



Long Beach Community College District

# Citizens Oversight Committee 2006 Annual Report to the Board of Trustees

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Debra A. Williamson  
W. Gary Westling

**January 23, 2007**

# **Citizens Oversight Committee 2006 Annual Report to the Board of Trustees**

**January 23, 2007**

## **Background**

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. In conjunction with the passage of Proposition 39, the Legislature passed a series of bills both restricting and mandating actions of local governing boards under Proposition 39. Proposition 39 went into effect on November 8, 2000 and the statutory measures went into effect January 1, 2001. On December 4, 2001, The Board of Trustees of the Long Beach Community College District (District) called for a general obligation bond election. The ballot language for the Measure E Bond funds reads, "In order to renovate, repair, and replace aging educational facilities, including replacement of electrical, plumbing and sewer systems, add classrooms, acquire equipment, construct job training facilities and high tech computer labs, upgrade restrooms, renovate heating and ventilation system, install fire safety equipment, replace outdated classrooms and libraries and establish a Citizens Oversight Committee, shall the Long Beach Community College District issue \$176 million in bonds, at interest rates within the legal limit?" On March 5, 2002, the District's resident voters passed the general obligation bond, Measure E.

## **Citizens Oversight Committee Charge**

It is the charge of the Citizens Oversight Committee (COC) to monitor the expenditures of the Measure E Bond funds and report to the public on the District's compliance with Proposition 39. It is the committee's role to: 1.) Receive and review the annual independent performance audit; 2.) Receive and review the annual independent financial audit as it relates to Bond funds; 3.) Review the Bond expenditures and ensure that Bond proceeds are spent on qualified projects and not on administrator or teacher salaries; 4.) Inspect college facilities and grounds where Bond proceeds are being spent; 5.) Receive and review deferred maintenance plans; 6.) Review district efforts to implement cost efficiency; and 7.) Prepare an annual report to the Board of Trustees.

## Long Beach Community College District's Projects List

The Board of Trustees approved the following list of projects for which bonds issued under Proposition 39 would be expended:

### General Improvements

At both the Liberal Arts Campus (LAC) and Pacific Coast Campus (PCC), the District intends to use bond proceeds to reimburse the District for State or other District funds that may be used to provide for any project on the list below, and to: make improvements to internal walkways, access roads and parking lots; install new and safer exterior lighting, signage, and security systems; landscape and install sprinklers in open areas, between buildings, and at physical education facilities; install modern infrastructure and utilities, including water, sewer, heating, ventilation, and air conditioning systems; install or upgrade fiber-optic cables and related technological equipment/systems; improve access ways in compliance with the Americans with Disabilities Act; remove and replace hazardous building materials; and purchase and install furnishings and equipment at all facilities being constructed, renovated, improved or remodeled with the proceeds of bonds.

### Project List

The project listing does not suggest any particular priority for construction amongst the proposed projects, which remains a province of the Board of Trustees.

**Liberal Arts Campus (LAC) Improvements:** The District intends to undertake the following specific projects at LAC, each of which involves major renovations, remodeling and improvements, and some of which involve removing old hazardous building materials and making, where required, seismic safety improvements:

- Administration Building (Building A)
- Technical Building (Building B)
- Nursing, Health and Technology Building (Building C)
- Math/Science Building (Building D)
- College Center (Building E)
- Family Consumer Studies Building (Building F)
- Music Building (Building G)
- Theater Arts Building (Building H)
- Auditorium (Building J)
- Library/Learning Center (Building L)
- Business, Computer, Social Sciences Building (Building M)
- Administrative Services Building (Building N)
- Language Arts Building (Building P)
- Physical Education Building

- Small Gymnasium (Building Q)
- Large Gymnasium (Building R)
- Aero-Pilot Building (Building T)
- Grounds Department (Building U)
- Construct new Bookstore/Student Services Building
- Replace and construct new Child Development Center
- Construct new classroom building or buildings to accommodate student growth and future program demands

