

Annual Report

Measure T Bond
March 2011 – February 2012

Citizens' Oversight Committee



Facilities Management Department

Cover photos:

Top right:
Lankershim ES
Modernization Project

Bottom right:
Arrowhead ES
Modernization Project

Left:
Little Mountain ES
New Campus Project



Urbita ES
Modernization Project

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Bond Overview

On March 2, 2004, the voters of the San Bernardino City Unified School District approved Measure T by a yes vote of 61.4%. Measure T provides for capital facilities bonds in the amount of \$140,000,000.00. The bond language requires the establishment of a Citizens' Oversight Committee (COC).

Measure T Bond projects include: building new neighborhood elementary, middle, and high schools and facilities; repairs, upgrades, expansions and modernizations of existing schools and facilities; and paying off existing capital facility lease obligations to reduce costs and save money. Bond funds will be used in conjunction with available State bond funding to

maximize the number of projects that can be accomplished. Projects are prioritized as State and Bond funds become available. The Measure T bond has been sold in five series. The first series was sold in September 2004, and was used primarily to pay off Certificates of Participation used to construct school facilities projects. The second series was sold in May 2006, the third series was sold in March 2007, and the fourth series was sold in March 2011 to fund new campuses, modernizations and Special Day Classroom additions. The fifth series was also sold in March 2011 and was held as capitalized interest for the Qualified School Construction Bonds (QSCB) sold by the District.



Proposition 39 Requirements

Proposition 39 makes both constitutional and statutory changes to the current laws governing school facilities funding in California. Proposition 39 requirements include the following restrictions:

- Property tax must be a maximum of \$60.00 per \$100,000 in assessed valuation
- A list of projects must be provided to the voters in the ballot measure
- A Citizens' Oversight Committee must be established and operational
- An annual report from the COC to the Board
- Annual financial audit
- Annual performance audit
- The membership of the COC must include at least five members of the following categories: parent, parent/member of PTA/PTO, business representative, member of a senior citizen organization, and member of a bona fide taxpayer organization
- A website of the COC must be maintained



Citizens' Oversight Committee

The San Bernardino City Unified School District Measure T-2004 Proposition 39 Bonds Citizens' Oversight Committee is legally charged under Education Code Sections 15278, 15280, 15282, and the California Constitution, Article 13A, Section 1, with direct taxpayer review of the Bond measure endorsed by the voters and with informing the public about the expenditures of the Bond proceeds to ensure that the spending decisions made by elected officials conform with that measure. The committee is not granted any powers to determine how bond proceeds are spent.

The Citizens' Oversight Committee is charged with the following purposes under Proposition 39:

1. To verify that projects funded with bond proceeds were permitted under the projects list submitted to voters (or available to voters if not reprinted in the Voter Handbook) at the time of election.
2. To review the annual financial audit and performance audit maintained under Proposition 39.
3. To review the annual list of deferred maintenance projects.
4. To conduct on-site inspections of projects to verify performance of contractors on an as needed basis.
5. To request that the District provide information on cost saving methods of design or construction that relate to any of the proposed projects.
6. To publicize the results of the findings of the Committee in order to inform the public of the status of the bonds and the proposed projects.
7. To evaluate the applicability of "reusable" designs for schools financed with Bond proceeds.

After an application process, Citizens' Oversight Committee members are appointed by the Board. Since inception of the Citizens' Oversight Committee in September 2004, the following community members have served:

