



Chula Vista Elementary School District Independent Citizens Oversight Committee (CVESD ICOC)

Annual Report to the Board of Education June 19, 2019



Chula Vista Elementary School District Independent Citizens Oversight Committee (CVESD ICOC)

Jason C. Hurtado-Prater, Chair
Community At-Large Representative

Floyd Strayer, Vice Chair
Community At-Large Representative

Jolyn DePriest, Ph.D.
Business Community Representative

Sean R. Dunbar
Taxpayers Association Representative
(Term Expires September 2019)

Dr. Diane Gerken
Business Community Representative
(Term Expires September 2019)

Mary I. Helvie
Senior Citizens Organization
Representative
(Term Expires September 2019)

Martha Juarez
Parent SSC Representative

Karyn Koenig
Community At-Large Representative
(Term Expires September 2019)

Ben Lien
Parent PTA Representative

Valerie Gerken-Rios
Community At-Large Representative

James L. Smyth
Community At-Large Representative



CVESD ICOC SCOPE

- \$90 Million Proposition E approved by voters in November 2012.
 - Proposition E ICOC approved by Board in January 2013 to provided oversight of Proposition E General Obligation Bond funds.

- \$150 Million Measure VV approved by voters in November 2018.
 - January 23, 2019, Board of Education adopted resolution adding ICOC oversight of Measure VV to the scope of existing Proposition E ICOC oversight responsibilities.
 - January 23, 2019, Board of Education amended Proposition E ICOC Bylaws and renamed the Proposition E ICOC as the CVESD ICOC.
 - Annual Report shall contain separate sections for Proposition E and Measure VV



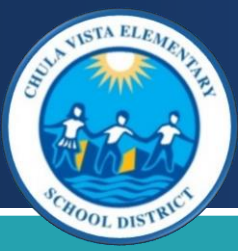
CVESD ICOC Reporting Responsibilities

- CVESD ICOC is required to report on compliance with Article XIII A, Section I(b)(3) of the California Constitution including:
 - That bond funds are expended for the construction, reconstruction, rehabilitation, or replacement of school facilities, or the acquisition or lease of real property for school facilities.
 - That no bond funds are used for any teacher or administrative salaries of other operating expenditures.
 - To report on the review of the annual independent financial audit and review of the annual performance audit.
 - Annual Report to Board of Education.



2018-19 Proposition E ICOC Activities

- Proposition E ICOC Meetings held on:
 - September 19, 2018
 - ✓ Conducted post Summer 2018 post-modernization site visits at Harborside, Karl H. Kellogg, and John J. Montgomery Elementary Schools.
 - ✓ Discussed Proposed November 2018 Measure VV General Obligation Bond.
 - December 17, 2018
 - ✓ Reviewed Summer 2018 Modernization Expenditure Report for modernization of Harborside, Karl H. Kellogg, and John J. Montgomery Elementary Schools
 - ✓ Discussed Approval of November 2018 Measure VV General Obligation Bond



2018-19 ICOC Activities

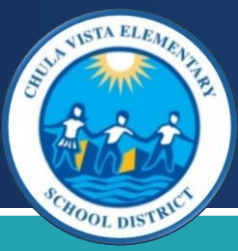
- March 13, 2019
 - ✓ Reviewed CVESD Board resolution adding independent citizens oversight of Measure VV to the existing Proposition E ICOC.
 - ✓ Reviewed CVESD Board approval of amended ICOC Bylaws renaming Proposition E ICOC to the Chula Vista Elementary School District Independent Citizens Oversight Committee (CVESD ICOC).
 - ✓ Reviewed report on Sunnyside Summer 2019 Modernization.

- May 15, 2019
 - ✓ Approved 2017-18 Independent Proposition E Financial and Performance Audit
 - Unmodified Opinion from independent CPA.
 - No finding or questioned costs
 - ✓ Pre-modernization site visit of Sunnyside Elementary prior to Summer 2019 Modernization.



