



Citizens' Oversight Committee
Annual Report
Measure T Bond March 2009–March 2010





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Bond Overview

On March 2, 2004, the voters of the San Bernardino City Unified School District approved Measure T by a yes vote of 61.4%. Measure T provides for capital facilities bonds in the amount of \$140,000,000.00. The bond language requires the establishment of a Citizens' Oversight Committee (COC).

Measure T Bond projects include: building new neighborhood elementary, middle, and high schools and facilities; repairs, upgrades, expansions and modernizations of existing schools and facilities; and paying off existing capital facility lease obligations to reduce costs and save money. Bond funds will be used in conjunction with available State bond funding to maximize the number of projects that can be accomplished. Projects are prioritized as State and Bond funds become available. Measure T is planned to be sold in four series. The first series was sold in September 2004, and was used primarily to pay off Certificates of Participation used to construct school facilities projects. The second series was sold in May 2006 and the third series was sold in March 2007 to fund new campuses, modernizations and Special Day Classroom additions.

Proposition 39 Requirements

Proposition 39 makes both constitutional and statutory changes to the current laws governing school facilities funding in California. Proposition 39 requirements include the following restrictions:

- Property tax must be a maximum of \$60.00 per \$100,000 in assessed valuation
- A list of projects must be provided to the voters in the ballot measure
- A Citizens' Oversight Committee must be established and operational
- An annual report from the COC to the Board
- Annual financial audit
- Annual performance audit
- The membership of the COC must include at least five members of the following categories: parent, parent/member of PTA/PTO, business representative, member of a senior citizen organization, and member of a bona fide taxpayer organization
- A website of the COC must be maintained



Citizens' Oversight Committee

The San Bernardino City Unified School District Measure T-2004 Proposition 39 Bonds Citizens' Oversight Committee is legally charged under Education Code Sections 15278, 15280, 15282, and the California Constitution, Article 13A, Section 1, with direct taxpayer review of the Bond measure endorsed by the voters and with informing the public about the expenditures of the Bond proceeds to ensure that the spending decisions made by elected officials conform with that measure. The committee is not granted any powers to determine how bond proceeds are spent.



The Citizens' Oversight Committee is charged with the following purposes under Proposition 39:

1. To verify that projects funded with bond proceeds were permitted under the projects list submitted to voters (or available to voters if not reprinted in the Voter Handbook) at the time of election.
2. To review the annual financial audit and performance audit maintained under Proposition 39.
3. To review the annual list of deferred maintenance projects.
4. To conduct on-site inspections of projects to verify performance of contractors on an as needed basis.
5. To request that the District provide information on cost saving methods of design or construction that relate to any of the proposed projects.
6. To publicize the results of the findings of the Committee in order to inform the public of the status of the bonds and the proposed projects.
7. To evaluate the applicability of "reusable" designs for schools financed with Bond proceeds.

After an application process, Citizens' Oversight Committee members are appointed by the Board. Since inception of the Citizens' Oversight Committee in September 2004, the following community members have served:

| Current Members | Representing | Membership Term | | Current Position |
|---------------------|-----------------------|-----------------|------|------------------|
| | | Begins | Ends | |
| Cynthia Barrow | Parent | 9/08 | 8/12 | Member |
| Sheri Hundley | Parent/PTA Member | 9/08 | 8/12 | Chair |
| David Justice | Business Community | 5/08 | 5/12 | Vice Chair |
| Ralph Knox | Senior Citizen | 9/08 | 8/12 | Member |
| Troy Allen Nelson | At-large | 9/08 | 8/12 | Member |
| Maria Dolores Ochoa | At-large | 9/08 | 8/12 | Member |
| Martin Romeo | Business Community | 9/08 | 8/12 | Member |
| Marion Vassilakos | Taxpayer Organization | 3/07 | 3/11 | Member |
| <i>vacant</i> | At-large | — | — | Member |