CURRENT MEMBERS	REPRESENTING	MEMBERSHIP TERM		CURRENT POSITION
		BEGINS	ENDS	
Cynthia Barrow	Parent	Sept. 2008	Aug. 2012	Member
Denise Benton	At-large	Mar. 2011	Mar. 2013	Member
Sheri Hundley	Parent/PTA Member	Sept. 2008	Aug. 2012	Chair
David Justice	Business Community	May 2008	May. 2012	Vice Chair
Ralph Knox	Senior Citizen	Sept. 2008	Aug. 2012	Member
Troy Allen Nelson	At-large	Sept. 2008	Aug. 2012	Member
Maria Dolores Ochoa	At-large	Aug. 2008	Aug. 2012	Member
Marilyn Patterson	Taxpayer Organization	Jun. 2011	Jun. 2013	Member
Martin Romeo	Business Community	Sept. 2008	Aug. 2012	Member
PAST MEMBERS	REPRESENTING	MEMBERSHIP TERM		CURRENT POSITION
		BEGINS	ENDS	
Tierney Harris	At-large	Aug. 2007	Oct. 2010	Past Member
Teresa Alba	Parent	Sept. 2004	Aug. 2008	Past Member
Robbi Brunk	At-large	Sept. 2004	Aug. 2008	Past Chair, Vice Chair
Soledad Castillo	Parent/PTA Member	Sept. 2004	Aug. 2008	Past Member
Carl Clemons	At-large	Sept. 2004	Aug. 2008	Past Vice Chair
Ron Coats	Business Community	Sept. 2004	Aug. 2008	Past Member
J. Pat Ferraris	Business Community	Sept. 2005	Mar. 2008	Past Vice Chair
Margaret Hill	Senior Citizen	Sept. 2004	Aug. 2008	Past Chair
Gloria Mazzola	At-large	Sept. 2004	Aug. 2006	Past Chair
Ben parra	Business Community	Sept. 2004	Aug. 2005	Past Member
Lou Pellini	Taxpayer Organization	Sept. 2004	Aug. 2005	Past Member
Marion Vassilakos	Taxpayer Organization	Mar. 2007	Mar. 2011	Past Member



After completion

Summary of COC Agendas and Activities

March 2011

- Introduction of new member - Denise Benton
- Citizens Oversight Committee Annual Report (2009-2010)
- Review of Bond Report
- Update on State Funding
- Update on Construction/Pre-Construction/Site Acquisition progress

April 2011

- Proposition 39 Audit Reports

June 2011

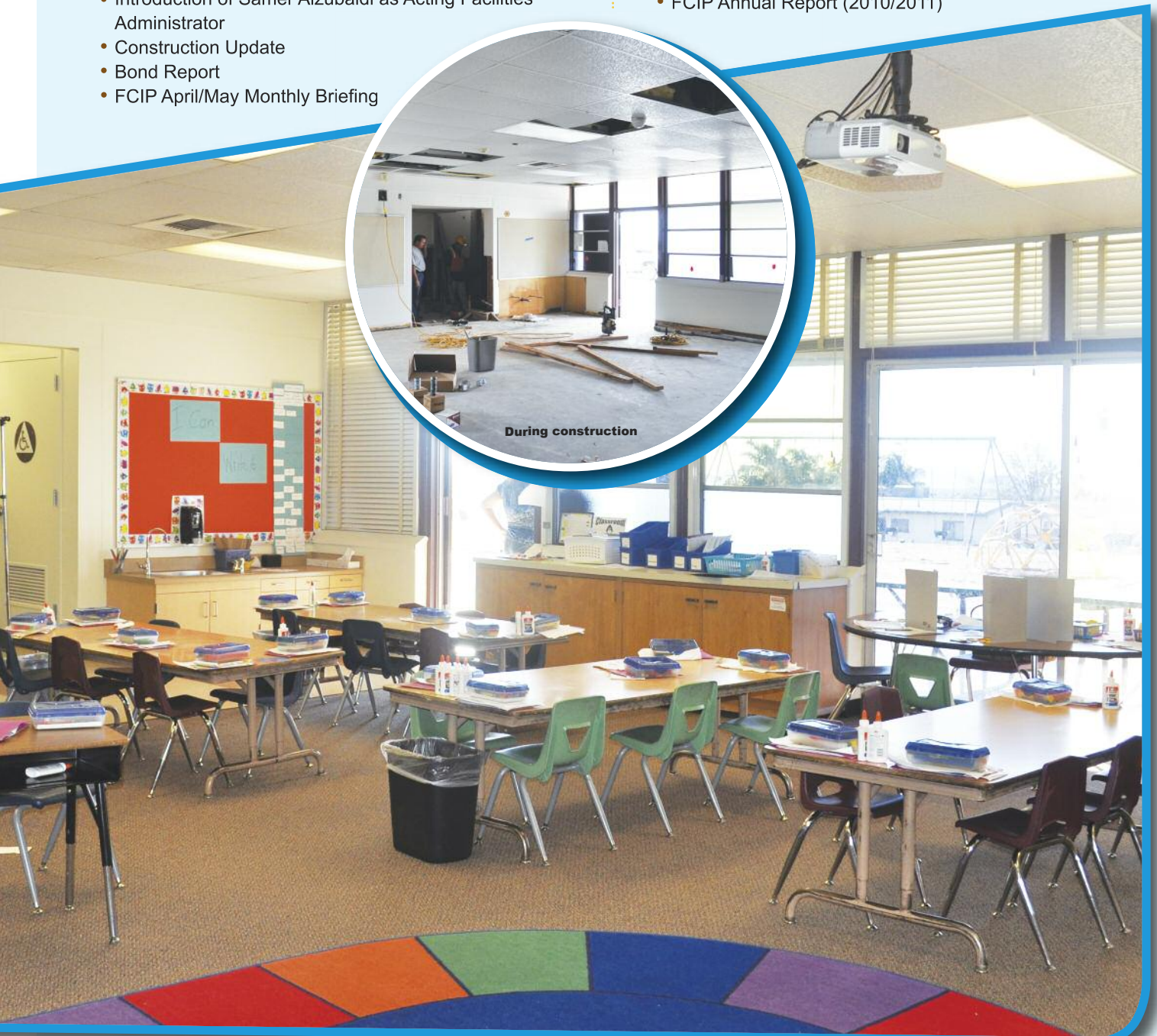
- Introduction of new member Marilyn Patterson
- Introduction of Samer Alzubaidi as Acting Facilities Administrator
- Construction Update
- Bond Report
- FCIP April/May Monthly Briefing

