

**GUSD 2008 MEASURE P CITIZENS' OVERSIGHT COMMITTEE
REPORT TO THE BOARD OF TRUSTEES AND GUSD RESIDENTS
May 15, 2014**

Legal Foundation for the Committee

The Gilroy Unified School District Citizens' Oversight Committee ("COC") submits this report to the Board of Trustees and residents of the Gilroy Unified School District ("GUSD"). This report is issued in conformance with the Strict Accountability in Local School Construction Bonds Act of 2000 ("Proposition 39") and Assembly Bill 1908 ("AB 1908") requiring that the School District Board of Trustees form an independent citizens oversight committee and that this committee inform the public about the expenditures of bond funds.

The COC wishes to thank the GUSD staff – Alvaro Meza, Assistant Superintendent of Business Services and James Bombaci, Director of Facilities - who have assisted us with ongoing support for the activities of the committee. We appreciate the opportunity to serve as the "citizens' watchdog" for residents of GUSD, verifying that Bond proceeds are expended only for the school projects on the ballot in conformity with guidelines established with Proposition 39 and AB1908. We want to acknowledge the service of one member who has fulfilled two terms on this committee since she was appointed in March of 2009 and will be ending her service in this capacity–Mary Humphrey.

Formation of the Committee and Charges

The Measure P COC was formed in May 2009 as a result of the passage of GUSD Bond Measure P under Proposition 39 rules which allowed for the passage of the bond measure with a 55% vote as opposed to 2/3 vote required under Proposition 13. The school district must adhere to strict accountability guidelines in the execution of the bond spending per Proposition 39 and AB 1908 including the formation of the COC. Bond Measure P, a \$150 Million Bond authorization, was passed by the voters in the GUSD in November 2008, 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.

The COC is appointed by the Board of Trustees and is charged by State law to review the School District's use of Measure P funds and to inform the public about those uses. The committee continues to see turnover in members, but currently retains the appropriate community representation.

Executive Summary – Citizens Oversight Committee

On May 16, 2013 the COC reported to the Board of Education at their regularly scheduled Board meeting. Matt Morley, Chairman of the COC, provided the Board and the public with an overview of the Committee activities. Mr. Morley informed the Board of the Committee's responsibilities and shared the Measure P related projects which the COC was tracking.

Since the May 2013 report, the COC has met six times, receiving updates from District staff regarding District facilities activities. The Committee has reviewed specifically the expenditures from Measure P to ensure that they are consistent with and in compliance with the Measure P ballot language. Additionally, the committee has received regular project updates for the work scheduled through the program, including site visits to see first hand the projects at several locations, including Gilroy High School, Rucker Elementary School MPR, Rod Kelly, South Valley and the Gilroy Prep School to review the current projects in progress. In its January 23rd 2013 meeting, the committee approved the 2012/13 annual financial audit specific to the Measure P bond activities. This report, prepared by an independent third party, provides additional assurance that the district is expending bond funds appropriately.

Through fiscal year 2013, the following has been spent on Measure P projects:

Completed Projects	Dollars Spent
Brownell Middle School Upgrades	\$ 1,178,505
Brownell MS Server	\$ 15,660
Christopher High School Phase I	\$ 47,930,507
Christopher High School Phase II	\$ 23,644,713
CHS Soccer Field Repairs	\$ 28,397
District Office Roofing, Carpeting	\$ 146,960
District Wide Phone System	\$ 277,650
District Wide Technology, PI Support	\$ 1,775,927
El Roble ES & Glen View ES Fencing	\$ 458,827
Facilities Masterplan	\$ 35,700
GECA New Construction	\$ 74,912
Gilroy High School Modernization (Phases 1, 1A, 2A, 2B)	\$ 4,562,151
Gilroy High School CTE	\$ 1,147,065
Gilroy High School-HVAC	\$ 706,789
Gilroy High School-BioTech Academy	\$ 30,765
Gilroy Prep School Phase 1 Additional Portables	\$ 72,476
Las Animas New Wing	\$ 1,358,901
Maintenance and Transportation Facilities	\$ 882,560
Mt Madonna Safe School Locks, Fire Alarm Upgrade	\$ 29,735
Rod Kelley Computer Lab	\$ 28,739
Rod Kelly Library	\$ 2,423,737
Rucker East Parking Lot	\$ 1,639,004
Rucker New MPR	\$ 3,621,232
Rucker Admin/Library Remodel and West Parking Lot	\$ 243,362
Solorsano MS & Luigi Aprea ES Shade Structures	\$ 25,236
Solorsano Restrooms and Portables	\$ 678,321
South Valley MS Improvements	\$ 314,772
Support Services	\$ 2,327,260
Temporary Housing at Las Animas ES, Rod Kelley	\$ 338,049
Transfer to Deferred Maintenance	\$ 454,401

The following current Projects have been approved by the Board for the budgets listed:

Christopher High School Track and Field – Gilroy Foundation (\$3,400,000) Measure P (\$450,000)
Rucker Elementary School Phase 3 and 4 – Measure P (\$2,118,071)
Glen View Elementary School Modernization – (\$5,000,000)
GECA Campus – (\$3,000,000)
Gilroy High School Phase 2C – (2,220,300)
Gilroy Prep School Portable Classroom Placement – (TBD)

Staff has provided the Committee with reports on the progress and expenditures of each of these projects at the Committee meetings this year. However, as the bond activity has decreased, so have the oversight committee meetings, with meetings now occurring infrequently.

It should be noted that in 2009 the District issued Series A General Obligation bonds in the amount of \$49,986,615 and in order to continue progress in the bond program, issued Bond Anticipation Notes in 2010 in the amount of \$44,996,556 and continued the practice of issuing bond anticipation notes in 2011 with a further issuance in the amount of \$15,385,000. Interest from the revenue of these sales is also captured in the program.

Projects of Interest

The Rucker School Phase I parking lot was completed in the 2011-12 school year. The new Rucker Multi Purpose Building with a permanent kitchen new construction project began in November 2012 and was completed in January Of 2014.

The Gilroy High Phase 2A project was completed last summer.

A tour of the summer projects was conducted on September 26, 2013 for the members of the Measure P Committee. Sites toured included Gilroy High School, Rod Kelley, South Valley, GPS and Rucker. This tour has become an annual event that the committee finds very informative.

The Measure P Committee has noted, on several occasions, opportunities to leverage bond projects to minimize ongoing operational costs, with the potential of positively affecting the district's cash strapped budget. Staff has acknowledged the need and the attempt to address this through the program. The Committee would like to see a continued effort in this regard.

Information regarding the next Measure P Committee meeting is available on the GUSD website. We welcome members of the public to attend our meetings.

Please do not hesitate to contact this committee if you have any concerns or questions regarding the expenditure of Measure P funds.

Respectfully submitted,

/s/

Matt Morley, Chair
GUSD Citizens Oversight Committee – Measure P