

**Annual Report to the
SRVUSD Board of
Education**

**Measure D
Facilities Oversight and
Advisory Committee**

February 2015

Facilities Oversight & Advisory Committee

The Facilities Oversight & Advisory Committee (the Committee) was chartered by the SRVUSD Board as a result of the passage of Measure D the \$260 million local school facilities bond measure that was approved by voters in November 2012. The measure passed with a "super majority" of over 55 percent of voters in favor in keeping with the requirements of Proposition 39.

Proposition 39 was passed by California voters in 2000 and one of its provisions was to reduce the threshold to pass a facilities bond from two-thirds to fifty-five percent. However, the lower threshold for passage mandates that a citizen's bond oversight committee be chartered to ensure that bond funds are properly expended. Proposition 39 also requires yearly independent financial and performance audits.

After passage of Measure D, the SRVUSD Board solicited applicants to be on the Committee. The goal was to have a diverse group of people who represented various segments of the community including:

- A member who is active in a business organization within the SRVUSD
- A member active in a senior citizen's organization;
- A member active in a bona fide taxpayers association;
- A parent/guardian of a child currently enrolled in SRVUSD and active member of a parent/teacher organization such as PTA or school site council.

The Board approved the following applicants on January 29, 2013 and the Committee's first meeting was on February 13, 2013. The Committee decided to create three subcommittees to deal with issues in their expertise areas. They are the Design Committee, Communications Subcommittee and Finance Subcommittee.

Name	Subcommittee
Don Birnbaum	Design & Communications
Jonathan Buckley	Communications & Finance
Terence Church	Communications
Jay S. Clark	Finance
Brian Corley	Finance
Margie Hart – Vice Chair	Design
Steven J. Hart	(resigned July 2014)
Donald Hofer	Finance
Chad Johnson	Design
Swamy Lokannadham	Design
Jonathan Lui-Kwan	Design
Karen McNamara	Design
Steve Mick - Chair	
Michael Smith	Communications & Finance
Jamie Van Randwyk	(appointed August 2014)
Dwight Winn	Finance

SRVUSD Board Charge to the Committee:

- Provide oversight of Measure D projects and expenditures
- Review current and future SRVUSD facilities plans, including master plans, and provide recommendations to the Board and district management on the priority of implementation
- Review and make recommendations related to district standards for its facilities that reflect facility modifications in order to better align with the needs of 21st Century teachers and learners
- Work with the facilities and business staff on the development of a comprehensive list of facilities priorities that would require additional revenue sources
- Review and recommend solutions for the proper protection of the community's investment in facilities and maintenance.

A Master Program Budget of Measure D projects is attached to this report.

Committee Training and Education

SRVUSD Facilities staff are to be highly commended for their efforts to ensure that the Committee members were introduced to the intricacies of school facility administration as well as proper procedures for the expenditure of public funds.

Staff presented a comprehensive introduction to the Brown Act, California's open meeting law and to the legal Requirements of Proposition 39, the School Facilities Local Vote Act of 2000. Committee members were provided with the 2012 Contra Costa Grand Jury Report, "*School Bond Oversight Committees - Raising the Bar.*"

The Committee Chair is a member of the Contra Costa Taxpayers Association and has attended two Statewide Conferences sponsored by the California League of Bond Oversight Committees (CaLBOC).

The Measure D General Obligation Bond

District facilities staff and the Committee are at the very beginning of a multi-year process to expend the bond proceeds so as to provide the most cost-effective learning environment for students. The first of four bond sales was completed in February 2013 with net proceeds of \$75 million. As of June 30 2014, \$5.6 million of this amount has been expended. As facilities construction ramps up, the amount of expenditures will greatly increase. Bond sales are projected to occur in four stages over the next 6 to 8 years.

As noted, Proposition 39 requires yearly independent financial and independent performance audits. The firm of Vavrinek, Trine, Day & Co., LLP was engaged to conduct these audits. Their audit reports for fiscal year ending June 30, 2014 were presented to the Committee at the January 28th meeting. In summary, the **financial audit** was conducted in conformity with generally accepted accounting principles. There were no findings or questioned costs. The **performance audit** was conducted in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*. There were no findings or questioned costs. The Committee voted to approve these audits.

