

## July 1, 2017 – June 30, 2018 Citizens' Bond Oversight Committee

# ANNUAL REPORT



The Citizens' Bond Oversight Committee is pleased to present its annual report on the progress of the San Rafael City Schools' (District) Bond Measures A and B initiatives for the 2017-18 fiscal year.

In 2017-18, the District completed three important projects. At Bahia Vista Elementary School, the construction and installation of a lunch/shade structure was completed in time for the spring. HVAC Systems were installed at San Rafael High School and Terra Linda High School, both completed under budget. In conjunction with finalizing these projects, many more design and construction efforts began. By April 2018, the San Rafael High School Stadium was under construction and nearing completion with the final installation of the turf field. Construction of a new Multi-Purpose Room at Glenwood Elementary School began, along with the modernization of the Davidson Annex, designed to temporarily house students and staff in preparation for construction at Laurel Dell Elementary School. In addition, design efforts began on a number of major projects including the San Rafael High School Madrone, Administration, Commons, Kitchen ("MACK") Project; the Terra Linda High School Innovations Hub Project; the Terra Linda High School Commons, Kitchen, Library, Drama Project; the Laurel Dell Campus Replacement Project; the Davidson STEAM Classroom Project; the Venetia Valley K-8 Replacement Classroom Project; and, the San Pedro New Classroom/Administration Project.

It is important to note that in 2017-18, the construction landscape in Marin County and the entire region grew, and in turn, faced and continues to face significant challenges. Beginning in late 2016, numerous public agencies were successful in getting voters to support added bond measures, which required the work of an already stretched pool of contractors and consultants. Additionally, in 2017, the region was struck with the Tubbs fire, which required immediate resources to begin rebuilding the more than 5,600 structures that were destroyed. As a result, the pool of available and qualified contractors was and is being rapidly exhausted. In turn, construction pricing continues to escalate.

The Capital Improvements Division continued to work diligently and proactively to make sure that the projects are realized, ensuring the highest standard of quality within all of the Measure A and B Bond programs, while keeping with the outlined use of bond revenues. Communication with school families, neighbors, and surrounding communities will continue to be at the forefront of program efforts as we look forward to the successful completion of these exciting projects.

In terms of looking ahead to the 2018-19 school year, San Rafael City Schools had unprecedented levels of construction activity. A very wet weather year challenged our construction progress and construction crews did all they could do to mitigate delays caused by the weather. Despite the weather, significant progress continued throughout the District. For example, a new Multi-purpose Room at Glenwood Elementary School was completed and celebrated at an opening ceremony in June 2019

# Background

## BACKGROUND

In 2015, the voters of the San Rafael City Schools' District passed Measure A and Measure B. Measure A is a \$108,225,000 bond measure and Measure B is a \$160,500,000 bond measure that authorize funding for needed repairs, upgrades, and new construction projects to the District's elementary and high schools, respectively. Proposition 39 requires a 55% supermajority for approval; Measure A passed by 66% and Measure B passed by 67%.

## BOND OVERSIGHT COMMITTEE

Under the provisions of the California Constitution as amended by Prop 39 an independent Citizens' Bond Oversight Committee (CBOC) must be established to assure that Bond funds are spent as approved by the voters.

On January 11, 2016 the San Rafael City Schools' Board of Education approved Resolution 1668 establishing a Bond Oversight committee for the elementary and high school district bond funds.

The purpose of the CBOC is to inform the public concerning the expenditures and uses of bond revenues. The CBOC shall actively review and report on the expenditure of taxpayers' money for bond-funded construction. The CBOC duties are:

- Inform the Public. The Committee shall inform the public concerning the District's expenditure of bond proceeds. In fulfilling this duty, all official communications to either the Board or the public

shall come from the Chair acting on behalf of the Committee. The Chair shall only release information that reflects the majority view of the Committee.

- Review Expenditures. The Committee shall review expenditure reports produced by the District to ensure that (a) bond proceeds were expended only for the purposes set forth in Measure A and Measure B, respectively; and (b) no bond proceeds were used for teacher or administrative salaries or other operating expenses in compliance with Attorney General Opinion 04-110, issued on November 9, 2004.
- Annual Report. The Committee shall present to the Board, in public session, following each fiscal year, an annual written report for each of the Measures which shall include the following:
  - ✓ 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.