September 2011

- Citizens Oversight Committee Bus Tour of Modernization and New Construction Sites
 - Sites Visited:
 - *Lincoln Elementary School* - Modernization
 - *Indian Springs High School* - New construction & Modernization
 - *Mildred Henry Elementary School* - New construction
 - *Middle College High School* - New construction
 - *Norton Elementary School* - New construction

January 2012

- FCIP December/January Briefing
- FCIP Annual Report (2010/2011)



Summary of Bond Expenditures and Findings

as Detailed in Audit Reports

2004 General Obligation Bond, Series A

On September 16, 2004, the San Bernardino City Unified School District issued the 2004 General Obligation Bonds, Series A, in the amount of \$44,999,497. The bonds will mature August 1, 2029, and yield interest rates of 2.0 to 5.0 percent. The bonds were issued to fund the construction, renovation, and repair of certain District facilities and the prepayment of the District's School Facility Bridge Funding Program.

2004 General Obligation Bonds, Series B

On May 3, 2006, the District issued \$67,999,967 of 2004 General Obligation Bonds, Series B. This was the second series of the authorized bonds to be issued under the measure as approved by voters. The bonds mature on August 1, 2030, with interest yields of 4.5 to 5.0 percent. Proceeds from the sale of the bonds are used to finance the construction, renovation and repair of certain school facilities.

2004 General Obligation Bonds, Series C

On March 1, 2007, the District issued \$9,997,217 of 2004 General Obligation Bonds as Series C. This was the third series of the authorized bonds to be issued under the measure as approved by voters. The bonds mature on August 1, 2031, with interest yields of 3.4 to 4.7 percent. Proceeds from the sale of the bonds are used to finance the construction, renovation and repair of school facilities.

2004 General Obligation Bonds, Series D

On March 17, 2011, the District issued \$11,525,419.10 of 2004 General Obligation Bonds as Series D. This was the fourth series of the authorized bonds to be issued under the measure as approved by voters. The bonds mature on August 1, 2042, with interest yields of 7.41 to 7.50 percent. Proceeds from the sale of the bonds are used to finance the construction, renovation and repair of certain school facilities.