In addition, the Committee has reviewed and approved all budget changes presented by the district staff.

State Support of Education

Indications are that the California Governor is not favorable toward the state incurring new debt to build schools. His most recent budget decreased the state's role in paying for new classrooms and modernizing existing ones. He does not plan to include any significant new money for school facilities in the new budget, but will seek increased flexibility for local funding measures, as well as changes in law to provide future funding for certain facilities.

In response to this position, an effort has been launched to qualify a \$9 billion school bond measure (Kindergarten Through Community College Public Education Facilities Bond Act of 2016) for the November 2016 election. At this writing, the initiative is pending at the California Attorney General's Office.

Enrollment projections

The firm of Davis Demographics & Planning, Inc. (DDP) was commissioned to provide a report on enrollment projections for the 2013 to 2020 time frame. This tasking required the creation of mapping database, performing a mobility study, ascertaining area development projects and plans, factoring in birth rate data and then developing the projections. The DDP enrollment report was presented to the Committee in January 2014.

The enrollment report is highly detailed. The 2013 student enrollment (TK-12) is 31,377. The projected 2020 enrollment is 36,765. This is an increase of 5,388 student (17%) .

DDP's summary states that enrollment is projected to continue to increase over the timeframe. Growth is expected district-wide with the largest growth in residential areas. Over 4000 homes are expected to be built and occupied over the projection timeframe.

The Faria Preserve development has been approved by the San Ramon City Council. This development will add 740 new homes to San Ramon.

Growth in the district is driven by the simple fact that families want to move here in large part because of the stellar reputation of the school district. In point of fact, as this report was being prepared, Niche Rankings published their 2015 report. It ranked the SRVUSD as fourth-best out of 42 districts in the Bay Area and ranked SRVUSD 20th in its list of Best School Districts in California, out of 100 eligible school districts.

Stone Valley Middle School Modernization and Reconstruction

The modernization of Stone Valley Middle School (SVMS) has been on the "to do" list for a number of years. It is recognized as one of the schools in the district where major remodeling is a clear requirement. This modernization is a high priority to the district.

A Design Kickoff meeting was held April 23, 2014 attended by some members of the Committee.

On August 20, 2014 the SVMS project was on the meeting agenda of the Committee. A number of residents attended this meeting and voiced opposition to the two-story design as recommended by the design committee. In light of the community's input, the Committee voted to direct staff to investigate and assess additional designs. The emphasis would be to mitigate the two story design or change the design to one of all single story construction. Several residents commented that insufficient notice was given regarding the SVMS design.

This design review was carried out and the results were presented to the Committee at a special meeting at Stone Valley Middle School on November 19, 2014. A number of designs were considered and offered for the Committee's discussion. These designs ranged from all single-story, a hybrid design with one- and two-story construction, and several two-story designs with different levels of height mitigation. As before, a large number of residents attended, the majority of whom opposed all two-story or hybrid designs. The Committee had a lengthy discussion on the merits of all designs and voted to recommend a two-story design to the school board. The school board voted to approve the SVMS design as recommended by the Committee on December 9, 2014.

The Committee appreciates and thanks the community for their high degree of interest and involvement. This project, like many others, is greatly enhanced by the community's participation in the design process.

New Elementary School in Dougherty Valley

The groundbreaking ceremony for the Bella Vista elementary school in Dougherty Valley was on October 8, 2014. As of this writing, building footings, underground utilities, and the Hibiscus Road entrance retaining wall are in construction. The estimated completion date is fall 2016.

Twin Creeks Elementary School Administration Building

The Committee held a school site tour at Twin Creeks on September 17, 2014. Staff presented plans for modernization of the administration building. It is recognized that the entire school needs a complete modernization, however enrollment numbers were unpredictable due to planned housing developments in the area. Staff decided to renovate the administration building since it also needed upgrade regardless of enrollment numbers.

Meeting Schedule of the Facility Oversight Advisory Committee

The district is just beginning a vigorous construction and renovation effort. It is anticipated that significant issues will arise with greater frequency. We have already seen the need to call a special meeting regarding SVMS. The current Committee meeting schedule is quarterly and it is recommended that the newly appointed Committee meet every two months. Of course, the incoming committee, along with staff, will need to assess and approve this recommendation.

