



NEWARK UNIFIED SCHOOL DISTRICT CITIZENS' BOND OVERSIGHT COMMITTEE

CBOC ANNUAL REPORT 2016-2017

LETTER FROM THE CHAIR

Dear Community Members,

As Chair of the Newark Unified School District's Citizens' Bond Oversight Committee it is my pleasure to present the *Fourth Annual Report* of the Measure G Bond Program.

The Bond provides a local funding source approved by the Newark voters in November of 2011. The purpose of the Committee is to inform the public concerning the expenditures and uses of Measure G bond proceeds. The Committee's legal charge is to actively review and report on the expenditures of taxpayer money for school construction.

Voters approved \$63 million in bond authority for the Measure G Bond Program in an effort to preserve quality education, provide safe and modern schools, and qualify for matching funds. In the past five years, Newark Unified School District planned, designed and constructed projects towards updating aging facilities to meet earthquake/fire/safety standards; improve access for students with disabilities; remove asbestos, lead and hazardous materials; and improve energy/operational efficiency to maximize funding for instructional programs. Today, these efforts continue and projects are planned for the coming year.

The Citizens' Bond Oversight Committee is currently made up of eight members. This committee meets on a quarterly basis to monitor the progress of Measure G projects. The meetings are open to the public and the schedule for the meetings, along with other pertinent information about the committee and the Measure G Bond Program, can be found on the Newark Unified School District website at:

<http://www.newarkunified.org/CBOC>.

Based on the review and observations of the Citizens' Bond Oversight Committee, we find that the Newark Unified School District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution and that funds are being used for the purposes specified in the ballot language.

Sincerely,

Cindy Parks

TBA, 2018

Citizens' Bond Oversight Committee Chair



NEWARK
UNIFIED SCHOOL DISTRICT

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CITIZEN'S BOND OVERSIGHT COMMITTEE

Cindy Parks, Chair

Marek Yarbrough, Vice-chair

Cary Knoop, Secretary

Olga Borjon¹

Christine Clinton¹

Jack Dane

Dat Haba²

Adam Modzeleski

Yoana Navarro¹

Betty Williams²

¹Joined after 2016-2017 reporting year

²Resigned

THE MISSION AND PURPOSE OF THE CBOC

The shared vision of the Citizens' Bond Oversight Committee and the Newark Unified School District is to build and maintain schools that promote the full development of children, are educationally and environmentally sound and enhance surrounding neighborhoods positively.

The mission of the Committee is to oversee program and project expenditures for the construction, repair and modernization of schools in accordance with California law and as required by Bond Measure G ballot language.

The Committee is charged with the responsibility of communicating its findings and recommendations to the District and the public as it reviews information to ensure that the bond funds, authorized by the local voters through Measure G, are expended per ballot language and in a wise and efficient manner.

BOND SYNOPSIS

In November of 2011, citizens of Newark voted to pass Measure G, a \$63 million general obligation bond, to assist with capital improvements at 12 of the 13 Newark Unified School District school campuses. The Bond funds will address safety and health concerns for the children at each of the 12 school sites and will help improve the learning environment through construction, repair and renovation of building, site and technology infrastructure.

GENERAL PROGRAM SCOPE

The program scope includes construction projects for replacement of deteriorated roof systems, HVAC units (Heating, Ventilation and Air Conditioning), including the Energy Management System (EMS) and Asphalt Concrete Pavement at the Hardcourt Play Areas. In addition, projects are addressing technology, safety and security with upgrades for access compliance, security cameras and public address systems.

The extent of improvement will vary based on needs of each site.

CBOC ACTIVITIES

In the financial year 2016-2017 the CBOC had four regularly scheduled meetings, two special meetings to inspect the school facilities and grounds and one special meeting to discuss and vote on the 2015-2016 CBOC Annual Report. The average member attendance rate was 79%.

