



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

**Annual Report to the
Board of Education
June 17, 2020**



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

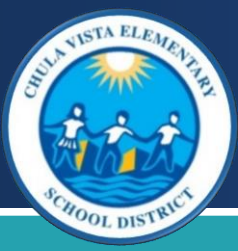
Martha Juarez
Parent SSC Representative

Nancy Kerwin
Senior Citizens Organization
Representative

Gloria McKearney
Taxpayers Association Representative

Ben Lien
Parent PTA Representative

James L. Smyth
Community At-Large Representative



CVESD ICOC SCOPE

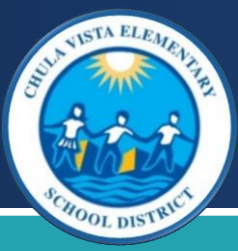
- \$90 Million Proposition E approved by voters in November 2012.
 - Proposition E ICOC approved by Board in January 2013 to provided oversight of Proposition E General Obligation Bond funds.

- \$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.



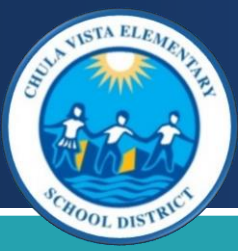
CVESD ICOC Reporting Responsibilities

- 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.



2019-20 CVESD ICOC Activities

- CVESD ICOC Meetings held on:
 - **September 18, 2019**
 - Conducted post Summer 2019 post-modernization site visit at Sunnyside Elementary School.
 - Discussed Measure VV Bond Funding Status.
 - **December 11, 2019**
 - Reviewed Summer 2019 Modernization Expenditure Report for modernization of Sunnyside Elementary School.
 - Discussed Summer 2020 Pre-Modernization status of Mae L. Feaster Charter School.
 - Discussed Proposed March 2020 General Obligation Bond.



2019-20 CVESD ICOC Activities

- CVESD ICOC Meetings held on:
 - **March 11, 2020**
 - Approved 2018-19 Independent Proposition E Financial and Performance Audit.
 - Unmodified Opinion from independent CPA.
 - No finding or questioned costs
 - Reviewed report on Sunnyside Summer 2019 Modernization Costs and Summer 2020 Pre-Modernization status of Mae L. Feaster Charter School.
 - Discussed Measure M General Obligation Bond Measure.
 - **May 13, 2020**
 - Discussed CVESD Board resolution adding independent citizens oversight of Measure M to the existing CVESD ICOC.
 - Virtual pre-modernization site visit of Mae L. Feaster Charter School prior to Summer 2020 Modernization.



2018-19 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.**
 - **80% of expenditures were tested.**
 - **CVESD ICOC found compliant with Education Code Sections 15278 through 15282.**
- 2018-19 Audit report reviewed and approved by CVESD ICOC on March 11, 2020.**

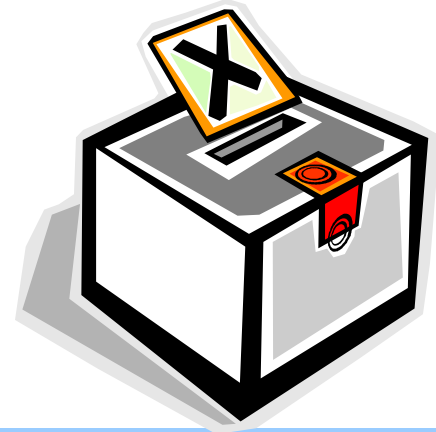


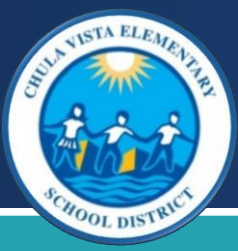
Proposition E Ballot Proposition

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.



