

Annual Report on Measure "E" & Initial Report on Measure "T" General Obligation Bonds

To request additional information, e-mail HUSD at: MeasureE@hemetusd.k12.ca.us
Or visit the HUSD web site: www.hemetusd.k12.ca.us

Letter from the Chairperson

Measure "E" Annual Report

As required by law, the Citizens' Oversight Committee is responsible for preparing an Annual Report which complies with Section 15278 of the Education Code. This is the fourth Annual Report on Measure E. The Annual Report included in this issue refers to the Performance and Financial Audit which can be accessed on the District's website at www.hemetusd.k12.ca.us under "Features" second to the bottom of the page or can be viewed at the Hemet Unified School District at 2350 West Latham Avenue in Hemet. The Committee has thoroughly reviewed all financial transactions and the audit and has questioned staff on efficient use of funds. The Committee can assure the public that we are satisfied with the District's use of the funds. Measure E expenditures are coming to a close with the completion of the final project, Phase 1 of Tahquitz High School. The Committee will most likely have one more Annual Report on Measure E.

Measure "T" Update

Measure T, the \$149 million general obligation bond, was voter approved in November of 2006. The school facilities bond measure is subject to the same Proposition 39 regulations which limit indebted-

ness to an annual \$60 per \$100,000 assessed valuation and requires a Citizens' Oversight Committee, as with the previous bond, Measure E. The District expects to leverage at least \$50 million in State matching funds in addition to the \$149 million bond funds.

The Hemet Unified School District's Governing Board selected the current Measure E Citizens' Oversight Committee to serve as members of the Measure T Citizens' Oversight Committee. The first meeting of the Measure T Citizens' Oversight Committee was held on February 1, 2007 following the Measure E meeting. All nine (9) members were present. The Committee is presently two (2) members short of the eleven (11) members desired by the Hemet Unified School District Governing Board. The Committee is dedicated to scrutinizing the expenditures and project activities stated in the Measure T resolution.

As required by law, all agendas, minutes and reports are subject to the Ralph M. Brown Act, a public meetings act, and are posted on the District's website at www.hemetusd.k12.ca.us. The Committee will continue to scrutinize expenditures and assure compliance with Education Code Section 15278

et. Seq. This issue includes the mandated Annual Report for Measure E which was approved at the February 1, 2007 meeting.

The status of the projects is depicted on the chart in this report. The expansion of Tahquitz High School and new Rancho Viejo Middle School have gone out to bid and will be under construction in April or May, 2007. The District is finalizing State site approval of the Page Ranch Elementary School and Currie Ranch Elementary School sites. The improvements at Cottonwood School and the expansion of Hemet High School are in design. On March 1, 2007, the first \$60 million in bonds were sold at an effective rate of 4.369%.

As always, the Citizens' Oversight Committee encourages you to email questions and comments to us at MeasureE@hemetusd.k12.ca.us or contact Richard Beck, Assistant Superintendent of Business Services at (951) 791-2401.

Anna Marie Dalbey

Anna Marie Dalbey, Chairperson

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Budget Summary - Measure E

School Site	Bond Budget	State Budget	Interest	Total Budget	Projects to Date	Balance
Acacia	\$ 598,542	\$ 2,613,875	\$ 35,960	\$ 3,248,377	\$ 3,248,377	\$ -
Alternative Learning Center	65,820			65,820	65,820	-
Bautista Creek	102,283			102,283	102,283	-
Cottonwood	206,783			206,783	206,783	-
Dartmouth	27,356			27,356	27,356	-
Fruitvale	120,980			120,980	120,980	-
Hamilton 2 Story Relo (Modernization)	247,497	484,113	993	885,106	665,186	219,920
Hamilton 2 Story Relo (New)		1,783,222	16,564	3,583,008	2,434,271	1,148,737
Hamilton (Bond Only)	173,323			173,323	173,323	-
Hemet El	1,096,555			1,096,555	1,096,555	-
Hemet High	1,862,634	6,625,254	79,809	8,567,697	8,567,697	-
Idyllwild	193,183	904,618	11,131	1,108,932	1,108,932	-
Little Lake	649,968	1,491,571	17,178	2,158,717	2,158,717	-
Ramona	378,593	1,818,513	27,981	2,225,087	2,225,087	-
Santa Fe	598,258	2,845,810	41,637	3,485,705	3,485,705	-
Valle Vista	93,188			93,188	93,188	-
West Valley High	194,585			194,585	194,585	-
Whittier	449,769	2,158,687	32,063	2,640,519	2,640,519	-
Winchester	145,801	705,688	7,739	859,228	859,228	-
Issuance Costs	793,969			793,969	793,969	-
Harmony	4,649,108	6,112,471	53,463	10,815,042	10,815,042	-
McSweeney	4,647,773	7,160,335	120,853	11,928,961	11,928,961	-
Cawston	7,422,246	6,425,770	137,105	13,985,121	13,985,121	-
Diamond Valley Middle	10,206,272	11,852,246	220,200	22,278,718	22,278,718	-
Tahquitz High School	16,647,076	39,050,197	228,536	72,318,622	69,578,693	2,739,929
Jacob Wiens Permanent	9,262,416	9,262,416	26,873	18,551,705	16,519,806	2,031,899
Total	\$ 60,833,978	\$ 101,294,786	\$ 1,058,085	\$ 181,515,387	\$ 175,374,902	\$ 6,140,485

