

Hartnell College

Measure T Citizens' Bond Oversight Committee (CBOC)

2021 / 2022 Annual Report

December 2022



Nursing and Allied Health Building—Main Entrance



MEASURE T ACTIVITY IN 2021-2022

June 30, 2022 marks the end of the fiscal year for the Hartnell Community College District (HCCD) and signals the time for the CBOC to share with the District's community the events and status of the Measure T Bond in this fifth annual report. This past year has seen the opening of two more of the Phase I projects, the Nursing and Allied Health Program Building and the Castroville Education Center. Phase II has also begun with the renovation of Building B 2nd floor (the area vacated by the nursing and allied health program) and the planning stages of renovation of the practice field on the main campus.

Covid continued to impact the District as it did the world. Probably the only single positive outcome was that projects could get completed with minimal disturbance to operations of the District, campus and classes. Negatively, the state of supply chain issues for materials had a greater impact on the later Phase I projects than it did on the earlier King City, Bldg. D and Soledad projects. As elsewhere reported in the state, costs have increased with scarcity and inflation. Additionally, lead times for receipt of goods continue to be extended out. The District was able to overcome the impact of these long lead times by substitutions to specified materials (without sacrificing quality) to ensure that project(s) timelines continued on track. On the rising costs side, the District continues to research, locate and identify additional funds to augment the bond dollars. Even with the delay in receipt of some fixtures and equipment, the two projects, Nursing and Allied Health Building and Castroville, were complete in time to open for the Spring 2022 semester classes.

The longest affected project has been Building E's new elevator. The elevator has a smoke sensor equipped with chip technology. This part is still pending and is expected sometime in the next FY and hopefully before end of the Fall 2022 semester. For the most part, the District reported their ability to plan for these longer delays, through adjustments in the sequencing of the work via discussions with the contractors, substitution of materials with those of shorter lead times, but with all keeping the projects from going past their scheduled opening.

For Phase 1 projects, construction costs versus the 2016-17 budget identified in the project documents presented to the committee, reflect that costs were running consistently between 25% to 40% higher than anticipated. Two projects however did come in under budget; Soledad Education Center and the re-roofing of Building C. The Soledad project came in under budget at approximately \$981K remaining funds and the re-roofing was under budget \$10,195.00. The King City expansion was highest at about 39% over budget and the other projects because of late receipt of goods are still being calculated but are at about 12% over the 2016-17 budget. The only Phase II project currently in progress is under budget and at the time of this writing is within two weeks of completion. Impact of the costs on the future projects is explained further on Page 4.

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JULY 2021

- 01** Nursing Health Sciences and Castroville continue construction. Bldg. J and K architects completing plans for submission to the Dept. of State Architect. (DSA).
- 15** Work on Bldg. E elevator is delayed due to labor and materials shortage.
- 23** Bldg. K architect submits plans to DSA.
- 28** CBOC: First quarterly meeting of CBOC for FY 2021-22 (ZOOM).

AUGUST 2021

- 01** Nursing Health Sciences and Castroville projects continue at close pace, interior work includes the electrical, HVAC and plumbing trades. Exterior site work on both also begins to be completed end of this month.
- 27** Bldg. J project specifications and plans submitted to DSA for review and approval.

SEPTEMBER 2021

- 01** Nursing Health Sciences and Castroville continue to progress at equal pace. Bldg. E exterior flat work at the nursing bldg. has started, exterior of Castroville receiving paint. Bldg. K submits plans and specifications to DSA for review and approval.
- 08** Foundation Members take Tour of Castroville

OCTOBER Through DECEMBER 2021

- Oct** Castroville and Nursing continue at close pace to each other. Casework, doors and final finishes are focus of interior work.
- Oct 23** Soledad Grand Opening held.
- Oct 29** Bldg. B 2nd floor Request for Proposal (RFP) has been published
- Dec** Furniture for Castroville and NAH being delivered and installed.
- Dec 09** Bldg. B 2nd Floor. bid opening

JANUARY Through FEBRUARY 2022

- Jan** District installing owner supplied fixtures and equipment at both Castroville and NAH building. Both Buildings open for Spring 2022 semester
- Bldg. J and K in process at DSA
- Practice Field awarded to ISA Architecture.
- Feb** Tombleson awarded Bldg. B. 2nd floor starts on 7th. Football programming committee meets.

MARCH Through JUNE 2022

- MAR—JUNE** Bldg. B renovation continues as well as planning of practice field. Programming of Practice field starts.

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



CASTROVILLE—Merrit Street Entrance

BOND ISSUANCE

Project	Expenditure to Date (June 2022)	Issuance / Budgeted Amount
Phase I Projects	Funded Aug. 2017	\$70,000,000
King City Expansion*	\$11,362,241.00	\$8,175,155.00
Soledad Education Center*	\$12,200,096.00	\$13,180,636.00
Nursing Health Science Building	\$24,377,308.00	\$21,813,640.00
Renovation of Buildings D & E	\$13,223,804.00	\$14,382,866.00
Castroville Education Center	\$13,553,901.00	\$10,890,176.00
Building C Re-Roof	1,497,231.00	\$1,507,426.00
Phase II Projects	Funded AUG 2020	\$70,000,000
Alisal Classroom Building	TBD	\$13,735,281.00
Renovation Building J	510,959.00	\$9,442,433.00
Renovation Building K	\$1,749,189.00	\$16,372,248.00
Building B 2nd Floor renovations	\$1,274,786.00	\$2,000,000.00
Football/Practice Field	\$29,835.00	\$7,000,000.00
Phase III Projects	Third Issuance	\$27,000,000.00
Renovation of Buildings F, G, H	\$914,318.00	\$22,655,498.00
Renovation Building N	----	\$13,312,619.00
Swing-space Reno/Operations/Legal/ Construction Management/Project Management/Master Planning/Project Contingencies/Secondary Effect Pro- jects	\$2,763,572.00	\$32,162,013.00 (Costs are allocated to in- dividual projects but for chart pur- poses are itemized
IT Equipment, ADA, Safety & Security and, Ener- gy Efficiency	\$1,298,154.00	Costs are allocated to individual pro- jects but for clarity itemized together
TOTALS	\$84,755,394.00	\$167,000,000.00

