

ANNUAL REPORT to the Board of Directors of North Monterey County Unified School District



10/1/2015

**First Annual Report: Passage through
June 30, 2015**

Measure 'H'

Citizen's Bond Oversight Committee

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FIRST ANNUAL REPORT: PASSAGE THROUGH JUNE 30, 2015

INTRODUCTION

The North Monterey County Unified School District (NMCUSD) Board of Education authorized placement on the November 2013 ballot Measure H, a general obligation school construction bond. The \$23.8 million bond, Measure H, was placed on the ballot to serve as a funding mechanism to improve school facilities in the North Monterey County Unified School District. Measure H, was presented to the voters through the state's Proposition 39 program which requires a measure be passed with 55 percent voter approval. On November 5, 2013 Measure H was passed.

Proposition 39 includes a number of requirements the sponsoring school district must meet before a measure can go before the voters. NMCUSD provided in advance of the election a complete and detailed list of projects to be undertaken with bond funds. Proposition 39 also includes a number of requirements the sponsoring school district must meet after a measure is approved.

CITIZENS' OVERSIGHT COMMITTEE

Proposition 39 requires the sponsoring school district of an approved measure to establish a Bond Oversight Committee (BOC) to review expenditures, annually report, and inform the public regarding the expenditures of the general obligation bond. The BOC must provide an annual report confirming that bond funds were expended in accordance with Proposition 39 requirements. This is the NMCUSD Measured H BOC's annual report for the fiscal year ending June 30, 2015, and, as this is the first annual report, it also includes all expenditures in fiscal year ending June 30, 2014.

The committee is to consist of at least seven members to serve for a term of two years without compensation and for no more than two consecutive terms.

The committee must include:

- One member who is active in a business organization representing the business community located within the school district.
- One member active in a senior citizen's organization.
- One member who is active in a bona fide taxpayers' organization.
- One member who is a parent or guardian of a child enrolled in the school district.

- One member who is both a parent or guardian of a child enrolled in the school district, and active in a parent-teacher organization; and
- Two members of the community at-large

Committee membership includes:

Lorena Miranda – Chair, Business Organization and Parent
Manuel Osorio – Vice Chair and Bona Fide Taxpayer Assoc.
Dean Lines – Parent Teacher Group
Cosme Padilla – Senior Citizen’s Organization
Larry Calhoun – Business Community
Lillian Mulvey – Community At-Large
Eddie Centeno – Community At-Large and Parent
Patricia Alva – Parent Teacher Group and Parent
Jose Anaya - Business Community and Parent

COMMITTEE REVIEWED

The NMCUSD’s Measure H BOC met on the following dates:
September 22, 2014 and May 4, 2015. The following items were reviewed:

- BOC bylaws, policies and procedures including the completion of Form 700 and an Ethics Policy statement.
- Unaudited actual financial budget and expenditure activity reports at every meeting.
- The process of the selling of the first series of Measure H Bonds (Series A) in the amount of \$15.5 million.
- The District’s development of standard contracts for contractors and consultants and the adoption of the California Uniform Public Construction Cost Account Act (CUPCCAA).
- Completed projects for:
 - Technology improvements made at all sites including,
 - New computer labs
 - New voice over internet protocol (VOIP) communication system
 - New white boards.
 - Summer 2015 site specific deferred maintenance projects.
- Programs, budgets, and timelines for the following projects in process at North Monterey County High School:
 - Heating, Ventilation, and Air Conditioning (HVAC) Upgrade
 - Library/Media Center Renovation
 - Gym Bleachers and Floor Upgrade
 - Athletic Track and Field Improvements.

BUDGETED AMOUNTS

On September 13, 2014 a public workshop was held at the NMCUSD District Office. During the workshop, projects from the Measure ‘H’ ballot priority list were prioritized and given budgets under the constraints of the first issuance, Series A, for a total of \$15.5 million. Figure 1: Measure ‘H’ Bond, Series A, Budget identifies the projects and the total dollar amount allocated

to each. Additionally, an estimated timeline for project completion has been provided as an Appendix to this report.