2004 General Obligation Bonds, Series E

On March 17, 2011 the District issued \$5,477,434.00 of 2004 General Obligation Bonds as Series E. This was the fifth series of the authorized bonds to be issued under the measure as approved by voters. The bonds mature on August 1, 2035, with interest yields of 8.875 percent. Proceeds from the sale of the bonds are being held as capitalized interest for the Qualified School Construction Bonds (QSCB).

2010–2011 Audit Reports

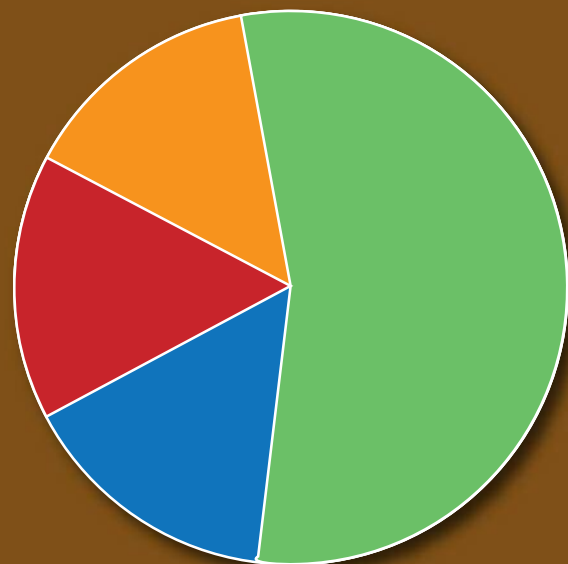
In accordance with Proposition 39, a performance audit and financial audit was performed by the independent auditor firm of Vicenti, Lloyd and Stutzman, LLP. The performance audit confirmed that the San Bernardino City Unified School District has properly accounted for the expenditures of the funds held in the Bond Building Fund and that such expenditures were made on authorized bond projects. Further it was noted that the funds held in the Bond Building Fund and expended by the district were not expended for salaries of school administrators or other operating expenditures.

The financial audit confirmed that the financial statements for fiscal year ending June 30, 2011, presented fairly in all material respects, the financial position and results of operations for the San Bernardino City Unified School District as of June 30, 2011, in conformity with accounting principles generally accepted in the United States of America. There were no findings nor questioned costs related to the financial audit of the Measure T Building Funds for the year ended June 30, 2011.

Bond Spending by

Project and Issue

The table below indicates a breakdown of \$110.2 million in bond expenditures for each project. The projects are organized by type (New Campuses, Special Day Classroom Additions, Modernizations and Other Projects) and are listed alphabetically by school name. Bond funds were used for expenditures against 132 projects. In many cases, these bond expenditures have been leveraged against matching funds from the State and local Developer Fees.



New Campus	\$61,964,600.65 m	56%
SDC	\$15,268,546.03 m	14%
Modernization	\$17,209,267.95 m	16%
Other Projects	\$15,742,836.89 m	14%
Grand Total	\$110,185,251.52 m	100%