## 2017-18 OVERSIGHT COMMITTEE MEMBERS

Kyri McClellan, Chairperson, Parent/Guardian Participant

Peter Gebbie, Vice Chairperson, Parent/Guardian Participant, Parent-Teacher Organization Participant

Carsten Anderson, Taxpayer Organization Member

John Erdmann, Senior Citizen Group Representative

Carol Farrer, Community Member-At-Large

Mark Schott, Community Member-At-Large, Parent/Guardian Participant

George Tuttle III, Community Member-At-Large

Claudia Vazquez, Parent/Guardian Participant, Parent-Teacher Organization Participant

Niels von Doepf, Local Business Organization Representative

## Contacting the CBOC

San Rafael City Schools' District  
Capital Improvements, Room 505  
310 Nova Albion Way, San Rafael, CA 94903  
SRCSBondProgram@gmail.com  
415-492-3285

# Measure A Election of General Obligation Bonds

## Rafael City Elementary School District Measure A Election of 2015 General Obligation Bonds

Financing Assumptions	Estimates After Series A Issuance		Accelerated Issuance Scenario	
Amount of Measure A Bonds Authorization	\$108,225,000		\$108,225,000	
Number of Bond Issues	4		3	
<b>Bond Issuance</b>	<b>Principal Amount</b>		<b>Principal Amount</b>	
March 2016 – Actual	\$25,000,000		\$25,000,000	
2017	-		-	
2018	\$35,000,000		\$72,500,000	
2019	-		-	
2020	\$26,075,000		\$10,725,000	
2022	-		-	
2023	\$22,150,000		-	
Repayment Period Per Series	Series B & C: 30-year CIBs/25 year-CABs Series D: 25-year CIBs/25-year CABs		Series B: 27-year CIBs Series C: 26-year CIBs	
CABs as % of Total Principal	15.9%		0.0%	
Aggregate Repayment Ratio	2.35-to-1		1.91-to-1	
Final Tax Levy	2020-51		2045-46	
True Interest Cost [1]	4.91%		3.90%	
Compliant with AB 182	Yes		Yes	
<b>Estimated Ad Valorem Tax Rates</b>	\$100,000 Assessed Valuation		\$100,000 Assessed Valuation	
	Average	Highest	Average	Highest
Estimated Average Annual	Annual	Annual	Annual	Annual
Future Assessed Valuation Growth [2]	Tax	Tax	Tax	Tax
4.80% annually beginning in FY 2018-19	\$28.66	\$29.99	\$28.86	\$30.00

[1] All numbers are preliminary and subject to change. Assumes 'Aa2/AA-' interest rates as of October 31, 2017, based on comparably rated bond issues in the primary market and secondary market trades, plus 50 basis points for the 2018 Series, 75 basis points for the 2020 Series and 100 basis points for the 2022 Series.

[2] The average annual compound growth rate for assessed valuation in the school district was 6.54% between 1979-80 and 2017-18.

# Measure B Election of General Obligation Bonds

## Rafael City Elementary School District Measure B Election of 2015 General Obligation Bonds

Financing Assumptions	Estimates After Series A Issuance		Accelerated Issuance Scenario	
	Average	Highest	Average	Highest
Amount of Measure B Bonds Authorization	\$160,500,000		\$160,500,000	
Number of Bond Issues	4		3	
<b>Bond Issuance</b>	<b>Principal Amount</b>		<b>Principal Amount</b>	
March 2016 – Actual	\$35,000,000		\$35,000,000	
2017	-		-	
2018	\$35,000,000		\$105,000,000	
2019	-		-	
2020	\$35,000,000		\$10,500,000	
2021	-		-	
2022	\$55,500,000		\$10,000,000	
Repayment Period Per Series	Series B & C: 30-year CIBs/25 year-CABs Series D: 25-year CIBs/25-year CABs		Series B: 28 year CIBs, Series C: 27-year CIBs Series D: 25-year CIBs	
CABs as % of Total Principal	13.2%		0.0%	
Aggregate Repayment Ratio	2.25-to-1		1.94-to-1	
Final Tax Levy	2049-50		2047-48	
True Interest Cost [1]	4.77%		3.90%	
Compliant with AB 182	Yes		Yes	
<b>Estimated Ad Valorem Tax Rates</b>	\$100,000		\$100,000	
	Assessed Valuation		Assessed Valuation	
	Average	Highest	Average	Highest
Estimated Average Annual	Annual	Annual	Annual	Annual
Future Assessed Valuation Growth [2]	Tax	Tax	Tax	Tax
4.75% annually beginning in FY 2018-19	\$28.69	\$30.00	\$27.75	\$30.00