**Pacific Coast Campus (PCC):** The District intends to undertake the following specific capital improvement projects at PCC, each of which involves major renovations, remodeling and improvements, and some of which involve repairing fire damage, removing old hazardous building materials, and making, where required, seismic safety improvements:

- General/Administration Building (Building AA)
- Humanities/English as a Second Language Building (Building BB)
- Fitness Center (Building CC)
- Social Science Building (Building DD)
- Student Center/Bookstore (Building EE)
- Fine Arts/Senior Center (Building FF)
- Library/Learning Resource Center (Building GG)
- Construction Trades Building (Building MM)
- Machine Shop (Building UU)
- Welding Shop (Building VV)
- Parent Education Building (Building OO)
- Replace and construct new Diesel Shop, Automotive Shop, Aeronautics Shop and Auto Body Shop (Buildings, RR, SS, TT, and QQ)
- Replace and construct Child Development Center
- Construct new classroom building or buildings to accommodate student growth and future program demands



## **Proposition 39 Mandate**

***The following is a summary of reports made to and actions made by the COC during the 2006 calendar year to meet its obligations.***

### **Receive and Review the Annual Independent Performance Audit**

The Citizens Oversight Committee (COC) received and reviewed the annual independent Performance Audit as it relates to the Measure E Bond funds.

The performance audit firm of Moss Adams was selected to conduct the Performance Audit for Fiscal Year Ended June 30, 2006. The performance audit team evaluated the Long Beach Community College District's (District) Measure E Bond Program compliance, and controls established to assure efficiency and effectiveness of the construction Program. The audit team evaluated whether an appropriate control structure has been developed for implementation of the Measure E Construction Bond Program. The audit team also tested expenditures during the period July 1, 2005 through June 30, 2006 for compliance with Bond Program objectives.

The audit team validated construction program expenditures against Bond Program requirements, contract terms and conditions, and analyzed program level controls. The team conducted over 20 in-depth interviews and reviewed key program documentation including a draft copy of the Facilities Master Plan, District Measure E Bond Program Policies and Procedures, the Program Management Plan, and evaluated policies and procedures as put in practice by both the District and the Bond Management Team. A sampling of other Bond Program documents reviewed included:

- Voter materials and bond documents
- Facilities planning documentation
- Procurement bid and award documentation
- Contracts
- Payment applications and invoices

- Relevant financial records and transaction support
- Board of Trustees and Citizen Oversight Committee reports
- Staff plans

Good practices and improvement opportunities, as identified at the time of report issuance, were identified in the Performance Audit Report. In summary, the performance audit report reflected procedural changes and actions taken though June 30, 2006 by the District and the Bond Management Team (BMT) since the last performance audit. In summary, key good practices included: 1) a file checklist and an in-process checklist are used to ensure completeness of contracts files; 2) the District is using an independent third party to provide review of Cordoba's Bond Management Team invoices; 3) staff for the Bond Management Team is dynamic, and is responsive to needs as determined by the construction schedule; and 4) user approvals and sign-off on design may prevent late changes and, thus, high-cost impacts to the Bond Program. The audit team identified opportunities for improvement in which the District and the BMT will respond to during the course of the year.

The audit team conducted its audit in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants. The audit team reported that the District has implemented and continues to improve controls for use of school construction bond proceeds to comply with Measure E requirements and are recorded on the District's books and records. Total Bond Program fund expenditures were \$23,248,749 from July 1, 2005 through June 30, 2006. The audit team evaluated expenditures for that period totaling \$11,835,353 (51%) and found no exceptions with the use of Bond Program funds for approved Measure E purposes.

Moss Adams presented its performance audit findings to the COC at its meeting of January 11, 2007. The Performance Audit for Fiscal Year Ended June 30, 2006 was received by the COC unanimously.

### **Receive and Review the Annual Independent Financial Audit as it Relates to the Bond Funds**

The Citizens Oversight Committee (COC) received and reviewed the annual independent Financial Audit as it relates to the Measure E Bond funds.

