


Hemet Unified School District Business Services

Annual Report of the Measure T Citizens' Oversight Committee



**Presented to the Governing Board
*February 24, 2015***

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Attachments

A. **PHOTO EXHIBIT**

Annual Report of the Measure T Independent Citizens' Oversight Committee Hemet Unified School District

Presented to the Board of Education on February 24, 2015

1. INTRODUCTION

The Hemet Unified School District Independent Citizens' Oversight Committee is responsible for overseeing the expenditures of Measure T bond proceeds and reporting to the public, on an annual basis, the progress of the bonds and their status. The \$149 Million Measure T Bond was passed by the electorate of the Hemet Unified School District on November 7, 2006.

2. AUTHORIZATION

In November, 2000, the voters of the State of California authorized an amendment to the California Constitution (Proposition 39) lowering the voter-approval threshold from two-thirds to fifty-five percent for school districts, as long as certain requirements or restrictions are contained in the general obligation ballot language. Among the stipulations: The ballot measure must contain a specific list of projects, the amount of the bond authorization is limited, and a citizens' oversight committee must be appointed to oversee the expenditure of funds.

3. STATEMENT OF COMPLIANCE

The Committee is required to advise the public on the District's compliance with accountability requirements set forth in Article XIII A, Section 1(b) (3) of the California Constitution. This is the section of the State Constitution authorizing general obligation

bonds for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, by 55 percent of the voters of the District voting on the proposition.

Based on a review of budgetary reports and documents presented to the committee by District staff, the Committee concludes that District expenditures of Measure T bond funds are in compliance with the provisions set forth in Measure T, and in conformity with the requirements of Article XIII A, Section 1(b) (3) of the California Constitution as noted above. Information in support of this conclusion is contained in this report.

4. COMMITTEE MEMBERSHIP

Representatives of the community serving on the committee are:

Kathy Bloom-Rudibaugh,

Wendy Naylor

Dale Brusewitz, Chair

Robert Righetti

George Buchanan

Ray Strait

Steven Bunn, Vice Chair

Roger Wellman

James Calkins

5. DUTIES OF THE COMMITTEE

To carry out its stated purpose, the following duties are set forth in the By-Laws of the Citizens' Oversight Committee:

5.1 Expenditure Review

Review expenditures to ensure that bond proceeds are expended only for purposes set forth in the ballot measure and ensure that no bond proceeds are used for teacher or administrative salaries or other operating expenses.

5.2 Annual Report

The Committee shall present to the Board of Education an Annual Written Report which shall include 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 a summary of the Committee's proceedings and activities for the preceding year.

6. **MEETINGS**

The COC meets quarterly at the District Office or at school sites. Project updates are provided at each meeting with photos/slides by District staff, along with special presentations from District consultants on topics of importance or interest. Agendas are developed from member request and staff input.

Agendas and minutes are posted on the Hemet Unified School District website and agendas are posted at the District Office and meeting locations. Meetings are held in accordance with the Ralph M. Brown Act (Open Meeting Laws).

7. **ACTIVITIES OF THE COMMITTEE**

7.1 Budget Review

The Committee receives financial reports for all Measure T expenditures, particularly Hemet High School, which include detailed expenditure reports showing encumbrances and uncommitted funds. Financial revenue and expenditure reports are presented in a format consistent with state reporting requirements. The Hemet High School project was partially funded by state funds, and is subject to a comprehensive audit by the Office of Public School Construction upon completion (in addition to annual District financial and performance audits as required by law).

7.2 Project Updates

The Committee is kept up to date on projects through reports from District staff, budget reports, and by meeting at project sites. The intent of Measure T is to provide funding to complete the renovation of Hemet High School and undertake other modernization projects throughout the District. Section 11 of this report

provides the budgets for each project and funds spent, as of December 31, 2014.

7.3 Annual Report

The Citizens' Oversight Committee is charged with preparing the Annual Report pursuant to Education Code Section 15280 and the COC by-laws. The COC appoints representatives each year to facilitate the development of the report for presentation to the Citizens' Oversight Committee as a whole for review and acceptance. The Annual Report is presented to the Board of Education by the COC Chair and members of the COC. After presentation to the Board of Education, the report in its entirety is placed on the HUSD website for public review.

8. SALE OF BONDS

The first series of Measure T Bonds (Series A) of \$60 million was issued March 1, 2007. 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 of Resolution Number 1608 of the Hemet Unified School District.

The second series of Measure T (Series B) of \$40 million was issued in March, 2008. 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 of Resolution Number 1608 of the Hemet Unified School District.

