

## Citizens' Bond Oversight Committee Measure J

2016-17 Annual Report  
January 2018

### **I. Introduction**

This is the 2016-17 Annual Report of the Citizens' Bond Oversight Committee (CBOC) for Measure J 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 November 4, 2014, the Natomas Unified School District ("District") submitted for voter approval Measure J, a bond measure to authorize the sale of \$129 million in bonds to improve school facilities (expanding academic choice and program options, improving safety, enhancing learning opportunities to support college and career readiness, and build new campuses to meet enrollment growth). 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 J passed with 72.12 percent. Board Resolution No. 15-02 was approved by the Board of Trustees on January 14, 2015 formally accepting the Canvass and Statement of Results and Certificate of Election for Measure J.

Because Measure J passed pursuant to Proposition 39, the District was required to establish a citizens' bond oversight committee and to conduct two independent audits. The first audit is a financial audit that is included in the District's annual financial audit. The second audit is an independent 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' bond oversight committee with respect to Proposition 39 bond measures. This code requires that the governing board establish and appoint members to an independent citizens' bond 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 nine-member Citizens’ Bond Oversight Committee (CBOC) was appointed by the Board on March 11, 2015, to provide oversight of all bonds passed under Proposition 39, as required by law.

As of June 30, 2017 seven members served on the committee as shown in the table below:

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 David Kawada				X		X	2015 March 11	J
2 Anita Lopez				X		X	2015 March 11	J
3 Danielle Marshall	X			X	X	X	2015 March 11	J
4 Christopher McGreal				X	X	X	2015 March 11	J
5 Jennifer Slay				X		X	2015 March 11	J
6 Eric Stern				X		X	2015 March 11	J
7 Robert Moreno			X			X	2016 Sept. 14	J

	Terms - Expiration Dates		
	FIRST	SECOND	THIRD
1 David Kawada	March 2017	March 2019	March 2021
2 Anita Lopez	March 2017	March 2019	March 2021
3 Danielle Marshall	March 2017	March 2019	March 2021
4 Christopher McGreal	March 2017	March 2019	March 2021
5 Jennifer Slay	March 2017	March 2019	March 2021
6 Eric Stern	March 2017	March 2019	March 2021
7 Robert Moreno	March 2018	March 2020	March 2022

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  
Senior Citizens’ Representative

Danielle Marshall  
Vacant



Bona-fide Taxpayers' Representative	Robert Moreno
Parent or Guardian of an Enrolled Student	All Committee Members (Except Robert Moreno)
Parent or Guardian, Also Active in PTA	D. Marshall, C. McGreal
Community Member at Large	All Committee Members

Natomas Unified School District staff and CBOC members continue their efforts to recruit a members to fill vacancies for a senior citizens' representative.

**IV. CBOC Actions**

CBOC members actively investigate and prepare a post-construction review report on Measure J 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.

No revisions were made to the Bylaws in 2016-17. The Bylaws were initially approved by Resolution 15-02, approved by the Board of Trustees on January 14, 2015. Resolution 15-02 also approved establishing the independent citizens' bond oversight committee.

CBOC members spent 2016-17 on organizational activities: learning about the District's plans for bond expenditures and assigning committee members to Standing Sub-Committees to review future project expenditures and financial matters.

**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 J funds have been expended. This report is 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 J; and to help the District improve its overall bond program.

The annual independent performance audit was conducted by Gilbert Associates, Inc.. Their report dated December 6, 2017 states that the results of their procedures indicated that, in all significant respects, Natomas Unified School District expended Measure J General Obligation Bond funds for the year ending June 30, 2017 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. The requirement of the annual independent financial audit required in the California Constitution, Article 13A, Section 1.(D) is included in the District's annual financial audit.

**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, 2017, the District made expenditures as shown on the attached end-of-the-year Measure J Financial Report.

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

- August 22, 2016
- October 24, 2016
- January 23, 2017
- April 24, 2017

## **VIII. Conclusions**

The Citizens' Bond Oversight Committee, based on its review of the annual independent performance audit report 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.