The financial audit firm of Vicenti Lloyd Stutzman conducted the Financial Audit for Proposition 39, General Obligation Bonds, Measure E Bond for the Year Ended June 30, 2006. The financial audit team conducted its audit of the Bond Construction Fund in accordance with auditing standards generally accepted and the standards applicable to financial audits contained in Governmental Auditing Standards.

The financial audit team planned and performed its audit to obtain reasonable assurance that the financial statements for the Bond Construction Fund are free of material misstatement. The audit included examining, on a test basis, evidence

supporting the amounts and disclosures in the Bond Construction Fund financial statements. It also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The audit team attests that its audit provided a reasonable basis for its opinion.

It is the opinion of the financial audit team that the financial statements present fairly, in all material respects, the financial position and results of operations for the Bond Construction Fund of the Long Beach Community College District as of June 30, 2006, in conformity with accounting principles generally accepted.

Vicenti Lloyd Stutzman presented its financial audit findings to the COC at its January 11, 2007 meeting. The Financial Audit for Proposition 39, General Obligation Bonds, Measure E Bond for the Year Ended June 30, 2006 was received by the COC unanimously.

### **Review Bond Expenditures and Ensure that Bond Proceeds are Spent on Qualified Projects and not on Administrator or Teacher Salaries**

The Citizens Oversight Committee (COC) reviewed Measure E Bond fund expenditures in order to ensure that Measure E Bond funds proceeds were spent on qualified projects and not on administrator or teacher salaries.

The Bond Management Team (BMT) presented the Quarterly Expenditure Reports and the accompanying Quarterly Summary Reports to the COC at its January, April, July, and October 2006 meetings. The Quarterly Expenditure Reports itemized expenditures for all construction, modernization, and renovation projects stipulated in the March 2002 ballot language for the Measure E Bond funds. And, the reports summarized budget modifications that occurred during each quarter. A statement of verification accompanied the Quarterly Expenditure Reports and attested that all expenditures were spent appropriately.

Within the 2006 reporting period, J. C. Squires, COC President, worked closely with the BMT to narrow the focus of the Quarterly Expenditure Report. Hence, BMT's expenditure reports have been simplified and the expenditure reports are concise and clear. Furthermore, BMT has enhanced its reporting system with its Expedition software program. And, as a result the expended costs reported in 2006 reports more closely with the District's PeopleSoft system that the District uses in its management of contracts and accounting records.

To date, all Quarterly Expenditure Reports received by the COC do not suggest inappropriate expenditures were made and the reports were received unanimously.

## **Inspect College Facilities and Grounds Where Bond Proceeds are Being Spent**

The Citizens Oversight Committee (COC) inspected the Long Beach Community College District's facilities and grounds where Measure E Bond funds proceeds were spent.

Construction, modernization, and renovation projects that the Long Beach Community College District residents voted for in the Measure E Bond funds ballot came to life in 2006 and are as follows:





**2006 MEASURE E BOND PROGRAM  
CONSTRUCTION MILESTONES  
COME TO LIFE**

**Ribbon Cutting Ceremony for the Instructional  
Facilities and College Operations Complex (LAC)**

**March 23, 2006**



**Dedication of the New Child Development Center  
and Playground (PCC)**

**May 19, 2006**



**South Quad Complex  
Groundbreaking Celebration (LAC)**

**November 8, 2006**



**Ribbon Cutting Ceremony for the  
Instructional Facilities and College  
Operations Complex (LAC)**

**March 23, 2006**



**COC MEMBERS IN ATTENDANCE**

*W. Gary Westling*





**From left:** Dianne McNinch (Board Members), Roberto Uranga (Board Members), Jeffrey A. Kellogg (Board Member), Jackie Kell (Long Beach City Council), Dr. E. Jan Kehoe (Superintendent-President), Dr. Thomas J. Clark (Board Members), Farley Herzek (Instructional Dean), Eloy Oakley (Assistant Superintendent-Executive Vice-President)

*Photographed by Ray Rodriguez (RMA)*

Citizens Oversight Committee Chairperson, W. Gary Westling (not pictured) attended the jubilant event.