Proposition E 2017-18 Independent Performance and Financial Audit

- Performed by Wilkinson Hadley King & Co. LLP, CPAs.**
- Financial audit**
 - **unmodified (clean) opinion with no audit findings.**
- Performance audit**
 - **Complied with Proposition 39 requirements (CA Constitution XIII A) and Proposition E ballot measure.**
 - **97% of expenditures were tested.**
 - **ICOC found compliant with Education Code 15278 through 15282**
- Audit report reviewed and approved by ICOC on May 15, 2019.**

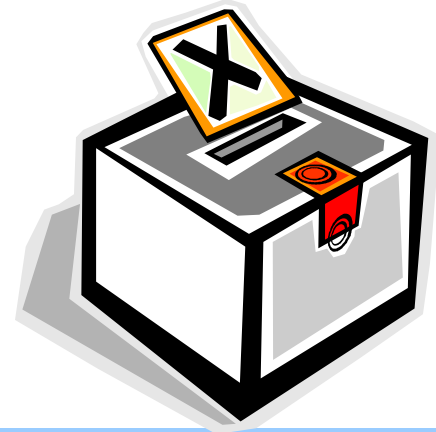


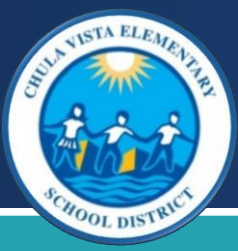
Proposition E Ballot Proposition

November 6, 2012

- *Repair, renovate, construct, and upgrade classrooms and school facilities; increase student access to computers and modern technology; replace temporary classrooms; upgrade heating systems; and make energy cost-saving improvements.*
- *Issue \$90 million of bonds with legal interest rates, annual audits, independent citizens' oversight.*
- *All funds spent locally and no money used for administrative salaries or taken by the State and spent elsewhere.*

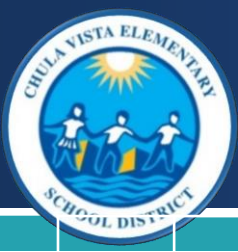
- Required: 55.00% voter approval.
Received: 68.82% voter approval.
- 25-year amortization.
- No Capital Appreciation Bonds (CABs).
- Approximately \$29 per \$100,000 of assessed valuation per year.





31 SFID No. 1 School Sites

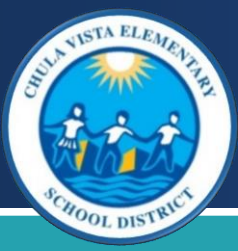




Proposition E SFID No. 1 Modernization Sites

	School	Year Built	Year Modernized Prior to Prop E
Modernized 2014	RICE ELEMENTARY SCHOOL	1938	1996
	CASTLE PARK ELEMENTARY SCHOOL	1952	1996
	ROSEBANK ELEMENTARY SCHOOL	1952	1996
Modernized 2015	VISTA SQUARE ELEMENTARY SCHOOL	1953	1996
	HILLTOP DRIVE ELEMENTARY SCHOOL	1943	1997
	ALLEN ELEMENTARY SCHOOL	1947	1997
Modernized 2018	MONTGOMERY ELEMENTARY SCHOOL	1950	1997
	HARBORSIDE ELEMENTARY SCHOOL	1953	1997
	KELLOGG ELEMENTARY SCHOOL	1958	1997
Scheduled 2019	SUNNYSIDE ELEMENTARY SCHOOL	1959	1997
Planned 2020	FEASTER CHARTER SCHOOL	1950	1997

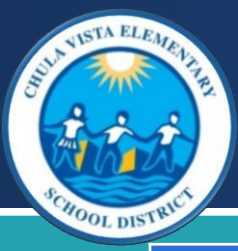
Modernization in 1996 and 1997 was minimal scope and excluded the following major items: Underground Utilities; Window Replacements; Asphalt Resurfacing; Heating, Ventilation, and Air-Conditioning (HVAC) Replacements; Irrigation Upgrades; Interior Finishes; and Cafeteria/Food Services.



2012 Proposition E: \$90,000,000 Authorized and Issued Series A, Series B, and Series C Bond Funds

<i>Bond Issuances</i>	<i>Amount</i>
Series A Issuance (June 2013)	\$ 31,000,000
Series B Issuance (February 2015)	14,000,000
Series C Issuance (January 2017)	45,000,000
Total	\$ 90,000,000

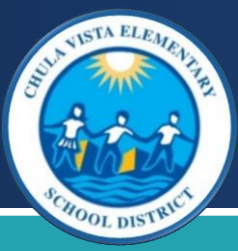
*Amounts are authorized and do not include bond premiums/discounts, or Financial Advisor, Bond Counsel, District Counsel, Standard & Poor's Credit Rating, Paying Agent, Publication and Printing Costs, etc.