Amended January 22, 2018



**Citizen's Bond Oversight Committee 2014 Measure "J" Financial Report**

Re-Issued 2016-2017 Year End Report	Updated	10/10/2017
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**Measure J Funding**

Local Bond Fund 21 Resource 9359

Data as of 6/30/2017

<b>Starting Balance</b>	
Issue#1	\$69,500,000.00
B of A Discount	\$1,649,088.50
Cost	-\$1,822,669.96
Interest Earned	\$393,991.51
<b>Current Issuance Funding Balance</b>	\$69,720,410.05
<b>Future Funding</b>	
Issue #2	\$38,800,000.00
Issue #3	\$20,700,000.00
Cost of Issuance #2	-\$1,559,917.49
Future Interest	
	\$57,940,082.51
<b>Total Project Funding</b>	\$127,660,492.56
<b>Total Measure J Allocation March 22, 2015</b>	\$126,973,908.83
<b>Total Unallocated Measure J Balance</b>	\$686,583.73

**Measure J Open Projects**

Project Numbers	Description	March 22, 2017 Board Approved Allocation	Year to Date Spending	Total Project Expenditures	Encumbered	Project Balance
201	Star Academy new Campus	\$15,360,000.00	\$5,793,261.26	\$15,354,055.79	\$0.00	\$5,944.21
aa	2015 COP	\$9,500,000.00		\$0.00		\$9,500,000.00
202	Westlake Charter K-8	\$31,620,885.00	\$22,421,529.62	\$24,866,955.73	\$0.00	\$6,753,929.27
207J	Security Cameras	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
208	Bannon Creek Upgrades	\$6,107,000.00	\$667,715.27	\$2,876,178.58	\$0.00	\$3,230,821.42
210	Lighting Upgrades	\$271,144.32	\$40,804.32	\$271,144.32	\$0.00	\$0.00
211	Leroy Greene Academy	\$1,544,159.00	\$1,238,710.02	\$1,512,891.80	\$0.00	\$31,267.20
212	Heron	\$8,105,870.00	\$2,650,280.75	\$3,204,656.49	\$0.00	\$4,901,213.51
215	Two Rivers	\$190,000.00	\$156,796.13	\$185,588.90	\$0.00	\$4,411.10
214	Natomas High School	\$3,247,500.00	\$2,570,442.41	\$3,161,712.26	\$0.00	\$85,787.74
217	Discovery High	\$3,241,250.00	\$1,528,961.55	\$1,691,531.31	\$0.00	\$1,549,718.69
218	Natomas Park	\$8,505,000.00	\$3,737,352.87	\$4,605,863.94	\$0.00	\$3,899,136.06
219	Hardacape Repairs	\$0.00		\$0.00		\$0.00
235	Jefferson Modernization	\$8,311,527.00		\$0.00		\$8,311,527.00
bbb	Project Management J projects Internal/external	\$1,706,574.00	\$26,526.22	\$229,333.72	\$0.00	\$1,477,240.28
222	NP3	\$7,643,000.00		\$0.00		\$7,643,000.00
216J	Paso Verde Softcosts	\$1,000,000.00		\$0.00	\$0.00	\$1,000,000.00
<b>Current Project Total</b>	<b>Current Project Total</b>	<b>\$106,353,909.32</b>	<b>\$41,035,187.92</b>	<b>\$57,959,913</b>	<b>\$0</b>	<b>\$48,393,996</b>

**Measure J Future Projects**

Project Numbers	Description	March 22, 2017 Board Approved Allocation	Year to Date Spending	Total Project Expenditures	Encumbered	Project Balance
	Remaining Projects from the March 22, 2017 Board Approved FMP List	\$20,619,999.51				\$20,619,999.51
<b>Future Project Total</b>		<b>\$20,619,999.51</b>	<b>\$0.00</b>	<b>\$0</b>		<b>\$20,620,000</b>
<b>Grand Totals</b>		<b>\$126,973,908.83</b>	<b>\$41,035,187.92</b>	<b>\$57,959,912.84</b>	<b>\$0.00</b>	<b>\$69,013,995.99</b>