

**NATOMAS UNIFIED SCHOOL DISTRICT**  
**Citizens' Bond Oversight Committee Meeting**  
**Measure D**

**Location: Natomas High School**  
**3301 Fong Ranch Road**  
**Engineering Lab Room**

**Monday, January 23, 2017 - 6:30 p.m.**

**AGENDA**

**I. ROLL CALL**

**II. COMMUNICATIONS**

- a) Welcome/Introductions

**III. PUBLIC COMMENTS**

*Presentations from the public are limited to two (two) minutes regarding any item that is within the Committee's subject matter jurisdiction. Please note that Government Code Section 54954.2(a) limits Committee Members responses to public comments.*

**IV. INFORMATION ITEMS**

- a) Committee Membership
- b) Receive 2015-16 Performance Audit Report
- c) Receive 2015-16 Annual Report
- d) Proposition 51, Public School Facility Bonds (Passed by Voters)
- e) Measure D Projects and Financial Update
- f) General Obligation Bond Updates

**V. ACTION ITEMS**

- a) Approve October 24, 2016 Meeting Minutes  
Moved by: \_\_\_\_\_ Seconded by: \_\_\_\_\_ Roll Call Vote: \_\_\_\_\_
- b) Assign Members to Standing Sub-Committees  
Moved by: \_\_\_\_\_ Seconded by: \_\_\_\_\_ Roll Call Vote: \_\_\_\_\_

## **VI. NEW BUSINESS**

## **VII. FUTURE AGENDA ITEMS**

- a) Project Allocation Update
- b) Bond Sale and Issuance Update
- c) Project Audit Report (STAR Academy)
- d) Collect Form 700 (April)
- e) Election of Officers (April)
- f) Meeting Schedule for 2017-18 (April)

## **VIII. ADJOURNMENT**

Next Meeting: April 24, 2017

***Note: Assistance for the Disabled: Please contact the Deputy Superintendent's Office at (916) 567-5457 at least 24 hours before the scheduled Citizens' Bond Oversight Committee meeting to request disability-related accommodations in order to participate in the public Citizens' Bond Oversight Committee meeting.***

Natomas Unified School District  
General Obligation Bonds  
Citizens' Bond Oversight Committee

**MEASURE D**

**Board Approved May 11, 2016**

Committee Members:	Business Community	Senior Citizens	Taxpayers' Organization	Parent of NUSD Student	Parent and PTO Member	Community Member At-Large	Appointment by Board of Trustees	Tax Measure Voting Rights
1 Allen, Hur-Khan				X	X	X	2013 June 12	D
2 Kawada, David				X		X	2013 June 12	D
3 Lopez, Anita				X		X	2014 Sept. 10	D
4 Mack, Margaret		X				X	2013 June 12	D
5 McDonagh, Tom				X		X	2011 April 11	M & D
6 Moreno, Robert			X			X	2016 May 11	D
7 Pelczar, Nathaniel						X	2014 Sept. 10	D
8 Slay, Jennifer				X		X	2010 April 13	M & D
9 Stern, Eric				X		X	2013 June 12	D

**Terms - Expiration Dates**

	FIRST	SECOND	THIRD
1 Allen, Hur-Khan	March 2015	March 2017	March 2019
2 Kawada, David	March 2015	March 2017	March 2019
3 Lopez, Anita	March 2016	March 2018	March 2020
4 Mack, Margaret	March 2015	March 2017	March 2019
5 McDonagh, Tom	March 2014	March 2016	March 2018
6 Moreno, Robert	March 2018	March 2020	March 2022
7 Pelczar, Nathaniel	March 2016	March 2018	March 2020
8 Slay, Jennifer	March 2013	March 2015	March 2017
9 Stern, Eric	March 2015	March 2017	March 2019

**NATOMAS UNIFIED SCHOOL  
DISTRICT PROPOSITION 39  
AND MEASURE D GENERAL  
OBLIGATION BONDS**

**SACRAMENTO, CALIFORNIA**

**PERFORMANCE AUDIT**

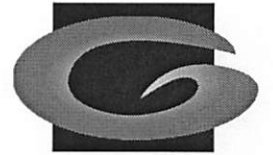
**YEAR ENDED JUNE 30, 2016**

**NATOMAS UNIFIED SCHOOL DISTRICT PROPOSITION 39  
AND MEASURE D GENERAL OBLIGATION BONDS**

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JUNE 30, 2016**

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Gilbert Associates, Inc.  
CPAs and Advisors

*Relax. We got this.™*

## INDEPENDENT AUDITOR'S REPORT

**Board of Trustees and Independent Citizens' Bond  
Oversight Committee for Measure D  
Natomas Unified School District  
Sacramento, California**

We have conducted a performance audit of the Natomas Unified School District's (the District) Measure D General Obligation Bonds for the year ended June 30, 2016.

We conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 2 of this report which includes determining compliance with the performance requirements for the Proposition 39 and Measure D General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the bonds and the net proceeds thereof. Management is responsible for the District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of the District to determine if internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution. Accordingly, we do not express any assurance on the internal controls.

The results of our tests indicated that, in all significant respects, the Natomas Unified School District expended Measure D General Obligation Bond funds for the year ended June 30, 2016 only for the specific projects developed by the District's Board of Education 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.

*Gilbert Associates, Inc.*

**GILBERT ASSOCIATES, INC.  
Sacramento, California**

**December 8, 2016**

# **NATOMAS SCHOOL DISTRICT PROPOSITION 39 AND MEASURE D GENERAL OBLIGATION BONDS**

## **PERFORMANCE AUDIT JUNE 30, 2016**

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### **OBJECTIVES**

The objectives of our performance audit was to document that the Natomas Unified School District (the District) expended Measure D General Obligation Bond (the Bonds) funds for the year ended June 30, 2016 only for purposes approved by voters and only for specific projects developed by the District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution; note any incongruities or system weaknesses; and provide recommendations for improvement.

### **SCOPE OF THE AUDIT**

The scope of our performance audit covered the fiscal year ended June 30, 2016. Expenditures incurred after the issuance of the Bonds and prior to July 1, 2015, were covered in a previous examination. The expenditures included all account and project codes associated with the Bond projects. Expenditures incurred subsequent to June 30, 2016 were not reviewed or included within the scope of our audit.

### **BACKGROUND INFORMATION**

The Natomas Unified School District Election of 2006 General Obligation Bonds, Measure D were authorized at an election of registered voters of the District held on June 6, 2006 at which greater than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$145,500,000 principal amount of general obligation bonds of the District.

On August 15, 2006, the District issued General Obligation Bonds (Series 2006 Bonds) in the amount of \$60,000,000 to build, acquire, construct and furnish school facilities. The bonds were scheduled to mature in 2031. The bonds were issued at interest rates ranging from 4.25% to 5.00%. With the issuance of the 2014 General Obligation Refunding Bonds in December 2014, \$54,960,000 of Series 2006 Bonds were refunded.

On August 30, 2007, the District issued General Obligation Bonds (Series 2007 Bonds) in the amount of \$54,999,999 to build, acquire, construct and furnish school facilities. The bonds mature during succeeding years through August 2032. The bonds were issued at interest rates ranging from 3.90% to 5.65%.

On December 23, 2014, the District issued General Obligation Refunding Bonds (2014 Refunding Bonds) in the amount of \$52,530,000 to refund a portion of the District's Series 2006 bonds. The bonds mature during succeeding years through August 2030. The bonds were issued at interest rates ranging from 1.00% to 5.00%.

The financial activity related to the Measure D General Obligation Bonds is recorded Fund 21 (Building Fund) in the District's audited financial statements for the year ended June 30, 2016.

# **NATOMAS SCHOOL DISTRICT PROPOSITION 39 AND MEASURE D GENERAL OBLIGATION BONDS**

## **PERFORMANCE AUDIT JUNE 30, 2016**

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### **PROCEDURES PERFORMED**

We obtained the Measure D Building Fund detailed general ledger for the fiscal year ended June 30, 2016. We obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with Proposition 39 and Measure D General Obligation Bond funding. We performed the following procedures:

- We verified the mathematical accuracy of the expenditures included in the Measure D Building Fund detailed general ledger for the fiscal year ended June 30, 2016.
- Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of the District to determine if internal controls are adequate to help ensure the District's compliance with the requirements of Proposition 39.
- We determined that the Independent Citizens' Bond Oversight Committee is fulfilling its duties as required by Education Code 15278 and as outlined in their Committee Bylaws.
- We selected a sample of expenditures in the fiscal year ended June 30, 2016. The sample was selected to provide a representation across construction projects, vendors and expenditure amounts. For each selection, we performed the following procedures:
  1. Reviewed supporting documentation to ensure that funds were properly expended on the specific projects outlined on the publicized list and met the requirements for bidding, if applicable.
  2. Verified the expenditure was for construction, rehabilitation, or replacement of school facilities, including furnishing and equipping of District facilities, deferred maintenance upgrades or the acquisition or lease of real property facilities and verified that funding was not used for salaries of school administrators or other operating expenditures of the District.

### **CONCLUSION**

Based upon the procedures performed, we found that, for the items tested, the Natomas Unified School District has properly accounted for the expenditures of the Measure D General Obligation Bonds. Further, it was noted that the funds were not used for salaries of school administrators or other operating expenditures. Our audit does not provide a legal determination on the District's compliance with specific requirements.

### **MANAGEMENT COMMENTS AND RECOMMENDATIONS**

None.