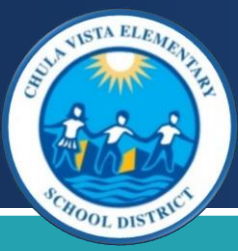


Measure VV Ballot Proposition

November 6, 2018

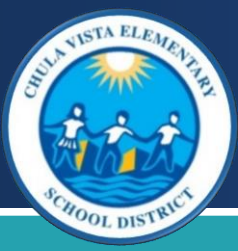
- *To make school safety, security, technology and energy efficiency improvements; repair, construct, acquire and equip classrooms and educational facilities and reduce overcrowding; replace aging plumbing, sewer and electrical systems.*
- *Issue \$150 million of bonds with legal interest rates, annual 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: 67.75% voter approval.
- 25-year amortization.
- No Capital Appreciation Bonds (CABs).
- Extend, but not increase current tax rates of 1998 Proposition JJ of \$20 per \$100,000 assessed valuation.



\$90M Proposition E (2012) Summary of Series A, B and C Total Sources and Uses of Funds

Sources of Funds	Amount	Uses of Funds	Amount
Series A Issuance (2013) <small>(\$31,000,000 Less \$225,000 Costs of Issuance)</small>	\$30,775,000	Wifi Installation Cost for SFID No. 1 Sites (2013-2014)	\$466,066
Series B Issuance (2015) <small>(\$14,000,000 less \$168,000 Costs of Issuance)</small>	13,832,000	Castle Park Modernization (2014)	6,526,630
Series C Issuance (2017) <small>(\$45,000,000 less \$185,000 Cost of Issuance)</small>	44,815,000	Lilian J. Rice Modernization (2014)	6,834,780
Interest Income	1,437,458	Rosebank Modernization (2014)	6,674,525
Total – Sources of Funds	\$90,859,458	Ella B. Allen Modernization (2015)	8,527,200
		Hilltop Drive Modernization (2015)	8,444,167
		Vista Square Modernization (2015)	7,339,449
		Harborside Modernization (2017)	11,799,641
		Kellogg Modernization (2017)	11,289,461
		Montgomery Modernization (2017)	12,392,743
		Sunnyside Modernization (2019) – partial costs	9,691,420
		Feaster Modernization (2019) – preconstruction costs	873,376
		Total – Uses of Funds	\$90,859,458



\$150M Measure VV (2018)

First Issuance: \$60M in August 2019

Bond Anticipation Note (BAN) Issuance	Amount
G.O. Bond Anticipation Notes (BAN) in August 2019 (\$59,998,285.10 Less \$198,000 Costs of Issuance)	\$59,800,285
Interest Income	547,800
Total – Sources of Funds	\$60,348,085

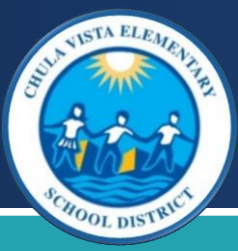
Projected Use of Funds	Amount
Sunnyside Modernization (2019) (Excludes \$9.6M Prop E Costs)	\$<6,334,306>
LED Energy Efficient Lighting Retrofit (2019-20)	<4,105,433>
CV Hills and Eastlake Fire Alarm Replacement (2019-20)	<967,382>
Network Infrastructure (2019-20)	<296,536>
Feaster Modernization-Summer 2020 (Budgeted Amount)	<22,797,676>
Funds Reserved for Measure VV Projects in 2020-21	<25,846,752>
Total – Projected Use of Funds	\$60,348,085



Summer 2019 Modernization Project Sunnyside Elementary

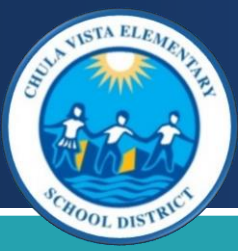
Uses of Funds	Actual Costs
Construction Cost*	\$12,331,330
Soft Cost (includes Construction Management, Architect and Testing & Inspection)	3,588,697
Network equipment and Lync phone system	105,699
TOTAL Costs	\$16,025,726
Paid from Measure VV	\$6,334,306
Paid from Proposition E	\$9,691,420

* Excludes \$1,437,265 construction cost paid with State Funds.