| Past Members | Representing | Membership Term | | Position |
|------------------|-----------------------|-----------------|-------|------------------------|
| | | Began | Ended | |
| Tierney Harris | At-large | 8/07 | 10/10 | Past Member |
| Teresa Alba | Parent | 9/04 | 8/08 | Past Member |
| Robbi Brunk | At-large | 9/08 | 8/08 | Past Chair, Vice Chair |
| Soledad Castillo | Parent/PTA Member | 9/04 | 8/08 | Past Member |
| Carl Clemons | At-large | 9/04 | 8/08 | Past Vice Chair |
| Ron Coats | Business Community | 9/04 | 8/08 | Past Member |
| J. Pat Ferraris | Business Community | 9/05 | 3/08 | Past Vice Chair |
| Margaret Hill | Senior Citizen | 9/04 | 8/08 | Past Chair |
| Gloria Mazzola | At-large | 9/04 | 8/06 | Past Chair |
| Ben Parra | Business Community | 9/04 | 8/05 | Past Member |
| Lou Pellini | Taxpayer Organization | 9/04 | 8/05 | Past Member |



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Summary of COC Activities

March 11, 2009

- Prop. 39 Performance & Financial Audit Reports for FY 2007–2008
- Facilities Management FY 2008–2009 Mid-Year Report
- Review “Draft” of Citizens’ Oversight Committee’s Newsletter
- Business Outreach Program Status
- Members’ Term Renewal - Approved at January 13, 2009 School Board Meeting:
 - * Marion Vassilakos: March 7, 2009 – March 6, 2011
 - * Tierney Harris: August 21, 2009 – August 20, 2011

June 3, 2009

- 2009 COC Bus Tour review
- FCIP May Monthly Briefing review
- Review “Draft” of Citizens’ Oversight Committee’s Newsletter
- Citizens’ Oversight Committee FY 2008–2009 Annual Report
- Certificate of Participation—Bridge Funding
- Qualified School Construction Bonds
- Report on Bond Projects’ Labor Force Diversity
- Modernization Project/Library Concept at San Bernardino High School

September 16, 2009

- Election of Officers
 - * Sherri Hundley to remain Chair
 - * David Justice to remain Vice Chair
- Review “Final Draft” of Citizens’ Oversight Committee’s Newsletter
- FCIP August Monthly Briefing / Cost Status Summary
- Certificate of Participation—Bridge Funding
- Superintendent’s Naming Committee
- Funding Status for New Schools
- Presentation / Update on Lytle Creek K–8 Project

January 6, 2010

- Citizens’ Oversight Committee Newsletter mailer follow-up
- FCIP December Monthly Briefing
- Superintendent’s Naming Committee
- Announcement regarding Keith Kajiya

March 10, 2010

- Proposition 39 Audit Reports
- Indian Springs High School Groundbreaking
- PLA’s
- Facilities Management FY 2009–2010 Mid-Year Report
- Update on State Funding Status
- High Performance Designation



Summary of Bond Expenditures and Findings as Detailed in Audit Reports

2004 General Obligation Bond, Series A

On September 16, 2004, the San Bernardino City Unified School District issued the 2004 General Obligation Bonds, Series A, in the amount of \$44,999,497. The bonds will mature August 1, 2029, and yield interest rates of 2.0 to 5.0 percent. The bonds were issued to fund the construction, renovation, and repair of certain District facilities and the prepayment of the District's School Facility Bridge Funding Program.

2004 General Obligation Bonds, Series B

On May 3, 2006, the District issued \$67,999,967 of 2004 General Obligation Bonds, Series B. This was the second series of the authorized bonds to be issued under the measure as approved by voters. The bonds mature on August 1, 2030, with interest yields of 4.5 to 5.0 percent. Proceeds from the sale of the bonds are used to finance the construction, renovation and repair of certain school facilities.

2004 General Obligation Bonds, Series C

On March 1, 2007, the District issued \$9,997,217 of 2004 General Obligation Bonds as Series C. This was the third series of the authorized bonds to be issued under the measure as approved by voters. The bonds mature on August 1, 2031, with interest yields of 3.4 to 4.7 percent. Proceeds from the sale of the bonds are used to finance the construction, renovation and repair of school facilities.

