

MEASURE M

2016-2017 Annual Report to the Community



Dear Community Members,

Thanks to local voters, the Paso Robles Joint Union School District was very fortunate to pass Measure M authorizing \$95 million in taxpayer bonds to be used to finance improvements and modernizations at various school facilities. As a condition of a law regarding a 55% bond approval margin, the District is required to form an independent Citizens' Oversight Committee (COC). The COC is responsible to ensure funds from the November 2016 bond are expended on voter-approved projects and are mandated by law to report annually to the community. This is the first annual report of the bond program informing our fellow community members of the financial and project construction status. Not included in this report is a summary of the audit yet to be completed as a legal requirement by an independent certified public accounting firm.

The COC is comprised of voters who represent the following: Business community, a senior citizen's organization, a bona fide taxpayers' organization, parent teacher organization, a parent or guardian of a child enrolled in the District, and members chosen from the public "at large." However, during the 2016-2017 term, there was no representation from a bona fide taxpayers' organization. Also during the year, three members were dismissed due to absence. No District employee, official, vendor, contractor or consultant may serve on the committee.

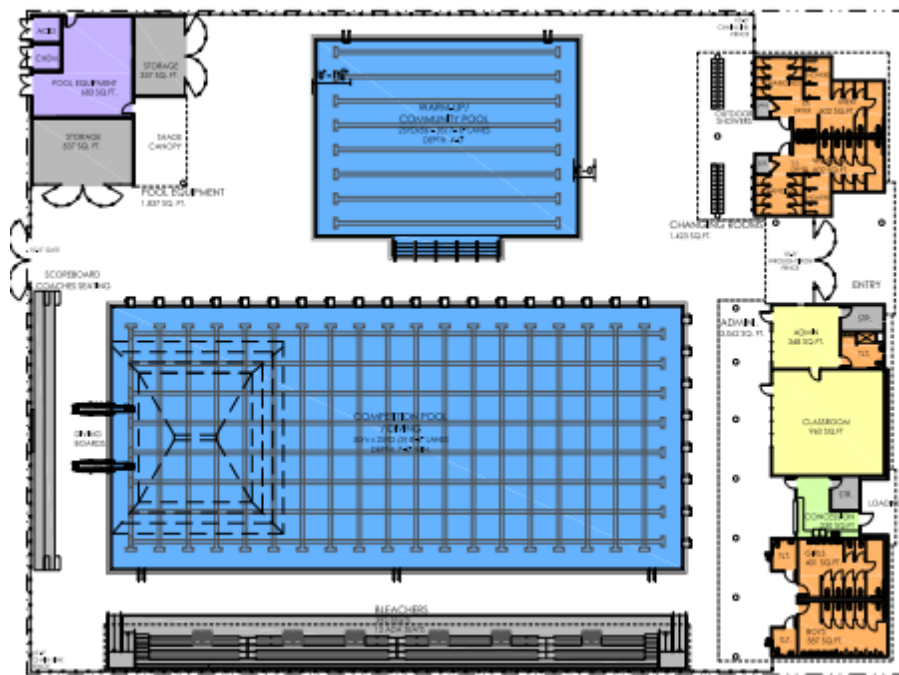
The main responsibilities of the COC are to review the performance and financial audits, inspect construction projects and expenditures, recommend cost-saving measures to the School Board and inform the public of their findings in an annual report. As members of the COC, we are committed to ensure that the District spends Measure M tax dollars responsibly and wisely.

