



# Measure H Citizens' Bond Oversight Committee

## ANNUAL REPORT 2021



[www.shastacollege.edu](http://www.shastacollege.edu)

*Submitted to the  
Shasta-Tehama-Trinity  
Joint Community College District  
Board of Trustees*

*February 9, 2022*

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**BLOCK 7 Downtown Redding Office Building**

## MESSAGE FROM THE CHAIR

### To the Shasta-Tehama-Trinity Joint Community College District Board of Trustees:

As Chair of the Measure H Citizens' Bond Oversight Committee (CBOC), I am pleased to present our fifth Annual Report to the community and to the Board of Trustees of the Shasta-Tehama-Trinity Joint Community College District. The Citizens' Bond Oversight Committee is required to prepare and present this Annual Report to the District's Board of Trustees in public session, an annual written report which includes a summary of the Citizens' Bond Oversight Committee's activities and a statement indicating whether the District is in compliance with the requirement that the bond revenues have been used only for the purposes authorized by the bond measure. With the presentation of this Annual Report, the members of the Citizens' Bond Oversight Committee can assure voters that Measure H Bond expenditures have been properly made for projects that are consistent with those identified in the bond measure. We hope that you find this report informative and comprehensive.

*~ Paula C. Percy, R.N., BSN, PHN, CMAS, Chair*

## THE CITIZENS' BOND OVERSIGHT COMMITTEE



Star Alfaro  
College Support  
Organization



Joe Ayer  
Taxpayers'  
Association



Rick Fauss,  
Vice Chair  
Business  
Organization



Steve Hosler  
Senior Citizens'  
Organization



Paula Percy,  
Chair  
At-Large  
Representative



Dr. Fabio Robles  
At-Large  
Representative  
(Trinity County)

NO  
PHOTO  
AVAILABLE

Marie Brock  
SC Student  
Representative



The purpose of the CBOC is to monitor the expenditures of the Measure H General Obligation Bond funds and report to the public on the Shasta-Tehama-Trinity Joint Community College District's compliance with Proposition 39. The committee members are appointed by the Board of Trustees and as required by law, represent various constituents of the community.

It is the committee's duty to:

- Inform the public concerning the District's expenditure of bond proceeds;
- Review expenditures to ensure that bond proceeds are spent on qualified projects; and
- Present an Annual Report to the community and the District's Board of Trustees with a summary of the CBOC's proceedings and activities for the preceding year.

The CBOC is comprised of seven members representing required constituent groups from throughout the District's service region. Members of the CBOC serve a term of two (2) years, and may be reappointed by the Board of Trustees for two additional two (2) year terms. No member may serve more than three (3) consecutive terms. CBOC members are not compensated for their services.

Members of the community serving on the Citizens' Bond Oversight Committee for the 2021 calendar year are listed below:

Committee Member Name	Area of Representation	1 <sup>st</sup> Term	2 <sup>nd</sup> Term	Final Term	Term Expiration
Joe Ayer	Taxpayers' Association	2 Years	2 Years	2 Years	6/30/2023
Rick Fauss, Vice Chair	Business Organization	2 Years	2 years	2 Years	6/30/2023
Steve Hosler	Senior Citizens' Organization	1 Year	2 Years	2 Years	6/30/2022
Paula Percy, Chair	At-Large Representative	2 Years	2 Years	2 Years	6/30/2023
Dr. Fabio Robles	At-Large Representative (Trinity County)	2 Years	2 Years		10/15/2023
Star Alfaro	College Support Organization	2 Years			10/21/2023
Marie Brock	SC Student Representative	2 Years			10/21/2023

Former member Robert Steinacher, representing a College Support Organization, resigned in September 2021 due to a change in residence location outside the District. Former member Candace Keating, the Student Representative, resigned in May 2021 due to a new employment schedule.