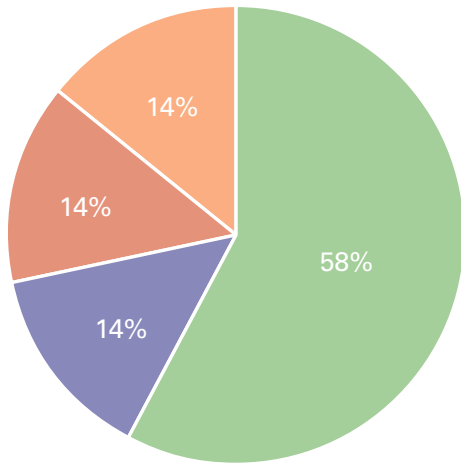
2008–2009 Audit Reports

In accordance with Proposition 39, a performance audit and financial audit was performed by the independent auditor firm of Vicenti, Lloyd and Stutzman, LLP. The performance audit confirmed that the San Bernardino City Unified School District has properly accounted for the expenditures of the funds held in the Bond Building Fund and that such expenditures were made on authorized bond projects. Further it was noted that the funds held in the Bond Building Fund and expended by the district were not expended for salaries of school administrators or other operating expenditures.

The financial audit confirmed that the financial statements for fiscal year ending June 30, 2009, presented fairly in all material respects, the financial position and results of operations for the San Bernardino City Unified School District as of June 30, 2009, in conformity with accounting principles generally accepted in the United States of America. The financial audit also acknowledged that the District implemented recommendations from the previous fiscal year report (2007–2008) regarding audit adjustments. There were no findings nor questioned costs related to the financial audit of the Measure T Building Funds for the year ended June 30, 2009.

Bond Spending by Project and Issue

The table to the right indicates a breakdown of \$108.9 million in bond expenditures for each project. The projects are organized by type (New Campuses, Special Day Classroom Additions, Modernizations and Other) and are listed alphabetically by school name. Bond funds were used for expenditures against 101 projects. In many cases, these bond expenditures have been leveraged against matching funds from the State and local Developer Fees.



| | | |
|---|----------------------|-------------|
| ■ New Campus | \$ 63,447,750 | 58% |
| ■ SDCs | \$ 14,875,238 | 14% |
| ■ Modernizations | \$ 15,088,115 | 14% |
| ■ Other | \$ 15,524,164 | 14% |
| Total | \$108,935,267 | 100% |

Pacific High School: SDC Addition



New Construction Projects

| ID | Project Name | Total |
|---|-----------------------------------|---------------------|
| C03 | Anton ES | \$5,969,753 |
| C68 | Arroyo Valley HS-Addition | \$1,500 |
| C01 | Bing Wong ES #48 | \$16,656,139 |
| C79 | Captain Leland F. Norton ES #52 | \$319,307 |
| C66 | Cesar Chavez MS | \$2,838,569 |
| C10 | Col. Joseph Rodriguez Prep ES #47 | \$11,478,362 |
| C67 | Curtis MS (7-9) & SDC | \$14,498,354 |
| C76 | Dr. Mildred D. Henry ES | \$251,391 |
| C80 | George Brown Jr. ES #53 | \$221,338 |
| C78 | Graciano Gomez ES #51 | \$210,680 |
| C81 | H. Frank Dominguez ES #54 | \$90,330 |
| C05 | Highland Cypress ES #50 | \$11,250 |
| C82 | Indian Springs HS #8 | \$2,106,839 |
| C02 | Jones ES #46 | \$8,195,677 |
| C98 | Lankershim ES | \$22,150 |
| C94 | Lincoln ES | \$23,550 |
| C65 | Lincoln II North ES #44 | \$27,900 |
| C83 | Little Mountain ES #E55 | \$6,800 |
| C99 | Lytle Creek ES | \$116,242 |
| C09 | Middle College HS | \$151,673 |
| C95 | Muscoy ES | \$27,620 |
| C69 | Muscoy MS #10 | \$30,062 |
| C84 | Pakuma K-8 #E56 | \$7,204 |
| C96 | Vermont ES | \$41,478 |
| C97 | Wilson ES | \$143,583 |
| New Construction Projects Subtotal | | \$63,447,750 |