[1] All numbers are preliminary and subject to change. Assumes 'Aa2/AA' interest rates as of October 31, 2017, based on comparably rated bond issues in the primary market and secondary market trades, plus 50 basis points for the 2018 Series, 75 basis points for the 2020 Series and 100 basis points for the 2022 Series.

[2] The average annual compound growth rate for assessed valuation in the school district was 6.32% between 1979-80 and 2017-18.

# 2017-18 CBOC Annual Report

## Bond Expenditures – To Date

### Expenditure Report

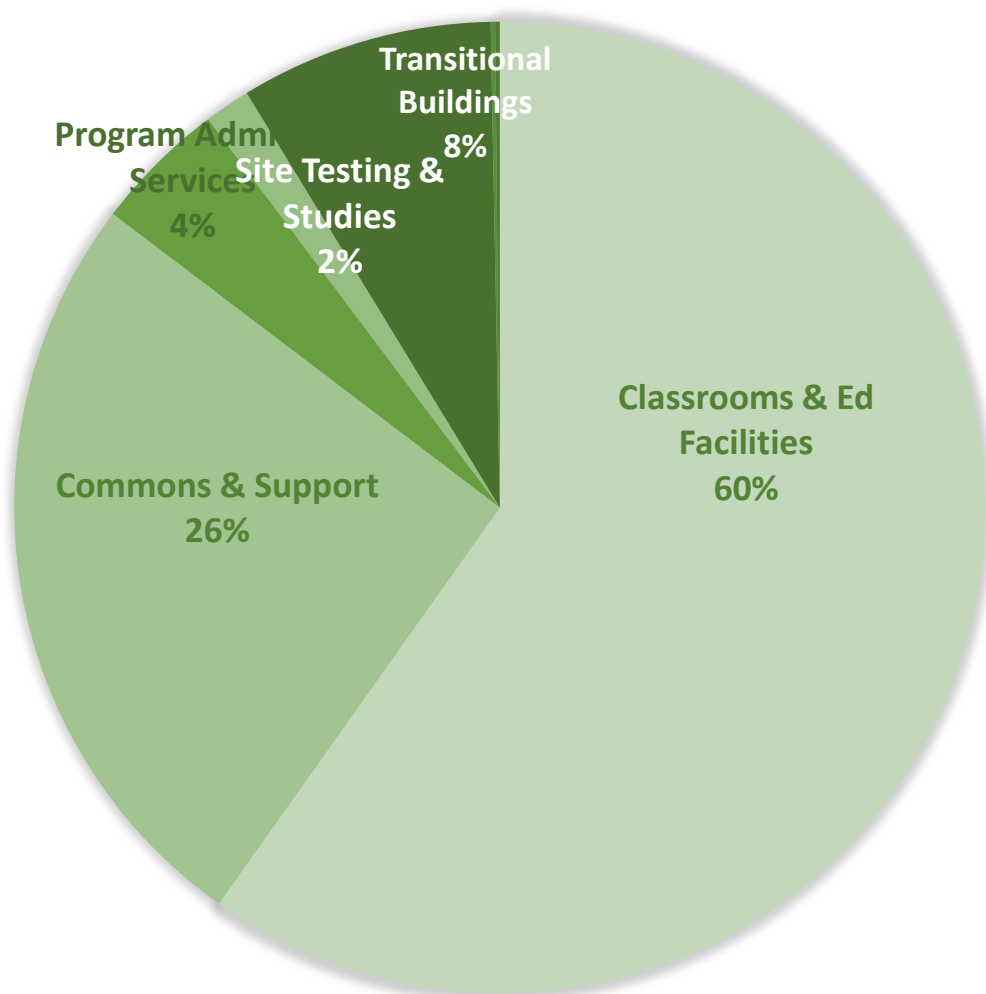
#### San Rafael City Elementary School District Expenditures