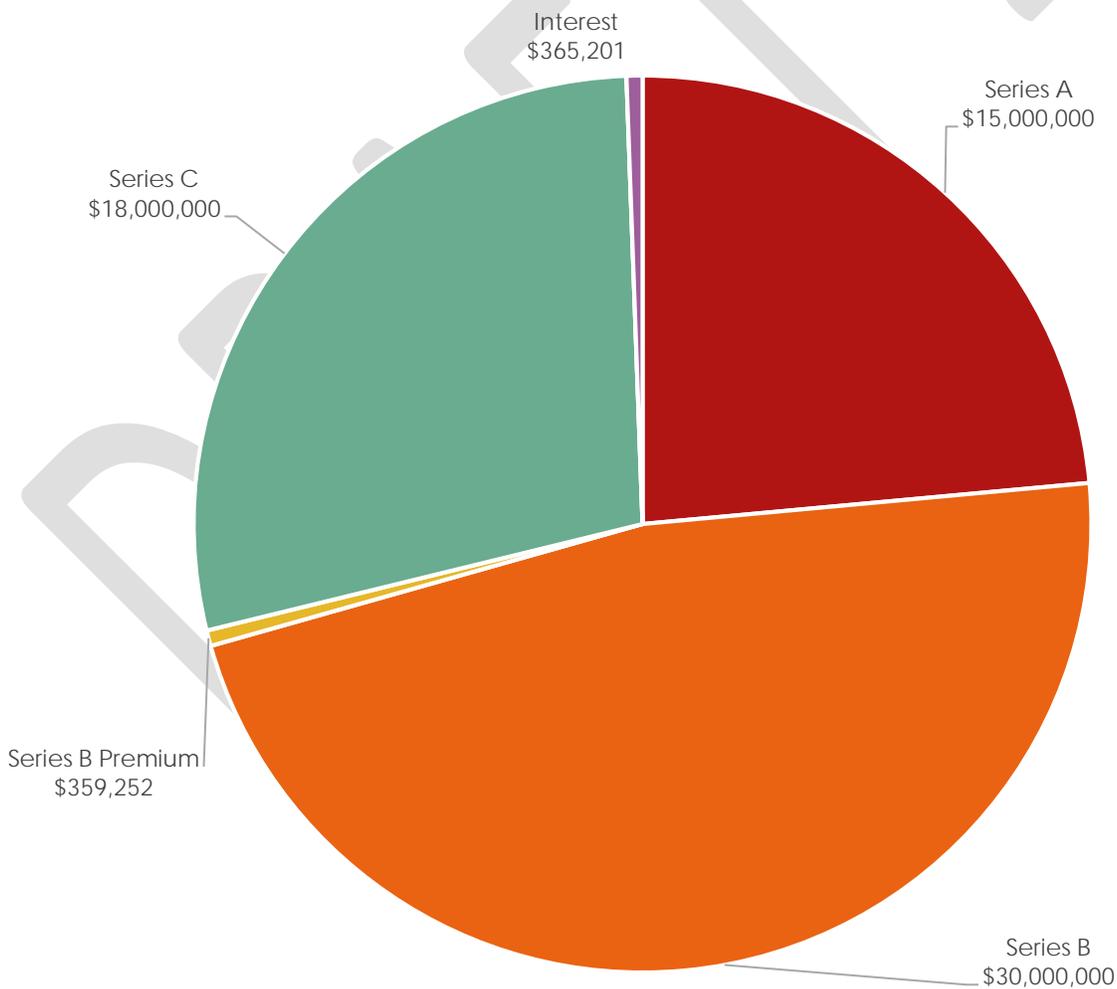
During the financial year the CBOC reviewed the quarterly financial and project reports and asked questions on matters it needed clarification on.

MEASURE G BOND SALE

Sale	Amount	True Interest Cost
Series A	\$15,000,000	3.89%
Series B	\$30,000,000	4.31%
Series B Premium ¹	\$359,252	
Series C	\$18,000,000	2.53%
Series C Premium ²	\$0	
Interest	365,201	
Total	\$63,724,453	

