



Bond and Parcel Tax Citizens' Oversight Committee 2020-2021 ANNUAL REPORT

CITIZENS' OVERSIGHT COMMITTEE

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**WE ARE LOOKING FOR
NEW MEMBERS TO JOIN
OUR OVERSIGHT
COMMITTEE!**

*Please email
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additional information.*

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Letter from Citizens' Oversight Committee

March 22, 2022

To: The Board of Trustees and Citizens of the Fremont Union High School District

The Bond and Parcel Tax Citizens' Oversight Committee is pleased to present its thirteenth annual report which covers the 2020-2021 fiscal year. The principal duties of the Committee are to:

- Ensure that Bond and Parcel Tax proceeds are expended only for the purposes that they are intended;
- Report the program's progress to the public; and
- Provide an annual report and compliance statement

This Committee was established in June 2008 with the voters' approval of Measure B, a \$198 million school improvement bond. With the passage in November 2014 of Measure J (\$98 parcel tax renewal), and Measure K (\$295 million bond), the Trustees expanded the role of the Committee to include the oversight of all three measures. The Committee's role was subsequently expanded again to include oversight of Measure CC (\$275 million bond) approved by the voters in November 2018. All Measure B projects and expenditures were completed in the 2015-2016 fiscal year and our ongoing review encompasses Measures J, K and CC.

Over this reporting period, all five FUHSD schools and the new district-wide Educational Options and Adult School facilities had Measure K and Measure CC projects in design or construction. As of June 30, 2021, approximately \$265.8 million (Measure K) and \$37.1 million (Measure CC) had been spent on the program. The Committee held four publicly noticed meetings to review project and financial reports, including on-site tours of work in progress.

Of special note, in this period our District projects qualified for an additional \$2.6 million in matching funding from the State's School Facility Program. When added to the \$10.2 million of grant funding received the prior years, these additional grants bring our state matching grant total to \$12.8 million. These dollars will be cycled back into our ongoing improvements efforts, delivering even greater value for our students and community.

Eide Bailly, LLP completed the annual audit of bond expenditures for Measures K and CC and for the Measure J Parcel Tax. The audit reports disclosed no instances of noncompliance with the terms of Proposition 39 or the terms of the bond measures and parcel tax measure as approved by District voters. The Committee is pleased to report that based on the findings of the annual audit, the Fremont Union High School District is in full compliance with its responsibilities as described in Article XIII A, Section 1(b)(3) of the California State Constitution.

This has been a productive year for the school bond programs, with major new facilities opened at all five high schools for the start of the current school year. We thank the community for their ongoing support for excellence in the facilities and programs of the Fremont Union High School District.

Respectfully,

Srikant Gokulnatha
Citizens' Oversight Committee

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ABOUT THE BOND MEASURES

Voters in the Fremont Union High School District have been supportive of the District's efforts to build new classrooms, renovate and expand the facilities that serve our students and staff, upgrade computer network capability and science labs, upgrade classroom computers and technology, construct a solar electricity system and modernize track and fields facilities. They have approved four bond measures since 1998 – Measure H in April 1998 for \$144 million, Measure B in June 2008 for \$198 million, Measure K in November 2014 for \$295 million and most recently Measure CC in November 2018 for \$275 million.

All Measure H and B projects are complete and the funds fully expended. All of the bonds for Measure K have been sold, including approximately \$61 million in green bonds. Green bonds are used for projects that have substantial positive environmental and/or climate benefits. In addition, \$165 million in bonds have been sold for Measure CC projects, which includes approximately \$30 million in green bonds. In conjunction with the new bond issuance in May 2021 under the 2018 Measure CC authorization, there was a refinancing of outstanding bonds with a par amount of approximately \$52.05 million, which consisted of a portion of the 2008 series, 2013 bonds, and the 2015 GO Refunding Bonds. In the descriptions below, projects are identified as being funded by Measure (K) or Measure (CC).