School Project Name / Expenditure	Expenditures to Date (9/13/19)
Bahia Vista Elementary School - Bahia Vista Lunch/Shade Structure (3)	\$ 353,582
Davidson Middle School - DMS A Site-Wide Project Costs	\$ 269,315
Davidson Middle School - DMS Gym Locker PE Expansion	
Davidson Middle School - DMS New MPR	
Davidson Middle School - DMS New STEAM CR Building	\$ 10,376,683
Davidson Middle School - DMS Ten Wing Roofing/Waterproofing	\$ 305,810
Glenwood Elementary School - GL MultiPurpose; Modular	\$ 4,239,203
Glenwood Prop 39	\$ 47,500
Laurel Dell Elementary School - LD A Site-Wide Project Costs	\$ 147,405
Laurel Dell Elementary School - LD New Construction and Modernization	\$ 10,162,095
Laurel Dell Elementary School - LD Transitional Housing (3)	\$ 1,379,974
San Pedro Elementary School - SP New Classroom; Admin Bldg; Modular	\$ 14,023,256
San Pedro Elementary School - SP Site-Wide Project Costs	\$ 263,508
San Pedro Prop 39	\$ 47,500
Short Elementary School - SH 4 CRs, MPR, Library, Mod, Improvements	\$ 8,327
Venetia Valley Middle School - V V A Site-Wide Project Costs	\$ 275,446
Venetia Valley Middle School - V V Modernize Kinder and Gym	\$ 2,576
Venetia Valley Middle School - V V New MultiPurpose Building	\$ 571,444
Venetia Valley Middle School - V V Park, Drop, Frontage Improvements	
Venetia Valley Middle School - V V Replacement CR Wings	\$ 11,121,542
Venetia Valley Middle School - V V Transitional Housing	\$ 3,736,746
District-Wide FFE	\$ 72,805
District-Wide Technology	\$ 92,946
Z ESD Program Common Costs - W Program Administration - District	\$ 422,282
Z ESD Program Common Costs - X Program Management	\$ 1,403,552
Z ESD Program Common Costs - Y Program Services and Operations	\$ 932,896
<b>Totals</b>	<b>\$ 60,256,392</b>

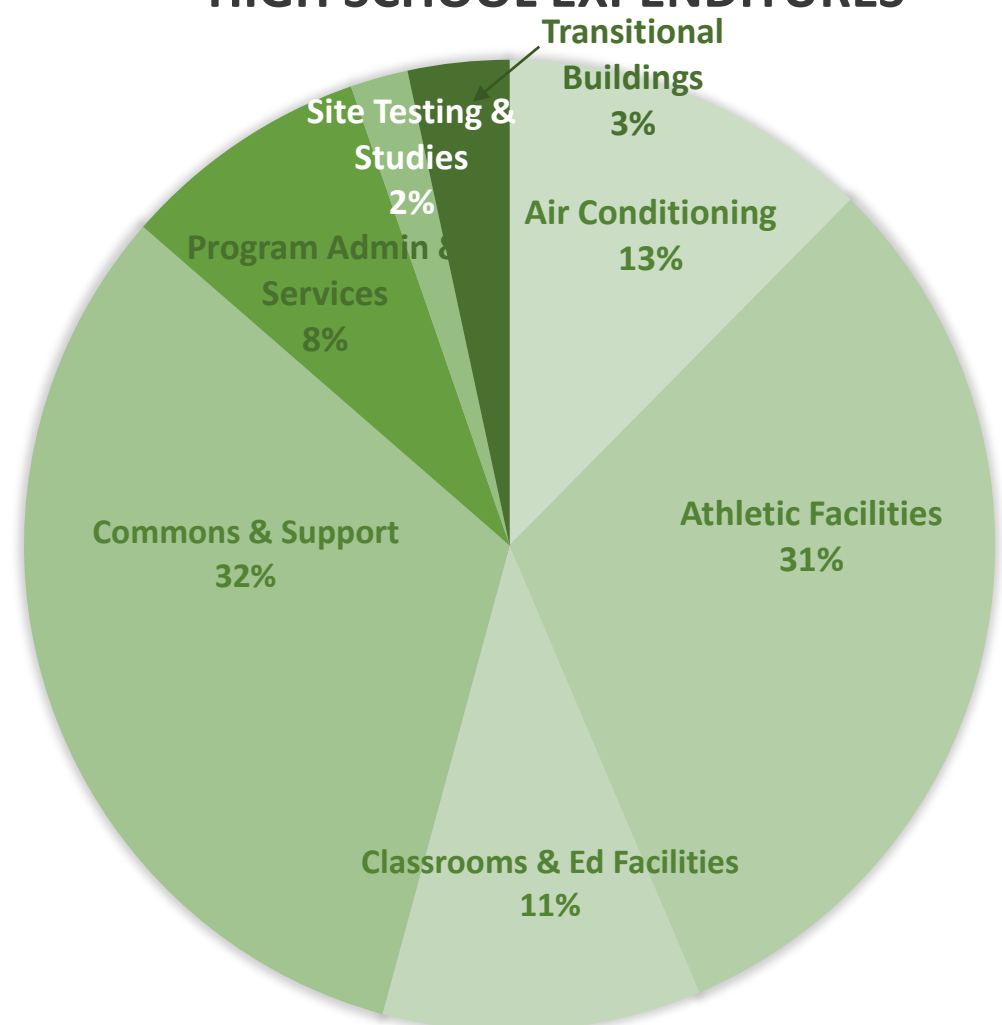
#### San Rafael City High School District Expenditures