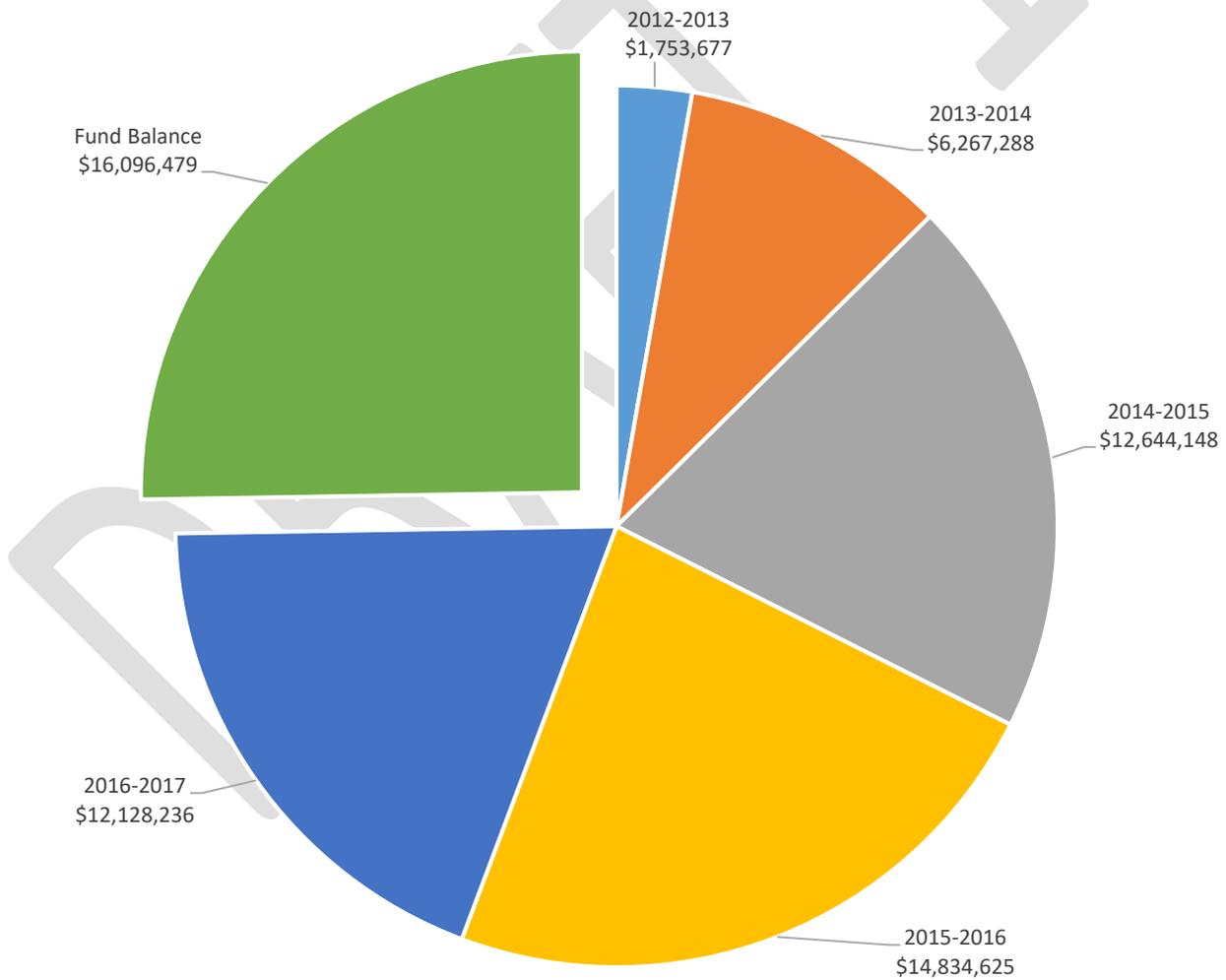
¹ Includes a \$10,748 transfer to the Bond Interest and Redemption Fund.

² Includes a \$1,539,636 transfer to the Bond Interest and Redemption Fund.



EXPENDITURES BY FINANCIAL YEAR

