

Hartnell College

Measure T Citizens' Bond Oversight Committee (CBOC)

2018 / 2019 Annual Report

Dec 4, 2019



Nursing Health Science Building view from W. Alisal Street— looking south.



THIS ISSUE

Activity in 2018-2019	P1
Measure T Projects	P2
Message from the Chair	P3
Measure T Future	P4

July 25, 2018— First Quarterly CBOC meeting for FY 2018-19.

July 2018— Programming meetings for the projects have continued for Building B 2nd floor, wet and dry labs for Soledad and North Monterey County Ed (NMC) centers.

August 2018— The District closed on purchase of property in Castroville; Nursing project first to start Division of State Architect (DSA) review process; Continue programming of project for IT and labs.

September 2018— Open forums held in King City, Main Campus, and Soledad for public input.

October 31, 2018— 2nd Quarterly CBOC mtg.

November 2018— Buildings D & E project submitted to DSA for approval.

December 2018— NMC project begins programming for design/build format; King City & Nursing projects submitted to DSA for approval.

January 2019— Bldg. B 2nd Floor and NMC projects continue programming/design. Soledad is submitted to DSA for approval.

January 16, 2019— 3rd Quarterly CBOC meeting; King City resubmits to DSA for structural.

April 2018— Start RFQ for NMC project.

April 24, 2018 —4th CBOC Quarterly meeting.

June 2019— Buildings D & E receive DSA approval, clear out of Building D 2nd & 3rd floors begin in preparation for contractor start.

MEASURE T ACTIVITY IN 2018-2019

By the close of this report's year end, Measure T Series A projects were close to approval from the Division of the State Architect (DSA). Buildings D and E received approval on June 26, 2019. This year saw the property purchase for the North Monterey County Education Center in Castroville (NMC), the completion of programming/design for four projects, finalization of the blueprints and submission by the architects to DSA for the four projects.

The last month of the year saw visible work commence toward the beginning of construction. Faculty moved their offices to Building N (Merrill Hall) in preparation for the removal of non-essential fixtures, furniture and equipment. On June 26, 2019 the first project received DSA approval—Building D and E. Work on establishing a bid opening immediately followed. Lastly, Requests For Qualifications (RFQ) were sent out for design/build entities interested in the NMC project.

LOOKING FORWARD

In response to committee member inquiries of how the budgeting of the projects look, the District responded that they are anticipating bids coming in higher than the budgets. The budgets were developed on 2015 construction costs. The architects and engineers are informing them that construction costs are running 25-30% higher throughout the State. The District also informed the CBOC that the phases of the bond fund was done with forethought of possible overruns. The key projects were front loaded into Phase I so they would be completed. The District has submitted the forms for matching funds in anticipation of the State Chancellor's Office putting a bond measure on the next ballot. Renovation projects in Phase III meet the criteria for matching funds which would augment the bond funds. The phase most likely to be affected is those projects in Phase III. Phase III is currently underfunded due to escalating construction costs.

The District be in construction on four projects of Phase I by the end of 2019. Phase II projects are slated to begin programming late spring 2020. This phase will include the renovation of Building J (Visual Arts) and Building K (Performing Arts) along with a new building at the Alisal Campus.

Measure T funds will enable Hartnell College to update facilities and take full advantage of the new technology that is needed to offer relevant educational opportunities for its students.



117 North Second Street King City, CA

Rendering of the King City Education Center with expansion wing at corner of 2nd and Lynn Streets.

BOND ISSUANCE

District voters approved the issuance of \$167 million of general obligation bonds.

Project	Expenditure to Date (June 2019)	Issuance / Budgeted Amount
Phase I Projects	First Issuance	\$70,000,000
King City Expansion	\$493,940.00	\$8,175,155.00
Soledad Education Center	\$782,392.00	\$13,180,636.00
Nursing Health Science Building	\$1,537,154.00	\$21,813,640.00
Renovation of Buildings D & E	\$630,493.00	\$14,382,866.00
North County Education Center	\$850,482.00	\$10,890,176.00
Phase II Projects	Second Issuance	\$48,500,000
Alisal Classroom Building		\$13,735,281.00
Renovation Building J		\$9,442,433.00
Renovation Building K	\$982,230.00	\$16,372,248.00
Phase III Projects	Third Issuance	\$48,500,000
Renovation of Buildings F, G, H	\$917,918.00	\$22,655,498
Renovation Building N		\$13,312,619
Projects Contingencies/ Construction Cost Escalation/High School Matching Funds/ Secondary Effect Projects		\$23,039,448.00
Swing-space Reno/Operations/Legal/ Construction Management/Master Planning/Measure T Bond Election	\$1,652,089.83	Costs are allocated to individual projects but for clarity itemized together
IT Equipment, ADA, Safety & Security, Energy Efficiency	\$564,023.00	Costs are allocated to individual projects but for clarity itemized together
TOTALS	\$8,410,721.83	\$167,000,000

INDEPENDENT FINANCIAL AND PERFORMANCE AUDITS JUNE 30, 2019

The accounting firm of CWDL, Certified Public Accounts presented the Annual Independent Financial and Performance Audits to the Board of Trustees on November 19, 2019. The 2019 audit will be presented to the board on December 17, 2019. In addition to issuing an unqualified opinion, the audit found the financial statements to fairly portray the financial position and changes in Measure T fund balance in accordance with accounting principles generally accepted in the United States. These audits are available at www.hartnell.edu/bond-oversight-reports-and-audits-0.