Natomas Unified School District  
Regular Board Meeting  
December 14, 2016

## **XVIII. ACTION ITEMS**

### **g. Approve the 2015-2016 Bond Performance Audits for Measure D and Measure J**

#### **Quick Summary / Abstract**

Superintendent Recommends Approval  
William Young, Deputy Superintendent

#### **Recommended Motion**

The Board is asked to approve the 2015-2016 Bond Performance Audits for Measure D and Measure J.

#### **Actions Taken**

**Motion Passed:** The Board is asked to approve the 2015-2016 Bond Performance Audits for Measure D and Measure J. Passed with a motion by Scott Dosick and a second by Lisa Kaplan.

#### **Rationale**

Proposition 39 stipulates the rules and requirements for a 55% General Obligation Bond. One of the requirements is an Annual Performance Audit consisting of an independent financial audit and independent performance audit. The Performance Audits for Measure D and Measure J will be presented to the Citizens' Bond Oversight Committee at the January 23, 2017 meetings. Gilbert Associates, Inc, independent auditors, tested bond expenditures, fiscal reports, and fiscal procedures. These tests indicated that the Natomas Unified School District expended Measure D and Measure J General Obligation Bond funds for the year ended June 30, 2016 only for the specific projects developed by the District's Board of Trustees and approved by the voters. The reports indicate that the District's bond expenditures, fiscal processes, and Citizen's Bond Oversight Committees are in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution. Measure D and Measure J Performance Audits are attached

## Citizens' Bond Oversight Committee Measure D

2015-16 Annual Report  
January 2017

### **I. Introduction**

This is the 2015-16 Annual Report of the Citizens' Bond Oversight Committee (CBOC) for Measure D of the Natomas Unified School District. This report is prepared, in conformance with California law, to summarize the work of the Bond Oversight Committee and review the past year of activity in the District's Bond Construction Program.

### **II. History and Overview of the Citizens' Bond Oversight Committee(s)**

On June 6, 2006, the Natomas Unified School District submitted for voter approval Measure D, a bond measure to authorize the sale of \$145.5 million in bonds to improve school facilities. This measure was submitted to voters under the terms and conditions of Proposition 39 (Article XIII of the California State Constitution), which requires a 55 percent affirmative vote for passage. Measure D passed with 62.0 percent.

Because Measure D passed pursuant to Proposition 39, the District was required to establish a citizens' oversight committee and to conduct two independent audits. The first audit is a financial audit similar to a District's annual financial audit. The second audit is a performance audit, which evaluates the effectiveness, economy and efficiencies of the bond facilities program.

### **III. Committee Membership**

California Education Code, Sections 15278-15282 established the duties of a school district and its duly formed citizens' oversight committee with respect to Proposition 39 bond measures. This code requires that the governing board establish and appoint members to an independent citizens' oversight committee within 60 days of the date that election results are certified.



The Committee must consist of at least seven members to serve for a term of two years without compensation and for no more than *three consecutive terms (amended Education Code Section 15282)*. The Committee must include:

- a. One member who is active in a business organization representing the business community located within the school district.
- b. One member active in a senior citizens' organization.
- c. One member who is a parent or guardian of a child enrolled in the school district.
- d. One member is both a parent or guardian of a child enrolled in the school district and active in a parent-teacher organization
- e. One member who is active in a bona fide taxpayers' organization.

A fourteen-member Citizens' Bond Oversight Committee was appointed by the Board in March 2006, to provide oversight of all bonds passed under Proposition 39, as required by law.

As of June 30, 2016 nine members served on the committee as shown in the table below:

	Committee Members	Business Community	Senior Citizens' Organization	Taxpayers' Organization	Parent of NUSD Student	Parent and PTO Member	Community Member At-Large	Date Appointed by Board of Trustees	Tax Measure Voting Rights
1	Allen, Hur-Khan				X	X		6/12/13	D
2	Kawada, David				X			6/12/13	D
3	Lopez, Anita				X			9/10/14	D
4	Mack, Margaret		X					6/12/13	D
5	McDonagh, Tom				X			4/11/11	M & D
6	Moreno, Robert			X				5/11/16	D
7	Pelczar, Nathaniel						X	9/10/14	D
8	Slay, Jennifer				X	X		4/13/10	M & D
9	Stern, Eric				X			6/12/13	D

Terms - Expiration Dates				
	FIRST	SECOND	THIRD	
1	Allen, Hur-Khan	March 2015	March 2017	March 2019
2	Kawada, David	March 2015	March 2017	March 2019
3	Lopez, Anita	March 2016	March 2018	March 2020
4	Mack, Margaret	March 2015	March 2017	March 2019
5	McDonagh, Tom	March 2014	March 2016	March 2018
6	Moreno, Robert	March 2018	March 2020	March 2022
7	Pelczar, Nathaniel	March 2016	March 2018	March 2020
8	Slay, Jennifer	March 2013	March 2015	March 2017
9	Stern, Eric	March 2015	March 2017	March 2019