New Construction Projects

ID	PROJECT NAME	TOTAL
C03	ANTON ES #45	\$5,969,753.22
C32	BURBANK II ES #54	\$65,662.00
C79	CAPTAIN LELAND F. NORTON ES #52	\$3,886.00
C66	CHAVEZ MS	\$2,854,190.06
C67	CURTIS MS	\$14,491,058.89
C76	DR. MILDRED D. HENRY ES #49	\$38,460.53
C80	GEORGE BROWN JR. ES #53	\$58,888.89
C78	GRACIANO GOMEZ ES #51	\$223,298.30
C81	H. FRANK DOMINGUEZ ES #54	\$36,703.16
C05	HIGHLAND/CYPRESS ES #50	\$11,250.00
C82	INDIAN SPRINGS HS #8	\$136,404.33
C02	JONES ES #46	\$8,195,677.46
C98	LANKERSHIM ES - Addition	\$27,345.81
C94	LINCOLN ES - Addition	\$33,672.23
C65	LINCOLN II No. ES #44	\$27,900.00
C07	LINCOLN II So. ES #52	\$265,587.62
C83	LITTLE MOUNTAIN ES #55	\$10,008.06
C99	LYTLE CREEK ES - Addition	\$198,272.16
C09	MIDDLE COLLEGE HS	\$395,212.85
C95	MUSCOY MS - Addition	\$33,262.07
C84	PAKUMA K-8 #56	\$10,655.91
C10	RODRIGUEZ PREP ACADEMY ES #47	\$11,482,774.47
C96	VERMONT ES - Addition	\$47,080.92
C97	WILSON ES - Addition	\$240,990.97
C26	WILSON II ES #53	\$145,439.89
C01	WONG ES #48	\$16,961,164.85
	New Construction Projects Subtotals	\$61,964,600.65

SDC Projects

ID	PROJECT NAME	TOTAL
C45	ARROWVIEW MS	\$971,302.18
C37	BARTON ES	\$1,273,257.00
C51	BRADLEY ES	\$45,853.55
C49	CAJON HS	\$1,151,763.58
C52	CYPRESS ES	\$81,326.42
C46	DEL VALLEJO MS	\$1,401,495.94
C60	GOLDEN VALLEY MS	\$1,124,912.26
C39	HIGHLAND PACIFIC ES	\$8,038.93
C53	HILLSIDE ES	\$2,065.29
C40	HUNT ES	\$2,359.36
C47	KING MS	\$1,336,566.58
C100	LANKERSHIM ES	\$3,445.68
C101	LINCOLN ES	\$3,440.96
C102	LYTLE CREEK ES	\$3,440.98
C103	MUSCOY ES	\$3,440.97
C63	PACIFIC HS	\$1,111,782.51
C56	PALM AVENUE ES	\$1,141,308.32
C57	RIO VISTA ES	\$3,300.17
C50	SAN BERNARDINO HS	\$1,228,644.10
C64	SAN GORGONIO HS	\$1,369,256.08

SDC Projects continued

ID	PROJECT NAME	TOTAL
C48	SERRANO MS	\$1,489,518.10
C62	SHANDIN HILLS MS	\$1,508,586.15
C104	VERMONT ES	\$3,440.92
	SDC Projects Subtotals	\$15,268,546.03