ABOUT THE PARCEL TAX MEASURE

Voters also approved a parcel tax in 2004 for \$98 per parcel. Since then, voters renewed it in 2010 and again in 2014 with Measure J, which is due to expire in 2022. In November 2020, voters renewed the \$98 parcel tax, Measure M, for an additional eight years. The parcel tax protects the math, science, English, foreign language, music and art classes currently offered; maintains class sizes; and retains high quality teachers and staff.

INDEPENDENT AUDIT

Under the provisions of the California Constitution as amended by Prop 39, the 2014 Measure K Bond Program and Measure CC Bond Program must undergo an annual audit by an independent auditing firm. Additionally, the District must provide accountability through an annual audit detailing the amount of funds collected and expended from parcel tax proceeds. The District utilized the certified public accounting firm of Eide Bailly LLP, to perform the required financial and performance audits for the fiscal year ended June 30, 2021. On December 6, 2021, Eide Bailly met with the Committee to review the draft audit reports that document the audit results. The audit reports were approved by the District's Board of Trustees at their meeting held on December 7, 2021. The audit reports are available on the Committee's website www.fuhsd.org/departments/bond-program/citizens-oversight-committee.

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 Bond funds are spent as approved by the voters. The Committee is required to publish an annual report of its findings.

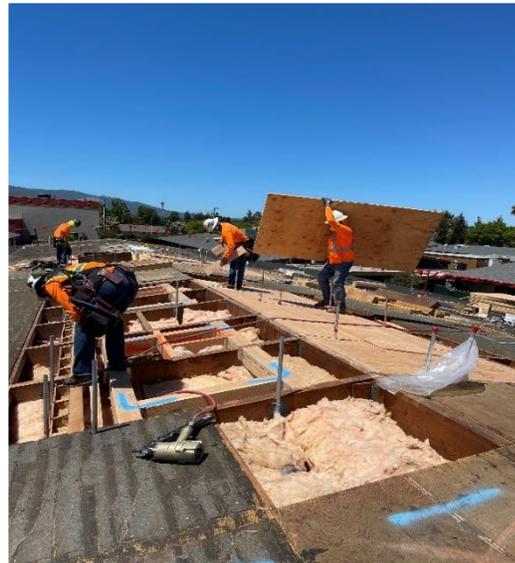
As chartered by the Board of Trustees of the Fremont Union High School District (Board), the 2008 Measure B Bond Committee was created. In January of 2015, the Board expanded the charter of the Committee to include the Measure K Bond and Measure J Parcel Tax. The new Committee became the **Bond and Parcel Tax Citizens' Oversight Committee**. In February of 2019, after the passage of Measure CC, the Board of Trustees added the oversight of Measure CC to the Committee's responsibilities. The Committee may also act as a communications channel for disseminating bond program and parcel tax information and collecting community inputs or concerns. The Committee is not a bond program or parcel tax advisory body and has no authority to make policy, make decisions, or set priorities in the spending of any funds or District operations. All projects are authorized and approved by the Board of Trustees.

Committee members are appointed for a two-year term and may serve three two-year terms with no compensation for their participation. For the latest Committee meeting schedule, meeting minutes, and other information, please go to www.fuhsd.org/departments/bond-program/citizens-oversight-committee.

PROJECT/SITE UPDATES

At **Cupertino High School**, the modernization of Building 300 began construction in the Spring of 2021 with an anticipated occupancy in August 2021. Blach Construction is the builder, McKim Design Group is the architect and this is a Measure **CC** funded project. The scope of the classroom modernization includes new HVAC, roofing and fire alarm upgrades in addition to new lighting, ceilings, AV systems, paint and furniture. The work on Building 300 will modernize 11 classrooms.

The next phased project at Cupertino, also as part of Measure **CC**, will be the Classroom Modernization of Buildings 100 and 400 and will modernize approximately 27 classrooms. This project began schematic design with McKim Design Group as the architect and Blach Construction under contract as the Builder. This project is planned for next Summer 2022.