All Committee members are appointed by the Board of Trustees and serve without compensation representing the following groups described in Section 15278 of the Education Code:

Business Community Representative	Vacant
Senior Citizens' Representative	M. Mack
Bona-fide Taxpayers' Representative	R. Moreno
Parent or Guardian of an Enrolled Student	H.K. Allen; D. Kawada; T. McDonagh; J. Slay; E. Stern
Parent or Guardian, Also Active in PTA	H.K. Allen; J. Slay
Community Member at Large	N. Pelczar

Natomas Unified School District staff and CBOC members continue their efforts to recruit a member to fill the business community representative vacancy.

#### IV. CBOC Actions

CBOC members actively investigate and prepare a post-construction review report on Measure D projects. Reports are prepared that include a summary of the project, a site inspection, and an inspection of District project records. These reports are presented to the District's Board of Trustees following review by the CBOC. The recent lifting of the building moratorium has again put the district on the path of physical facility expansion.

The CBOC established new Standing Sub-Committees to review cost-saving strategies and efforts by the district to achieve efficiencies. During 2015-16, Standing Sub-Committees were established for Annual Report, Audit, Finance, Charter Schools, Bannan Creek, Lighting/Security, Playgrounds/School Buses and Technology. Descriptions of subcommittee activities are general and not intended to limit scope of work. These subcommittees will be reviewed annually by the Measure D CBOC.

Project audits were completed during 2015-16 for the following projects: D-2 Computer & Support Infrastructure, D-9 Security Systems NHS, and NCS Star Academy.

No revisions were made to the Bylaws in 2015-16.

#### V. Performance and Financial Audit Reports

In accordance with the California State Constitution, the District will continue to have a performance audit completed annually until all Measure D funds have been expended. These reports are designed to meet the requirements of Article XIII of the California State Constitution; to inform the community of the appropriate use of funds generated through the sale of bonds authorized by Measure D; and to help the District improve its overall bond program.

The June 30, 2016 annual independent financial audit was conducted by Gilbert Associates, Inc. Their report, dated December 8, 2016, states that in their opinion the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Natomas Unified School District as of June 30, 2016, and the respective changes in financial position, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



The annual independent performance audit was conducted by Gilbert Associates, Inc.. Their report dated December 8, 2016 states that the results of their procedures indicated that, in all significant respects, Natomas Unified School District expended Measure D General Obligation Bond funds for the year ended June 30, 2016 only for the 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.

#### **VI. Communications with the Public**

A CBOC website, as required by law, exists, and the information that is posted includes committee member contact information, project photos & updates, CBOC meeting agendas and minutes, committee by-laws, and the date, time and location of the next meeting. Copies of the Bond Performance Audit from previous periods are also included, as well as an invitation and application for community members interested in becoming a member of the CBOC.

#### **VII. Expenditures and Meetings**

During the year ended June 30, 2016, the District made expenditures as shown on the attached end-of-the-year Measure D 2015-16 Financial Report.

The NUSD's Citizens' Bond Oversight Committee met on the following dates:

- August 24, 2015
- November 2, 2015
- January 25, 2016
- April 25, 2016

#### **VIII. Conclusions**

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

The Natomas Unified School District is in compliance with the requirements of Article XIII A, Section I (b) (3) of the California Constitution.





NATOMAS UNIFIED SCHOOL DISTRICT

Citizen's Bond Oversight Committee 2006 Measure "D" Financial Report

Measure D Funding

Local Bond Fund 21 Resource 9357  
Data as of 6/30/2016

Starting Balance	
Issue#1	\$60,000,000.00
Issue#2	\$54,999,998.95
Future Issuance	\$30,500,000.00
	\$145,499,998.95
Reduced does not include issuance #3 interest	\$7,594,488.00
Total Projected Funding	\$153,094,486.95
Total Measure D Allocation October 14, 2015	\$150,168,316.27
Unallocated Project Fund Balance	\$2,926,170.68