SDC Projects

| ID | Project Name | Total |
|------------------------------|-----------------------|---------------------|
| C45 | Arrowview MS | \$961,047 |
| C37 | Barton ES | \$1,260,861 |
| C51 | Bradley ES | \$44,900 |
| C49 | Cajon HS | \$1,136,615 |
| C52 | Cypress ES | \$5,313 |
| C46 | Del Vallejo MS | \$1,382,076 |
| C60 | Golden Valley MS | \$1,113,478 |
| C39 | Highland Pacific ES | \$2,389 |
| C53 | Hillside ES | \$1,688 |
| C40 | Hunt ES | \$1,982 |
| C47 | Martin Luther King MS | \$1,325,661 |
| C42 | N. Vermont ES | \$2,297 |
| C63 | Pacific HS | \$1,099,264 |
| C56 | Palm Avenue | \$1,043,508 |
| C57 | Rio Vista ES | \$7,105 |
| C44 | Roosevelt ES | \$1,580 |
| C50 | San Bernardino HS | \$1,218,594 |
| C64 | San Gorgonio HS | \$1,357,202 |
| C48 | Serrano MS | \$1,475,359 |
| C62 | Shandin Hills MS | \$1,434,319 |
| SDC Projects Subtotal | | \$14,875,238 |

Modernization Projects

| ID | Project Name | Total |
|--|------------------------|---------------------|
| M03 | Anderson Special Ed ES | \$120,299 |
| M04 | Arrowhead ES | \$16,736 |
| M05 | Arrowview MS | \$1,238,555 |
| M06 | Barton ES | \$44,777 |
| M07 | Belvedere ES | \$459,639 |
| M49 | Bradley ES | \$97,845 |
| M08 | Burbank ES | \$61,702 |
| M09 | Cajon HS | \$2,085,102 |
| M11 | Carmack ES | \$57,340 |
| M12 | Cole ES | \$92,263 |
| M13 | Curtis MS | \$175,217 |
| M14 | Cypress ES | \$271,554 |
| M50 | Del Rosa ES | \$131,158 |
| M02 | Del Vallejo MS | \$2,412,661 |
| M15 | Emmertton ES | \$66,694 |
| M16 | Fairfax ES | \$12,867 |
| M17 | Golden Valley MS | \$341,143 |
| M18 | Highland Pacific ES | \$113,386 |
| M19 | Hillside ES | \$87,606 |
| M20 | Hunt ES | \$35,370 |
| M21 | Inghram ES | \$8,872 |
| M22 | Kendall ES | \$18,511 |
| M23 | Kimbank ES | \$434,469 |
| M24 | Lankershim ES | \$61,871 |
| M25 | Lincoln ES | \$520 |
| M26 | Lytle Creek ES | \$6,432 |
| M48 | Marshall ES | \$114,133 |
| M01 | Martin Luther King MS | \$2,061,816 |
| M27 | Monterey ES | \$74,690 |
| M29 | Mt. Vernon ES | \$12,879 |
| M28 | Muscoy ES | \$242,413 |
| M30 | Newmark ES | \$49,237 |
| M31 | Northpark ES | \$70,762 |
| M32 | Oehl ES | \$101,147 |
| M47 | Pacific HS | \$57,460 |
| M36 | Rio Vista ES | \$11,513 |
| M37 | Roosevelt ES | \$11,133 |
| M51 | San Andreas HS | \$331 |
| M38 | San Bernardino HS | \$388,010 |
| M39 | San Gorgonio HS | \$2,310,996 |
| M40 | Serrano MS | \$483,131 |
| M41 | Shandin Hills MS | \$218,414 |
| M42 | Thompson ES | \$313,946 |
| M43 | Urbita ES | \$4,763 |
| M46 | Warm Springs ES | \$24,394 |
| M45 | Wilson ES | \$84,359 |
| Modernization Projects Subtotal | | \$15,088,115 |