The Instructional Facilities & College Operations Complex is the temporary home of the Automotive Technology and Aviation Maintenance programs and officially opened to students on January 17, 2006. The complex has classrooms, labs, nine automotive bays (many with electric lifts and one bay with alignment equipment) an aviation lab, instructors' offices, tool cribs, and storage space. When the Automotive and Aviation Departments vacate and move into the new Industrial Technology Phase 2 Building at the Pacific Coast Campus, the complex will be retrofitted for the new College Operations Complex and house Maintenance, Facilities, Grounds, and Warehouse staff. The District saved \$2.7 million by not having to lease facilities to temporarily house the Automotive Technology and Aviation Maintenance programs.



**Dedication of the New Child Development  
Center and Playground (PCC)**

**May 19, 2006**



**COC MEMBERS IN ATTENDANCE**

*Dr. William Marmion*



*Patricia Lofland*



*Angel Perea*





*Photographed by Lorraine Martinez (RMA)*

Roberto Uranga (Board of Trustees, President) addresses the District, faculty, staff, and District residents at the Child Development Center Dedication. Mr. Uranga proudly acclaims that the new state-of-the-art Child Development Center will improve the quality of life for many District families.





*Photographed by Lorraine Martinez (RMA)*

Dr. E. Jan Kehoe (Superintendent-President) takes pride in highlighting the services the new Child Development Center will provide the Long Beach Community College District residents, and reveres the efforts of all who made this project come to life.





**From left:** Dr. E. Jan Kehoe (Superintendent-President), Douglas Otto (Board of Trustees, Vice-President), Roberto Uranga (Board of Trustees, President), and Jeffrey A. Kellogg (Board of Trustees)

*Photographed by Lorraine Martinez (RMA)*

Citizens Oversight Committee members Dr. William Marmion, Patricia Lofland, and Angel Perea (not pictured) sit in the audience as Dr. E. Jan Kehoe and the Board of Trustees unveil the bronze dedication plaque commemorating the Child Development Center.





*Photographed by Lorraine Martinez (RMA)*

Citizens Oversight Committee Patricia Lofland attends the Child Development Center dedication. Mrs. Lofland is one of the many attendees that takes delight in seeing the District's design, plans, and efforts come to fruition.





**South Quad Complex  
Groundbreaking Celebration (LAC)**

**November 8, 2006**



**COC MEMBERS IN ATTENDANCE**

*Dr. William Marmion*



*Debra A. Williamson*





*Photographed by Gerardo Jimenez (Cordoba)*

City of Long Beach Mayor Bob Foster congratulates the Long Beach Community College District on reaching a Measure E Bond Program milestone and keeping to Building•Today•Tomorrow for the District's students and community.





*Photographed by Gerardo Jimenez (Cordoba)*

Roberto Uranga, President of the Board of Trustees, commemorates the groundbreaking of the future home of the Long Beach Unified School District's new Academic and Administrative Building.





***From left:*** Debra Williamson (Citizens Oversight Committee) and Eloy Oakley (Assistant Superintendent-Executive Vice-President)

***Photographed by Lorraine Martinez (RMA)***

Debra Williamson, a dedicated and committed Citizens Oversight Committee (COC) member since the committee's inception in 2002, proudly attends the South Quad Complex Groundbreaking Celebration. Ms. Williamson and Mr. Oakley see one of the many Measure E Bond Program projects the COC oversees come to life.





**From left:** Dr. William Marmion (Citizens Oversight Committee) and Eloy Oakley (Assistant Superintendent-Executive Vice-President)

*Photographed by Lorraine Martinez (RMA)*

Dr. William Marmion, a valued member and first Chairperson of the Citizens Oversight Committee (COC), dedicates his time to participate in the momentous occasion. Dr. Marmion and Mr. Oakley celebrate the breaking of ground for one of the District's prime projects.