At **Fremont High School** work continued on the 100-year-old Original Building as well as the modernization of the Student Center. The Original Building modernizes 21 classrooms and also the 450-seat auditorium. The Student Center Building is adjacent to the Original Building and will be used as a medium sized meeting space for groups of over 100 people. The architect for this project is CAW and the builder is Lathrop Construction. The project is scheduled to complete in January 2022 and is a Measure **K** and Measure **CC** funded project.

As part of the Measure **CC**, design began on the Fremont High School Athletic Field Improvements with Verde Design as the architect and Robert A. Bothman as the builder. This project is expected to begin construction in the Spring of 2022 with an anticipated completion in January 2023.

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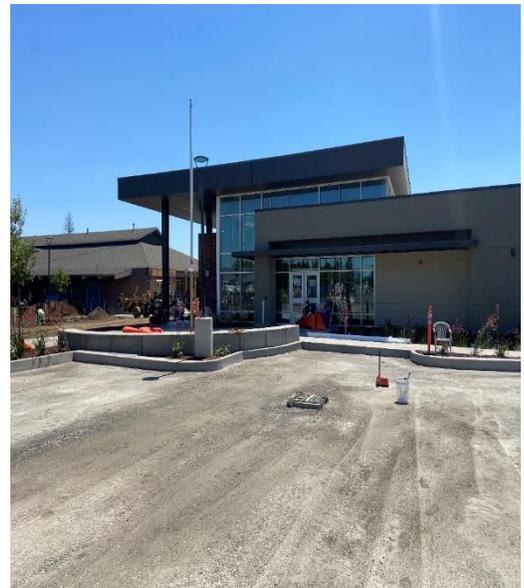


As part of Measure K and Measure CC, destructive testing began on Buildings A and B as part of the **Homestead High School Buildings A and B Classroom Modernization and Seismic Upgrades** projects. QKA is the architect and Blach Construction is the builder for both buildings. Demolition and fiber wrap testing began on Building A in April 2021 and is expected to complete construction in Summer 2022. Building B will commence construction after the completion of Building A, with an anticipated occupancy in August 2023. Building A will modernize 21 classrooms and Building B modernizes 23 classrooms.



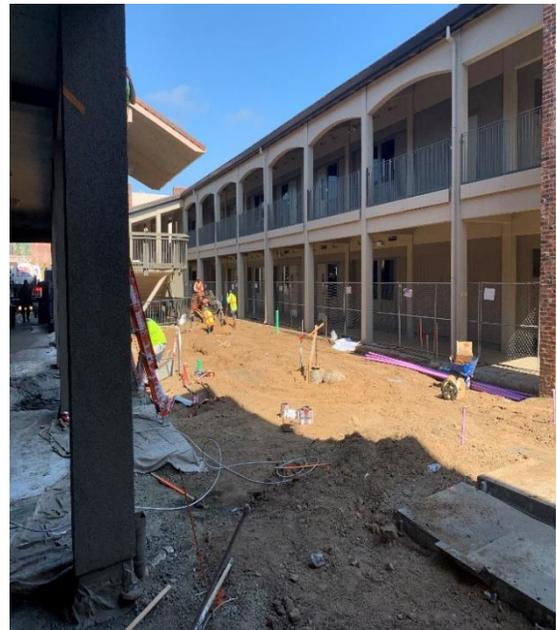
At **Lynbrook High School**, construction of the new Guidance and Student Services (GSS) Building, near the main entrance of the school, was ongoing during the 2020-2021 school year and will complete in Fall 2021. The architect for this project was QKA, the builder was Blach Construction and is a Measure **K** funded project.

Under Measure **CC**, abatement began on the Lynbrook Auditorium Lobby and Promenade and will continue construction into the 2021-2022 school year, with an expected completion of Summer 2022. QKA is the architect and Blach Construction is the builder. Also, as part of Measure **CC**, we began work on the Athletic Field Improvements, with Verde Design the architect and Robert A. Bothman the builder. The field improvements are expected to be completed in February 2022.