Measure D: Open Projects

Project Number	Description	10-14-15 Board Approved Allocation	Year to Date Spending	Total Project Expenditures	Project Balance
aa	Annual Independent Audit	\$233,780.00		\$123,765.00	\$110,015.00
bb	Cost of Issuance	\$1,328,536.05	\$13,622.08	\$1,341,368.41	-\$12,832.36
cc	Bannon Creek Conversion	\$7,755,431.05	\$442,621.76	\$6,528,052.81	\$1,227,378.24
dd	Playground Improvements	\$1,764,441.50		\$764,441.50	\$1,000,000.00
ee	Project Management	\$896,650.00	\$0.00	\$42,805.08	\$853,844.92
216	West Lakeside Site Acquisition	\$1,479,115.10	\$81,207.00	\$1,000,156.05	\$478,959.05
hhh	Westlake Charter K-8 Campus	\$1,557,500.00	\$1,054,987.00	\$1,557,500.07	-\$0.07
jjj	Star Academy new Campus	\$1,100,000.00	\$149,129.07	\$1,100,000.00	\$0.00
ggg	Security Systems	\$4,378,907.00		\$1,015,033.61	\$3,363,873.39
207D	Security Cameras		\$168.19	\$168.19	
	Security Fencing			\$0.00	
203	Fencing Phase I		\$152,115.00	\$152,115.00	
204	Fencing Phase II		\$152,539.24	\$152,539.24	
205	Fencing Phase III		\$214,539.12	\$214,539.12	
206	Fencing Phase IV			\$0.00	
	Safety Lighting Moved to Measure J				
gg	NHS Alarm Systems	\$327,290.00	\$66,779.50	\$283,627.14	\$43,662.86
hh	Tech Refresh-computer/support infrastructure	\$6,039,874.00	\$406,410.67	\$6,046,284.52	-\$6,410.52
mm	Buses and Service Vehicles	\$250,000.00			\$250,000.00
	Total Open Projects	\$27,111,524.70	\$2,734,118.63	\$20,322,395.74	\$7,308,490.51

Measure D: Future Projects

Project Number	Location	10-14-15 Board Approved Allocation	Year to Date Spending	Total Project Expenditures	Project Balance
ii	Yearly Independent Audit	\$24,000.00		\$0.00	\$24,000.00
jj	Cost of Issuance and Yearly FA Fees	\$900,000.00		\$0.00	\$900,000.00
kk	Preschool Facilities	\$3,994,761.47		\$0.00	\$3,994,761.47
ll	School Conversions	\$21,914,568.95		\$0.00	\$21,914,568.95
mm	Buses and Service Vehicles	\$250,000.00		\$0.00	\$250,000.00
	Total Future Projects	\$27,083,330.42	\$0.00	\$0.00	\$27,083,330.42

Measure D: Completed Projects

Project Number	Location	10-14-15 Board Approved Allocation	Year to Date Spending	Total Project Expenditures	Project Balance
a	Heron K-8 Conversion	\$1,638,009.63		\$1,638,009.63	\$0.00
b	H Allen Hight ES	\$8,723,172.35		\$8,723,172.35	\$0.00
c	H Allen Hight MS	\$11,181,968.36		\$11,181,968.36	\$0.00
d	Natomas Charter School Gym	\$2,469,891.70		\$2,469,891.70	\$0.00
e	Westlake Charter Site Relocation	\$1,769,895.16		\$1,769,895.16	\$0.00
f	2005 COP	\$62,915,193.76		\$62,915,193.76	\$0.00
g	NHS Athletic Field and Track	\$2,898,359.02		\$2,898,359.02	\$0.00
h	IHS Athletic	\$2,785,559.09		\$2,785,559.09	\$0.00
i	Shade Structures	\$62,251.63		\$62,251.63	\$0.00
j	District Wide Wireless	\$396,329.92		\$396,329.92	\$0.00
k	Natomas Charter School Theater	\$328,735.00		\$328,735.00	\$0.00
l	Natomas Charter Portables	\$25,000.00		\$25,000.00	\$0.00
m	Safe Routes to School	\$764,750.00	\$12,030.80	\$714,749.57	\$50,000.43
n	Preschool Facilities	\$5,238.53		\$5,238.53	\$0.00
o	Northborough II	\$9,107.00		\$9,107.00	\$0.00
	Total Closed Projects	\$95,973,461.15	\$12,030.80	\$95,923,461	\$50,000
Grand Totals		\$150,168,316.27	\$2,746,149.43	\$116,245,856	\$34,441,821

Notes: 1) City of Sacramento refunded funds for this project

## Citizen's Bond Oversight Committee 2006 Measure "D" Financial Report

## Measure D Funding

Local Bond

Fund 21 Resource 9357

Data as of

11/30/2016

<b>Starting Balance</b>	
Issue#1	\$60,000,000.00
Issue#2	\$54,999,998.95
Future Issuance	\$30,500,000.00
	\$145,499,998.95
Reduced does not include issuance #3 interest	\$7,594,488.00
Interest Earned	\$9,749.36
<b>Total Projected Funding</b>	\$153,104,236.31
<b>Total Measure D Allocation October 14, 2015</b>	\$150,074,652.98
<b>Unallocated Project Fund Balance</b>	<b>\$3,029,583.33</b>

