

Report for Period
 July 1, 2004 -
 June 30, 2005
 Published October 2005

Annual Report: Measure H



**CAMPBELL UNION
 SCHOOL DISTRICT**

Measure H Facts

Total Bonds	\$74.9M
First Bond Issue	\$25M
Second Bond Issue	\$17.1M
Third Bond Issue	\$10.5
Date of Bond Approval	March 5, 2002

District Facts

Number Elementary Schools	9
Number of Middle Schools	3
Number of Students	7,300

**Bond Oversight
 Committee Members**

- Don Hebard, Chair
Senior Citizens Organization
- Ken Kawamoto
Business Organization
- Bud Alne
Senior Citizens Organization
- Bill Becker
Taxpayer Association
- Robert Causey
Parent/Teacher Organization
- Mas Nishimura
Parent
- David Trevisan
Secretary
Parent/Teacher Organization

Citizens' Bond Oversight Committee

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Third Annual Report to the Public

Voters passed Measure H in March 2002, approving \$74,900,000 in bond sales for school modernization in the Campbell Union School District. As required by law, the District School Board appointed the Measure H Citizens' Bond Oversight Committee.

At each meeting, the Bond Oversight Committee reviews reports of Measure H expenditures and discusses school plans with Dale Thurston, Assistant Superintendent, and Victor Sandoval, Construction Manager.

This is the Committee's third report to the public on its activity and progress in fulfilling each of the duties delineated in California Education Code 15278(b). (The First Annual Report was issued in September 2003 and the second in August 2004.)

Of the \$74,900,000 authorized, there have been three bond sales totaling \$52,600,000. At this point, all of these funds have been spent or are under contract for school projects, meaning the District has expended two-thirds of the amount approved by the voters. The most recent sale was a year earlier than expected because some project schedules have been rewritten and some were accelerated as a hedge against an anticipated

sharp rise in the cost of building materials. The increase in total Assessed Value of Property in the District was enough to allow this sale and stay under the \$30.00 per \$100,000 of assessed valuation cap, dictated by Proposition 39.

Measure H construction and repair projects follow the District and State facility standards, which enhance the overall learning environment for students. Projects include ample knowledge centers, multi-purpose rooms with capacity for the entire student body, modern classrooms, bathrooms that are ADA compliant, redesigned drop-off traffic loops, attractive fencing and land-scaping with grass and shade trees.

As the school year ended in June, construction and repairs began at every campus in the district and many continued through the 2004-05 school year. Work funded by the Measure H school bond included:

- Removing and relocating 60 classrooms,
- Installing modular buildings at several schools,
- Upgrading the electrical and security systems,
- Improving parking and driveways to provide safer drop-off and pick-up

areas and reduce traffic congestion.

- Installing decorative fencing,
- Planting more than 180 trees, and
- Getting final state approval on major construction projects at Monroe and Rolling Hills middle schools.

Several large projects also were completed at the following sites:

- Castlemont – play structures and landscaping.
- Forest Hill—new classrooms, redesigned parking/traffic flow, new kindergarten play yard, underground utilities and landscaping.
- Lynhaven—eight new classrooms, rear parking area.
- Marshall Lane—new pre-school classrooms, remodeled administration building, multipurpose room and kitchen, parking lot/traffic flow redesign.
- Rosemary—new and renovated preschool rooms at the Family Learning Center, new play year.
- Rolling Hills and Monroe Middle Schools—a new gymnasium is being built at each school, and construction is scheduled for completion in September 2005.

Oversight Committee Monitors Bond Spending

Examination of Expenditures

To ensure Measure H bond funds are spent only as authorized by the public and not spent for prohibited purposes, the District provides the Committee with bi-monthly comprehensive financial and project updates, which describe bond-related activities undertaken since the previous meeting. It also provides a running balance of the Measure H account. The District has project timelines, vendor lists and cross-referenced spreadsheets so

that each expenditure can be tracked and categorized easily. Individual invoices are available for review. A sub-committee reviews these documents in detail and then presents a report to the full Committee for review.

The Committee's review revealed no items paid from the bond fund that did not comply with the purpose approved by the voters in March of 2002.

Independent Audits:

The Committee reviewed

Independent Performance and Financial Audits for the 2003-2004 year. The Performance Audit is required by Proposition 39, but contains no definition of its scope or content. The District worked with the auditors to develop a reasonable and workable audit format to be used in this "first of its kind" effort. The newly established format, though modest in scope, promises a more substantive report next year and could become a model for other school districts.

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The District expects to save between \$3 million and \$6 million in construction management.

Auditor, Vavrinek Trine Day & Co., LLP

Committee Meetings

- Third Wednesday of every other month
- 9 AM
- District Administrative Building, 155 N. Third Street, Campbell

Meeting dates are posted at all Campbell Union School District schools, at the District Administration Office, 155 North Third Street, near downtown Campbell.