The district sold \$25 million in bond anticipation notes (BAN) in July 2010 which will be later refunded by Measure T general obligation bonds. The BAN will cover the cost to complete phase II and III of Hemet High School. The district used its eligibility in the federally backed Qualified School Construction Bond (QSCB) program to subsidize the interest cost of the BAN.

A new bond measure (Measure U) was passed in November, 2012 to reauthorize the remaining \$49 million of Measure T's authorization. Measure T will

decertify \$49 million making its total authorization \$100 million. Projects currently done with the QSCB (Bond Anticipation Notes) will be paid with Measure U bond proceeds when they are sold.

9. AUDIT

Pursuant to the requirements of Proposition 39, the Committee is charged with receiving and reviewing an annual financial and performance audit of the bond proceeds to ensure that funds have been spent solely on the specified list of projects. This requirement remains in effect until the entire amount of the bond proceeds has been spent.

The Independent Financial and Performance Audits were conducted by Vavrinek, Trine, Day & Co., LLP (VTD), and presented to the Citizens' Oversight Committee at its regular meeting on February 12, 2014. VTD presented the auditor's findings and opinion to the committee. The final audit report for the fiscal year ending June 30, 2014, is posted on the website and was approved at the January 20, 2015 Board Meeting. A copy was given to each Board Member at that time.

10. PROJECTS

The Hemet Unified School District School Construction and Improvement Bond of 2006 stated that the proceeds from the sale of bonds shall be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, as specified in the following Bond Project List, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

10.1 Measure T Bond Project List

CONSTRUCTION OF NEW SCHOOL FACILITIES

The Governing Board of the Hemet Unified School District has evaluated the School District's needs for new school facilities toward reducing overcrowding, maintaining and expanding class-size reduction and upgrades to existing school facilities for health and safety.

Project costs for the construction of new schools and school facilities, as listed below, may include, but not be limited to, site acquisition, construction services, architectural design, engineering, site improvements, inspection and testing services, plan review fees and interim financing, including the construction of classrooms, offices, cafeterias, multipurpose facilities, playing fields and other athletic facilities, school grounds, science,

technology and computer labs, library, restrooms, furniture and equipment and other school facilities. New school facilities projects are dependent on matching State funding availability.

Page Ranch Elementary School	Elementary School, Valle Vista area
Rancho Viejo Middle School	Hemet High School Expansion
Second Phase of Tahquitz High School	Additions to schools, various sites

UPGRADE AND MAJOR REPAIR OF EXISTING DISTRICT SCHOOL FACILITIES*

Project costs for upgrade and major repair of existing District school facilities may include, but is not limited to, the following: repair, renovation, reconstruction, upgrading and replacement of lighting and electrical systems; heating, air and ventilation systems, replacement of worn-out floors, roofs, windows, deteriorating wall systems; plumbing, pipes, fixtures and accessories; communication, bell and fire alarm systems, security systems, fencing, athletic facilities, site improvements; walkways, design costs, architect costs, plan preparation, and the addition of handicap accessibility improvements to ancillary facilities. Project costs for furniture and equipment may include, but are not limited to some or all of the following: desks and tables; window and floor coverings (including tiles and carpeting); computer, media recording and presentation equipment, including, but not limited to, audio systems; kitchen equipment, improvements and furnishings; science laboratory equipment; and/or other electronic equipment.