HUSD Retains "A" Bond Rating

Standard and Poor's issued the Hemet Unified School District Measure "T" Series A Bonds an "A" rating on February 27, 2007. It is the second straight year the District received the "A" rating after being upgraded from an "A-" two years ago. The rating will save the taxpayers hundreds of thousands of dollars in lower interest costs. The bonds were sold on March 1, 2007 at an effective interest rate of 4.369%. ■

Citizens' Oversight Committee Meetings

Meetings are held in the District Office Board Room and begin at 6:30 pm. The Committee voted to meet quarterly on the 3rd Thursday of the month. The District Office, located at:

2350 West Latham Avenue
Hemet, CA 92545



Measure E Meetings

- June 21, 2007
- December 13, 2007*

Measure T Meetings

- April 19, 2007
- June 21, 2007
- September 20, 2007
- December 13, 2007*

* Not a third Thursday due to school holidays

Annual Report on Measure E

The Citizens' Oversight Committee has reviewed the financial expenditures of Measure E proceeds on a quarterly basis and has reviewed all actions related to the compliance with Education Code 15728. The expenditure reports that the Citizens' Oversight Committee has been provided; provide the site, activity, vendor, and amount of each payment. The most recent expenditure reports reviewed by the Committee relative to the reporting period were April 27, 2006 and September 21, 2006. These reports have been made available for public review.

The District has complied with Article XIII A, and Education Code 15728 at Section 1(b)(3) of the California Constitution as follows:

- 1) The first series of bonds (Series A) of \$23 million were issued in June 2002. Proceeds were spent only for construction, reconstruction, rehabilitation, or replacement of school facilities, including furnishings and equipping of school facilities, or acquisition or lease of real property for school facilities as identified in the projects list.
- 2) The second series of bonds (Series B) of \$15 million was issued in June 2003. Proceeds were spent only on construction, reconstruction, rehabilitation or replacement of school facilities including furnishings and equipping of school facilities on acquisition or lease of real property for school facilities as identified in the projects list.
- 3) The third series of bonds (Series C) of \$10 million were issued in June 2004. Proceeds were spent only on construction, reconstruction, rehabilitation or replacement of school facilities including furnishings and equipping of school facilities on acquisition or lease of real property for school facilities as identified in the projects list.
- 4) The fourth series of bonds (Series D) of \$6 million were issued in May 2005. Proceeds were spent only on construction, reconstruction, rehabilitation or replacement of school facilities including furnishings and equipping of school facilities on acquisition or lease of real property for school facilities as identified in the projects list.
- 5) The fifth and final series of bonds (Series E) of \$6 million were issued in February 2006. Proceeds were spent only on construction, reconstruction, rehabilitation or replacement of school facilities including furnishings and equipping of school facilities on acquisition or lease of real property for school facilities as identified in the projects list.
- 6) No proceeds were spent on teacher salaries, administrative salaries or on operational expenses.
- 7) An independent audit was prepared for the year ending June 30, 2006, complying with the provisions of the Education Code and approved by the Citizens' Oversight Committee. The audit referenced here was reviewed by the Citizens' Oversight Committee on February 1, 2007. The audit was previously approved by the Governing Board of the Hemet Unified School District and is available for public review on the District's webpage www.hemetusd.k12.ca.us at the Citizens' Oversight Committee link. Copies are also available at the District Office.
- 8) The District has made efforts to maximize the Measure E bond revenues by implementing cost-saving measures such as negotiating cost reduction in professional fees for architectural design, use of construction management services, reuse of plans, incorporation of energy conservation measures within the school plans, and competitively bid bond issuance to obtain lowest interest rate (4.248% Series E). Through the cooperation and partnership with contractor, Bogh Construction, and our Construction Manager, douglas e. barnhart, the District saved \$1 million on the site grading of Tahquitz High School.
- 9) The Committee has been provided necessary and adequate technical assistance from District staff in order for the Committee to fulfill its legal obligations and purpose. District staff welcomes Committee questions and comments. You can contact Richard Beck at rbeck@hemetusd.k12.ca.us. Staff has provided regular project status reports and expenditure reports quarterly to the Committee and agenda items as requested by the members.
- 10) The agendas, minutes, and reports have been made available to the public and are posted on the website maintained by the District (www.hemetusd.k12.ca.us).
- 11) The Committee has complied with the Ralph M. Brown Act (Brown Act) a public meetings act, by having formally scheduled meetings with agendas duly noticed, open to the public, with minutes taken and posted on the District's webpage under the Citizens' Oversight Committee. Meetings are held on a quarterly basis on the third Thursday of every other month. Special meetings may be scheduled and will follow the provisions of the Brown Act.
- 12) The Committee has toured various sites and has reviewed the progress reports on the status of all projects.