Proposition E Summary of Series A and B Total Sources and Uses of Funds

Sources of Funds	Amount
Series A Issuance (2013) (\$31,000,000 Less \$225,000 Costs of Issuance)	\$30,775,000
Series B Issuance (2015) (\$14,000,000 less \$168,000 Costs of Issuance)	13,832,000
Interest Income	205,817
Total – Sources of Funds	\$44,812,817

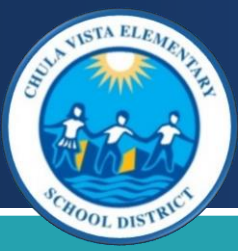
Uses of Funds	Amount
Wifi Installation Cost for SFID No. 1 Sites (2013- 2014)	\$466,066
Castle Park Modernization (2014)	6,526,630
Lilian J. Rice Modernization (2014)	6,834,780
Rosebank Modernization (2014)	6,674,525
Ella B. Allen Modernization (2015)	8,527,200
Hilltop Drive Modernization (2015)	8,444,167
Vista Square Modernization (2015)	7,339,449
Total – Uses of Funds	\$44,812,817



Proposition E Summary of Series C Bond Funds Sources and Uses of Funds

Sources of Funds	Amount
Series C Issuance (2017) (\$45,000,000 Less \$185,000 Costs of Issuance)	\$44,815,000
Interest Income (as of 5-31-2019)	1,103,419
Subtotal	\$45,918,419

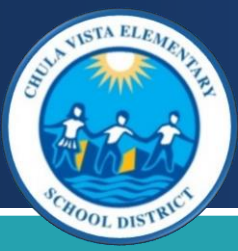
Uses of Funds	Amount
Expenditures for 2018 Modernization Projects (as of 5-31-19)	
Harborside	\$ <11,719,566>
Karl H. Kellogg	<11,244,237>
John J. Montgomery	<12,309,874>
Subtotal	\$<35,273,677>
Remaining Balance	\$ 10,644,742



Summer 2018 Modernization Projects

Proposition E Expenditures Summary for Harborside, Karl H. Kellogg, and John J. Montgomery

<i>Expenditure Type</i>	<i>Harborside</i>	<i>Kellogg</i>	<i>Montgomery</i>	<i>Costs as of 5/31/19</i>	<i>% of Total Cost</i>
Soft Costs (Architect, Construction Manager, Inspection/Testing, etc)	\$ 2,232,248	\$ 2,172,996	\$ 2,351,133	\$ 6,756,377	19%
Network equipment and Lync phone system	180,615	140,172	146,221	467,008	1%
Construction Costs	9,000,567	8,726,637	9,458,815	27,186,019	77%
Other Construction Cost: Ameresco Energy-Efficient Lighting	306,136	204,432	353,705	864,273	3%
TOTAL	\$ 11,719,566	\$ 11,244,237	\$ 12,309,874	\$ 35,273,677	100%



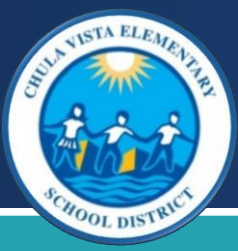
2019 Sunnyside Elementary School Summer Modernization Timeline

ACTIVITY	DATE
Bidding Advertisement Commenced	December 21, 2018
Bid Opening	January 29, 2019
Board Approval, Bid Package Nos. 1-2, 4, 6-7, and 9-14, and Rejection of Bid Package Nos. 3, 5 and 8	February 13, 2019
Bid Opening of Rebid Bid Package Nos. 3,5, and 8	March 7, 2019
Anticipated Board Approval Bid Package Nos. 3, 5 and 8	April 17, 2019
Last Day of School	June 5, 2019
Construction Starts	June 6, 2019
Construction Complete	August 30, 2019
Students Return	September 3, 2019



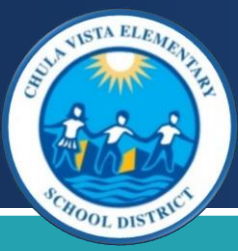
2019 Summer Modernization Estimated Cost for Sunnyside Elementary School

Uses of Funds	Total
Construction Cost Per Bid Packages (1-14)	\$13,914,031
Soft Cost (includes Construction Management, Architect and Testing & Inspection)	3,478,508
Furniture, Fixture and Equipment	480,775
Other: Moving Expenses	100,000
TOTAL	\$17,973,314



Sources and Uses of Funds Summer 2019 Modernization at Sunnyside Elementary School