Reappointments made by the Board of Trustees at its May 12, 2021 regular meeting were:

Appointee	Area of Representation
Joe Ayer	Taxpayers' Association
Rick Fauss	Business Organization
Paula Percy	At-Large Representative

A reappointment made by the Board of Trustees at its September 8, 2021 regular meeting was:

Appointee	Area of Representation
Dr. Fabio Robles	At-Large Representative (Trinity County)

New appointments made by the Board of Trustees at its October 20, 2021 regular meeting were:

Appointee	Area of Representation
Star Alfaro	College Support Organization
Marie Brock	SC Student Representative

## Summary of CBOC Activities in 2021

During the 2021 calendar year, the CBOC met four times (quarterly) as follows:

January 26, 2021	Online Via Zoom – Meeting ID: 988 2314 6587
April 27, 2021	Online Via Zoom – Meeting ID: 988 2314 6587
July 27, 2021	Online Via Zoom – Meeting ID: 988 2314 6587 and in person at the Shasta College Main Campus Board Room (100 Building)
October 26, 2021	Shasta College Main Campus Board Room (100 Building)

In response to the COVID-19 pandemic, the ZOOM meeting platform continued to be used for the first three quarterly meetings. The July 27, 2021 meeting was a hybrid, held online and in person, to allow the CBOC members who wished to tour the new CIS Building the ability to do so.

At each meeting, the CBOC members were presented the following standing agenda items:

- Quarterly financial overview of project budgets, encumbrances and expenditures;
- Written update providing bond projects status; and
- PowerPoint presentation detailing highlights of the quarterly financial overview, project photos, and other information.

In addition to review of the standing agenda items, the CBOC completed the following activities:

### January 26, 2021 Meeting:

- Candace Keating, the new Student Representative, was introduced.
- Additional sources of funding to support bond projects were cited including Strong Workforce Program funds and interest earned on bond funds in the County treasury.
- The Measure H preapproved large project contractor list was provided as well as the number of contractors (73) currently on the CUPCCAA (California Uniform Construction Cost Accounting Act) list.



- The CBOC reviewed results of the 2019-2020 Financial and Performance Audits prepared by CWDL, Certified Public Accountants. Both audits had clean opinions. The Financial Audit indicated the one finding for 2018-2019 in connection with not having a retention accrual account established for one of the construction projects has been corrected. The Performance Audit cited over \$17,889,966 in transactions sampled, and all were found to be spent on approved projects as represented to the voters.
- The 2020 Annual Report was approved by the CBOC for submission to the District's Board of Trustees at its regular meeting on February 10, 2021.

#### **April 27, 2021 Meeting:**

- CBOC members Joe Ayer (Taxpayers' Association), Rick Fauss (Business Organization), Paula Percy (At-Large Representative) and Candace Keating (Student Representative) were asked either prior to or at the meeting if they would like to continue to serve on the committee for an additional term. All replied in the affirmative.
- Election of the Chair and Vice Chair were moved to the July 27, 2021 meeting due to the lack of a quorum.

#### **July 27, 2021 Meeting:**

- The CBOC discussed how COVID could impact the educational environment going forward. With as many classes as possible being taught online, it is difficult to assess how many classes will return to in-person, or hybrid, format when the pandemic has subsided.
- It was announced the 800 Building Renovation received approval for state funding under an accelerated project timeline. Total state funding to date has reached approximately \$21 million. The 1600 (Life Sciences) Building renovation and the Theatre Complex Reconstruction were also discussed as potential state funded projects.
- The CBOC elected Ms. Percy as committee Chair, and Mr. Steinacher as Vice Chair.
- A tour of the CIS Building was conducted for those CBOC members attending the meeting in person.

#### **October 26, 2021 Meeting:**

- Star Alfaro, College Support Organization, was introduced. Marie Brock, Student Representative, was unable to attend the meeting but details regarding her educational pursuits were relayed to the committee.
- A review of the purpose and role of the CBOC was provided.
- Higher Education Emergency Relief Funding (HEERF) was discussed in relation to allowable expenditures that support bond projects. A discussion of the District's efforts to maximize bond dollars was also provided.
- The 2021-2022 fiscal year Scheduled Maintenance projects list as approved by the Chancellor's Office was provided.
- With Robert Steinacher's departure from the committee due to a change in residence address, the CBOC elected Rick Fauss as Vice Chair.
- The quarterly meeting schedule was changed from the fourth Tuesday of January, April, July and October to the third Thursday of each quarter.