Approved February 1, 2007 by the Citizens' Oversight Committee.

Anna Marie Dalbey

Anna Marie Dalbey, Chairperson

Thomas Green

Thomas Green, Vice Chairperson

Project Status Summary

Site	Expended to Date		Status
	State & Local Funds		
Measure E Status			
Acacia Middle School	\$	3,248,377	Complete
Alternative Learning Center		65,820	Complete
Bautista Creek		102,283	Complete
Cottonwood		206,783	Complete
Diamond Valley Middle (new)		22,278,718	Complete
Hamilton School		3,099,457	Construction complete. Occupied August, 2006
Harmony Elementary (new)		10,815,042	Complete
Hemet Elementary		1,096,555	Complete
Hemet High		8,567,697	Complete
Idyllwild		1,108,932	Complete
Jacob Wiens (new)		16,519,806	Complete
Little Lake		2,158,717	Complete
McSweeny (new)		11,928,961	Complete
Santa Fe Middle		3,485,705	Complete
Tahquitz High School (new)		69,578,693	Construction started Spring 2005. Anticipated occupancy Fall 2007
Valle Vista		93,188	Complete
West Valley High		194,585	Complete
Winchester		859,228	Complete
Measure T Status			
Tahquitz High School Expansion	\$	339,955	Construction to Start April, 2007
Rancho Viejo Middle School		1,583,910	Construction to Start April, 2007
Hemet High School Expansion			Design to Start March, 2007
Cottonwood Water & Site Improvements			Design in progress, construction June, 2007
Cottonwood Library			Design in progress
Page Ranch Elementary School		258,046	Site approval in progress
Currie Ranch Elementary		233,407	Site approval in progress
Site Upgrades			Architect selection, priority list in progress

Governing Board Seeking Citizens to Serve on COC

Although there are only seven (7) members required to serve on the Committee, the Governing Board initially established a committee of nine (9) members. The Governing Board desires eleven (11) members to serve in order to better represent the District constituents. Presently there are nine (9) members and the Governing Board will interview several applicants in the near future.

In June, several members' terms expire. Citizens' Oversight Committee members can serve only two consecutive terms, although they can reapply after a term. There are always some resignations from time to time.

The Board has had difficulty in maintaining a full Oversight Committee. Five members must meet specific eligibility as follows: 1). Active in a local business organization; 2). Active in a senior citizens' organization; 3). Active in a bona fide taxpayer association; 4). Parent or guardian of a child enrolled in the District; and 5). Both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization.

The Committee urges your interest in the Committee and encourages your application to the Hemet Unified School District Governing Board, 2350 West Latham Avenue, Hemet, CA 92545. ■