School Project Name / Expenditure	Expenditures to Date (9/13/19)
Madrone High School - Madrone	\$ 567,466
San Rafael High School - SR A Site-Wide Project	\$ 476,845
San Rafael High School - SR Admin, Commons, Kitchen, Entry	\$ 7,148,512
San Rafael High School - SR Air Conditioning (3)	\$ 2,645,501
San Rafael High School - SR CTE, Science, Eng, Tech	\$ 681,129
San Rafael High School - SR Parking, Quad, Site-Work	\$ 141,364
San Rafael High School Prop 39 - Boiler Replacement	
San Rafael High School - SR Transitional Housing Ph 1: Science Labs	\$ 1,277,094
San Rafael High School - SRHS Stadium	\$ 12,871,143
Terra Linda High School - TL A Site Wide Project	\$ 316,858
Terra Linda High School - TL Air Conditioning (3)	\$ 2,468,994
Terra Linda High School - TL ICT (STEAM) Renovation (2)	\$ 2,978,542
Terra Linda High School - Transitional Housing	\$ 117,197
Terra Linda High School - TL Music Building	\$ 33,394
Terra Linda High School - TL New Commons, Kitchen, Up Library, Drama (2)	\$ 6,226,509
Terra Linda High School - New Fine Arts, Ceramic Bldg	
Terra Linda High School - TL New Main Gym (2)	\$ 16,105
Terra Linda High School - TL Parking Main Entry Renovation	\$ 5,820
District-Wide FFE	
District-Wide Technology	
Z HSD Program Common Costs - W Program Administration - District	\$ 335,379
Z HSD Program Common Costs - X Program Management	\$ 1,966,567
Z HSD Program Common Costs - Y Program Services	\$ 1,122,989
<b>Total</b>	<b>\$ 41,397,408</b>

### ELEMENTARY SCHOOL EXPENDITURES



### HIGH SCHOOL EXPENDITURES



# Completed Project Highlights

## Bahia Vista Elementary School Lunch/Shade Structure

- Installation of new Lunch/Shade Structure
- *Construction Complete December 2017*



## San Rafael High School Heating, Ventilation, and Air Conditioning

- Installation of new Heating and Air Conditioning at San Rafael High School
- *Construction Commenced – July 2017*
- *Construction Complete – December 2017*

## Terra Linda High School Heating, Ventilation, and Air Conditioning

- Installation of new Heating and Air Conditioning at Terra Linda High School
- *Construction Commenced – June 2017*
- *Construction Complete – December 2017*



# Projects In Progress

## Glenwood Elementary School Multipurpose Room

- Construction on a new multi-purpose room and outdoor amphitheater.
- *Construction Commenced June 2018*
- *Anticipated completion Spring 2019*



## Laurel Dell Elementary School Temporary Housing (Davidson Annex)

- Laurel Dell students and staff relocate to the Davidson Middle School (Annex) while their school is being replaced and modernized.
- *Construction / Modernization Commenced May 2018*