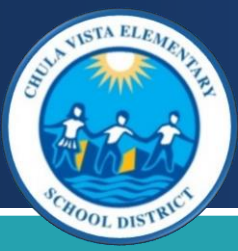
2020 Summer Modernization Estimated Cost for Feaster Charter School

Uses of Funds	Total
Construction Cost Per Bid Packages (1-14)	\$17,219,976
Relocatable	639,142
Soft Cost (includes Construction Management, Architect and Testing & Inspection)	4,464,780
Furniture, Fixture and Equipment	1,347,154
TOTAL	\$23,671,052



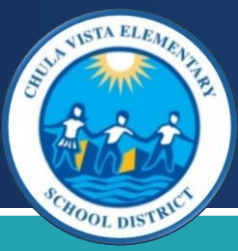
2020 Feaster Charter School Summer Modernization Timeline

ACTIVITY	DATE
Bidding Advertisement Commenced	October 9 and 14, 2019
Bid Opening	November 21, 2019
Board Approval, Bid Package Nos. 1-2, 4-5, and 7-14, and Rejection of Bid Package Nos. 3 and 6	December 18, 2019
Bid Opening of Rebid Bid Package Nos. 3 and 6	January 23, 2020
Board Approval Bid Package Nos. 3 and 6	February 12, 2020
Last Day of School (Was June 4 Prior to COVID-19)	March 13, 2020
Construction Starts (Was June 5 Prior to COVID-19)	May 4, 2020
Construction Complete (Subject to Change)	August 30, 2020
Students Return (Subject to Change)	September 8, 2020



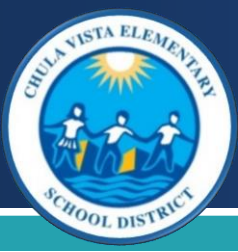
Measure M - March 2020

- \$300 Million General Obligation (GO) Bond proposition approved by 55.42% of voters after final ballot count of the March 3, 2020 election.
- Measure M will authorize \$300 million in locally controlled funds to repair and upgrade educational facilities and classrooms throughout the Chula Vista Elementary School District. Also includes District-wide solar installation program and staff housing project.
- Measure M property tax rate will not exceed \$30 per \$100,000 assessed valuation.



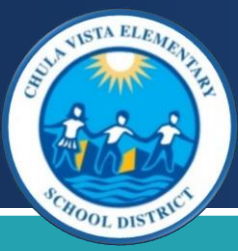
Compliance with Article XIII A, Section I(b)(3) of the California Constitution

- 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 CVESD Bond Building Fund (Proposition E and Measure VV) 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 CVESD ICOC has reviewed the annual Independent Performance Audit and annual Financial Audit.



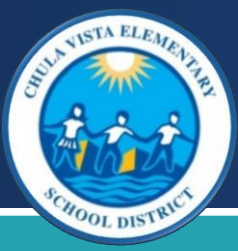
Sunnyside Summer 2019 Modernization





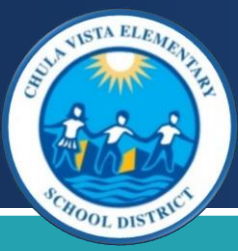
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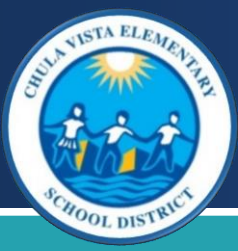
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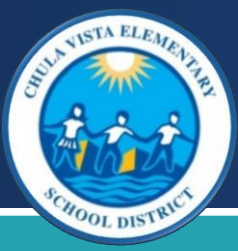
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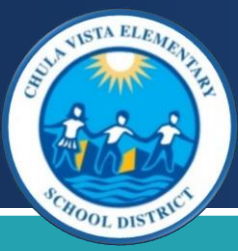
Sunnyside Summer 2019 Modernization





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Sunnyside Summer 2019 Modernization





Thank you!

Questions? Comments?