

2016-2017 Citizens' Bond Oversight Committee Annual Report

COMMITTEE ESTABLISHED

The Rowland Unified School District ("District") was successful at elections conducted on June 6, 2006 in obtaining authorization from the District's voters to issue up to \$118 million of the District's general obligation bonds, and on November 6, 2012, authorizing the District to issue up to \$158 million in general obligation bonds (the 2006 and 2012 bond measures shall collectively be referred to as "Measure R"). The elections were conducted pursuant to Article XIII A, Section 1, subdivision (b)(3) of the California Constitution, which allows a 55% majority to pass the bond ("Proposition 39"). Pursuant to Section 15278 of the Education Code, the District is now obligated to establish an "independent citizens' oversight committee" in order to satisfy the accountability requirements of Proposition 39.

Committee Members

At this time there are five members on the Citizens' Bond Oversight Committee;

- Senior Organizations: Harry Peterson
- PTA and Parent Organization: Wendy Zhong
- PTA and Parent Organization: Natalie Moreno
- Community Members: Mike Wong and Nat Ornelas
- Two unfilled positions as of June 8, 2017

Purpose of Annual Report

Pursuant to the Bylaws of the CBOC, the Committee is charged with the responsibility to prepare regular reports in regards to its activities. This annual report shall include the following:

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

CBOC Activities

- Agendas of the regularly scheduled meetings were amended to include monthly updates related to construction issues, project progress, completion and financial updates to provide greater transparency and information to the CBOC and the public.
- The CBOC attended the Grand Opening of the Nogales Revival project. It was wonderful to see how the community and students responded to their updated campus. The last time the CBOC was at the site was when the project was being punch listed. The CBOC

will continue with site walks in the next school year to monitor the upcoming construction projects throughout the district.

- The CBOC regularly meets with the Construction Manager (CM) from Ledesma & Meyer on the various phasing plans, construction updates and budgetary matters of the Rowland High School project. At every meeting they have provided updates on the construction and planning so that any potential issues that could arise are dealt with before they could become a financial liability. They always answer our questions, explain things thoroughly when clarification is needed. Whenever additional reporting or information is requested, they provide it in a timely manner.
- The CBOC met with the Architects from Ziemba and Prieto to discuss the Oswalt project and the future construction of the F and H buildings at Nogales.
- The CBOC witnessed a stakeholder meeting at Oswalt. CBOC has been made aware of the traffic study that has been approved, this will insure that our school neighbors will be able to go in and out of the area during construction.
- The Accountants of Nigro & Nigro sought the Bond Oversight's input on the 2015-2016 Bond Audit by interviewing the committee Chair. The CBOC is secure in their knowledge that the input from the CBOC will continue to be used to determine the parameters for the upcoming 2016-2017 Financial and Performance Audits.
- The Nogales Revival project had a change order of 14 percent. The CBOC demanded an extensive reporting as to the Who, What, Why and How this happened. The CBOC has been walked through the reasoning and necessity. It is nice to say that even with this set back the project still completed on time and under budget. The CBOC has been questioning and reviewing how RUSD will see to it that, there will not be a repeat of this percentage. Staff and the Construction Manager have been constantly reviewing and updating plans so that any issues are handled before construction begins.
- The Bond Oversight Committee continues to work with Nigro & Nigro to develop a financial report to close out the 2006 Bond. While this is not required by either policy or law, the CBOC in partnership with the district, feel that it is something that should be done to conclude the bond. There have been many changes in Committee members, Vendors and District staff in the past decade. The CBOC has not decided on the parameters or the depth of the report at the time of this reporting. While the CBOC would like it to be thorough; the CBOC is also keeping in mind the price of the final report.

- The CBOC has worked with staff to update the Bylaws, to help assist in recruiting other members. These new Bylaws were recently approved by the Board of Education. As a result of the recent amendment to the Bylaws, recruitment occurred, interviews have been held and a recommendation to fill the two vacant positions will be presented to the Board on June 13, 2017. Upon approval of the two candidates by the Governing Board, there will be a full Citizens' Bond Oversight Committee.
- The CBOC has had training to assist members in becoming more knowledgeable, this will help the CBOC to better serve our community.
- In the past year the CBOC has been trained on: construction bidding and district purchase process. Our Chair was able to observe the process. The CBOC now knows, thanks to our chair, that all warrants are posted on the school district web site. Navigating the CALBOC website has been made easier due to the training that Harry Peterson has provided.
- The committee learned of the capabilities and reporting features of the COLBI financial reporting system utilized by the district. Based on this information, customized reports were provided regularly to the CBOC.
- This year CBOC attended the 6th Annual CalBOC conference in Sacramento. The CBOC was able to meet with different School District Staff and Bond Oversight members. This conference has been beneficial to the continual training and growth of the Rowland Unified CBOC. In speaking with other districts it was highly refreshing to see that RUSD is a cut above from most of the districts there. The CBOC is not facing nearly as many struggles with Bond Construction or funds as other Districts in the State.

Recommendations

Approve the recommendation of the two new candidates for the vacant positions on the CBOC at the June 13 Governing Board Meeting.

In order to be compliant with Education Code 15282 (a), as the CBOC was not compliant in the 2016-17 school year, it is recommended the CBOC maintain a full complement of members on the CBOC with expanded recruitment efforts to include social media, personal contacts, and other means.

The CBOC reviewed and discussed performance audits with a review and discussion of the Effectiveness and Efficiency audits that are strongly recommended by CalBOC and other

advocates of improving Bond Oversight Committees. Provide CBOC members all materials for their regularly held meetings one week prior to the meeting.

Post all district and vendor produced materials to the District website following CBOC meetings.

Conclusion

Based on the information provided to the CBOC, the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.