## Measure D: Open Projects

Project Number	Description	10-14-15 Board Approved Allocation	Current Year to Date Spending	Total Project Expenditures	Project Balance	Foot Notes
aa	Annual Independent Audit	\$233,780.00		\$123,765.00	\$110,015.00	
bb	Cost of Issuance	\$1,328,536.05	\$0.00	\$1,341,368.41	-\$12,832.36	1
cc	Bannon Creek Conversion	\$7,755,431.05	\$596,257.59	\$7,124,310.40	\$631,120.65	
dd	Playground Improvements	\$1,764,441.50		\$764,441.50	\$1,000,000.00	
ee	Project Management	\$896,650.00	\$0.00	\$42,805.08	\$853,844.92	
216	West Lakeside Site Acquisition	\$1,479,115.10	\$102,383.97	\$1,102,540.02	\$376,575.08	
hhh	Westlake Charter K-8 Campus	\$1,557,500.00	\$0.00	\$1,557,500.07	-\$0.07	1
jjj	Star Academy new Campus	\$1,100,000.00	\$0.00	\$1,100,000.00	\$0.00	
ggg	<b>Security Systems</b>	\$3,729,807.14		\$730,757.50	\$2,999,049.64	
207D	Security Cameras		\$60,673.75	\$60,841.94		
	Security Fencing			\$0.00		
206	Fencing Phase IV		\$174,243.50	\$174,243.50		
228	Security Fencing V		\$0.00	\$0.00		
hh	Tech Refresh-computer/support infrastructure	\$6,039,874.00	\$0.00	\$6,046,284.52	-\$6,410.52	1
225	Buses and service Vehicles	\$250,000.00	\$112,759.09	\$112,759.09	\$137,240.91	
	<b>Total Open Projects</b>	<b>\$26,135,134.84</b>	<b>\$1,046,317.90</b>	<b>\$20,281,617.03</b>	<b>\$6,088,603.25</b>	

## Measure D: Completed Projects

Project Number	Location	10-14-15 Board Approved Allocation	Current Year to Date Spending	Total Project Expenditures	Project Balance	Foot Notes
a	Heron K-8 Conversion	\$1,638,009.63		\$1,638,009.63	\$0.00	
b	H Allen Hight ES	\$8,723,172.35		\$8,723,172.35	\$0.00	
c	H Allen Hight MS	\$11,181,968.36		\$11,181,968.36	\$0.00	
d	Natomas Charter School Gym	\$2,469,891.70		\$2,469,891.70	\$0.00	
e	Westlake Charter Site Relocation	\$1,769,895.16		\$1,769,895.16	\$0.00	
f	2005 COP	\$62,915,193.76		\$62,915,193.76	\$0.00	
g	NHS Athletic Field and Track	\$2,898,359.02		\$2,898,359.02	\$0.00	
h	IHS Athletic	\$2,785,559.09		\$2,785,559.09	\$0.00	
i	Shade Structures	\$62,251.63		\$62,251.63	\$0.00	
j	District Wide Wireless	\$396,329.92		\$396,329.92	\$0.00	
k	Natomas Charter School Theater	\$328,735.00		\$328,735.00	\$0.00	
l	Natomas Charter Portables	\$25,000.00		\$25,000.00	\$0.00	
	<b>Security Systems</b>					
	Security Fencing					
203	Fencing Phase I	\$152,115.00	\$0.00	\$152,115.00		2
204	Fencing Phase II	\$152,539.24	\$0.00	\$152,539.24		2
205	Fencing Phase III	\$344,445.62	\$129,906.50	\$344,445.62		2
gg	NHS Alarm Systems	\$283,627.14	\$0.00	\$283,627.14	\$0.00	3
m	Safe Routes to School	\$714,749.57	\$0.00	\$714,749.57	\$0.00	4
n	Preschool Facilities	\$5,238.53		\$5,238.53	\$0.00	
o	Northborough II	\$9,107.00		\$9,107.00	\$0.00	
	<b>Total Closed Projects</b>	<b>\$96,856,187.72</b>	<b>\$129,906.50</b>	<b>\$96,856,187.72</b>	<b>\$0.00</b>	

## Measure D: Future Projects

Project Number	Location	10-14-15 Board Approved Allocation	Current Year to Date Spending	Total Project Expenditures	Project Balance	Foot Notes
ii	Yearly Independent Audit	\$24,000.00		\$0.00	\$24,000.00	
	Cost of Issuance and Yearly FA Fees	\$900,000.00		\$0.00	\$900,000.00	
kk	Preschool Facilities	\$3,994,761.47		\$0.00	\$3,994,761.47	
ll	School Conversions	\$21,914,568.95		\$0.00	\$21,914,568.95	
mm	Buses and Service Vehicles	\$250,000.00		\$0.00	\$250,000.00	
	<b>Total Future Projects</b>	<b>\$27,083,330.42</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$27,083,330.42</b>	
<b>Grand Totals</b>		<b>\$150,074,652.98</b>	<b>\$1,176,224.40</b>	<b>\$117,137,805</b>	<b>\$33,171,934</b>	