## MEASURE H BOND PROGRAM SUMMARY

On July 18, 2016 the Board of Trustees of the Shasta-Tehama-Trinity Joint Community College District voted unanimously to place a \$139 million general obligation bond on the November 8, 2016 general election ballot focused on addressing the following identified needs:

- Build a Regional Public Safety Training Facility
- Expand our career and technical education (CTE) training facilities
- Increase support for our Veterans and current military
- Improve STEM labs by bringing them up-to-date (last upgrade to science labs was in 2004)
- Upgrade classrooms and facilities in our almost 50-year old buildings to better align with modern day educational needs
- Improve our infrastructure, including technology and other critical components

Measure H was approved by the voters in our District, thus ensuring a sound future for higher education in our community. Passed under Proposition 39 provisions, 55% voter approval was required providing the following conditions are met. Proposition 39 allows the District to use bond funds only for projects described in the bond measure language. The funds cannot be used for staff salaries or projects not described in the language of the bond measure. It also mandates the formation of a Citizens' Bond Oversight Committee.



## BOND PROJECTS FINANCIAL SUMMARY

Following is an overview at December 31, 2021 of Measure H income and outflow, and an individual projects list reflecting associated budgets, encumbrances and expenditures:

### Shasta-Tehama-Trinity Joint Community College District Measure H General Obligation Bonds

Cumulative Recap of Bond Activity  
September 7, 2017 - December 31, 2021  
Bond Income/Outflow

#### Tax Exempt Series

Bond Sales Series A (9/7/2017)	\$ 50,000,000
Series A Net Issuance Costs	(208,359)
Bond Sales Series B (10/3/2019)	20,000,000
Series B Issuance Costs	(119,820)
Bond Sales Series C (12/9/2020)	10,000,000
Series C Issuance Costs	(53,788)
Refunded 2009A/2008A Bonds	(7,987,268)
Additional Funds from Other Sources	26,324,052
Transfer of Interest for Expenses	0
Net Available Funds for Projects	\$ 97,954,817
Encumbrances	(5,598,698)
Project Expenditures to Date	(55,437,876) *
Budget Remaining	(37,777,563)
Ending Available Funds for Projects	<u>\$ (859,320)</u>

\*Includes \$266,362 Reimbursement Allocation

#### Taxable Series

Bond Sales Series B-1 (10/3/2019)	\$ 20,000,000
Series B-1 Issuance Costs	(188,882)
Bond Sales Series C-1 (12/9/2020)	\$ 20,000,000
Series C-1 Issuance Costs	(186,450)
Net Available Funds for Projects	\$ 39,624,668
Encumbrances	(11,340,978)
Project Expenditures to Date	(6,034,693)
Budget Remaining	(2,268,988)
Ending Available Funds for Projects	<u>\$ 19,980,009</u>

Interest Proceeds for Future Allocation			
Fiscal Year	Tax Exempt Series	Taxable Series	Total Int. Proceeds
2017-2018	\$391,254		
2018-2019	544,057		
2019-2020	532,899	\$265,308	
2020-2021	243,083	307,428	
<b>TOTAL</b>	<b>\$1,711,293</b>	<b>\$572,736</b>	<b>\$2,284,029</b>