Other Projects

| ID | Project Name | Total |
|--------------------------------|--|----------------------|
| P18 | Arrowview MS | \$50 |
| P16 | Arrowview MS - 21st Century Classroom | \$7,739 |
| C21 | Barton ES | \$501,576 |
| C35 | Barton ES Portables | \$193,023 |
| C13 | Belvedere ES | \$495,628 |
| P21 | Cajon HS | \$6 |
| C34 | Cajon HS Portables | \$96,529 |
| C75 | Cesar Chavez MS | \$1,629,173 |
| P14 | Col. Joseph Rodriguez Prep ES MS | \$3,486 |
| P19 | Curtis MS | \$6 |
| C20 | Davidson ES | \$473,920 |
| C14 | Del Rosa ES | \$489,348 |
| C33 | Del Vallejo MS Portables | \$265,331 |
| C08 | Golden Valley MS - Admin/ Lib Replacement | \$1,300,000 |
| | Growth Projects | \$68,270 |
| C22 | Highland Pacific ES | \$471,702 |
| C17 | Inghram ES | \$494,634 |
| C25 | Kendall ES | \$503,103 |
| C12 | Lankershim ES | \$479,818 |
| C18 | Lytle Creek ES | \$496,894 |
| C16 | Muscoy ES | \$496,330 |
| C24 | Newmark ES | \$487,169 |
| P11 | Pacific HS | \$9,194 |
| P09 | Palm Ave ES | \$63,982 |
| C23 | Parkside ES | \$475,752 |
| | Program Contracts | \$4,218,864 |
| C11 | Rio Vista ES | \$473,609 |
| P10 | San Andreas HS | \$14,748 |
| P17 | San Bernardino High School - Library | \$14,300 |
| P22 | San Bernardino HS | \$29 |
| P16 | San Bernardino HS - 21st Century Classroom | \$7,599 |
| P20 | Serrano MS | \$50 |
| P12 | Shandin Hills MS | \$60,502 |
| C19 | Urbita ES | \$478,201 |
| C36 | Urbita ES Portables | \$260,102 |
| C15 | Vermont ES | \$493,497 |
| Other Projects Subtotal | | \$15,524,164 |
| Grand Totals | | \$108,935,267 |

California Constitution Statutory Requirements

On May 4, 2004, (Item 10.42) the Board of Education approved “Resolution of the Board of Education of the San Bernardino City Unified School District Establishing a Citizens’ Bond Oversight Committee and Approving Form of Bylaws Thereof.”

Section 3, Item 3.3 of the Citizens’ Oversight Committee Bylaws:

3.3 Annual Report. The Committee shall present to the Board, in public session, an annual written report which shall include the following:

- a. A statement indicating whether the District is in compliance with the requirements of Article XXIIA, Section 1(b)(3) of the California Constitution; and
- b. A summary of the Committee’s proceedings and activities for the preceding year.

The text in the Article XIII A of the California Constitution states:

- a. A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1 (b)(3), and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
- b. A list of the specific school facilities projects to be funded and certification that the school district board, community college board, or county office of education has evaluated safety, class size reduction, and information technology needs in developing that list.
- c. A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds been expended only on the specific projects listed.

Serrano Middle School: Modernization



COC Statement of District Compliance

The Citizens' Oversight Committee, based on the review of the annual financial and performance audit report and information received at the COC meetings, finds:

- The San Bernardino City Unified School District is in compliance with the requirements of Article XIII A, Section 1(b) (3) of the California Constitution

The Citizens' Oversight Committee members and officers wish to thank the San Bernardino City Unified School District Board, Superintendent and staff for their support and appreciate the opportunity to serve the taxpayers of the District and inform the public concerning the San Bernardino City Unified School District Measure T Bond.