## Notes:

- 1) Project expenses were greater than the original allocation. A request for new allocation to bring the balance to zero will be presented to the Board in February 2017 to correct. If approved the project will be moved to closed on the next CBOC report
- 2) This project is now closed and has been Audited by the CBOC committee. This project has been moved to the completed projects section of the report.
- 3) This project is now closed and has been Audited by the CBOC committee. This project has been moved to the completed projects section of the report. The Allocated amount was adjusted down to match expenses. Unused funds have been returned to Measure D fund balance
- 4) This project was closed years ago but a refund came from the city of Sacramento in 2015. The Allocated amount has been adjusted down to match expenses. Unused funds have been returned to Measure D fund balance

*NATOMAS UNIFIED SCHOOL DISTRICT*

## **Citizens' Bond Oversight Committee – Measure D**

Location: Center for Innovation  
Leroy Greene Academy  
2950 W. River Drive  
Sacramento, CA 95833

**Monday, October 24, 2016 – 6:30 PM**

**MINUTES – draft**

### **I. ROLL CALL**

**Present:** David Kawada, Anita Lopez, Margaret Mack, Tom McDonagh, Jennifer Slay, Eric Stern

**Absent:** H.K. Allen, Robert Moreno, Nate Pelczar

**Staff:** **Present:** Bill Young, Brenda Monson, Mark Covington, Jen Mellor, Paul Anderson, Vina Guzman

Meeting called to order by Vice Chair, David Kawada at 6:35 p.m. and established a quorum with 5 members in attendance. (Eric Stern arrived late. Six (6) members attended.)

### **II. COMMUNICATIONS**

**a) Welcome/Introductions – No communications.**

### **III. PUBLIC COMMENTS – No public comments.**

### **IV. INFORMATION ITEMS**

#### **a) Committee Membership**

Bill Young reported that recruitment efforts continue for a new member to fill the Business Community designation.

#### **b) Form 700 (FPPC Statement of Economic Interest)**

Bill Young indicated that Brenda Monson will notify members who need to submit their Form 700 (they were collected at the April meeting); and noted that only 1 form is needed if serving on both Measure D and Measure J.

#### **c) Legislative Update (AB 2316 Lease-Leaseback)**

Bill Young gave an overview of AB 2316 Lease-Leaseback (LLB), signed by the Governor last month. Before AB 2316, districts had the flexibility of entering into LLB agreements without formally advertising the bids. This legislative move came after the Davis vs. Fresno case that halted districts statewide from using LLB on projects. Beginning January 1, 2017, AB 2316 requires formal advertising to go out to bid and governing boards have to adopt and publish



procedures for LLB award process; and use a Request for Proposal (RFP). Districts must publicly announce the award and basis for the award which helps promote the competitive bid process. Another change allows districts to enter into agreements for preconstruction services before receiving approval from DSA (as long as they do not fall under the DSA's jurisdiction). In many ways, AB 2316 will help school districts to use the LLB project delivery method. Natomas has used LLB on several projects in the past; and would cautiously consider looking at it again on future projects. Paul Anderson added that the District currently has a pre-qualification process that subcontractors and general contractors must adhere to.

**d) Legislative Update (AB 2738 Investing School Bond Proceeds Outside County Treasury)**

Bill Young explained that AB 2738 adds a line to existing Ed Code that requires the proceeds of the sale of the bonds to be deposited in the county treasury; and proceeds from the sale of bonds cannot be used for investment outside the county treasury. Natomas has never invested outside the county treasury. This update is shared because it relates to School Bonds.

**e) Proposition 51 - Public School Facility Bonds**

Bill Young explained this is a statewide school bond measure; and if passed will issue \$9 billion in bonds to fund improvement and construction of school facilities for K-12 schools and community colleges. Natomas plans to submit projects totaling nearly \$42 Million (Matching Funds portion) to OPSC that could be eligible for state grants. Tom McDonagh asked if State monies come through after the STAR Academy project is completed, can funds still apply to that project. Bill Young confirmed that is how it works. Natomas STAR Academy and Westlake Charter K-8 are among the projects already submitted and in line with the State; and if Prop. 51 passes, receiving matching funds from the State would help immensely. If Prop. 51 fails, the Facilities Master Plan (projects) will be reprioritized and other funding options will be looked at. He explained that many of the projects have already been submitted (in-line) with the State and the District continues to apply for state funds on every project we are eligible to apply for. He also explained that Districts cannot impose Level III Developer Fees if there is money in a state grant. If Prop. 51 fails, districts will wait to see if current Level III litigation moves forward.

