

**2004-2005 Annual Report of the  
San Bernardino City Unified School District  
Measure T Bond  
Citizen's Oversight Committee  
February 21, 2006**

**I. 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 will be 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.

**II. PROPOSITION 39 REQUIREMENTS**

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

**III. 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, the COC members were appointed by the Board on May 4, 2004.

Measure T Bond information and COC Meeting Agendas, Minutes, and other documents have been made available on the District's website, at the following address:

<http://www.sbcusd.k12.ca.us/new/index.cfm?function=gettemplate&De=30&Cat=641&PID=3656&TempID=5>

#### **IV. SUMMARY OF COC ACTIVITIES**

The first official Citizens' Oversight Committee meeting was held on September 1, 2004.

During the meeting, officers were selected by vote and membership terms were selected by lot, as follows:

<b>Name</b>	<b>Representing</b>	<b>Term</b>	<b>Position</b>
Teresa Alba	Parent	2 years	Member
Robbi Brunk	At-large	2 years	Member
Soledad Castillo	Parent/PTA Member	1 year	Member
Carl Clemons	At-large	2 years	Vice Chair*
Ron Coats	Business Community	1 year	Member
Margaret Hill	Senior Citizen	2 years	Chair*
Gloria Mazzola	At-large	2 years	Member
Ben Parra	Business Community	1 year	Member
Louis Pelini	Jarvis Taxpayer Organization	1 year	Member

*\*Officers are elected each year*

A summary of the meetings and other activities follows:

**September 1, 2004 COC Meeting**

- Election of Officers was conducted
- Meeting Schedule was chosen to be quarterly on the first Wednesday of the month (subject to rescheduling due to conflicts)
- Roles and Responsibilities of the Committee were discussed
- Reviewed Background on Issuance of the First Bond Series

**January 5, 2005 COC Meeting**

- Review of the role of the COC
- Sale of Bond first series overview
- Repayment of Bridge synopsis & Summary of Bridge Project Expenditures
- Project Highlights & Pictures – presentation of the status of 3 current projects (Anton, Jones & Chavez)

**April 5, 2005 Board of Education Meeting**

- The Board of Education approved entering into an agreement with Vicenti, Lloyd and Stutzman LLP (VLS), to perform the financial and performance audits for the 2004 General Obligation Bonds under Proposition 39

**April 20, 2005 COC Meeting**

- Report of Bridge/Bond Project Expenditures was provided
- Progress update on identifying San Bernardino City Unified School District Facilities Program Manager
- Lou Pelini will resign effective July 1, 2005, due to planned move to Kentucky

**May 20, 2005**

- Notification was received that Ben Parra would be unable to continue to serve as a member of the COC

**June 22, 2005 COC Meeting**

- Site visits to Chavez & Anton were conducted

**September 6, 2005 Board of Education Meeting**

- Board reappointed committee members Soledad Castillo and Ron Coats to a second term (2-years)

**September 14, 2005 COC Meeting**

- New member selection process
- Audit is in process
- Election of Officers (Chair & Vice Chair) For 1-Year Term  
 Gloria Mazzola was elected Chairperson for the coming 2006-2007 year  
 Robbi Brunk was elected Vice Chairperson for the coming 2006-2007 year

Committee Members and Officers (9/14/2005)

Name	Representing	Membership Term		Current Position	New Elected Position for 1-year Term per 9/14/05 meeting
		Begins	Ends		
Teresa Alba	Parent	9/1/2004	8/31/2006	Member	
Robbi Brunk	At-large	9/1/2004	8/31/2006	Member	Vice Chair
Soledad Castillo	Parent/PTA Member	9/1/2005	8/31/2007	Member	
Carl Clemons	At-large	9/1/2004	8/31/2006	Vice Chair	
Ron Coats	Business Community	9/1/2005	8/31/2007	Member	
Margaret Hill	Senior Citizen	9/1/2004	8/31/2006	Chair	
Gloria Mazzola	At-large	9/1/2004	8/31/2006	Member	Chair
<b>Vacant</b>	<b>Business Community</b>	9/1/2005	8/31/2007	Vacant	
<b>Vacant</b>	<b>Taxpayer Organization</b>	9/1/2005	8/31/2007	Vacant	

**October 5 – November 1, 2005 - New Member Application Process #1**

- October 5, 2005 – Applications available at District office, Public Library and District web site. Copies provided to Superintendent and Board members.
- November 1, 2005 – Application due date
- No applications received

**January 5 – March 7, 2006 - New Member Application Process #2**

- January 5, 2006 – Applications available at District office, Public Library and District web site. Copies provided to Superintendent and Board members. Advertisement to run in all local newspapers
- January 12, 2006 – Advertisement to be re-run in all local newspapers
- February 8, 2006 – Application due date
- February 9-15, 2006 – Initial screening by Facilities staff
- February 16-22, 2006 – Superintendent or designee review applications
- March 7, 2006 (Board Meeting) – Superintendent or designee will make recommendations of candidate to Board of Education

### **January 5, 2006**

- The Financial Audit Report and the Performance Audit Report, for the Fiscal Year ending June 30, 2005, were received

### **January 18, 2006**

- The COC received and reviewed the two audit reports
- Annual Report was approved
- New Member selection process update provided
- Presentation of COC Annual Report to Board of Education scheduled for February 21, 2006

## **V. SUMMARY OF BOND EXPENDITURES AND FINDINGS AS DETAILED IN AUDIT REPORTS**

The first Series of the Measure T Bond was sold on September 29, 2004, in the amount of \$44,999,498. Interest in the amount of \$4,049 was earned.

Bond proceeds plus interest were used as follows:

- a. \$44,742,912 to pay off the 2003 Certificates of Participation (Bridge Financing)
- b. \$260,635 for capital outlay expenditures for Bond project (Cesar Chavez Middle School/Joint Use Multi-Purpose Room)

The resulting fund balance was \$0 at the end of the year.

The audit reports concluded that there were “no instances of non-compliance,” “no findings and questioned costs,” and that “the San Bernardino City Unified School District properly accounted for the expenditures of the funds held in the Bond Building Fund and that such expenditures were made on authorized bond projects.”

## **VI. COC STATEMENT OF DISTRICT COMPLIANCE**

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.”

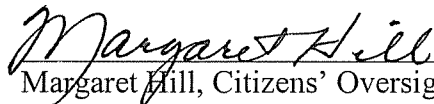
**The text in the Article 13A of the California Constitution states:**

- “(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.”

**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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Margaret Hill, Citizens’ Oversight Committee Chair (term: 09-01-04 – 08-31-05)



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Carl Clemmons, Citizens’ Oversight Committee Vice-Chair (term: 09-01-04 – 08-31-05)



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Gloria Mazzola, Citizens’ Oversight Committee Chair (term: 09-01-05 – 08-31-06)



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Robbi Brunk, Citizens’ Oversight Committee Vice-Chair (term: 09-01-05 – 08-31-06)