Public Notification Issues

Elizabeth Graswich, the new director of Communications and Community Relations, reported to the Committee at our January 28th meeting and described several initiatives to enhance public awareness of the Measure D Bond and of the facilities projects throughout the district. This will also ensure that appropriate and adequate notice is conveyed to the public regarding facility issues.

Summary

In the opinion of the Committee, the District staff continues to adhere not only to the intent, but also to the spirit, of Measure D and exercises diligent stewardship of the bond funds. The Committee also appreciates the support and commitment of the community to help provide quality education for our students. It is our pleasure to report that the facilities of the District have been administered wisely and well.

The public is invited to visit the SRVUSD website and review the wealth of information on the Measure D Bond projects and the activities of the Committee. The public is also encouraged to attend and speak at the Committee meetings.

Reference documents

Grand Jury Report 1208 "School Bond Oversight Committees - Raising the Bar" is available on the Contra Costa County website: www.cc-courts.org

The California Legislative Analyst's Proposition 39's ballot description is available at: <http://vote2000.sos.ca.gov/VoterGuide/pdf/39.pdf>

Financial and Performance Audits are available on the SRVUSD website: http://www.srvusd.net/measure_d

Also on the SRVUSD website is a list of Measure D projects and project estimates. This list is available under Quick Links - Measure D Facilities Bond.