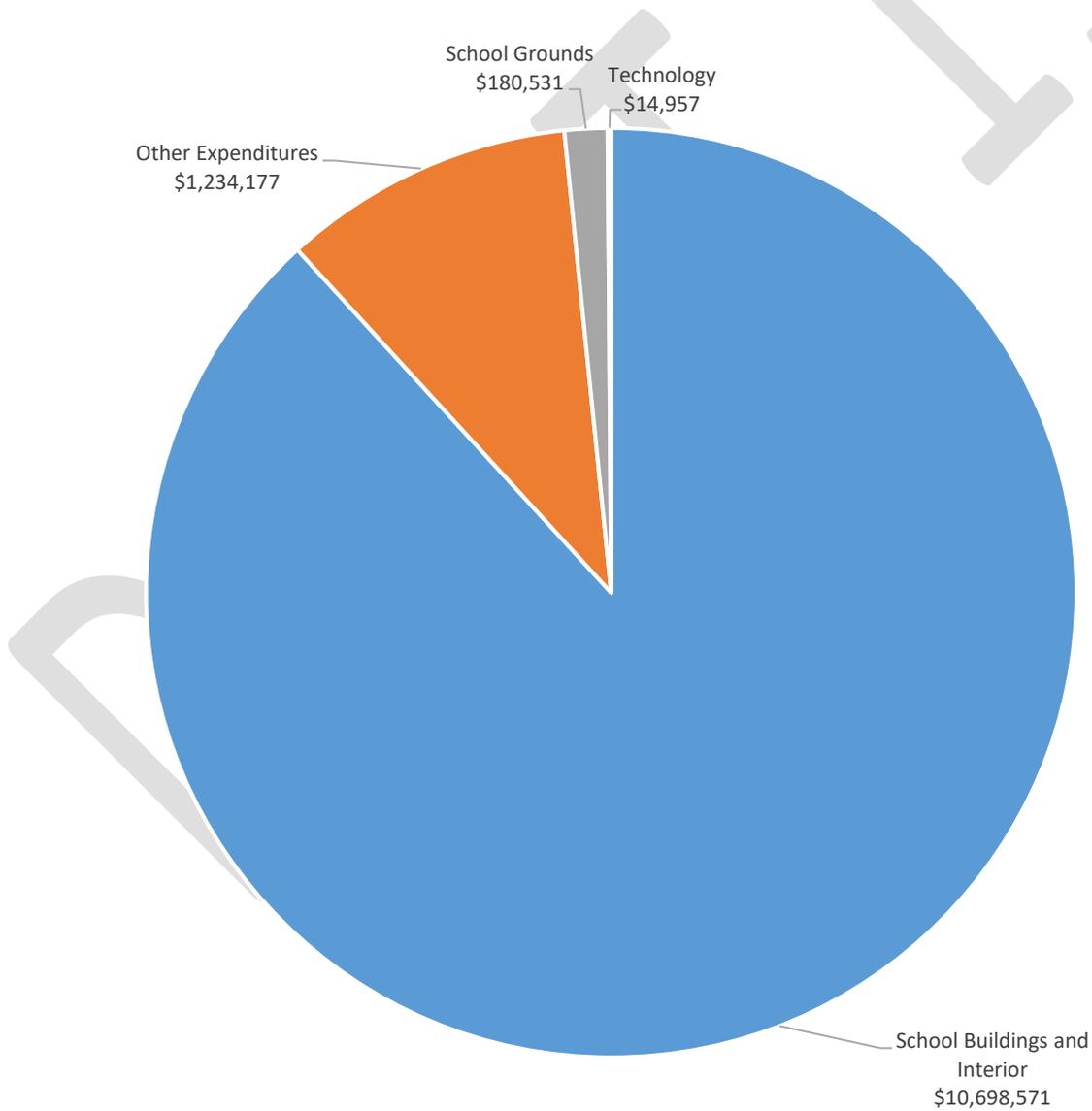
Year	Amount
2012-2013	\$1,753,677
2013-2014	\$6,267,288
2014-2015	\$12,644,148
2015-2016	\$14,834,625
2016-2017	\$12,128,236
Fund Balance	\$16,096,479
Total	\$63,724,453