Measure T Expenditures as of June 30,
2021

AUDIT AND REPORTS

INDEPENDENT FINANCIAL AND PERFORMANCE AUDITS June 30, 2021

The accounting firm of CWDL, Certified Public Accounts issued the Annual Independent Financial and Performance Audits for July 1, 2021-June 30, 2022 on December 29, 2022. A presentation of the audits was made to the Citizens' Bond Oversight Committee. 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.

The table to the left identifies the three Series or Phases (issuance) of the Measure T funds. The first column lists the project names or project budgetary accounts. The second column is actual expenditures to June 30, 2022. The third column is the initial 2016-17 budget for the project/ budgetary account.

Phase I projects are complete with the exception of Bldg. E. Material delays impacted this project and it will see completion by end of Fall semester. Phase II projects have all been started with exception of the Alisal project.

Phase III funds have not yet been issued. However some portions of work (roof) were completed to minimize further damage to the building prior to renovation work being started.

Nursing and Allied Health Balcony overlook to Plaza



Dear Community Members,

Annual reports give us the opportunity to look back at the year in review and see what went well, and what still needs work. Hartnell College is fortunate to be able to look at the on-going implementation of Measure T and see that it is clearly a success that we should celebrate. This year saw significant advances with completion of a new campus in Soledad, an expanded campus in King City, improved facilities at the main campus, and a new campus in Castroville. Hartnell College has been able to move these projects continuously forward throughout all of the challenges our community has faced this year. For that, we thank all of the staff who have continued to work hard to keep the bond projects moving forward!

When voters approved Measure T on November 8, 2016, they did so with the intent that the bond would be closely monitored by a Citizens' Bond Oversight Committee (CBOC). 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 2021-22 Annual Report to the Hartnell CCD and the public and to report 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 that were completed for year endings of June 30, 2017, 2018, 2019, 2020, 2021, and this fiscal year 2022 by the accounting firm Crowe Horwath in which Hartnell College was found in full compliance in all respects for every year.

As the projects are being constructed and moving closer to realization, the Committee continues to follow project costs compared to the original estimated project budgets. Construction costs are currently running higher than the estimated budgets due to a hot construction market that has put a strain on available labor and materials. In response to this, the District is maximizing the bond dollars by frontloading key projects into Phase I of the bond. The District is also continuing to seek matching state funding to augment and support Measure T funding. For projects in Phase III, such as the renovation of Buildings F and G (the oldest on campus), the District has already submitted a request for matching funds. This final bond phase has the greatest potential to be affected by higher construction and labor costs. At this time, Phase III is currently underfunded and the District is continuing to review funding opportunities to support these 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 Citizens' Bond Oversight Committee for Fiscal Year 2021-22



CASTROVILLE—TEMBLADARA ENTRANCE

MEASURE T 2021-22 FINAL SUMMARY & A LOOK TO 2022-23

The 2021-22 fiscal year: As noted on the first page of this report, Phase I projects are getting close to being completed. Only Building E renovation remains to be completed with schedule start-up to be in August 2022. Design work on Phase II projects have begun and the first project in Phase II (Building B renovation) has started this past Spring.

COVID-19 continued to affect the scheduled projects, but the District has been able to complete the projects without significant delays, and a couple have finished under budget. Those that exceeded are reflective of what the industry is experiencing state and nationwide. The industry has been experiencing 25% - 30% cost increases, due to supply and labor shortages.

The 2022-23 Fiscal year:

- Completion of the 2nd Floor of Building B remodel due to the Nursing and Allied Health move to its new building and home.
- Start of the renovation to the Performing Arts Building K. This will be an approximate 10 month project.
- Building J Visual Arts building is pending DSA approval and would come next after Building K.
- Still in discussion is the new building at the Alisal Campus. It is in discussion and may be scheduled to be completed in the third phase.
- While the current economic events have affected, in some cases adversely, the budgets of the completed projects, the District has identified their continuous efforts to find and utilize additional sources of funds to augment the budget. On the horizon the state of California has indicated a bond on the state ballot. The District has the potential of \$19,738,847 in matching funds that could be used to augment the Measure T budget. In addition, the bond funds themselves have generated \$4,000,000.00 in interest that will be used in the bond projects.
- The District feels that with these matching funds it is possible to complete all projects. Those that would be in peril are the projects of Phase III.

Bond Oversight Committee Members

Grant Leonard, Chair

Deneen Guss, Member At-Large

Mike LeBarre, Member At-Large

Kimbley Craig, Member Business Organization Rep.

Timothy Miguel, Member At-Large

George Richardson, Member - Taxpayer Organization Representative

Vearl Gish, Member - Senior Organization Representative

Frances Wong, Member - Student Organization

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 by the Attorney General's opinions.



NURSING AND ALLIED HEALTH—SIMULATION LAB STUDENT OBSERVATION