



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item # 10.3

Meeting Date: July 17, 2014

Subject: Bond Oversight Committee Annual Report

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: _____)
- Conference/Action
- Action
- Public Hearing

Division: Facilities Support Services

Recommendation: Board to receive the Bond Oversight Committee's annual report.

Background/Rationale:

Measure I was passed in 2002 for and authorized up to \$225 million in bond spending. The funds generated by this general obligation bond have gone into school construction, modernization, portable classroom replacement, technology upgrades, and heating and air conditioning installation.

The Bond Oversight Committee (BOC) is comprised of community members who are committed to improving the school facilities in which our children learn, and overseeing the District's fiscal oversight duty to the voters. Committee members serve two-year staggered terms.

The BOC oversees the District's expenditure of bond proceeds by reviewing expenditure reports produced by the District to ensure bond proceeds are expended only for the purpose set forth in the ballot measure and that no bond proceeds are used for any teacher or administrative salaries or other operating expenses. The committee works with an independent auditor, conducts research and conducts site visits to guarantee these duties are fulfilled.

The committee meets at least four times a year in its role as an advisory board to the Board of Education.

Financial Considerations: N/A

Documents Attached:

1. Executive Summary
2. Bond Oversight Committee Annual Report
3. Powerpoint Presentation

Estimated Time of Presentation: 15 minutes

Submitted by: Sara Noguchi, Ed.D., Interim Superintendent
Cathy Allen, Assistant Superintendent
Facilities Support Services

Approved by: Sara Noguchi, Ed.D., Interim Superintendent

Board of Education Executive Summary

Facilities Support Services

Bond Oversight Committee Annual Report

July 17 2014

I. OVERVIEW / HISTORY

Proposition 39 General obligation bonds require the appointment of a Bond Oversight Committee (BOC). The BOC oversees the expenditure of money for the construction, repair, and modernization of schools by the District. The BOC communicates its findings to the Board and the public in order to ensure that school bond funds are invested as the voters intended and that projects are completed wisely and efficiently.

To guarantee this, the Committee works with an independent auditor and conducts research, surveys and site visits at the district and school site level. The BOC typically meets four times a year in its role as an advisory board to the school district trustees. During the meetings, the committee will listen to reports from staff and consultants summarize the status of projects in progress. At some point during the year, a financial audit and a performance audit will be presented for the Committee's review. Also once a year, the BOC Chair will make a year-end report to the Board of Trustees.

The members of the SCUSD Bond Oversight Committee were approved by the Board of Education on March 21, 2013.

II. DRIVING GOVERNANCE

California BUDGET (C)4(o)8.1(w T* d ()T i13(e)-1(io(M)-(o)8. ()14(Ar)-1(ic)4(le)-1(r.))TJ 1 C)43 C
N/A

IV. GOALS, OBJECTIVES AND MEASURES

The Sacramento City Unified School District's Bond Oversight Committee to inform the Board and the public regarding the expenditure of general obligation bond funds.

V. MAJOR INITIATIVES

N/A

VI. RESULTS

The Committee has prepared a report to the Board regarding expenditures from Measure I funds for the 2012-2013 fiscal year.

VII. LESSONS LEARNED / NEXT STEPS

Board to receive report

July 17, 2014

Members of the Board of Trustees
Citizens & Administration of the District

Ladies & Gentlemen:

As Chair of the Bond Oversight Committee for the Sacramento City Unified School District, it is my privilege and pleasure to present, on behalf of the full committee, our annual report.

In accordance with Proposition 39, we exist to ensure that expenditures of the funds collected under the voter-approved bond measures I, Q & R are spent on the items and projects voters approved at the time of their vote. We are a committee dedicated to ensuring that the public trust is well kept and remains intact throughout the life of the bonds.

We are pleased to report that the expenditures of the previous fiscal year, after a full audit by an outside agency are in compliance with all laws, regulations and accounting.

On behalf of the entire committee, thank you for this opportunity to serve our District and ensure that all is in full compliance with legal and ethical guidelines.

Respectfully,

Lawson Stuart, Chair
Bond Oversight Committee
Sacramento City Unified School District

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The findings of this audit were that all expenditures of funds from Measure I Bonds
were in full compliance with the outlined purposes voters approved in 2002.

Specifically during the reporting period audited, expenditures totaling \$4,052,277 were reviewed and found in compliance.

This also was the final audit of the Measure I funds.

CURRENT STATUS

As previously mentioned, the BOC is now focused on its duties in regard to Measure Q & R. These bonds have already covered several projects throughout the District and provided repairs to many facilities.

The BOC met 3 times since the last Annual report, and have toured sites where projects were complete, in progress or in the planning stage.

RECOMMENDATIONS

Previously, it was recommended to the Board that Bond Steering Committee plans for expenditures be provided to the BOC through a “back and” review. We have received these reports and find this recommendation to have been satisfied, with our gratitude.

It was also recommended that one of our members also be allowed to be a member of the Bond Steering Committee in order to provide reports to us on their meetings and activities. This was also provided.

We also wish to commend the provision of staff for our work and thank them for all they do to facilitate the continued efforts of the BOC.

As with previous reports, the BOC members were afforded the opportunity to present recommendations as a part of this one. These recommendations are:

- x We recommend that, if the Bond Steering Committee is continued for future program evaluation, there be opportunities for more interaction with the BOC. Recognizing the duties of a BOC Committee are predominantly “after the fact in nature”, we believe more interaction would provide for maximum transparency.

SUMMARY

The Bond Oversight Committee continues to fulfill its role as the source of accountability for the constituents of the District over the bond measures they approved, in compliment to the elected officials and staff overseeing the expenditures.

For more information, meeting minutes and other documents related to the BOC, please go to: www.scusd.edu/bondoversight-committee

BOND OVERSIGHT COMMITTEE ANNUAL REPORT 2013

Board Meeting
July 17, 2014
Agenda Item 10.3

Presented by:

OVERVIEW

- Prop. 39, Article XIII A, Section 1[b](3)
 - “...conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects.”
- Measure I Since 2002 Approval
- Transitioned to Measures Q & R Early 2013

MEMBERSHIP

- Lawson Stuart, BOC Chair & Parent of Children in the District
- Rachel Minnick, BOC Vice Chair & Parent of Children in the District
- Maria Haro-Sullivan, Secretary & Parent of Children in the District
- Carol Davydova, Past BOC Chair & Representative, h

MEMBERSHIP

- Alex Visaya, BOC Member & Representative of a Senior Citizen's Organization
- James Price, BOC Member & Active Member of a Taxpayer's Organization
- John Andrew, BOC Member & Parent of Children in the District
- Dave O'Toole, BOC Member & Parent of Children in the District
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SUPPORT STAFF

- Cathy Allen, Assistant Superintendent, Facilities Support Services
- Jim Dobson, Director, Facilities Management & Operations
- Elena Hankard, Administrative Assistant, Facilities Support Services
- Amari Watkins, Director II, Accounting Services

CURRENT STATUS

- Measures Q & R
- Bond Sales, Project Expenditures in Progress
- 3 Meetings Since Last Annual Report
- Multiple Site Tours

PREVIOUS RECOMMENDATIONS

- Bond Steering Committee “Backend Review”
 - Provided
- Shared Member BSO-BOC
 - Provided
- Provision of District BOC Support Staff
 - Provided

RECOMMENDATIONS

- High School Student Member
- Reporting Requests
- Interaction with BSC

SUMMARY

- BOC Functioning
- For more information, meeting minutes and other documents related to the BOC, please go to:
www.scusd.edu/boardoversightcommittee

Questions