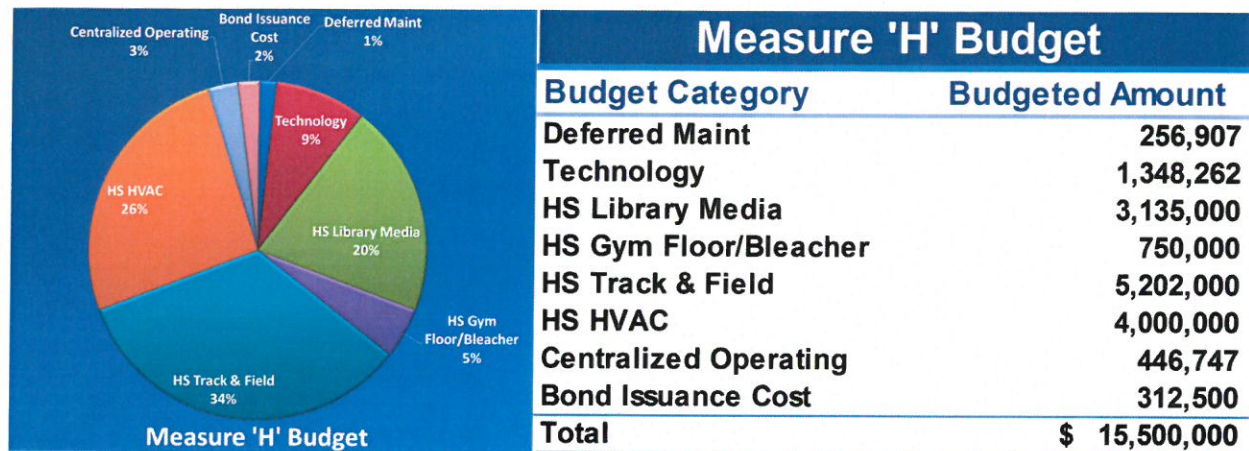


Figure 1: Measure 'H' Bond, Series A, Budget

As shown in Figure 1: Measure 'H' Bond, Series A, Budget you can see that three NMC High School projects received the highest priority with a combined total of approximately 70% of Series A funding.

EXPENDITURES

As of June 30, 2015 approximately 13 percent of the Series A bond has been expended. Figure 2: Measure 'H' Bond, Series A Expenses, provides a list of where monies have been expended thus far.

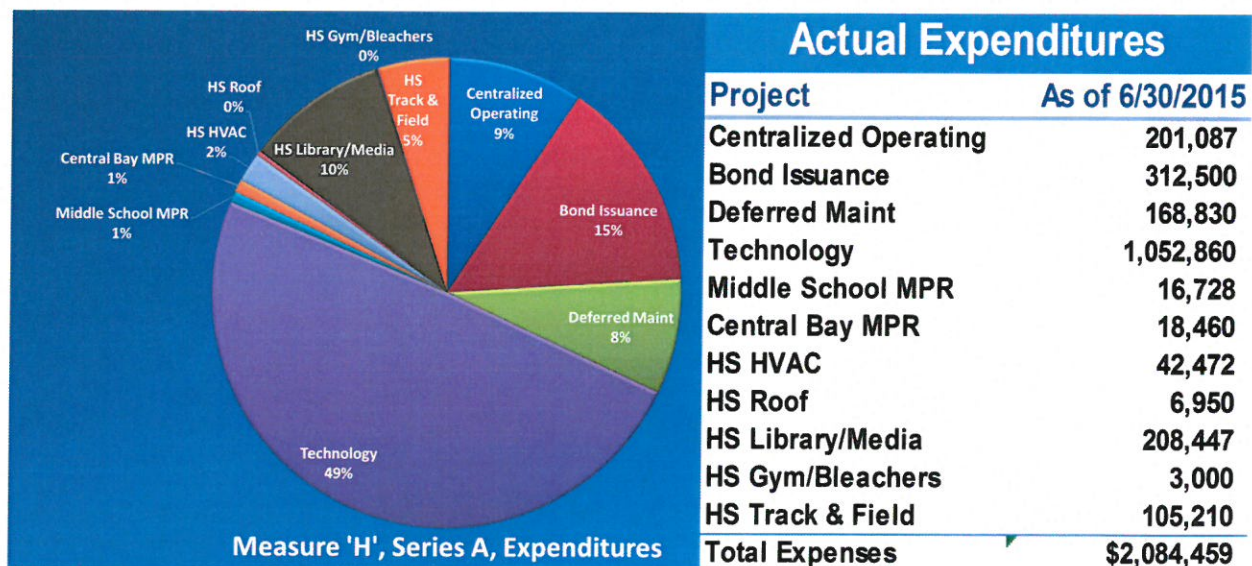


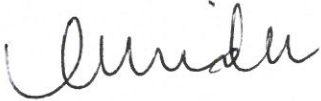
Figure 2: Measure 'H' Bond, Series A Expenses

From Figure 2: Measure 'H' Bond, Series A, Expenses, it becomes apparent that approximately 47% of funding spent as of June 30, 2015 was related to technology upgrades throughout the District. Referring back to Figure 1, technology represents only nine percent of the total of the Series A budget, indicating this project is nearing conclusion with only minor additional technology upgrade costs anticipated for the remainder of Series A funding. The District is continuing to move forward with the construction of the High School New Library and Media Community Center project. The remaining projects continue to move forward through the prerequisite County and State agency approvals.

CONCLUSION

The NMCUSD's Measure H Bond Oversight Committee advises that after review of expenditures, and to the best of its knowledge, the NMCUSD is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution. In particular, bond revenue has been expended only for the purposes so described in Measure H. As prohibited by Article XIII A, Section 1(b)(3)(a) of the California Constitution, no funds were used for any teacher or administrative salaries or other operating expenses.

Respectfully,



Lorena Miranda
Committee Chair,
NMCUSD Measure H Bond Oversight Committee

APPENDIX: ANTICIPATED PROJECT TIMELINES

Anticipated Project Timelines