Sources of Funds	Amount
Remaining Proposition E G.O. Bond Series C	\$10,644,742
Capital Facilities Fund	1,300,000
State Modernization Fund	800,000
Measure VV	5,228,572
Total Estimated Source of Funds	\$17,973,314
Uses of Funds	Amount
Less: Estimated Cost for Summer 2019 Modernization	<\$17,973,314>
Equals: Remaining Proposition E Funds	\$0

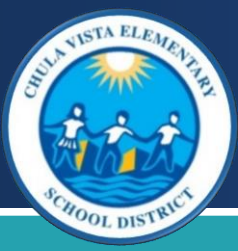


Major Categories for Improvements

- ❑ **Infrastructure Improvements**
Electrical, sewer, water and storm drains, fire alarms, electrical closets, and structural.
- ❑ **Energy Enhancements/Other Areas**
HVAC, window replacements, energy efficient site lighting, classroom upgrades, Americans with Disabilities Act (ADA) compliance, and other upgrades.
- ❑ **Wireless Technology Upgrades**
Wireless hardware, network cabling, and equipment. Provides access for online state testing.



**Karl H. Kellogg
Elementary
School**



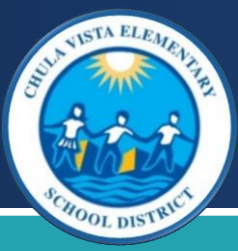
Measure VV - November 2018

- \$150 Million general obligation (GO) bond proposition approved by 67.75% of voters on the November 6, 2018.
- The measure is designed to extend, but not increase current tax rates of Proposition JJ of \$20 per \$100,000 assessed valuation.
- Measure VV will authorize \$150 million in locally controlled funds to repair and upgrade educational facilities and classrooms throughout the Chula Vista Elementary School District.
- This measure will allow the District to apply for millions of dollars in State matching funds that would otherwise be unavailable.



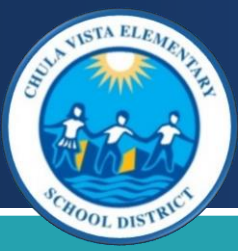
Measure VV Scope of Work

Scope Item	Project Description
Safety and Security	Upgrade intrusion detection system with dual technology sensing, entry lock improvement, fencing, cameras, additional security lock measures and fire alarms.
Infrastructure to Sustain Schools	Replace aging modular, plumbing, electrical, irrigation, storm water, shade structures, playground equipment, playfield and play surfaces.
Technology Infrastructure	Upgrade low voltage cabling, increase data access points for WiFi, expand technology infrastructure and new District data center.
Enhanced Energy Efficiency	Interior/exterior LED lighting, window replacement, HVAC, and review energy producing and storage system.



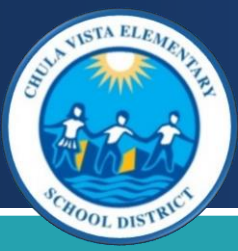
Measure VV Project Plans

- \$60 Million GO Bond Anticipation Notes (BANs). Board of Education approved on May 8, 2019. Closing expected July 2019.
- Completion of Sunnyside modernization during Summer 2019.
- Feaster modernization Summer 2020.
- District-wide projects over next four years include: safety and security, roofing, flooring, HVAC, LED upgrades, etc.



Compliance with Article XIII A, Section I(b)(3) of the California Constitution

- Based on review of information provided by the District and independent auditor to the CVESD ICOC, and its inspections of projects to date, the CVESD ICOC concludes that expenditures of the Proposition E Bond Building Fund have been in compliance with the requirements of Section Article XIII A, Section I(b)(3) of the California Constitution. Specifically :
 - that Bond funds have been expended for the construction, reconstruction, rehabilitation, or replacement of school facilities, or the acquisition or lease of real property for school facilities. That no Bond funds have been used for any teacher or administrative salaries or other operating expenditures; and
 - that the ICOC has reviewed the annual Independent Performance Audit and annual Financial Audit.



Recognition of Outgoing Members

The District would like to recognize and thank the following members for six years of outstanding service on the CVESD ICOC, and discharge them of their duties.

- ❑ ***Sean R. Dunbar***
Taxpayers Association Representative
(Term Expires September 2019)
- ❑ ***Dr. Diane Gerken***
Business Community Representative
(Term Expires September 2019)
- ❑ ***Mary I. Helvie***
Senior Citizens Organization Representative
(Term Expires September 2019)
- ❑ ***Karyn Koenig***
Community At-Large Representative
(Term Expires September 2019)



Thank you!

Questions? Comments?