EXPENDITURES 2016-2017

CATEGORIES

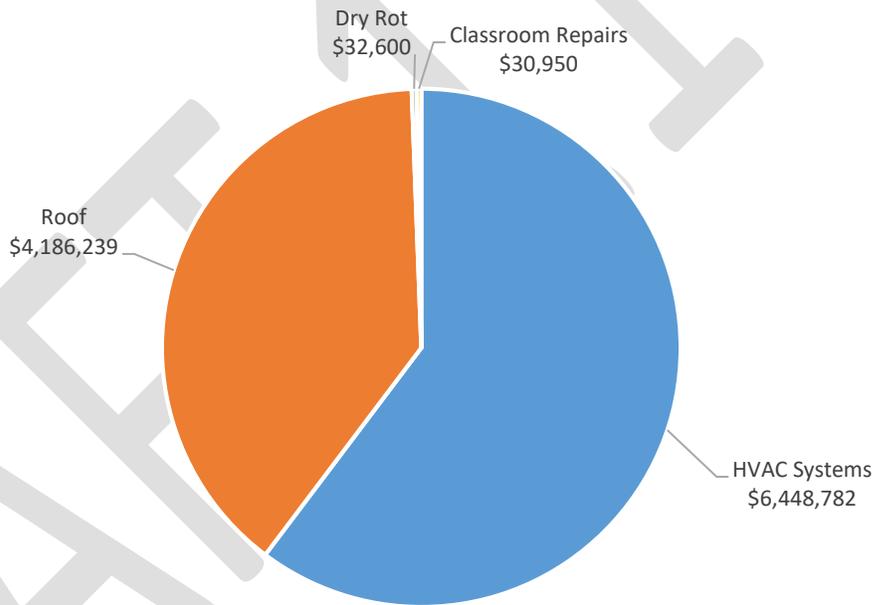
School Buildings and Interior	\$10,698,571
Other Expenditures	\$1,234,177
School Grounds	\$180,531
Technology	\$14,957
Total	\$12,128,236



BREAKDOWN

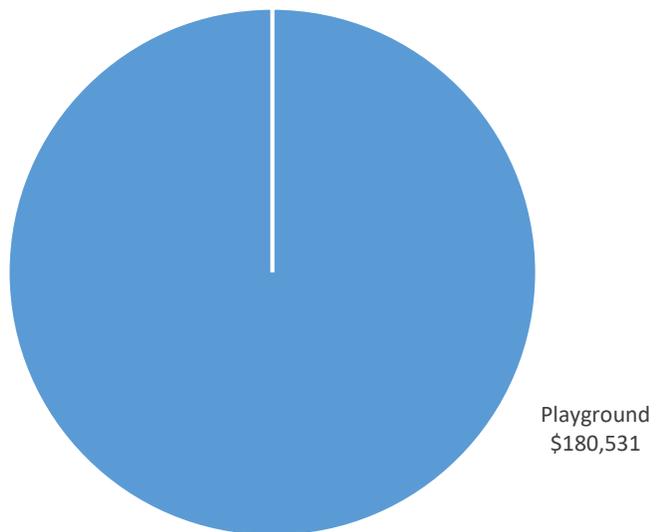
1. SCHOOL BUILDINGS AND INTERIOR

HVAC Systems	\$6,448,782
Roof	\$4,186,239
Dry Rot	\$32,600
Classroom Repairs	\$30,950
Total	\$10,698,571



