operations.*

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2018 to June 30, 2019. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2019, were not reviewed or included within the scope of our audit or in this report.

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