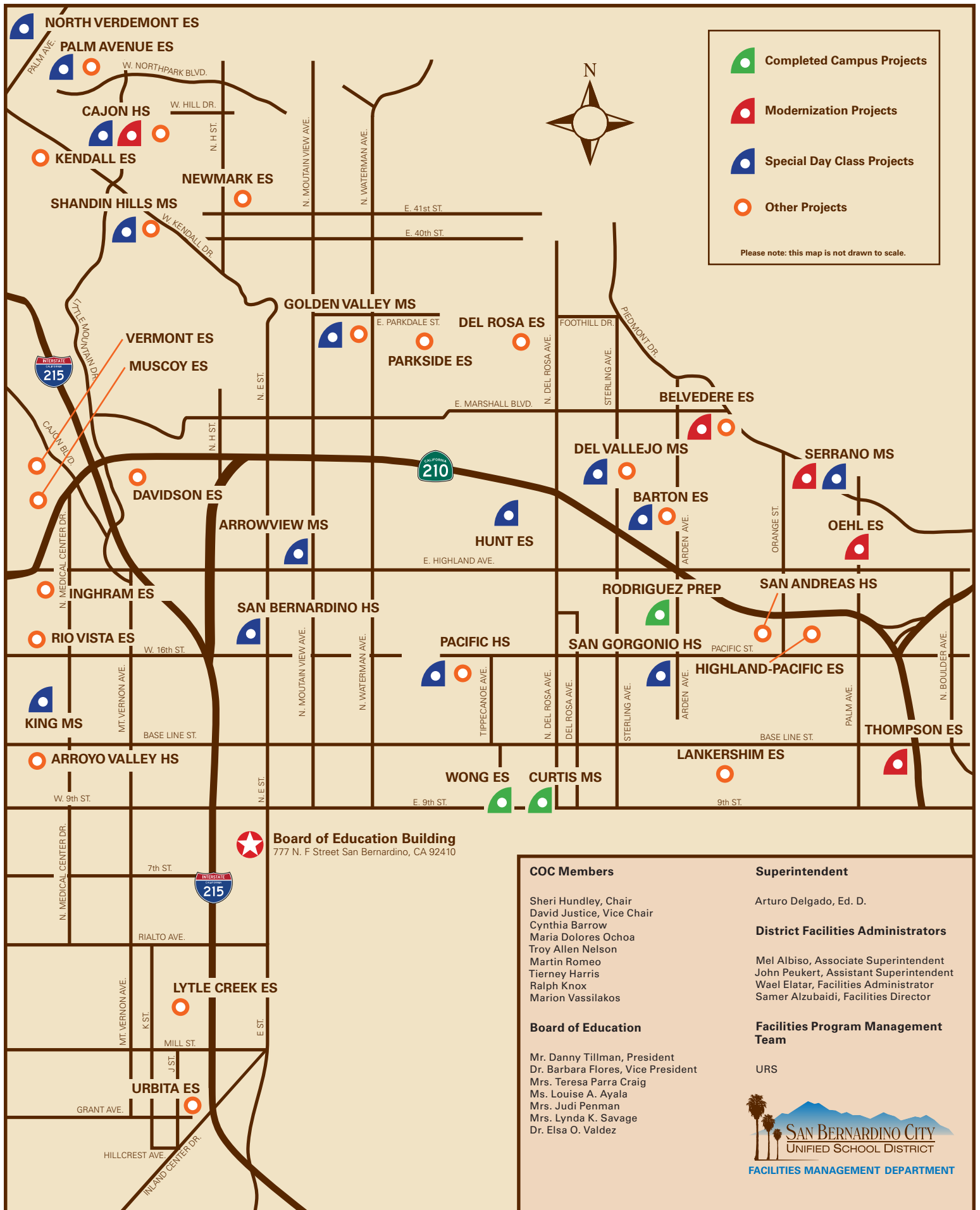
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Sheri Hundley, Citizens' Oversight Committee Chair

Original signature on file.

David Justice, Citizens' Oversight Committee Vice Chair

Bond Funded Project Sites



 **Board of Education Building**
777 N. F Street San Bernardino, CA 92410

| | |
|--|--|
| <p>COC Members</p> <p>Sheri Hundley, Chair David Justice, Vice Chair Cynthia Barrow Maria Dolores Ochoa Troy Allen Nelson Martin Romeo Tierney Harris Ralph Knox Marion Vassilakos</p> | <p>Superintendent</p> <p>Arturo Delgado, Ed. D.</p> |
| <p>Board of Education</p> <p>Mr. Danny Tillman, President Dr. Barbara Flores, Vice President Mrs. Teresa Parra Craig Ms. Louise A. Ayala Mrs. Judi Penman Mrs. Lynda K. Savage Dr. Elsa O. Valdez</p> | <p>District Facilities Administrators</p> <p>Mel Albiso, Associate Superintendent John Peukert, Assistant Superintendent Wael Elatar, Facilities Administrator Samer Alzubaidi, Facilities Director</p> |
| | <p>Facilities Program Management Team</p> <p>URS</p> |
| |  <p>SAN BERNARDINO CITY UNIFIED SCHOOL DISTRICT FACILITIES MANAGEMENT DEPARTMENT</p> |