Progress has been made towards moving the bond projects forward. The District hired a Manager of Facilities and Planning, Cheryl Mollan. She is solely employed to manage the planning and construction of the bond projects and has begun the extensive planning to deliver the projects as advertised to our community in Measure M literature. The Measure authorizes improvements and modernizations for the schools within the Paso Robles Joint Unified School District and focuses on the priorities represented in the District's Facilities Master Plan. These priorities include:

- Constructing career technical and vocational education classrooms
- Undertaking basic health and safety improvements at schools and classrooms built decades ago – including one that is over 80 years old
- Repairing and replacing leaky roofs
- Installing Science, Technology, Engineering, Arts and Math (STEAM) labs at schools throughout the District
- Replacing aging portables with permanent buildings
- Retrofitting schools and classrooms for earthquake safety

The Aquatic Complex at Paso Robles High School, the first of many projects, is planned to begin construction in April 2018. Artistic renderings of the state-of-the-art pools were presented to the Board of Education on December 12, 2017 which are designed for national competition opportunities such as the Jr. Olympics. Simultaneously, architects have been working with District staff to design a site layout for Marie Bauer Early Childhood Education Center which is scheduled for modernization during the 2018 -2019 school year. The District is also preparing a temporary campus to be used to rotate students off campus while their school's modernization and renovations are under construction.

Community Aquatic Complex at Paso Robles High School



Site Plan



Artistic Rendering of Completed Complex

Financial Status

The District plans to sell the first issue of the General Obligation Bonds (Bonds) in the Spring of 2018. The majority of Bonds funds or 85% of the funds must be expended or committed by contract within 3 years following issuance. The Board approved of the sale of 2017 General Obligation Bond Anticipation Notes (Notes) in the principle amount of \$3,000,000, collateralized by the Bonds, which are being used as an advance to pay for the upfront planning costs for the projects described in, and authorized by, Measure M. The principle balance on the Notes will be repaid when the Bonds are issued. Expenditures made using the Notes follow the same guidelines as the Measure M Bonds. The amount of the General Obligation Bond expected to be sold before June has not been determined at this time, however, staff expects the issue will be close to \$40,000,000.

The interest on the Notes as well as the interest and principle on the Bonds are financed through property taxes collected. There will be an increase in your taxes and it will appear on the 2018-2019 property tax bill. The measure's average tax rate, as estimated by the District's financial advisor, is approximately \$47.75 per \$100,000 of assessed valuation per year. The tax rate cannot legally exceed \$60.00 per \$100,000 when combined with other previously issued School Bonds.

	Bond Authorization	Revenues	Expenditure/ Encumbered	Fund Balance
Measure M Bond Authorization	\$95,000,000			
Bond Anticipation Notes 8/24/17		\$3,000,000		
Bond Issue June 2018	\$40,000,000			
Bond Program Expenditures			\$2,243,618.15	\$721,503.41

Measure M Project Status

(As presented at the December 12, 2017 School Board Meeting)

Projects Completed

Flamson Middle School	Bond funds were used to add topsoil, hydroseed and install irrigation on the playing field. Project completed December 2017 at a cost of \$100,956.17.
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Under Construction

None at this time	
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Projects in Planning

Paso Robles Community Aquatics Complex	Artistic renderings of Phase 1 and Phase 2 were presented to the School Board at the December 12, 2017 meeting. District staff expects construction will begin in April 2018. Staff has recommended using a "piggy-back" materials' bid for an Olympic size pool and a 25 yard "warm-up" pool. The total cost of the community complex is estimated as \$8,207,990, of which \$5,700,000 is approved funding from the Bonds, the balance of the costs will be funded by outside contributions. Scheduled completion is anticipated in Spring 2019
Marie Bauer Early Childhood Education Center	A conceptual layout was presented to the School Board at the December 12, 2017 meeting showing the desired relationships of classrooms to auxiliary facilities. The modernization includes classroom replacement, field renovations and required safety concerns. The projected costs are \$11,080,000 and is scheduled to begin June 2019 with completion slated for May 2021. Facilities staff is also preparing a temporary campus on the Flamson Middle School site to be used to rotate students off campus while their school is under construction.

