

LAS VIRGENES UNIFIED SCHOOL DISTRICT

ANNUAL REPORT OF THE MEASURE G
CITIZENS' BOND OVERSIGHT COMMITTEE

TO THE BOARD OF TRUSTEES

FOR THE YEAR ENDED DECEMBER 31, 2010

**MEASURE G CITIZENS' BOND OVERSIGHT COMMITTEE REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010**

Board of Trustees (*the "Board"*)
Las Virgenes Unified School District (*the "District"*)
Calabasas, California

Dear Members of the Board:

The Measure G Citizens' Bond Oversight Committee (*the "Measure G Committee" or the "Committee"*) respectfully submits its fourth annual report to the Board, for the year ended December 31, 2010:

- I. **The Establishment and Operation of the Committee:** The Measure G Committee was established by the Board, on October 24, 2006, by the adoption and approval of Resolution No. 06-06, which resolution also adopted an Ethics Policy Statement and Bylaws for the Committee. For the year ended December 31, 2010, to the knowledge of the Committee all of its members were duly selected and appointed by the Board and have duly served on the Committee, as required by its Bylaws.

- II. **Purposes of Committee and Limitations of Report:** As stated in its Bylaws, the Measure G Committee was established by the Board to satisfy the accountability requirements of Prop 39 with regard to the Measure G Bonds, approved at the election conducted June 6, 2006 (*the "Measure G"*), of up to \$128,000,000 (*the "Bond Proceeds"*). This report is limited by various material restrictions on the Committee's legal capacity and activities, as stated in its Bylaws, as follows:
 - A. The Measure G Committee does not have independent legal capacity from the District;
 - B. May only receive copies of reports and documents which have been previously presented to the Board and which are public records; and
 - C. Only has duties and can only engage in activities that are confined specifically to the Bond Proceeds generated under Measure G, (and as otherwise provided for in its Bylaws), *and this report is so limited.*

- III. **Summary of Measure G Committee's Proceedings and Activities For the Preceding Year:**
 - A. **All Required Meetings Held:** The Committee hereby reports that it has met all of the requirements contained in its Bylaws to hold regular public meetings and that all of its business and member votes (including, but not limited to, with regard to the approval and adoption of this report), were

taken with the required quorum of a majority of the Committee members. All of the following meetings were open to the public and held within the boundaries of the District and, on information and belief, were duly noticed by the District and in accordance with the *Ralph M. Brown Act*, Government Code Section 54590 *et seq*:

<u>Date</u>	<u>Place</u>
February 25, 2010	Lindero Canyon Middle School
July 20, 2010	Calabasas High School
November 4, 2010	Lindero Canyon Middle School
December 8, 2010	District Office

B. **Summary of Authorized Activities of the Committee:** Attached hereto as **Exhibit "1"** and incorporated herein by this reference are true and correct copies of the minutes of the meetings of the Committee (*the "Minutes"*). The Minutes provide some of the details of the actions and activities of the Committee during the past year. With regard to any reference to any reports and documents received and reviewed by the Committee, the District has indicated that all such documents were provided by the District, with an indication that they had been presented to the Board and were a public record. In accordance with the Committee's Bylaws, the following is a summary of these activities, all of which were conducted at the Committee's public meetings:

1. Receiving, reviewing, discussing and making inquiries with regard to that certain "Agreed Upon Procedures" audit of Bond Proceeds expenditures presented to the Board and provided by the District entitled "Las Virgenes Unified School District, General Obligation Bonds, Measure G, Financial And Performance Audits, dated as of June 30, 2010, prepared for the Board by Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants, (**the "Audit Accountant"**) constituting the District's annual independent performance audit and annual independent financial audit, required by Article XIII A of the California Constitution (*the "2010 Audit Report"*).
2. Meeting (both independently and with District staff present), with the Audit Accountant regarding the 2010 Audit Report, at which time it was presented and explained to the Committee and the Committee asked questions regarding the same.

