



# Measure C

## CITIZENS' BOND OVERSIGHT COMMITTEE

### 2006-2007 ANNUAL REPORT



## Letter From Committee Chair

March 3, 2008

To: The Board of Trustees and Citizens of the Foothill-De Anza Community College District

On June 6, 2006, voters in the Foothill-De Anza Community College District demonstrated their confidence in the institution by approving a \$490.8 million general obligation bond measure (Measure C) under the rules established by Proposition 39. Voters approved the bond with a 65.69% affirmative vote.

I am writing to you to present the 2006-2007 Annual Report of the Measure C Citizens' Bond Oversight Committee covering the period of July 1, 2006 through June 30, 2007. This Annual Report is submitted to the Foothill-De Anza Board of Trustees and local district residents by the Foothill-De Anza Community College District Citizens' Bond Oversight Committee in fulfillment of its role as specified by law.

This report represents an overview of meetings held by the Committee during the 2006-2007 fiscal year. The Committee wishes to report that, to the best of its knowledge, the Foothill-De Anza Community College District is in full compliance with the responsibilities as described in Article XIII A of the California State Constitution.

The primary duties of the committee are to:

- Review bond expenditures to ensure that proceeds have been expended for the purposes set forth in Measure C
- Inform the public concerning the district's expenditures of bond proceeds
- Present to the district's governing board an annual report of the committee's proceedings and activities of the previous year
- Provide a statement indicating whether the district is in compliance with bond requirements

With this report, the Citizens' Bond Oversight Committee members assure the community that Measure C bond expenditures have been properly made, and only for projects identified in the bond measure.

Your attention is directed to the annual review of expenditures as performed by Perry-Smith LLP, which disclosed no instances of non-compliance with the terms of Proposition 39 or Measure C.

In closing, please allow me to express my appreciation to my colleagues on the committee and staff who have worked so hard this year to produce the achievements addressed in this report. It has been my distinct pleasure to serve as chair of the committee this past year.

Sincerely,

James G. Walker  
Chairperson  
Citizens' Bond Oversight Committee

## Committee Members

<b>Ralph Adams</b>	Taxpayer Association
<b>Phyllis Bismanovsky</b>	Member At Large
<b>Dexter Dawes</b>	Business Organization
<b>Carol Johnson</b>	Member At Large
<b>James Sandstrom</b>	Senior Citizens' Organization
<b>Jim Walker</b>	Foothill-De Anza Auxiliary Organization
<b>Sarah Wiehe</b>	Student Representative

## Board of Trustees

<b>Bruce Swenson</b>	President
<b>Paul Fong</b>	Vice President
<b>Betsy Bechtel</b>	
<b>Laura Casas Frier</b>	
<b>Hal Plotkin</b>	
<b>Jordan Eldridge</b>	De Anza College Student Trustee
<b>Sarah Snow</b>	Foothill College Student Trustee

## Chancellor

**Martha J. Kanter**

## About the District

For 50 years, Foothill-De Anza has demonstrated excellence and innovation in academic programs and student services. As one of the largest community college districts in the United States, Foothill-De Anza provides credit classes for more than 44,000 students annually. The colleges are active members of the League for Innovation in the Community College, a national consortium of leading two-year institutions.

Located in the heart of Silicon Valley, Foothill-De Anza serves the communities of Cupertino, Los Altos, Los Altos Hills, Mountain View, Palo Alto, Stanford, Sunnyvale, and portions of San Jose, Santa Clara and Saratoga.

## About Measure C

On June 6, 2006, voters in the district's service area approved Measure C, a \$490.8 million general obligation bond measure, which will enable the district to:

- Upgrade electrical, heating, ventilation systems, fire/seismic safety
- Repair leaky roofs
- Improve disabled access
- Repair/expand classrooms for nurses/paramedics
- Upgrade technology
- Repair, construct, acquire, equip buildings, classrooms, libraries, sites, science/computer labs

The Citizens' Bond Oversight Committee monitors Measure C expenditures under the rules established by Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act, to ensure that all bond funds are spent exactly as promised and to ensure taxpayer safeguards and confidence.

## Committee Activity Summary

The Citizens' Bond Oversight Committee was appointed by the Foothill-De Anza Board of Trustees on October 16, 2006, and met on two occasions during the 2006-2007 fiscal year. Proceedings of these meetings included:

- Appointment and Election of Chair/Vice-Chair
- Approval of Committee Bylaws
- Defining of Roles and Responsibilities
- Development of Bond Website - [www.measurec.fhda.edu](http://www.measurec.fhda.edu)
- Review of Financial Reports

## Committee Meetings

The Citizens' Bond Oversight Committee meets on a quarterly basis. All meetings are open to the public.

Agendas and meeting minutes from all committee meetings are available on the bond website at [www.measurec.fhda.edu](http://www.measurec.fhda.edu). All meetings are held in the district board room unless noted on the bond website.

Meetings held or scheduled during the 2006-2007 and the 2007-2008 fiscal years include:

- Tuesday, February 26, 2007 at 5:00 PM
- Tuesday, June 12, 2007 at 5:00 PM
- Tuesday, August 28, 2007 at 5:00 PM
- Wednesday, November 7, 2007 at 5:00 PM
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For the latest Citizens' Bond Oversight Committee meeting schedule please visit [www.measurec.fhda.edu](http://www.measurec.fhda.edu).