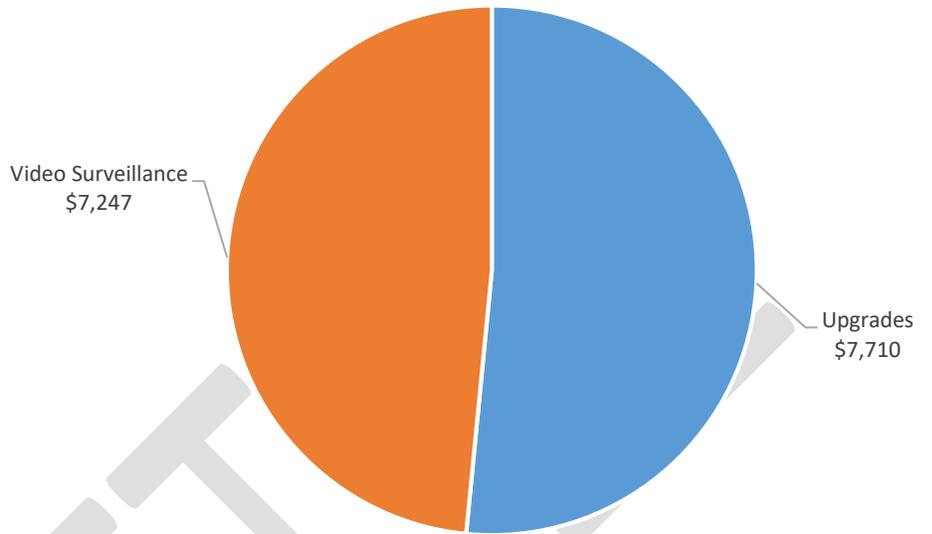
2. SCHOOL GROUNDS

Playground	\$180,531
Total	\$180,531



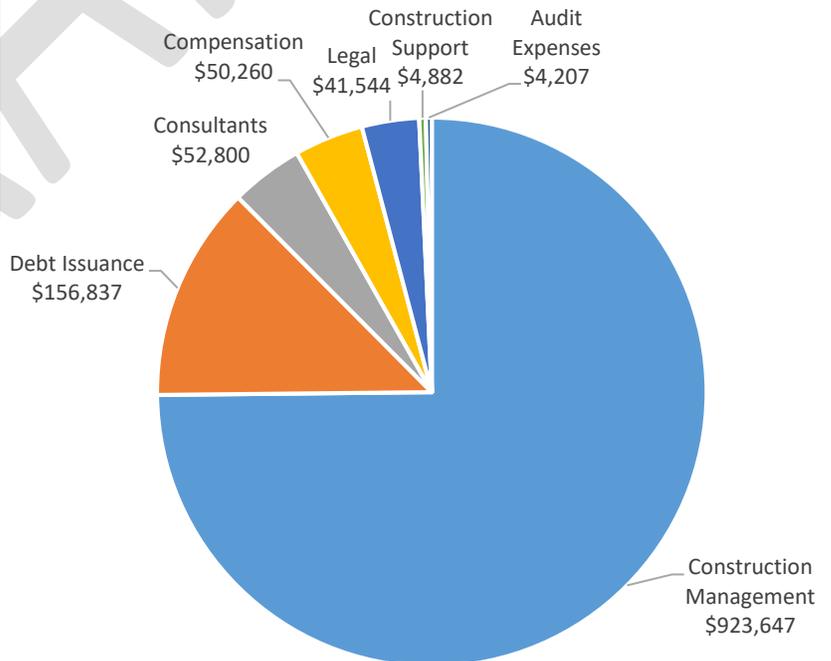
3. TECHNOLOGY

Upgrades	\$7,710
Video Surveillance	\$7,247
Total	\$14,957



4. OTHER EXPENDITURES

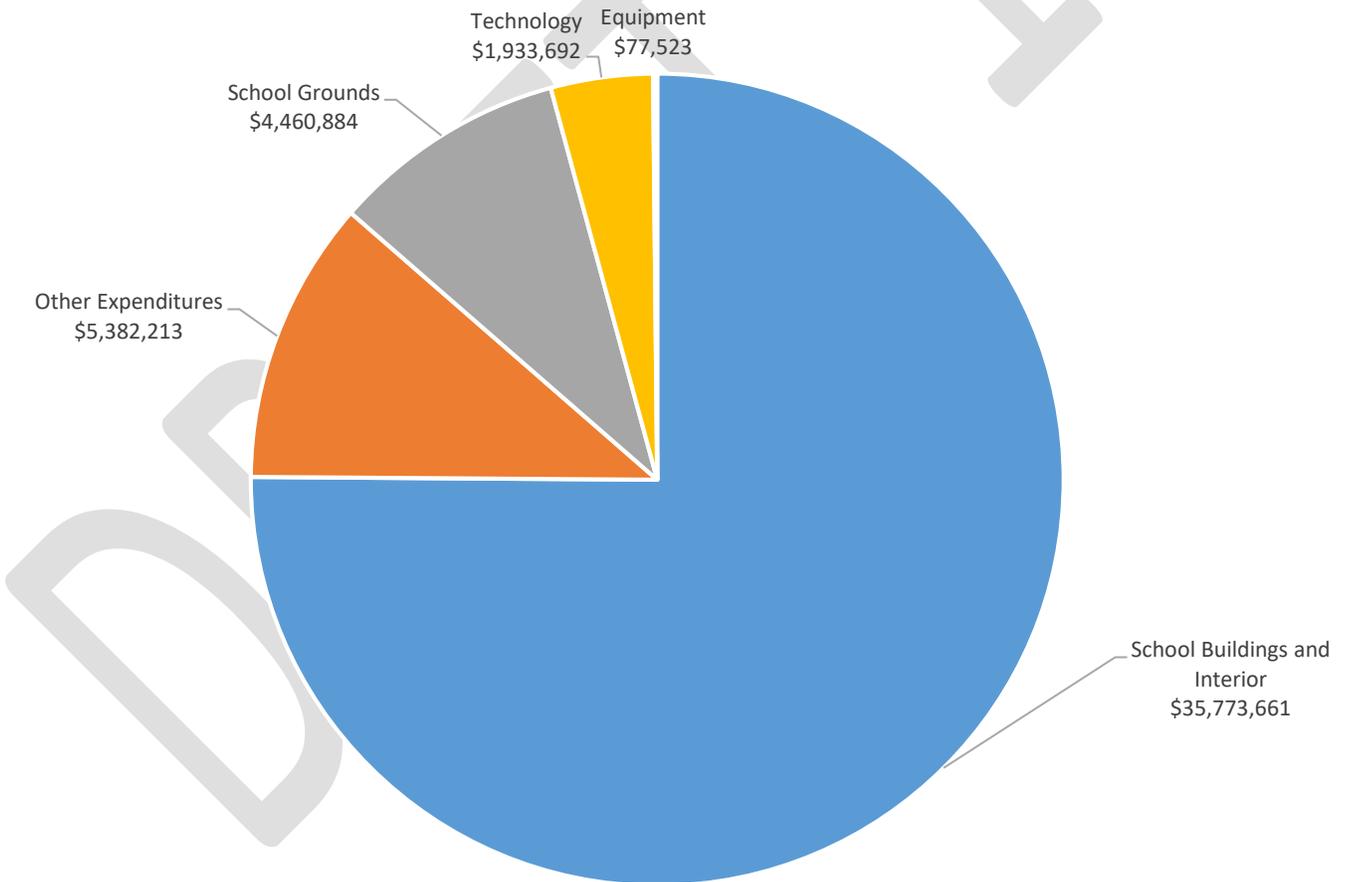
Construction Management	\$923,647
Debt Issuance	\$156,837
Consultants	\$52,800
Compensation	\$50,260
Legal	\$41,544
Construction Support	\$4,882
Audit Expenses	\$4,207
Total	\$1,234,177