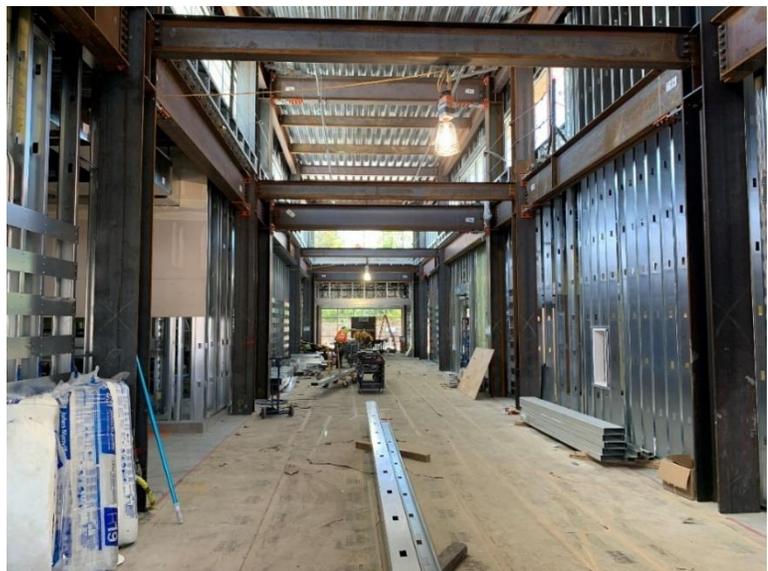
At **Monta Vista High School**, the focus was the classroom modernization of Building D, containing 17 classrooms, and the Utility Infrastructure projects, both part of Measure CC. The utility infrastructure installs a new domestic water loop for the campus. Derivi Castellanos Architects (DCA) is the architect and Lathrop Construction the builder. These projects began in Spring 2021 and are expected to complete in Fall 2021. Also, as part of Measure CC, we began the initial design phase of the Classroom modernization of Building F1, which is scheduled as a summer 2022 project.



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At the **District Office site**, demolition commenced on the old District Office building to begin the construction of the new Adult Education Center and District Office Building. This is a **Non-Bond**, Measure **K**, and Measure **CC** funded project, with QKA as the architect and Blach Construction as the builder. Demolition and site work were completed in November 2020, and the expected construction completion and occupancy of the building is expected in January 2022.



MEASURE J– PARCEL TAX UPDATE

Staff presented the audited Measure J Parcel Tax Update to the Committee on December 6, 2021 and to the Board of Trustees on December 7, 2021. The following table shows the revenue and expenditures that were reported for the fiscal year that ended on June 30, 2021.

**Fremont Union High School District
Parcel Tax Report
FY 2020-21**

Revenues:

Potential Parcel Taxes	5,263,677.01
Assessor's 1% Fee	(52,636.77)
Gross Revenues	5,211,040.24
Senior Exemptions (Refunds only)	(36,750.00)
Total Parcel Tax Revenues	5,174,290.24

Expenses:

Restoration of Teacher and Staff Salary Rollback	4,739,828.00
Sustaining 2004-2005 Staffing Levels	1,800,000.00
Maintain Reduced Class Size - 9th Grade English & Algebra	780,000.00
Miscellaneous Classified	330,503.40
School Resource Budget Restoration	853,656.00
Athletic Officials	30,000.00
On-Going & Major Maintenance (3%)	548,000.00
Additional Coaches Stipends 5 per site	113,000.00
Preliminary Parcel Tax Expenses	9,194,987.40

Transferred to other sources due to insufficient Parcel Tax funds:

Parcel Tax funds	(4,020,697.16)
Final Parcel Tax Expenses	5,174,290.24

Specific Purposes of the Parcel Tax as described in the November 2014 ballot:

1. Protect the math, science, english, foreign language, music and art classes currently offered
2. Maintain class sizes
3. Retain high quality teachers and staff