**From left:** Bill Adams (Bond Management Team Program Manager, Cordoba) and Debra Williamson (Citizens Oversight Committee)

*Photographed by Lorraine Martinez (RMA)*

Debra Williamson (Citizens Oversight Committee) and Bill Adams (Bond Management Team, Program Manager, Cordoba Corporation) share in witnessing the birth of one of the many projects that has been discussed at the quarterly meetings of the Citizens Oversight Committee.





**From left:** Gene Farrell (Bond Management Team, Special Consultant, Cordoba Corporation), Armando Gonzales (Gonzales+Gooddale, Architect), George Pla (President, Cordoba Corporation), Dr. E. Jan Kehoe (Superintendent-President), Eloy Oakley (Assistant Superintendent-Executive Vice President), Bill Adams (Bond Management Team Program Manager, Cordoba Corporation) and Mike Soto (Bond Management Team Senior Construction Manager, Cordoba Corporation)

*Photographed by Gerardo Jimenez (Cordoba)*

The Long Beach Community College District and its key team leaders of the South Quad Complex project and future home of the District's Academic and Administrative Building take shovels at hand to break ground and commemorate the end of design meetings and the beginning of construction, and building its students and community a superb academic, administrative, and instructional facility.





**Background:** Dr. William Marmion (Citizens Oversight Committee)

**Foreground, From Left:** Dr. E. Jan Kehoe (Superintendent-President), Roberto Uranga (Board of Trustees, President), Jeffrey A. Kellogg (Board of Trustees), and Eloy Oakley (Assistant Superintendent-Executive Vice President)

**To the Left of Dr. Kehoe (out of the photo):** Dr. Thomas J. Clark (Board of Trustees); Douglas Otto (Board of Trustees, Vice President), and Mark Bowen (Board of Trustees)

*Photographed by Gerardo Jimenez (Cordoba)*

The Long Beach Community College District and its Board of Trustees unveil the commemorative bronze plaques that will be placed on the new Academic and Administrative Building when it is completed.





## **Receive and Review Deferred Maintenance Plans**

Due to the lack of Deferred Maintenance funding from the State, for 2005/2006 Fiscal Year no Deferred Maintenance Plans were submitted to the COC.

## **Review District Efforts to Implement Cost Efficiency**

The Citizens Oversight Committee (COC) reviewed the Bond Management Team's (BMT) efforts to implement cost efficiency. Below are highlights of major efforts made by the BMT to implement efficiencies.

- As mandated by Proposition 39, the Citizens Oversight Committee reviewed Quarterly Expenditure Reports presented by the BMT. At the committee's recommendation, the BMT reformatted the Quarterly Expenditure Report whereby expenditure information reports in a simplified and concise format. The BMT continued to use its Expedition software program to its fullest potential whereby the cost schedule and budgetary management, as reported in the Quarterly Expenditure Reports, continued to improve. Concurrently, the BMT made great strides and improved the interaction between its Expedition software program and the District's PeopleSoft system that the District uses in its management of contracts and accounting records system.
- The BMT implemented the performance auditors' recommendations made in its 2004/2005 Performance Audit Report. The Bond Program's processes, and schedule and budget management continued to improve throughout 2006 with the implementation of the recommendations.
- The BMT continued to refine its policies and procedures in order to ensure that practical and efficient policies and practices were administered, and appropriate controls were developed and applied.
- The BMT continued to mitigate escalating construction costs. The BMT retained Saylor Engineering services to provide independent estimates on all Architects' estimates during the design process and through the change order process. Saylor Engineering made a presentation to the COC at its meeting of July 10, 2006 and outlined the construction market trends and how those changes and escalation costs affect the bidding process. Saylor Engineering's presentation provided the COC with a better understanding of the upward market trends in order that the COC can communicate with the District's stakeholders that the District is doing everything it can to make the funds go as far as possible.