STATEMENT OF COMPLIANCE

This Annual Report is submitted to the public and to the Board of Trustees by the Hartnell College Citizens' Bond Oversight Committee in partial fulfillment of the Committee's responsibilities as set forth within Article XIII.A, Section 1 of the State of California Constitution and Sections 15278 through 15282 of the State of California Education Code. The Committee is in agreement that the District is in compliance for the period of this annual report.

Table to the left identifies the three Series or Phases (issuance) of the Measure T funds. The white lettering indicates work begun or completed during this reports timeframe. The two items Bldg. K in Phase II, Bldg. H in Phase III was work determined necessary in the current Phase I to mitigate potential damage or for sequencing of the project. These were re-roof projects and Measure T contribution to the Bldg. K ticket booth. The figures in yellow indicate budgets, for current Phase I projects and future Phase II and III projects. White indicates funds expended to date.

ADA Project rendering in front of buildings D & E



Dear Community Members,

On November 8, 2016 voters in the Hartnell Community College District approved a \$167 million dollar general obligation bond measure (Measure T) under the rules established by State Proposition 39. A Citizens' Bond Oversight Committee (CBOC) was established per the Proposition 39 guidelines. The committee comprised of various community representatives appointed by the Governing Board of Hartnell Community College District (CCD). The CBOC is responsible for:

- Monitoring expenditure of bond funds.
- Ensuring expenditures are for the purpose approved by the voters.
- Informing the public of bond expenditures and revenues.
- Reporting to the public, District compliance with California Constitution Article XIII A, Section 1 (b) (3) as provided for by the attorney general's opinions.
- Providing an annual report to the Governing Board and the community.

The committee is pleased to present our 2018-19 Annual Report to the Hartnell CCD and the public and reports that, to the best of its knowledge, the District is in full compliance with the responsibilities as described in Article XIII A of the California State Constitution. (This article of the state constitution is posted on the Hartnell College Measure T website for review.) With this report, the CBOC members assure the community that Measure T bond expenditures have been issued properly, and only for projects identified in the bond measure and that no funds were used unlawfully for teacher or administrator salaries. This assurance is supported by the financial and performance audits for the year ending June 30, 2019 by the accounting firm of CWDL in which Hartnell College was found in full compliance in all respects.

As the projects are coming closer to realization, committee inquiry into costs and their relationship to the budgets have been answered by the District. There is anticipation that costs will come in higher than what is budgeted. The District has provided that they are ready to maximize the fund dollars as they have frontloaded the projects with Phase I containing the key projects. A plan to augment and maximize the bond dollars is also being put in place in that the District has submitted their request for matching dollars for those projects that meet the criteria set by the Chancellor's Office. Projects in Phase II, such as the renovation of Buildings F and G (the oldest buildings on campus) will meet the criteria for those matching dollars. The District acknowledged that the phase to be most affected by any kind of overrun will be Phase III. At this time, Phase III is currently underfunded and the District will need to review funding for remaining projects.

The CBOC will continue to fulfill its duties over the next several years until all expenditures have been made as stated in Measure T. It has been my pleasure to serve as CBOC chair and to work closely with the committee and college staff in preparing the Annual Report to the community.

Thank you,

Grant Leonard, Chair



Rendering of new Soledad Educational Center

1550 Metz Road, Soledad, CA 93940

MEASURE T 2018-19 FINAL SUMMARY

Measure T projects have been planned in three phases with the goal to complete nearly all projects in eight to ten years. Summary of work to date and includes the sale of the bond, preliminary testing and surveying, design and document/plan phase, to the start of submission of plans to the Division of State Architect for review and approval of the Phase I projects. The new centers and building renovations, like all the other Measure T projects, will be instrumental in providing the necessary facilities and environment for teaching and learning excellence. Student success is the ultimate outcome.

At the close of fiscal year ending June 30, 2019, the projects of Phase I are approaching the time of actual construction. Within weeks of the year end, all projects will be through the DSA process and the Requests for Proposals will be publicized. The District's goal is to have all four projects, Buildings D & E renovation, Nursing & Health Science, Soledad, and the King City Education Center expansion under way.



Rendering of new Castroville Educational Center

10241 Tembladara Street, Castroville, CA 95012

Bond Oversight Committee Members

Grant Leonard, Chair

Deneen Guss , Member At Large

Mike LeBarre, Member At Large

Kimbley Craig, Business Organization Representative

Sam Mori, Member At Large

Timothy Miguel, Member At Large

George Richardson, Taxpayer Organization Representative

Vearl Gish, Member, Senior Organization Representative

Frances Wong, Student Member

RESPONSIBILITIES OF CITIZENS' BOND OVERSIGHT COMMITTEE

- ♦ To monitor expenditure of bond funds
- ♦ Assure the expenditures are for the purpose approved by the voters
- ♦ Inform the public of bond expenditures and revenues
- ♦ Report to the public, District compliance with California's Constitution Article XIII A Section 1(b)(3) as provided for the Attorney General's opinions.