**TAX EXEMPT SERIES: Cumulative Recap of Project Budgets, Additional Revenues, Encumbrances and Expenditures**

Active Projects	Current Budget	Additional Funds from Other Sources	Source	Bond Project Reserve Allocation	Total Budget	Encumbered but not Expended	Expenditures to Date	Budget Remaining
Bond Project Reserve	1,000,000				0			
Measure H General Expenses	899,622	0			899,622	10,700	421,302	467,620
Information Technology Projects	2,720,000	204,040	(2)		2,924,040	92,259	2,776,875	54,906
Property Purchases	50,000	0			50,000	4,500	38,096	7,404
Furniture, Fixtures & Equipment	1,354,185	154,094	(2)		1,508,279	114,095	932,718	461,465
18-009 Campus Wide Infrastructure	7,878,548	0		200,000	8,078,548	349,547	5,991,244	1,737,757
18-010 SC Main Campus Keying & Access Control	1,709,375	0			1,709,375	345,149	888,233	475,993
18-015 CIS Building	7,490,000	0			7,490,000	28,478	7,296,329	165,193
18-017 Solar Project - East Lot	6,400,000	0		500,000	6,900,000	597,488	6,236,896	65,616
19-001 200 Building (Library) Renovation	5,319,100	15,589,000	(5)		20,908,100	247,736	1,391,587	19,268,777
20-001 SC Main Campus Fencing & Gates	179,718	0			179,718	88,900	58,704	32,114
20-003 800 Building Renovation	5,767,700	5,207,000	(5)		10,974,700	621,000	203,987	10,149,713
21-003 2400-2500-2600 Buildings HVAC & Exterior Refresh	2,481,146	1,046,000	(4)		3,527,146	2,773,745	225,204	528,196
21-006 Regional Public Safety Training Center - Phase III	723,870	58,000	(3)		781,870	25,101	26,148	730,620
21-007 100 Building Renovation (Student Svcs. One-Stop Shop)	100,000	0			100,000	0	67,811	32,189
22-006 2000 Building HVAC Replacement	400,000	3,500,000	(4)		3,900,000	300,000	0	3,600,000
Completed Projects	Budget Commitment	Additional Funds from Other Sources	Source	Bond Project Reserve Allocation	Total Budget	Encumbrances	Expenditures	Budget Remaining
2400 Building - Electrical Equipment Upgrade (#18-008A)	101,652	0			101,652	0	101,652	0
Athletic Fieldhouse Bldg w/Restrooms (#18-002)	1,137,625	0			1,137,625	0	1,137,625	0
CTE Building and Covered Storage (#18-008)	5,023,787	0			5,023,787	0	5,023,787	0
Dorms Upgrade Project (#20-006)	188,120	507,258	(4)		695,378	0	695,378	0
Farm Building 4500 Shade Structure (#19-008)	89,904	0			89,904	0	89,904	0
Gymnasium Air Conditioning (#18-007)	1,686,823	0			1,686,823	0	1,686,823	0
HSUC Folding Wall Replacement (#18-018)	180,042	0			180,042	0	180,042	0
HSUC Security Office Remodel (#20-002)	287,021	0			287,021	0	287,021	0
Interior/Exterior Lighting Project (#18-023)	49,789	0			49,789	0	49,789	0
Regional Public Safety Training Center - Phase I (#15-016)	2,569,310	0		300,000	2,869,310	0	2,869,310	0
RPSTC Classroom Buildings - Phase II (#18-004)	5,452,705	0			5,452,705	0	5,452,705	0
Security Dept. Relocation & Warehouse (#18-001)	2,876,074	0			2,876,074	0	2,876,074	0
Tehama Campus Student Services Bldg (#18-006)	5,878,576	2,531	(1)		5,881,107	0	5,881,107	0
Veterans Center Building (#18-003)	2,495,394	56,130	(1)		2,551,523	0	2,551,523	0
<b>Total Tax Exempt Series</b>	<b>\$72,490,085</b>	<b>\$26,324,052</b>			<b>\$98,814,137</b>	<b>\$5,598,698</b>	<b>\$55,437,876</b>	<b>\$37,777,563</b>

**TAXABLE SERIES: Cumulative Recap of Project Budgets, Additional Revenues, Encumbrances and Expenditures**

Active Projects	Current Budget	Additional Funds from Other Sources	Source	Bond Project Reserve Allocation	Total Budget	Encumbered but not Expended	Expenditures to Date	Budget Remaining
Downtown Redding Office Building Purchase	19,190,500	0			19,190,500	10,990,978	5,954,865	2,244,657
20-004 1300 Building Renovation	354,159	0			354,159	350,000	4,159	0
21-002 1600 Building (Life Sciences) Renovation	100,000	0			100,000	0	75,669	24,331
<b>Total Taxable Series</b>	<b>\$19,644,659</b>	<b>\$0</b>			<b>\$19,644,659</b>	<b>\$11,340,978</b>	<b>\$6,034,693</b>	<b>\$2,268,988</b>

**Additional Funding Sources:**

(1) California Community Colleges Chancellor's Office - Veterans Resource Center (VRC) Funding	\$	58,661
(2) Strong Workforce Program Funding in support of Career Technical Education Programs		358,134
(3) Fire Chief's Association Contribution		58,000
(4) Higher Education Emergency Relief Fund (HEERF) Offset		5,053,258
(5) State Funded Projects		20,796,000
<b>TOTAL ADDITIONAL FUNDS FROM OTHER SOURCES:</b>	<b>\$</b>	<b>26,324,052</b>

## 2020/2021 Bond Financial and Performance Audits

The required annual independent financial audits were performed by CWDL, Certified Public Accountants, with the following results:

### June 30, 2021 Bond Financial Audit – Auditor’s Opinion:

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure H Bond Funds of Shasta-Tehama-Trinity Joint Community College District, as of June 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

There were no financial statement findings or questioned costs identified during 2020-2021, nor were there any findings cited from 2019-2020 requiring correction.

