



2012 Measure G Bond Citizens' Oversight Committee 2016-2017 Annual Report

CITIZENS OVERSIGHT COMMITTEE

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*Director of Construction and
Modernization*

Anessa Espinosa
Director of Facilities

Jackie Schaefer
Construction Project Planner

Matt Coughlin
Construction Project Supervisor

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Letter from Citizens' Oversight Committee Chair

February 6, 2018

To: The Board of Trustees and Citizens of the Morgan Hill Unified School District

The Citizens' Oversight Committee (Committee) is pleased to forward its third annual report on the \$198 million 2012 Measure G Bond Program. This report covers the 2016-2017 fiscal year. The principal duties of the Committee are to:

- Ensure that Bond proceeds are expended for the purposes described in the Bond ballot language
- Report the program's progress to the public
- Provide an annual report and compliance statement

On October 17, 2017 a second bond sale, "Series B", was issued in the amount of \$80 million. As part of the financing process, District staff met with representatives of Moody's Investors Service who affirmed the District's general obligation bond credit rating of Aa1, the highest rating a non-Basic Aid district can receive. The Series B bonds were offered to investors with a very strong response which resulted in more orders for bonds in many maturities than there were bonds to sell.

We are pleased to report continued progress on implementation and funding of Measure G improvements to our schools. Since our last report to the community, we have successfully installed six Gen7 modulars on the Paradise Valley Engineering Academy campus. In addition, planning stages for the new Britton campus as well as multi-purpose rooms for Jackson, Nordstrom, and Paradise Valley continue to make progress.

Vavrinek, Trine, Day & Co., LLP completed the annual audit of Bond expenditures. The audit report disclosed no instance of non-compliance with the terms of Proposition 39 or the terms of the Bond measure as approved by the District voters.

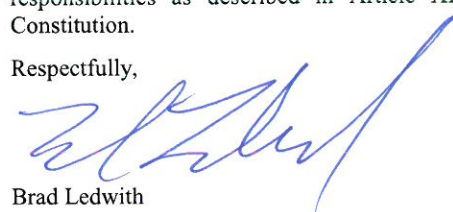
The Committee met throughout the year, rotating to different sites:

- March 8, 2017 - Paradise Valley
- July 12, 2017 - Sobrato
- September 6, 2017 - JAMM
- January 31, 2018 - Paradise Valley

The Committee wishes to thank the MHUSD staff – Kirsten Perez, Assistant Superintendent of Business Services, Anessa Espinosa, Director of Facilities, Casino Fajardo, Director of Construction and Modernization, and Allison Murray, Administrative Assistant – who have assisted us with ongoing support for the activities of the committee.

The Committee, relying on this audit report, is pleased to report that to the best of its knowledge the Morgan Hill Unified School District is in full compliance with its responsibilities as described in Article XIII A, Section 1(b)(3) of the California State Constitution.

Respectfully,


Brad Ledwith
*Chair
Citizens' Oversight Committee*

MORGAN HILL UNIFIED SCHOOL DISTRICT CITIZENS' OVERSIGHT COMMITTEE 2016-2017 ANNUAL REPORT

About the Measure G Bond Program

On November 6, 2012, voters in the Morgan Hill Unified School District passed Measure G, a \$198 Million school bond to finance technology upgrades, construct and renovate classrooms and science labs, replace aging infrastructure, and implement other facilities improvements.

Independent Audit

Under the provisions of the California Constitution as amended by Prop 39, the 2012 Measure G Bond Program must undergo an annual audit by an independent auditing firm. The District utilized the certified public accountant firm of Vavrinek, Trine, Day & Co., LLP (VTD) to perform the required financial and performance audits for the fiscal year ending June 30, 2017. The report was approved by the District's Board of Trustees at their regular meeting held on January 23, 2018. The audit report is available on the Committee's website <http://mhusd.org/measure-g/annual-financial-report/>.

Citizens' Oversight Committee

Under the provisions of the California Constitution as amended by Prop 39, an independent Citizens' Oversight Committee (Committee) must be established to assure that 2012 Measure G Bond funds are spent as approved by the voters. The Committee is required to publish an annual report of its findings.

As chartered by the Board of Trustees of the Morgan Hill Unified School District, the 2012 Measure G Bond Committee may also act as a communications channel for disseminating bond program information. The Committee is not a bond program advisory body and has no authority to make policy, make decisions or set priorities in the spending of bond funds or District operations. All 2012 Measure G Bond projects are authorized and approved by the Board of Trustees.

Committee members are appointed for a two-year term with no compensation for their participation. For the latest Committee meeting schedule, meeting minutes and other information, please go to <http://mhusd.org/measure-g/>.



Paradise Valley – Gen7 Modulares

MORGAN HILL UNIFIED SCHOOL DISTRICT CITIZENS' OVERSIGHT COMMITTEE 2016-2017 ANNUAL REPORT

FACILITIES BOND PROGRAM ACTIVITIES *Projects completed (as of 12/31/2017)*

- Charter School of Morgan Hill, multipurpose room
- District Wide, technology upgrade
- Jackson Elementary School, ADA/restroom upgrade
- Jackson Elementary School, HVAC replacement
- Jackson Elementary School, roof replacement
- Jackson Elementary School, fire alarm upgrade
- Loritta Bonfante Johnson Education Center Modernization, Phase I
- Loritta Bonfante Johnson Education Center, Phase II
- Los Paseos Elementary School, roof replacement
- Martin Murphy Middle School, roof replacement
- Martin Murphy Middle School, security fencing
- Nordstrom Elementary School, fire alarm upgrade
- Nordstrom Elementary School, HVAC replacement
- Nordstrom Elementary School, roof replacement
- Paradise Valley Elementary School, ADA/restroom upgrade
- Paradise Valley Elementary School, roof replacement
- Paradise Valley Elementary School, Fire alarm upgrade
- Paradise Valley Elementary School, HVAC replacement
- Paradise Valley Elementary School, modulares
- San Martin/Gwinn Elementary School, modernization
- San Martin/Gwinn Elementary School, admin building modernization
- San Martin/Gwinn Elementary School, educational courtyard
- Walsh Elementary School, modernization
- Walsh Elementary School, parking lots

Other Projects identified in the Series A & B Project Lists that are either in construction or design. The project lists can be reviewed on the District's website at <http://mhusd.org/measure-g/>.

- Britton Middle School, new building design (Series B)
- Jackson Elementary School, multipurpose room (Series B)
- Nordstrom Elementary School, multipurpose room and portable replacement (Series B)
- Technology Upgrade (Series B)
- Paradise Valley Elementary School, multipurpose room (Series A)



Future Britton Middle School – Library and Student Union Building