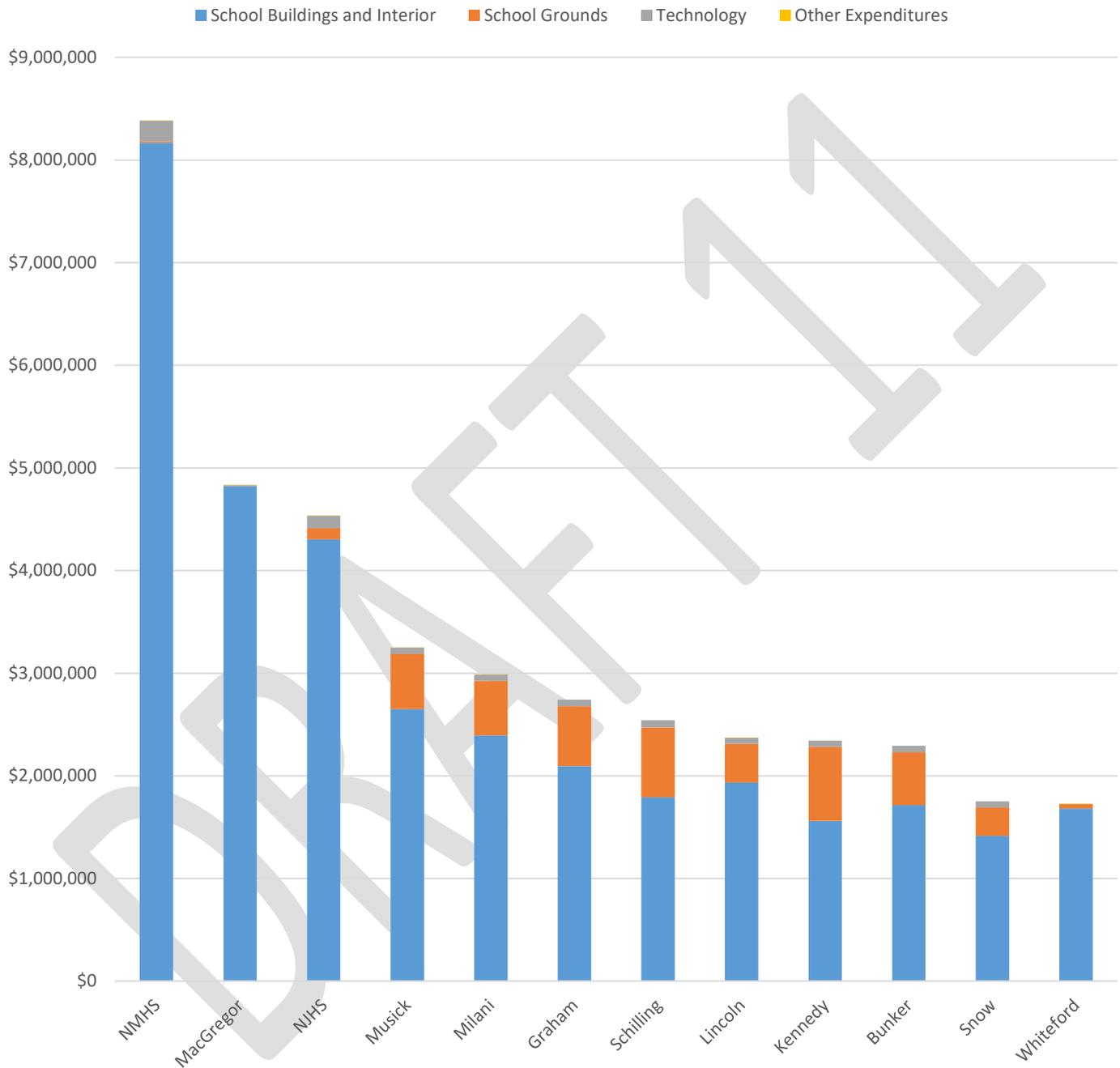
EXPENDITURES THROUGH JUNE 30TH, 2017

1. BY CATEGORY

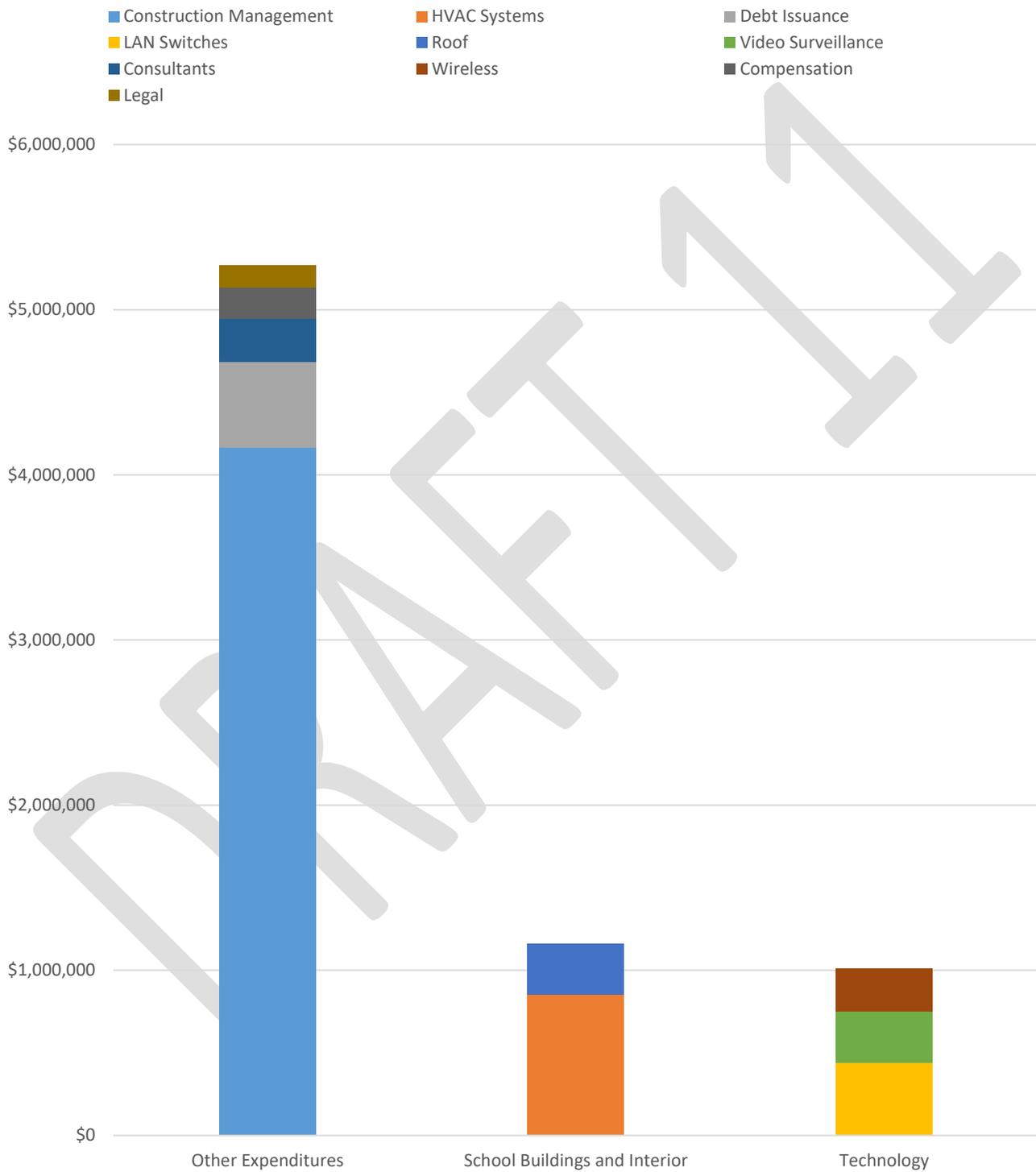
School Buildings and Interior	\$35,773,661
Other Expenditures	\$5,382,213
School Grounds	\$4,460,884
Technology	\$1,933,692
Equipment	\$77,523
Total	\$47,627,974



2. BY SCHOOL



3. NON SITE SPECIFIC BREAKDOWN (TOP 10)



FACTS, FINDINGS AND CONCERNS

1. THE DISTRICT HAS NO DEFERRED MAINTENANCE PLAN AVAILABLE FOR REVIEW

The Committee is concerned that no deferred maintenance plan is available. Good deferred and preventative maintenance planning can prevent or minimize (future) bond expenditures.

2. THE GOVERNING BOARD DID NOT PUBLICLY ADDRESS THE IMPLICATIONS AND TIMING OF MOVING THE WHITEFORD PRE-SCHOOL IN RELATION TO EXPENDING BOND FUNDS AT THIS SITE

Whiteford students and teachers did benefit from the projects for one school season. The Whiteford pre-school move was first brought up in April 2014 ^(3.9). However, neither the District Office nor the School Board followed up in public on this item after an approved one-year extension on the study. Only in May 2017 did the District Office report to the board that a move to Musick was imminent. Implications and timing with respect to bond expenditures were never addressed in public.

3. AS LONG AS WHITEFORD IS NOT PREDOMINATELY USED FOR STUDENT TEACHING USING BOND FUNDS FOR THIS SITE IS AGAINST THE BOND LANGUAGE AND RULES

The Committee finds that funds used for Whiteford in the year 2016-2017 were conform the bond language because the site was used to predominately teach students. When any site is no longer destined to be used to predominately teach students the Committee considers it is no longer a valid site for bond expenditures.

The bond language exclusively lists sites that are predominately used to teach students, and specifically the District Office is excluded for the bond language explicitly states that no funds can be used for administration.

No funds can be used for administrators salaries or administration

Appendix A, Page 2 - Original Ballot Measure Full Text

RECOMMENDATIONS

1. The committee recommends the Governing Board to develop a deferred maintenance plan.

A SELECTION OF PROJECTS PERFORMED IN 2016-2017

NEWARK MEMORIAL HIGH SCHOOL

Before:



After:



Before:



After:



Before:



After:



Before:



After:



BOND PERFORMANCE AUDIT

The Bond Performance Audit Report produced by Christy White Associates forms part of this report.

DRAFT