- The BMT continued to instill construction safety practices and broadcasting District-wide construction alerts. Addressing construction safety is vital in providing a safe environment as well as preventing costly legal claims against the District.
- The BMT continued to execute its Change Management Procedure in order to conduct construction risk analysis as a contractor cost control measure.
- The BMT continued to execute its Budget Modification Procedure. The Budget Modification Procedure ensures close monitoring of the Bond Program budget.
- Careful review of consultant invoices have been refined and improved. The BMT continued to review and scrutinize the review and authorization process prior to funds being released. And, the District continued to improve its applications in its payment process, and document control of records of distributions between funds.
- The BMT improved its staffing organization in order to better manage the current facilities construction program costs, project schedules, and scope management requirements. The addition of the Interim Deputy Director of Bond Implementation is instrumental in managing the facilities construction projects. The Interim Deputy Director of Bond Implementation closely oversees the District's facilities projects that are augmented with Measure E and/or State funds.

## Note-Worthy News

### **Bonds Sold and Issued**

The District sold and issued the Series B Bonds (second series of bonds) with a total issuance of \$65 million. The District also issued Series C Bonds, which are the refunding of Series A Bonds, with a total refunding of \$34,168,908. The Series C Bonds provided an additional \$5.5 million for the District to use for its construction program.

### **Community Outreach**

The Bond Management Team (BMT) hosted a public forum for the local community residents on May 30, 2006 at the Liberal Arts Campus. The public forum addressed the recent construction and made note of the Ribbon Cutting Ceremony for the Instructional Facilities and College Operations Complex (LAC) and the Dedication of the New Child Development Center and Playground (PCC). The forum also addressed upcoming campus improvements and the impact it will have on traffic flow. A question and answer session followed the forum.

The BMT held a campus forum for faculty and staff on May 11, 2006 at the Pacific Coast Campus. The faculty and staff were invited to attend and learn about the Bond Program construction updates and the progress made on construction projects. The faculty and staff were given a preview of the construction plans through the year. The BMT held a question and answer session following its presentation.

### **Re-Investing Bond Construction Dollars**

The District and the BMT have made great strides in recycling bond construction dollars back into the local economy. The District makes every effort to hire local contractors. The District has contracted with The Solis Group to manage the contractor outreach efforts for the Bond Program. Of the 20 Bond Program contracts released to date, data has been collected on 19 contracts. The total construction value of the 19 contracts is \$36,889,054. Approximately 66%, or \$24,534,452, of the total construction value of these 19 contracts has been awarded to local, small, and disabled veteran contractors. Of the 66%, approximately 14%, or \$3,501,950, of this work has been awarded to Long Beach-area businesses, which support the local economy and the educational future of the Long Beach residents.

### **Building Opportunities for Long Beach City College Interns**

The Bond Management Team (BMT) took under its wings two Long Beach City College interns. Ashi Martin, an Architect major, and Amerika Ma'aele, an Automotive Engineering major, have gained construction knowledge and experience under the direction and supervision of professional and seasoned construction and project managers. They both have interned on the Bond Program and have been given the opportunity to broaden their horizons, and gain valuable experience and knowledge in the construction management industry as they continue to pursue their education.

## **Prepare an Annual Report to the Board Of Trustees**

The COC herewith submits its 2006 Annual Report to the Board of Trustees. The COC is pleased to report that to date the Long Beach Community College District is in compliance with Proposition 39.

## 2006 Meeting Schedule

January 23, 2006



April 17, 2006



July 10, 2006



October 9, 2006

## 2006 Citizens Oversight Committee Members

### ***Committee Member***

J. C. Squires, Chairperson  
Ken Velten, Vice-Chairperson  
Angel J. Perea, Secretary  
Associated Student Body President  
Gary J. Cooper  
Patricia L. Lofland  
William H. Marmion  
Sherri Ortman  
Brian K. Tran  
Debra A. Williamson  
W. Gary Westling, Chairperson

### ***Representing***

Community At Large  
Additional Recommended Member  
Community At Large  
Associated Student Body  
Senior Citizens Organization  
Support Organization for the College  
Additional Recommended Member  
Bona-Fide Tax Payers Association  
Additional Recommended Member  
Local Business Community  
Additional Recommended Member

***Respectfully Submitted to the  
Board of Trustees on January 23, 2007 by  
J. C. Squires, Chairperson***