## Laurel Dell Elementary School Campus Replacement / Modernization

- Eight (8) new 21<sup>st</sup> century classrooms, adjacent collaborative spaces, a multipurpose room, office and student support spaces, and extended learning spaces
- Renovation of current multi-purpose and classroom spaces
- Outdoor learning courtyard
- *Design BOE Approved – June 2017*



# Projects in Progress

## Davidson Middle School STEAM Classroom Building

- New STEAM Facility: A new classroom building designed to support science, technology, engineering and math, including ten (10) classrooms/labs and a teacher preparation space
- *Design BOE Approved – June 2017*
- *Modular Company Negotiations Underway*



## Venetia Valley Interim Housing

- Contractor BOE Approved – May 2018
- Construction Commenced – June 2018
- Modular Company Selection Nearing Completion

## Venetia Valley K-8 Replacement Classroom Building

- A new two-story classroom building that will provide new ADA restrooms and 21 new multi-curriculum classroom areas, including STEAM, special education, and office space
- New Multi-purpose building
- *Design BOE Approved – July 2017*

## San Pedro New Classroom; Admin; Modular

- New Instructional and support facilities: Five (5) new kindergarten classrooms, one pre-school classroom, an office, and student support spaces
- *Design BOE Approved BOE – December 2017*





# Projects in Progress



## San Rafael High School Stadium Renovation

- All-weather turf field
- Nine lane track
- ADA accessible bleachers
- Concession stand and ticket booth
- Updated lighting
- *Construction Commenced – July 2017*
- *Turf Substantially Complete – April 2018*

## San Rafael High School Interim Housing

- Four (4) new modular temporary relocatable classroom buildings and canopy to temporarily house ceramics, photography and engineering
- *Construction Commenced – June 2018*

## San Rafael High School Madrone, Admin, Commons, Kitchen

- Construction of one new two-story building consisting of Administrative office, Student Services, Student Commons, Kitchen, and Madrone High School Classrooms
- *Design BOE Approved – December 2017*



## Terra Linda High School Innovations Hub

- Conversion of existing library space into classrooms
- Modification of existing fire alarm and fire sprinkler system as required for reconfigured space
- *Design BOE Approved – December 2017*

## Terra Linda High School Commons, Kitchen, Library, Drama

- New Student Commons Building including collaborative and student support spaces
- *Design BOE Approved – December 2017*

# CBOC Activities

The Citizens' Bond Oversight Committee ("Committee") is responsible for meeting at least once per year, but must not meet more frequently than quarterly. All meetings shall be held within the boundaries of the San Rafael City Schools, located in Marin County, California. All meetings must be open to the public in accordance with the *Ralph M. Brown Act*, Government Code Section 54950 *et seq* and the number of Committee members must constitute a quorum for the transaction of any business of the Committee.

There were four (4) CBOC Meetings held during fiscal year 2017-18.

The following is a summary of these Committee Meetings.

### **August 28, 2017**

- Copies of the final Draft 2015-16 CBOC Annual Report were distributed to Committee members for final review and discussion. The Report was approved by the Board of Education on September 11, 2017.
- Committee members reviewed Bond Measures A & B Program accounting processes and controls.
- Committee members reviewed Bond Measures A & B Program Budget and Expenditure Reports.
- Committee members reviewed CBOC Member term renewals.
- Committee members were invited to join the Capital Facilities Team for their regular presentation at the Board of Education Meeting that was being held simultaneously to this CBOC meeting.

### **November 27, 2017**

- Introduction of new Committee applicant – Carsten Anderson, Taxpayer Organization Member
- Committee members reviewed samples of fliers, notifications, and letters as samples of communication efforts to the community and neighborhoods regarding Bond Measures A & B activities.
- Committee members reviewed Bond Measures A & B Warrant Reports.
- Committee members approved the appointment of a new Chairperson - Kyri McClellan.
- Committee members discussed officer terms.
- Committee discussed new committee member outreach.