<p>Acacia Middle School*</p> <ul style="list-style-type: none"> • Plumbing, electrical, mechanical systems and plant/classroom repairs. • Campus security, safety, technology, and accessibility projects. • Facility equity augmentation and equipment 	<p>Bautista Creek Elementary</p> <ul style="list-style-type: none"> • Campus security, safety, technology and accessibility projects. • Facility equity augmentation and equipment. • Replace portable classrooms.
<p>Cottonwood School</p> <ul style="list-style-type: none"> • Water well and fire protection, water conservation. • Plumbing, electrical, mechanical systems and plant/classroom repairs. • Campus security, safety, technology and accessibility projects • Facility equity augmentation and equipment. 	<p>Hamilton School (Elementary and Middle School)</p> <ul style="list-style-type: none"> • Permanent classroom additions • Replacement of portable classrooms. • Plumbing, electrical, mechanical systems and plant/classroom repairs. • Campus security, safety, technology, accessibility projects and water conversation. • Facility equity augmentation and equipment.
<p>Hemet Elementary School*</p> <ul style="list-style-type: none"> • Plumbing, electrical, mechanical systems and plant/classroom repairs. • Campus security, safety, technology and accessibility projects. • Facility equity augmentation and equipment 	<p>Hemet High School</p> <ul style="list-style-type: none"> • Plumbing, electrical, mechanical systems and plant/classroom repairs. • Campus security, safety, technology and accessibility projects. • Facility equity augmentation and equipment.
<p>Idyllwild School* (old campus)</p> <ul style="list-style-type: none"> • Plumbing, electrical, mechanical systems and plant/classroom repairs. • Campus security, safety, technology and accessibility projects. • Facility equity augmentation and equipment. 	<p>Little Lake Elementary School*</p> <ul style="list-style-type: none"> • Plumbing, electrical, mechanical systems and plant/classroom repairs. • Campus security, safety, technology and accessibility projects, • Classroom replacements and building additions. • Facility equity augmentation and equipment.
<p>Ramona Elementary School*</p> <ul style="list-style-type: none"> • Plumbing, electrical, mechanical systems and plant/classroom repairs. • Campus security, safety, technology and accessibility projects. • Classroom replacements and building additions. • Facility equity augmentation and equipment 	<p>Santa Fe Middle School*</p> <ul style="list-style-type: none"> • Plumbing, electrical, mechanical systems and plant/classroom repairs. • Campus security, safety, technology and accessibility projects. • Facility equity augmentation and equipment.
<p>Valle Vista Elementary School</p> <ul style="list-style-type: none"> • Campus security, safety, technology and accessibility projects. 	<p>West Valley High School</p> <ul style="list-style-type: none"> • Campus security, safety, technology and accessibility projects and site improvements.

<ul style="list-style-type: none"> • Facility equity augmentation and equipment. 	<ul style="list-style-type: none"> • Facility equity augmentation and equipment.
Whittier Elementary School* <ul style="list-style-type: none"> • Plumbing, electrical, mechanical systems and plant/classroom repairs. • Campus security, safety, technology and accessibility projects. • Classroom replacements and building additions. • Facility equity augmentation and equipment. 	Winchester Elementary School <ul style="list-style-type: none"> • Plumbing, electrical, mechanical systems and plant/classroom repairs. • Campus security, safety, technology and accessibility projects. • Classroom replacements and building additions. • Facility equity augmentation and equipment.

*Schools with facilities which are 30 years and older will be upgraded and repaired with proceeds from bonds and any eligible State matching funding.

10.2 Measure T Photo Exhibit

A photographic summary of Measure T funded projects is included as Exhibit A.

11. PROJECT UPDATE AND BUDGET SUMMARY

11.1 Measure T Projects – Summary as of 12/31/14

School Site	Budget	Interest & Misc. Rev.	Spent	Encumbered	Uncommitted
Acacia Modernization Project	11,874,448	1,380,998	11,917,075	154,841	1,183,530
Acacia Modernization Project QSCB BAN	4,948,831	11,373,355	16,322,186	-	-
Bautista Creek Facility Equipment	1,410	5,804	7,214	-	-
Cottonwood Expansion Library	1,923,562	-	1,923,562	-	-
Cottonwood Expansion Well/Tank/Relos	2,242,876	100,000	2,342,876	-	-
Currie Ranch New School	604,331	-	604,331	-	-
Hamilton K8 Expansion 2 Story Classrooms	332,570	-	332,570	-	-
Hemet Elementary Campus Safety	3,020,347	-	1,157,791	570,950	1,291,606
Hemet High Modernization Remodel Phase 1 & 1A	18,470,265	217,688	18,687,953	-	-

Hemet High Expansion Phase 2 Theater & Classrooms	3,952,572	2,110,677	6,039,916	23,332	1
Hemet High Expansion - QSCB BAN Phase 2 Theater & Classrooms	18,381,330		18,381,330	-	1
Hemet High Modernization Phase 3	182,340	-	157,214	25,126	0
Hemet High Modernization Phase 3 QSCB BAN	13,058	-	13,058	-	-
Hemet High Security & Modernization Misc. Projects	733,585	-	709,076	24,508	1
Hemet High Expansion Stadium Classrooms	1,388,634	-	1,388,634	-	-
Hemet High Expansion Weight Room/Retention Basin	2,086,106	-	2,086,106	-	-
Idyllwild Modernization Mechanical Systems & Safety	760,508	-	760,508	-	-
Little Lake Safety	90,856	6,537	97,393	-	-
Page Ranch New School	865,879	-	865,879	-	-
Ramona Facilities Equipment Shade Structure	747	-	747	-	-
Ramona Facilities Equipment	1,199	551	1,750	-	-
Rancho Viejo Middle New School	19,592,032	-	19,592,032	-	-
Santa Fe Campus Site Improvements	38,773	-	38,773	-	-
Santa Fe Campus Site Improvements Life Skills	56,169	136,624	192,793	-	0
Santa Fe Campus Relocation Helen Hunt	10,650	-	10,650	-	-
Tahquitz High School New School	29,438,962	-	29,438,962	-	-