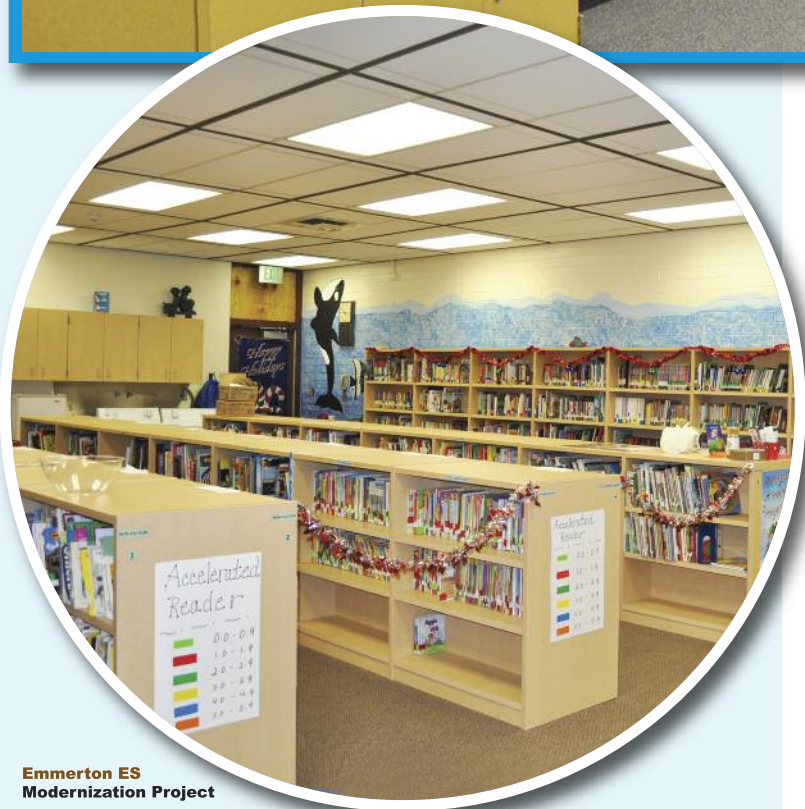
Modernization Projects

ID	PROJECT NAME	TOTAL
M03	ANDERSON SPECIAL ED.	\$9,482.46
M04	ARROWHEAD ES	\$42,293.44
M05	ARROWVIEW MS	\$1,238,554.66
M06	BARTON ES	\$35,169.23
M07	BELVEDERE ES	\$557,412.15
M49	BRADLEY ES	\$30.00
M08	BURBANK ES	\$48,757.48
M09	CAJON HS	\$2,733,031.42
M11	CARMACK ES	\$43,018.02
M13	CURTIS MS	\$1,047,189.24
M14	CYPRESS ES	\$15.46
M02	DEL VALLEJO MS	\$2,412,660.96
M15	EMMERTON ES	\$28,165.91
M16	FAIRFAX ES	\$1,625.93
M17	GOLDEN VALLEY MS	\$341,142.59
M18	HIGHLAND PACIFIC ES	\$3,247.00
M19	HILLSIDE ES	\$2,877.00
M20	HUNT ES	\$433,172.08
M21	INGHRAM ES	\$710.00
M23	KIMBARK ES	\$434,469.44
M01	KING MS	\$2,061,815.75
M24	LANKERSHIM ES	\$67,922.02
M25	LINCOLN ES	\$46,770.19
M26	LYTLE CREEK ES	\$4,127.00
M27	MONTEREY ES	\$13,187.08
M28	MUSCOY ES	\$242,413.36
M30	NEWMARK ES	\$49,236.90
M31	NORTH PARK ES	\$70,761.83
M32	OEHL ES	\$140,641.24
M47	PACIFIC HS	\$880.00
M35	RILEY ES	\$76,985.67
M10	SALINAS ES	\$96,934.75
M51	SAN ANDREAS HS	\$3,988.35
M38	SAN BERNARDINO HS	\$419,771.04
M39	SAN GORGONIO HS	\$2,173,963.77
M40	SERRANO MS	\$1,715,106.59
M41	SHANDIN HILLS MS	\$218,413.51
M52	SIERRA HS	\$895.00
M42	THOMPSON ES	\$385,700.79
M43	URBITA ES	\$0.00
M46	WARM SPRINGS ES	\$5,049.01
M45	WILSON ES	\$1,679.63
	Modernization Projects Subtotals	\$17,209,267.95