**f) View District Website – Highlight NUSD Construction Projects/Bid Information**

The District website was viewed showing project photo gallery for the following projects: Bannon Creek, Westlake Charter School, Natomas STAR Academy and Security Fencing. Mark Covington narrated and highlighted the live and time-lapsed video of projects available for the public to view.

**g) Measure D Projects and Financial Update**

The Bond Financials were reviewed:

**Measure D – Year End Financial Report** - The Year End Measure D financial report was discussed, showing a closeout of finances from last year as of 6/30/16.

**WLCS** - is negative by \$0.07

**STAR** – is spent out on D funds

**Security Systems** - \$3 million has been spent to date on 4 phases of security fencing

**Alarms** – has project balance that will be returned to the general Bond balance

**Tech Refresh** – has a negative balance that will be cleared once projects are closed and are reallocated

Staff will begin to move the closed projects to the completed projects section of the report, close out (zero) the budgets, and move any unspent funds from the project back into general bond fund for reallocation. Paul Anderson stated that it looks slightly different from the August report because the yearend closing of the books had not occurred when the August report was generated.

Jennifer Slay inquired about the remaining balance for Measure D. The Future Issuance of \$30 million includes the future allocations of \$27 million. It was explained that \$7,308,490 is available now, but is already allocated towards projects. Tom McDonough inquired if the West Lakeside property is owned. The property is owned and in order to put a school on campus, there is additional due diligence work that needs to be performed. Mark Covington reported that the site has some environmental challenges. Bill Young shared that the District plans to put a K-8 school on that site.

**Measure D – 1<sup>st</sup> Quarter Financial Report** – The Report covers expenditures through Sept 30, 2016. The report shows \$700,000 was spent out of Measure D during the first quarter. As Measure D funds are spent down and taken off the books (designated as completed), several projects will continue through Measure J. Bannon Creek Conversion and Fencing in the Security project were primary expenditures this quarter.

Discussion was held on the remaining unallocated \$3 million. Staff will report back to the CBOC after the Board of Trustees approve future reallocations.

Safe Routes to School project shows a refund of \$12,000 from the City of Sacramento. It will go into fund balance for the bond fund and the project will be closed.

## **V. ACTION ITEMS**

### **a) Approve Meeting Minutes for August 22, 2016**

David Kawada moved to approve the August 22, 2016 meeting minutes. Motion seconded by Jennifer Slay. Motion carried 6-0.

### **b) Assign Members to Standing Sub-Committees - Nothing to assign.**

**c) Approve Project Audit Report: Lighting & Security (Fencing)**

David Kawada presented the written report. Eric Stern moved to approve the Lighting & Security (Fencing) report. Motion seconded by Tom McDonagh. Motion carried 6-0.

(Eric Stern asked about matching fund requirements for the charter schools in relation to bond funds and COPs. Bill Young explained that STAR Academy and WLCS projects are 2/3 bonds and 1/3 COP. He clarified that the Charters do not acquire COP's. He added that the District applied for state grants for both. Eric Stern said he will bring it up for more discussion during the Measure J meeting; and moved onto the next agenda item.)

VI. NEW BUSINESS – Eric Stern asked about scheduling the auditors to attend the next meeting and present the Performance Audit. Bill Young confirmed that someone from the audit firm will attend the next meeting. Responding to questions about their scope of work, he stated that the law requires them to look at everything related to Measure D including committee meetings, minutes, agendas, committee actions, project reports, expenditures and financial reports.

**VII. FUTURE AGENDA ITEMS**

- a) Receive and Review 2015-16 Performance Audit Report (schedule auditors to attend)**
- b) Review 2015-16 Annual Report (Staff to prep draft & send to McDonagh & Pelczar)**
- c) Project Audits (STAR Academy, Westlake Charter)**
- d) Update on Proposition 51, Public School Facility Bonds**

**VIII. ADJOURNMENT**

Committee Chair Eric Stern adjourned the meeting at 7:23 p.m. Following discussion, he announced the next meeting (January 23, 2017) will be held at Natomas High School in the Engineering Lab – Room F103.

## Measure D Standing Sub-Committees

Open Projects	Project No.	Member 1	Member 2	Member 3
Annual Report		Nate Pelczar	Tom McDonagh	
Audit	aa	David Kawada	Nate Pelczar	Margaret Mack
Bannon Creek Conversion	cc	Nate Pelczar	HK Allen	Bob Moreno
Charter Schools	hhh jjj	Anita Lopez	Jennifer Slay	Bob Moreno
Finance		Eric Stern	Anita Lopez	Bob Moreno
Lighting, Security & Fencing	203, 204, 205, 206 207d	David Kawada	Margaret Mack	
Playground & School Bus	dd mm	HK Allen	Jennifer Slay	
Technology	hh	David Kawada	Margaret Mack	Eric Stern