### **March 5, 2018**

- Introduction of new Committee applicant – Claudia Vazquez, Parent/Guardian Participant.
- Committee members viewed a presentation regarding Bond Measures A & B updates including current project photos, communication efforts, and bond budget and expenditure information.
- Committee members were presented with the 2016-17 Financial Audit.
- Committee members reviewed budget documents, including current expenditure reports and various project contingency samples.
- Committee members discussed the 2016-17 CBOC Annual Report including the timeline for draft review and completion.
- Committee members approved the appointment of a new Vice Chairperson – Peter Gebbie.

### **May 7, 2018**

- Committee members reviewed CBOC Guidelines.
- Committee members reviewed Draft 2016-17 Annual Citizens' Bond Oversight Committee Report.
- Committee members reviewed Bond Measures A & B Program Budget and Expenditure Reports.

# Audit Review and Findings

## FISCAL AND PERFORMANCE AUDIT

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As required by Measure A and B Bond language, each year a fiscal and performance audit of Measure A and B expenditures is conducted.

The certified public accountant firm of Nigro & Nigro performed the required 2017-18 financial and performance audits for the fiscal year ending June 30, 2018. The auditor issued an unqualified opinion that no deficiencies or unallowable expenses were discovered.

The audit reports were presented and approved by the District's Board of Education at their meeting held on December 17, 2018. With this, it was concluded that San Rafael City Schools complied in all material respects with Measures A and B requirements to expend bond proceeds only on the school facilities projects specified in each. The audit was received by the Citizens' Bond Oversight Committee at the March 4, 2019 CBOC Meeting.

# Statement of Compliance

## STATEMENT OF COMPLIANCE

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This Annual Report is submitted to the Board of Trustees by San Rafael City School District Measures A & B Citizens' Bond Oversight Committee.

The Committee advises that, to the best of its knowledge, the San Rafael City School District is in compliance with the requirements of Article XIII A, Section 1(b) (3) of the California Constitution. Furthermore, the Committee has reviewed expenditure reports produced by the District that will be used to confirm that (a) bond proceeds have been expended only for the purposes set forth in the ballot measures; (b) and not for any other purposes, including teacher and administrative salaries and other school operating expenses; (c) and that bond proceeds have been maximized.

Respectfully Submitted: \_\_\_\_\_ Date: \_\_\_\_\_

Kyri McClellan, Chair

San Rafael City School District, Measures A & B Citizens' Bond Oversight Committee

## Additional CBOC Activities

### 2018-19 Meetings

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#### **August 27, 2018**

- Committee Chairperson announced Board of Education approval of 2016-17 CBOC Annual Report.
- Committee members were presented with the status of the General Obligation Bond “Series B” Funds.
- Sample “Construction Updates” were distributed to the Committee members to demonstrate examples of public communication efforts regarding Bond Program project updates. A discussion regarding current project updates followed.
- Committee members received budget reports and reviewed/discussed individual contract and warrant items, with further clarification of the multi-tiered signature approval process.

#### **November 26, 2018**

- Committee members reviewed public communication examples and discussed alternate program outreach ideas, such as the inclusion of active neighborhood groups, associations, and committees.
- Committee members reviewed 2018 Bond Program budget updates that included individual project planning with regard to anticipated escalation and project priorities.
- Committee members were presented with the 2017-18 Draft Financial Audit.
- Committee members were provided an update on the San Rafael High School Stadium Project closeout.

#### **March 4, 2019**

- Committee members began the meeting with a tour of the Venetia Valley K-8 project.
- Committee members were presented with brief Bond Program project updates and timeframes. Discussions continued regarding bond program outreach.
- Committee members discussed current public communication efforts and shared examples of current wide-reaching activities.
- Committee members reviewed current Board of Education approved Bond Program budget revisions. The group discussed program contract awards and delivery methods.
- Committee members were notified that the 2017-18 Measure A and Measure B Financial Audit Reports were approved by the Board of Education.
- Committee members received and reviewed current Elementary and High School warrant reports.
- Committee members received and reviewed current program master schedules.

#### **May 20, 2019**

- Committee members began the meeting with a tour of the new San Pedro Elementary School facilities.
- Committee members were presented with brief Bond Program project updates and timeframes.
- Committee members were presented with proposed 2019 Bond Program budget adjustments that included current project prioritization and scope adjustments.
- Committee members received and reviewed current Elementary and High School warrant reports.
- Committee members reviewed and discussed the *DRAFT* CBOC 2017-18 Annual Report.