For online access to Oversight Committee information, go to:

www.campbellusd.k12.ca.us/bondh

Public Attendance

All Bond Oversight Committee meetings are open to the public and community members are invited to attend.

October 2005

Committee Monitors Bond Spending

Cost-Saving Measures:

In a draft of its observations, the auditors noted:

- *“The District has employed personnel to handle construction management activities rather than having this task performed by an outside construction management firm...the District expects to save between \$3 million and \$6 million over the life of the modernization projects.”*

The Oversight Committee highlighted this cost-saving measure in its report last year and sees it as worth mentioning again. The District has also hired a Measure H foreman and crew to complete landscaping and fencing projects, rather than using contractors' crews.

- *“The District has been successful in obtaining significant cost reductions by rejecting the original bid and having the job re-bid.”*

Savings were generated in this manner for projects at Forest Hill, Marshall Lane, Rolling Hills and Monroe schools.

- *“The District constantly monitors the construction marketplace and reacts to market conditions to*

achieve cost savings.

The District accelerated construction when market conditions showed high inflationary pressure on construction projects”.

Examples of this action include the projects at Capri, Monroe and Castlemont schools, where an increase in the price of steel led to an acceleration of the replacement of portables or modular buildings. Emphasis continues to be on keeping to the budget rather than keeping the time-line too rigid.

Some Delays

The long rainy season stalled several projects through the winter months.

Additionally, construction of the two-story building at Monroe Middle School was delayed because the contractors' plans did not meet State specifications. An agreement now has been reached with the contractor's surety, and construction should resume in short order.

Cities and Counties routinely attached Conditions of Approval to construction permits in their jurisdiction, usually involving payment for street paving, sidewalks, curbscuts, etc. Questioning the use of

Measure H Funds for this purpose, the Oversight Committee supported the District, under a little-used State law, in declaring the District exempt from the Conditions of Approval imposed with respect to Monroe and Castlemont Schools

Committee Consensus:

It appears to the Committee that the District is abiding by the Strict Accountability provisions of California's Education Code in Measure H expenditures and procedures.

District staff has been most cooperative and quick to respond to the Committee's requests for more information. District staff has provided clear and timely answers to all Committee members' questions.

Two New Members

Two new members will join the Oversight Committee in July 2005 as two founding members have completed their terms. Ken Kawamoto replaces retiring member Lynn Olivari-Schmidt as the business community representative, and Mas Nishimura replaces Michelle Valine as a PTA/Parent representative.

About the Citizens' Bond Oversight Committee

In May of 2002, the Campbell Union School District formed the "Measure H Citizens' Bond Oversight Committee." Once certain bond measures pass in California, the District School Board is required by California Educational Code to appoint an "independent citizens oversight committee to oversee the expenditures and uses of bond revenues, and then report their findings to the public." This committee's purpose is to re-

view Campbell Union School District spending, and thus ensure that bond revenues are expended only for the purpose set before the voters in the wording of Measure H, as it appeared on the March 5, 2002 ballot.

Under Section 15282(a) of the Education Code, the committee must have at least seven members who serve for a term of two years without compensa-

tion and for no more than two consecutive terms. These members must represent a business organization in the community of the District, a community senior citizens organization, and a bona fide taxpayers organization. There also must be a parent or guardian of at least one child enrolled in the District, as well as a parent who is an active member in a District parent-teacher organization.

Excerpt of California Education Code 15278: (b) The purpose of the citizens' oversight committee shall be to inform the public concerning the expenditure of bond revenues. The citizens' oversight committee shall actively review and report on the proper expenditure of taxpayers' money for school construction. The citizens' oversight committee shall advise the public as to whether a school district or community college district is in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The citizens' oversight committee shall convene to provide oversight for, but not be limited to, both of the following: (1) Ensuring that bond revenues are expended only for the purposes described in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. (2) Ensuring that, as prohibited by subparagraph (A) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, no funds are used for any teacher or administrative salaries or other school operating expenses. c) In furtherance of its purpose, the citizens' oversight committee may engage in any of the following activities: (1) Receiving and reviewing copies of the annual, independent performance audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. (2) Receiving and reviewing copies of the annual, independent financial audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. (3) Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. (4) Receiving and reviewing copies of any deferred maintenance proposals or plans developed by a school district or community college district, including any reports required by Section 17584.1. (5) Reviewing efforts by the school district or community college district to maximize bond revenues by implementing cost-saving measures, including, but not limited to, all of the following: (A) Mechanisms designed to reduce the costs of professional fees. (B) Mechanisms designed to reduce the costs of site preparation. (C) Recommendations regarding the joint use of core facilities. (D) Mechanisms designed to reduce costs by incorporating efficiencies in school site design. (E) Recommendations regarding the use of cost-effective and efficient reusable facility plans.