### June 30, 2021 Bond Performance Audit – Auditor’s Opinion:

The results of our tests indicated that, in all significant respects, Shasta-Tehama-Trinity Joint Community College District expended Measure H General Obligation Bond funds for the year ended June 30, 2021 only for specific projects developed by the District's Board of Trustees and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

Out of \$13,010,446 in bond expenditures from July 1, 2020 through June 30, 2021, \$9,694,715 (75%) were selected for Performance Audit testing. In all cases, the expenditures were found to have been spent on approved Measure H bond projects.

#### SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT MEASURE H GENERAL OBLIGATION BONDS BALANCE SHEET JUNE 30, 2021

<b>ASSETS</b>	
Cash and cash equivalents	\$ 58,256,544
Due from other funds	569,024
Prepaid expenditures	<u>152,056</u>
<b>Total Assets</b>	<b><u>\$ 58,977,624</u></b>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	<u>\$ 1,255,442</u>
<b>Total Liabilities</b>	<b><u>1,255,442</u></b>
<b>Fund Balance</b>	
Restricted for capital projects	<u>57,722,182</u>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 58,977,624</u></b>

**SHASTA-TEHAMA-TRINITY JOINT COMMUNITY COLLEGE DISTRICT  
MEASURE H GENERAL OBLIGATION BONDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<b>REVENUES</b>	
Interest income	\$ 550,511
<b>Total Revenues</b>	<b>550,511</b>
<b>EXPENDITURES</b>	
Facilities acquisition and construction	13,010,446
<b>Total Expenditures</b>	<b>13,010,446</b>
<b>OTHER FINANCING SOURCES</b>	
Proceeds from long-term debt	30,000,000
Other financing uses	(240,237)
<b>Total Other Financing Sources</b>	<b>29,759,763</b>
<b>Net Change in Fund Balance</b>	<b>17,299,828</b>
<b>Restricted Fund Balance, July 1, 2020</b>	<b>40,422,354</b>
<b>Restricted Fund Balance, June 30, 2021</b>	<b>\$ 57,722,182</b>

## Statement of Compliance

This report is submitted to the Board of Trustees annually. Based upon our review of the District's financial records and the annual independent Financial and Performance Audits of the Measure H proceeds prepared by CWDL, Certified Public Accountants, the Citizens' Bond Oversight Committee believes that bond revenues were expended in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution and are consistent with the District's approved Measure H local bond measure for the period ending June 30, 2021.



**Tehama Campus Student Services Building**



## Shasta-Tehama-Trinity Joint Community College District 2021 Board of Trustees

- **Patrick W. Carr**, *Board President  
Trustee, Area B*
- **Richard Lawrence**, *Vice President  
Trustee, Area G*
- **Scott J. Swendiman**, *Clerk  
Trustee, Area C*
- **Stephen Bell**  
*Trustee, Area E*
- **Dr. Rob Lydon**  
*Trustee, Area F*
- **Rhonda E. Nehr**  
*Trustee, Area D*
- **Kendall S. Pierson**  
*Trustee, Area A*
- **Anika Carterby**  
*Student Trustee*

## District Staff

- **Dr. Joe Wyse**  
*Superintendent/President*
- **Jill Ault**  
*Assistant Superintendent/ Vice President of Administrative Services*
- **Andy Brown**  
*Director of Physical Plant*
- **Theresa Markword**  
*Bond Program Manager*
- **Sherry Nicholas**  
*Executive Assistant to the Asst. Superintendent/V.P. of Administrative Services  
& Bond Program Coordinator*
- **Emily Booth**  
*Bond Program Office Administrative Assistant*



**Shasta College**  
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Shasta College is an equal opportunity educator and employer.