[www.measurec.fhda.edu](http://www.measurec.fhda.edu)

## Measure C Program Activities

The following is list of Measure C program activities as of June 30, 2007:

- Program/Project Management Team Selection
- Policies and Procedures Manual
- Electronic Tracking System (PROMPT)
- Quality Control Plan
- Safety Plan
- Financial Plan
- Communications Plan
- Measure C Bond Website
- Design Standards Strategy
- Condition Assessment Strategy
- Project Programming
- Budget Validation Strategy
- Schedule Development
- Project Packaging
- Environmental Impact Report
- CCC/IOU PG&E Incentives Program
- Master Planning
- Initial Quick Start Projects
- Equipment Purchases

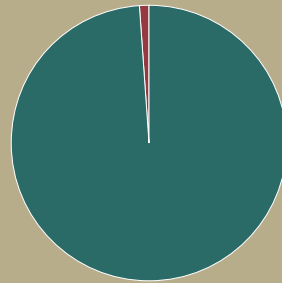
These activities were carried out under the categories of Small Capital Projects, Large Capital Projects, Renovation and Technology, Instructional Equipment and Vehicles.

For current and additional information regarding these activities please visit the bond website at [www.measurec.fhda.edu](http://www.measurec.fhda.edu).

# Bond Program Summary

## Bond Expenditures as of June 30, 2007

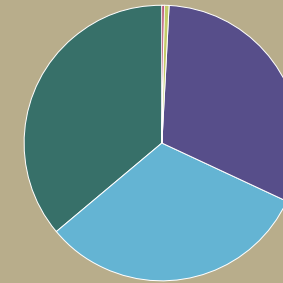
### Expenditures



- Total Bond Expenditures - \$4,556,191
- Bond Funds Remaining - \$486,243,809

**Total Bond Authorization - \$490,800,000**

### Expenditures by Category



- Small Capital Projects - \$13,487
- Large Capital Projects - \$25,608
- Technology, Instructional Equipment and Vehicles - \$1,420,468
- Start up Costs - \$1,453,753
- Renovation - \$1,642,875

## Measure C Active Projects as of June 30, 2007

### Foothill College

- Footbridge
- Swing Space
- Forum
- Furniture, Equipment and Technology

### De Anza College

- Campus Site Lighting (Phase I)
- Campus Signage (Phase I)
- Swing Space
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- Furniture, Equipment and Technology

## Series A and Series B Bond Issuance

In May 2007, the Foothill-De Anza Community College District issued Series A bonds in the amount of \$150 million and Series B bonds in the amount of \$100 million. The bonds were sold with a qualified tax opinion and investors were restricted to approved institutional buyers due to the pending Measure C litigation. Series A and Series B bonds produced an estimated tax rate of \$21.72 per \$100,000 of assessed valuation. This tax rate is less than the district's estimated tax rate of \$24 per \$100,000 of assessed valuation during the June 2006 bond election.

## Review of Expenditures

The schedule of proceeds and use of general obligation bonds for the fiscal year ended June 30, 2007, was compiled by an independent third-party auditing firm as required by Proposition 39. The agreed-upon procedures engagement was performed by Perry-Smith LLP, Certified Public Accountants, in accordance with attestation standards established by the American Institute of Certified Public Accountants. The results of applying the agreed-upon procedures indicate that the expenses were for valid bond purposes. To view the complete independent accountant's report, please visit [www.measurec.fhda.edu](http://www.measurec.fhda.edu).

## Litigation Summary

### Validation Complaint

Anticipating a challenge to the validity of the election by a landowner who has challenged the bond measures of other school and college districts, our district, took preemptive action in June 2006 by filing a validation complaint entitled, "Foothill-De Anza Community College District v. All Persons Interested." Two respondents filed an answer raising challenges to Measure C.

### Superior Court

The suit was tried in Santa Clara County Superior Court in November 2006. In December 2006, the trial court entered judgment validating Measure C and the position of the college district.

### Appellate Court

The judgment was appealed in January 2007 to the 6th District Court of Appeal. In December 2007, the court rejected the appeal, again affirming the validity of Measure C. One of the appellants then abandoned all further appeals, while the other petitioned the California Supreme Court to further review the decision. It is unlikely the Supreme Court will grant review. If review is denied, which is estimated to occur between February 25 and March 15, bond counsel will then issue an unqualified opinion that will allow the full funding of the Measure C projects.

For current and additional information please visit the bond website at [www.measurec.fhda.edu](http://www.measurec.fhda.edu).



The Foothill-De Anza Community College District is committed to reducing environmental impacts through the increased use of post-consumer recycled materials.

**This report was printed on 30% post-consumer waste paper.**



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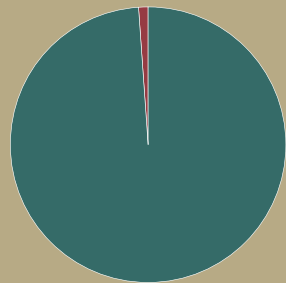
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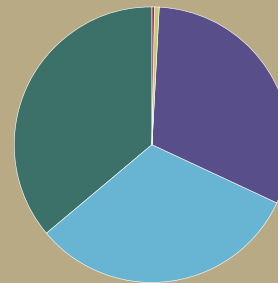
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