Continued on page 9

Continued from page 8

Other Projects		
ID	PROJECT NAME	TOTAL
P16	ARROWVIEW MS - 21st Century Classroom	\$27,254.35
P18	ARROWVIEW MS	\$50.00
C68	ARROYO VALLEY HS	\$1,500.00
C35	BARTON ES PORTABLES	\$193,023.18
C21	BARTON ES	\$501,576.40
C13	BELVEDERE ES	\$495,627.72
C34	CAJON HS PORTABLES	\$96,529.48
P21	CAJON HS	\$6.00
C75	CHAVEZ MS	\$1,629,173.32
P19	CURTIS MS	\$6.00
C20	DAVIDSON ES	\$473,920.31
N/A	DEFERRED MAINTENANCE	1,055,657.74
C14	DEL ROSA ES	\$489,347.90
P26	DEL VALLEJO MS HVAC	\$2,700.00
C33	DEL VALLEJO MS PORTABLES	\$265,330.92
C08	GOLDEN VALLEY MS - Admin/Lib Replacement	\$1,300,500.00
Growth	GROWTH PROJECTS	\$68,270.45
C22	HIGHLAND PACIFIC ES	\$471,702.19
C17	INGHRAM ES	\$494,634.30
C25	KENDALL ES	\$503,102.51
P28	KING MS HVAC	\$2,800.00
C12	LANKERSHIM ES	\$479,817.88
C18	LYTLE CREEK ES	\$496,893.53
C16	MUSCOY ES	\$496,329.65
C24	NEWMARK ES	\$487,168.75
P11	PACIFIC HS	\$9,193.83
P09	PALM AVENUE ES	\$63,982.07
C23	PARKSIDE ES	\$475,751.69
N/A	PROGRAM CONTRACTS	3,337,368.61
C11	RIO VISTA ES	\$473,609.48
P14	RODRIGUEZ PREP MS PORTABLES	\$3,485.64
P10	SAN ANDREAS HS	\$14,747.96
P16	SAN BERNARDINO HS - 21st Century Classroom	\$22,594.06
P22	SAN BERNARDINO HS	\$28.74
P17	SAN BERNARDINO HS - Library	\$14,300.00
P20	SERRANO MS	\$50.00
P12	SHANDIN HILLS MS	\$60,502.09
P34	SHANDIN HILLS MS HVAC	\$2,500.00
C36	URBITA ES PORTABLES	\$260,102.11
C19	URBITA ES	\$478,201.40
C15	VERMONT ES	\$493,496.63
	Other Projects Subtotals	\$15,742,836.89
	GRAND TOTAL	\$110,185,251.516



**Emmertown ES
Modernization Project**



Arrowhead ES- Modernization Project

California Constitution

Statutory Requirements

On May 4, 2004, (Item 10.42) the Board of Education approved "Resolution of the Board of Education of the San Bernardino City Unified School District Establishing a Citizens' Bond Oversight Committee and Approving Form of Bylaws Thereof."

Section 3, Item 3.3 of the Citizens' Oversight Committee Bylaws:

3.3 Annual Report. The Committee shall present to the Board, in public session, an annual written report which shall include the following:

- a. A statement indicating whether the District is in compliance with the requirements of Article XXIIA, Section 1(b)(3) of the California Constitution.
- b. A summary of the Committee's proceedings and activities for the preceding year.

The text in the Article XIII A of the California Constitution states:

- a. A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1 (b)(3), and not for any other purpose, including teacher and administrator salaries and other school operating expenses.
- b. A list of the specific school facilities projects to be funded and certification that the school district board, community college board, or county office of education has evaluated safety, class size reduction, and information technology needs in developing that list.
- c. A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds been expended only on the specific projects listed.

COC Statement of District Compliance

The Citizens' Oversight Committee, based on the review of the annual financial and performance audit report and information received at the COC meetings, finds:

- The San Bernardino City Unified School District is in compliance with the requirements of Article XIII A, Section 1(b) (3) of the California Constitution

The Citizens' Oversight Committee members and officers wish to thank the San Bernardino City Unified School District Board, Superintendent and staff for their support and appreciate the opportunity to serve the taxpayers of the District and inform the public concerning the San Bernardino City Unified School District Measure T Bond.

Sheri Hundley
Citizens' Oversight Committee Chair

David Justice
Citizens' Oversight Committee Vice Chair

Locations of Major Construction Projects



Board of Education

Dr. Barbara Flores, President
 Mr. Michael J. Gallo, Vice President
 Mrs. Margaret Hill
 Mrs. Judi Penman
 Mrs. Bobbie Perong
 Mrs. Lynda K. Savage
 Mr. Danny Tillman

Interim Superintendent

Mrs. Yolanda Ortega

District Facilities M&O Administrators

Mel Albiso, Associate Superintendent
 John Peukert, Assistant Superintendent
 David Doomey, Interim Facilities Administrator
 Samer Alzubaidi, Facilities Director
 Ed Norton, Maintenance & Operations Director

Facilities Program Management Team

URS Corporation
 Keith Kajiya, Office Manager

Written and published by:

SAN BERNARDINO CITY
 UNIFIED SCHOOL DISTRICT
 Facilities Management Department

May 15, 2012