San Ramon Valley Unified School District
Measure D Master Program Budget



FUNDING										
Fiscal Period	Local Funding			State Funding			Interest Income	Total Per Fiscal Year		
	Measure D Bond	Developer Fee	Other Local	State Match	CTE Grant	Prop 39	Other State	Interest Income	Total Per Fiscal Year	
Prior Fiscal Years										
Fiscal Year 2012-2013	74,085,000							85,831	75,080,831	
Fiscal Year 2013-2014								211,331	211,331	
Fiscal Year 2014-2015	60,000,000		800,000					50,460	60,850,460	
Fiscal Year 2015-2016									-	
Fiscal Year 2016-2017	65,000,000								65,000,000	
Fiscal Year 2017-2018									-	
Fiscal Year 2018-2019									-	
Fiscal Year 2019-2020									-	
Fiscal Year 2020-2021	60,005,000								60,005,000	
Anticipated					922,910	4,300,000		2,381,540	7,604,450	
Total Funding	\$ 282,095,000	\$ -	\$ 800,000	\$ -	\$ 922,910	\$ 4,300,000	\$ -	\$ 2,728,182	\$ 288,752,072	
BUDGETS through 12/1/14 - EXPENDITURES through 1/21/15										
Proj ID	Project	Measure D Funding	State Funding	Other Funding	Preliminary Budget	Revised Budget	Unspent Encumbrance	Expensed To Date	Remaining Budget	Percentage Complete
0504	Sella Vista	31,709,919		800,000	28,583,312	32,509,919	27,348,527	2,786,620	2,394,572	9%
0523	SRVHS Bleachers	2,020,000			2,116,801	2,020,000	5,181	1,777,905	236,914	88%
0526	DVHS Classroom Building	9,916,277			9,916,277	9,916,277	258,639	483,700	9,173,938	9%
0526	DVHS GTAI	922,910	922,910		1,846,620	1,846,620	-	-	1,846,620	0%
0521	Upgrade Electrical Multiple Sites	341,395			609,205	341,395	11,285	141,385	188,652	41%
0518	Neil Armstrong Seismic	2,229,347			2,463,354	2,229,347	121,949	1,730,085	387,313	77%
0519	MVHS Seismic	1,550,052			1,550,052	1,550,052	47,296	179,072	1,323,652	12%
0528	SRVHS Pool Solar	308,950			308,950	308,950	-	43,855	269,095	14%
0522	Del Amigo Replace Fire Alarm and Intercom	168,940			266,740	168,940	8,817	33,524	88,589	55%
0525	Cal High Bleachers	1,494,200			1,494,200	1,494,200	716,345	205,330	572,525	14%
0524	MVHS Bleachers	1,675,800			1,675,800	1,675,800	1,132,495	31,772	512,531	2%
0532	Los Cerritos Renovate Restrooms	389,680			757,080	389,680	-	-	389,680	0%
0533	DVMS Special Ed Restroom	271,600			271,600	271,600	-	-	271,600	0%
0534	Tassajara Hills Relocatable Renovation	243,880			243,880	243,880	-	19,700	224,180	8%
0536	Cal High Pedestrian Bridge	293,600			293,600	293,600	6,883	1,297	289,450	0%
0501	SVMS	35,657,470	750,000		37,407,470	37,407,470	6,195	175,631	37,224,682	0%
0517	Wall Disney Seismic	1,560,642			1,560,642	1,560,642	77,158	205,540	1,277,944	13%
0531	Cal Modernize Commons and Kitchen	2,145,800			2,145,800	2,145,800	-	243	2,145,557	0%
0539	Twin Creeks Modernization	7,953,747	300,000		8,253,747	8,253,747	57,346	287,475	7,968,927	3%
0510	Vista Grande Modernization	4,773,077	250,000		5,023,077	5,023,077	-	-	5,023,077	0%
0511	Rancho Romero Modernization	6,801,148	250,000		7,051,148	7,051,148	-	-	7,051,148	0%
0538	Cal High Science Modernization	4,757,197	300,000		4,757,197	4,757,197	-	36	4,757,161	0%
0512	Golden View Modernization	9,251,160	300,000		10,251,160	10,251,160	-	-	10,251,160	0%
0513	Montevideo Modernization	8,705,162	300,000		8,705,162	8,705,162	-	-	8,705,162	0%
0530	Alamo Modernize Two Classrooms	417,900			417,900	417,900	-	-	417,900	0%
0514	Green Valley Modernization	5,963,537	300,000		5,963,537	5,963,537	-	-	5,963,537	0%
0515	Sycamore Valley Modernization	9,696,114	300,000		9,696,114	9,696,114	-	-	9,696,114	0%
0516	Charlotte Wood Modernization	11,187,598	300,000		11,187,598	11,187,598	-	-	11,187,598	0%
0507	SRVHS Classroom Building Phase 1	25,443,202	250,000		25,693,202	25,693,202	-	-	25,693,202	0%
0537	ADA Upgrades District-Wide	1,175,770			1,175,770	1,175,770	33,921	115,218	1,023,631	10%
0529	Energy Management Systems	1,705,050	300,000		1,705,050	1,705,050	185,624	321,539	1,197,887	19%
0527	Security Cameras	1,010,400			1,010,400	1,010,400	9,245	3,915	997,240	0%
CRTECH	CR and Infrastructure Technology	7,500,000			7,500,000	7,500,000	117,758	2,719,415	4,682,625	36%
0520	SRVHS Replace Fire Alarm	654,350			654,350	654,350	-	-	654,350	0%
0535	Tassajara Hills Land Purchase	684,250			684,250	684,250	-	-	684,250	0%
0540	Proposition 39 Energy Projects	-	400,000		400,000	400,000	-	-	400,000	0%
0538	SRVHS Classroom Building Phase 2	20,000,000			20,000,000	20,000,000	-	-	20,000,000	0%
0539	MVHS Classroom Building	-			-	-	-	-	-	0%
Projects Subtotal		\$ 226,441,094	\$ 5,222,910	\$ 800,000	\$ 223,751,255	\$ 226,464,094	\$ 30,144,598	\$ 11,297,462	\$ 185,021,944	8%
0500	Measure D Program Expense	13,065,250			13,065,250	13,065,250	52,266	860,883	12,152,101	7%
	Construction Cost Escalation	28,689,000			32,203,000	28,689,000				
	Program Loss Reserve									
Program Expenses Subtotal		\$ 41,754,250	\$ -	\$ -	\$ 45,268,250	\$ 41,754,250	\$ 52,266	\$ 860,883	\$ 12,152,101	
Total Project & Program		\$ 262,195,344	\$ 5,222,910	\$ 800,000	\$ 269,019,505	\$ 268,218,254	\$ 30,196,864	\$ 12,158,345	\$ 197,174,045	
Program Balance (Unassigned Budgets)				\$ 533,818						
Contingency projects - If funds are available										

P7 R7 X7 V7 Y7

- Under Construction
- Construction Complete
- In Design
- Project included if funds are available