Valle Vista Campus Security, Safety & Technology	50,128	-	50,128	-	-
West Valley High Site Improvements & Equipment	2,627,175	100,000	2,727,175	-	-
Whittier Site Improvements & Equipment	15,484	106,750	122,234	-	-
Winchester Site Improvements & Equipment	49,262	-	49,262	-	-
UNALLOCATED QSCB	-	-	-	-	-
UNALLOCATED Measure T	-	-	-	-	-
Issuance Costs Measure T Bond	686,700	-	686,700	-	-
Issuance Costs QSCB BAN	1,656,781	-	1,656,781	-	-
Interest/Abatements Measure T Bond (to be allocated)	-	3,333,986	-	-	3,333,986
Interest/Abatements QSCB (to be allocated)	-	2,087,949	-	-	2,087,949
Measure T Only	101,097,570	7,499,615	101,989,304	798,757	5,809,124
QSCB BAN Only	25,000,000	13,461,304	36,373,355	-	2,087,949
Bond Total	126,097,570	20,960,919	138,362,658	798,757	7,897,073

Calculations rounded to the nearest dollar

12. CONCLUDING STATEMENT

As of December 31st, 2014, \$7,897,073 of the Measure T funds remain uncommitted and are planned to be allocated to the Hemet Elementary Reconstruction Project.

Two of the three new schools approved under Measure T are completed; Rancho Viejo Middle School and Tahquitz High School. The third school, Page Ranch Elementary was placed on hold due to the sudden decline of the economy, development of new homes, and decline in overall district enrollment. The District does not expect to complete this project under Measure T at this time.

The District has completed upgrades and major repair work on twelve of the fourteen schools approved under Measure T. The largest project in this category is the renovation of Hemet High School which totaled over \$47 million. Section 11.1 of this report provides the details of the amounts spent on each project.

Hemet High School was divided into six phases or subprojects. Phases 1, 1A, and 2 are completed as well as the Stadium expansion, Weight Room and Retention Basin. Phase 3 is currently on hold. The future start date will depend on future state and local funding.

The Acacia Middle School renovation and upgrade began summer of 2013 and is scheduled for completion during the 2015 school year. The renovations fixed the onsite drainage and flooding problems, built a new gymnasium, built a new administrative building, and renovated existing classrooms.

Preliminary work for Hemet Elementary has begun and reconstruction for the classrooms and campus repairs is scheduled to start February 2015. The campus is scheduled to reopen during the 2016-17 school year.

The Committee continues to be impressed with the District staff's diligence and attention to detail that has resulted in the renovations of Acacia Middle School under budget and without disruption to the students or staff during the construction process. Thanks to the efforts of the District staff and Acacia Middle School's outstanding administration and staff, Acacia Middle School will establish itself as a first-class middle school and a campus worthy of the public trust placed in the Hemet Unified School District by virtue of the passage of Measure T.

Respectfully submitted,

A handwritten signature in blue ink, reading "Dale Brusewitz", written over a horizontal line.

Dale Brusewitz, Chair

A handwritten signature in blue ink, reading "Steven Bunn", written over a horizontal line.

Steven Bunn, Vice-Chair

On behalf of the

Independent Citizens' Oversight Committee
Hemet Unified School District
Measure T

ACACIA MIDDLE SCHOOL MODERNIZATION

January 2013— February 2015



Old Administration Building demolished and new
4,775 sq ft one constructed in it's place.





Administration Building houses 8 offices, nurse's office, conference room, staff lounge, and outside patio.

The Library interior was remodeled.
New HVAC system and duct work also installed.





Library remodeled and equipped with a new shelving system and mobile shelf system.





All existing classrooms were remodeled.

Four new computer labs were constructed with (42) work stations each.





Gas, water, air supply and fume hood were installed into science rooms, as well as a prep room.





New 11,000 square foot Gymnasium and Locker Rooms constructed;
equipped for both basketball and volleyball.
Both Home and Visitor Bleacher seating,
electronic Scoreboard and PA Sound System.





Existing shade shelter demolished and two new shelters were constructed.





A new restroom building was constructed to meet current code requirements.





A jogging track, ten basketball courts, and three ball walls were constructed.
25 existing relocatable classrooms remodeled and relocated.





30 LCD Projectors installed into classrooms.
34 CCTV Security Cameras installed.





Carport solar panel system was installed offsetting 82% of campus daily demands.