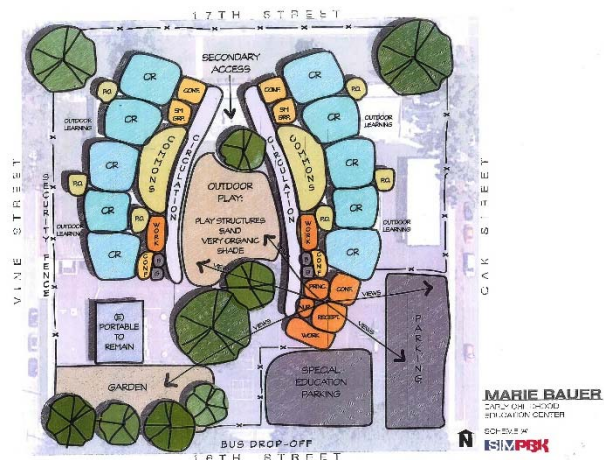
Glen Speck Academy of Arts	The projected costs for modernization includes classroom replacement, field renovations and address required safety concerns. The project costs have been estimated at \$21,980,000 and is scheduled to begin November 2019 with completion slated for May 2021.
Georgia Brown Dual Immersion Magnet School	The projected costs for modernization includes classroom replacement, field renovations and address the required safety concerns. The project costs have been estimated at \$13,850,000 and is scheduled to begin June 2020 with completion slated for December 2022.
Pat Butler Elementary School	The projected costs for modernization includes classroom replacement, field renovations and address the required safety concerns. The project costs have been estimated at \$3,720,000 and is scheduled to begin September 2019 with completion slated for July 2020.
Virginia Peterson Elementary School	The projected costs for modernization includes classroom replacement, field renovations and address the required safety concerns. The project costs have been estimated at \$8,840,000 and is scheduled to begin June 2020 with completion slated for May 2021.
Flamson Middle School	Flamson Middle School is in its design stage of being a temporary campus to house Bauer and Speck students during construction period. Leveraging Flamson Measure M projects, 10 new permanent classroom at Flamson are planned reducing need for portables on temporary campus therefore optimizing funding resources, furthermore, the 10 permanent classrooms will serve FMS students in the future. The projected project costs is estimated at \$5,720,000 and scheduled to begin June 2019 with completion slated for May 2021.

Future Projects

George Flamson	Project costs are estimated at \$12,567,000 (This figure includes funds spent on playing fields in 2017)
Kermit King	Project costs are estimated at \$4,170,000
Winifred Pifer	Project costs are estimated at \$590,000
Daniel Lewis	Project costs are estimated at \$16,750,000



Community outreach at Pat Butler Elementary 1/17/18



Initial bubble diagram of Marie Bauer

Audit Summary

Financial and Performance Audit Summary

Article 13A of the California Constitution allows for a 55% majority vote to pass a local School Bond. The law mandates that Paso Robles Joint Unified School District follow the requirements of Section 15278 of the California Education Code Section 1(b)(3)(C) which requires that the School Board, conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed in the bond measure. Section 1(b)(3)(D) requires the School Board to 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.

At this time, neither a performance audit nor a financial audit have been completed and presented to the Independent Oversight Bond Oversight Committee (COC). The PRJUSD auditor has been contacted to confirm that there were no expenditures applied to the projects listed in Measure M during the District's audited 2016-2017 fiscal year. PRJUSD has contracted with the independent audit firm of Christy White Associates to complete the performance and financial audit for Measure M revenue and expenditures for the 2017-18 fiscal year.

The Measure M Bond Oversight Committee:

Alanna Davidson, Parent and member of Parent Teacher Association

Bob L. Rollins, Paso Robles Planning Commission

Denise Wakefield, Member At-Large

Donald C. Goldammer, Parent with child enrolled in the District

Frank P. Lagattuta M.D., Parent with child enrolled in the District

John S. Fisher, Member At-Large

Kristin L. Kearns, Parent with child enrolled in the District

Patrick J. Sayne Ed.D., Senior Citizen Organization

Shelley L. Gurney, Business Organization

Vacant, Taxpayer Organization

If you are interested in serving on the Citizens' Oversight Committee, contact:

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