

Fourth Annual Report
for the period of
**July 1, 2006-
June 30, 2007**

Measure H

2006-07 Annual Report

Citizen's Bond Oversight Committee
155 N. Third Street, Campbell CA 95008 • Tel. 408.364.4200
www.campbellusd.org/bondh

Measure H Facts

Date of Bond Approval..... 3/5/02
Total Bonds\$74.9M
First Bond \$25M
Second Bond.....\$17.1M
Third Bond.....\$10.5M

District Facts

Students 7,300
Middle Schools..... 3
Elem. Schools 9
Communities Served:
Campbell, Los Gatos,
Monte Sereno,
San Jose, Santa
Clara, Saratoga

2006-2007 Bond Oversight Committee

Chair: Robert Causey
Parent/Teacher Organization

Secretary: Ken Kawamoto
Business Organization

Audrey Arancio
Parent

Adrian "Cib" Cibilich
Senior Citizens Organization

Isaac Kight
Taxpayer Association

Mas Nishimura
Parent

Jane Pyle
Parent/Teacher Organization

1/17/08; 500 copies

Committee Monitors Bond Spending

In 2002, the voters passed Measure H, authorizing a \$74.9 million bond issue for the construction and the modernization of the District's school buildings and facilities. As of June 30, 2007, all of the bonds have been issued and approximately 85 percent of the funds have been spent. The remaining \$13 million will be used primarily for classroom and bathroom modernization, fencing, and to finalize the modernization at Capri.

The citizen's oversight committee is required by State law to provide some assurance to the public that the bond money was spent for the purposes stated in the Measure H ballot.

Although the Committee does not perform any auditing function, the District does provide the group with comprehensive reports created from all invoices paid from Measure H funds.

Funds set aside for improvements to Hazelwood School were re-allocated when the school was closed in 2003. Legal opinion stated that using the funds for the schools to which

Hazelwood students were disbursed, was not in violation of the ballot statement. (See 2003-2004 report.)

Changes in the construction industry continued to impact projects in 2005-2006. Bids came in much higher than predicted as Silicon Valley's building boom had passed and many contractors had moved on to more active regions. There existed a shortage of bondable contractors in the Bay Area. (See 2004-05 annual report.)

About 85 percent of the funds have been spent.

This shortage, combined with an unusually large number of public works projects with new bond money available for construction, created a market in which contractors were in very high demand.

The Board rejected most of the high bids in favor of some redesign and/or parceling of the projects. A decision was made to slow down the whole process in favor of finding ways to keep the projects

within budget. In order to reduce costs, the Board made the decision to bring the construction management "in-house." The District has been fortunate to have sufficient talent to perform this task. The result has been estimated cost savings of several million dollars.

This decision has proved to be extremely beneficial in allowing the District to maximize the use of the Measure H funds, through direct cost savings. In addition, by eliminating a layer of management, the District created increased flexibility to react quickly and decisively to changing market conditions.

Another significant cost savings was the creation of a dedicated Measure H crew. The District hired a small number of individuals with differing skills to work on specific projects. This crew has been responsible for most of the fencing and landscaping at the various school sites.

Tremendous efficiencies and cost savings have been realized by having the

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Measure H crew focus on specific tasks within their skill sets.

Allowances made in the project schedules for unexpected delays were such that, with few exceptions, the completion dates of most have been substantially met. The most notable exception was Monroe Middle School, in respect to its two-story centerpiece classroom building. A legal quagmire began for this project in 2004 (see 2005-2006

report), which resulted in the need for the Contractor's surety bond company to take over responsibility for completing the project. The Monroe building was effectively completed in July 2006, which was nearly sixteen months late. As reported previously, the contractor and the District have legal actions pending. The District has not spent any Measure H funds for defense costs and it has not yet been determined if the legal defense costs would

be allowed as an expenditure from Measure H funds.

With the last of the major construction projects being completed, the District is in the final phase of the projects planned under Measure H. With the remaining Measure H funds available, the District anticipates that there will be sufficient funds to complete the projects as planned.

Committee Meetings

The Citizen Bond Oversight Committee meets quarterly: August, November, February and May. Meetings are open to the public.

Meeting dates, times and location are posted at all Campbell Union School District schools, at the District Administration Office and on the Internet.

Tel.: 408-341-7254
www.campbellusd.org/bondh

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 review Campbell Union School District spending, and 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 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 com

penetration and for no more than two consecutive terms. These members must represent business organization in community of the District, 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 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.