3. On an ongoing basis, from time to time, receiving, reviewing, discussing and making inquiries with regard to various reports, documents and other public records relating to the expenditure of Bond Proceeds, including, but not limited to, various line item expenditure reports;
4. Inspecting and/or receiving progress and status reports on projects and school facilities and grounds for which Bond Proceeds have been or will be expended;
5. Reviewing copies of deferred maintenance proposals or plans proposed by the District;
6. Reviewing efforts by the District to maximize Bond Proceeds by implementing various cost-saving measures;
7. Reviewing Bylaws and responsibilities of the Committee;
8. Reviewing project lists and details; priorities lists; campus and proposed plans; interim financial and Bond Proceeds expenditure reports; and County data reports on expenditures;
9. Receiving briefings from the District, at public meetings, on current Measure G projects, and plans and expenditures, as well as demographic information impacting priorities of expenditures of Bond Proceeds;
10. Receiving confirmation and assurances from the District, at public meetings, that the District had satisfactorily addressed certain issues raised by the Committee with regard to various relatively immaterial expenditures of Bond Proceeds;
11. Requesting that the Audit Accountant conduct significantly increased random sampling of the underlying backup for expenditures of Bond Proceeds, in order to increase oversight and accounting accuracy. The Audit Accountant was able to do this while, at the same time, not materially increasing auditing costs; and
12. Increasing efforts to inform the public, which is one of the Committee's mandates, in the manner more particularly described in Section IV.A.2, below.

IV. **Report on Duties of Committee:** Under its Bylaws, in addition to reporting on the activities it engaged in during the year, the Measure G Committee has the duty to report, and does hereby report, to the Board, on the following:

A. **Informing the Public:**

1. The Measure G Committee hereby reports that it has discharged its duty to inform the public concerning the District's expenditure of Bond Proceeds, in accordance with Section 3.1 of its Bylaws, by, among other things, giving the required notice of its meetings and holding them in public; by preparing and providing this report to the Board, at a meeting held in public, and by posting this report to the District website, along with a copy of the 2010 Audit Report from the Audit Accountant; and by engaging in the Activities described above and immediately below; and

2. **New Community Outreach Program Meeting:** In addition, with a great deal of help and logistical support from the District and, particularly, the Superintendent's office, on November 4, 2010, the Committee is proud to inform the Board that it conducted its first-ever "Community Outreach Program Meeting" comprised, in essence, of a general presentation by the Committee and its Chairperson of the nature and scope of the oversight work done by the Committee; the manner in which Measure G is being implemented and the Bond Proceeds are being utilized; a presentation of the current construction projects for which Bond Proceeds are being and are currently budgeted to be used; and a guided tour of the Lindero Canyon Middle School Construction Project. In order to ensure that all community members, parents and other stakeholders who wanted to attend the Outreach Program would find out about it, in addition to giving the notices required by applicable law, including the Brown Act and the Americans With Disabilities Act, a press release was issued and placed in the local newspaper and a flyer was email blasted by the District to all parents, teachers and other interested parties in its general email database. The feedback from the people who attended the Outreach Program meeting was very positive. (For the Board's information, attached hereto as **Exhibit "2"** and incorporated herein by this reference are copies of the Notice of Meeting, the press release and the email flyer

issued relating to the Community Outreach meeting of the Committee, as well as the PowerPoint presentation made at the meeting.

B. Committee's Report on its Review of Expenditures: As a result of holding its required meetings; of preparing and providing this report; and as a result of engaging in the Activities described above (and in reliance on the 2010 Audit Report and the other expenditure documents, reports, information and confirmations provided by the District):

The Measure G Committee hereby reports that, to the best of its knowledge, information and belief, through June 30, 2010:

- (1) The Bond Proceeds were expended only for the purposes set forth in the Measure G;
- (2) No Bond Proceeds were used for any teacher or administrative salaries or other operating expenses; and
- (3) The District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.

Respectfully submitted,

MEASURE G CITIZEN'S OVERSIGHT COMMITTEE

By: _____



Jeffrey Lee Costell, Chairperson
At Calabasas, California
As of December 31, 2010

EXHIBIT "1"

TO MEASURE G COMMITTEE REPORT,

AS OF DECEMBER 31, 2010

**MINUTES OF 2010 MEETINGS OF MEASURE G COMMITTEE
(CONSISTING OF 8 PAGES)**

MEASURE G OVERSIGHT COMMITTEE

MEETING MINUTES

February 25, 2010

Members present: Jeff Costell
Lydia Gable
Dana Moraly
Leslie Petersil
Lissa Sholty

Members absent: Carlos Cojulum
Pamela Evans

Also present: Donald Zimring, Ph.D. – Superintendent

The meeting was called to order by Chairman Jeff Costell at Lindero Canyon Middle School at 4:30 pm.

Measure G District Summary Report

Committee members reviewed the summary report and found no exceptions.

Public Outreach

Committee members discussed the possibility of putting together a community outreach perhaps sometime in the fall. It was discussed that this could be an open forum to introduce the committee to the community as well as provide information as to the purpose of this committee. The committee also discussed possible advertising options to disseminate information about this outreach to the community.

Audit Report

Committee members discussed the possibility of a more extensive testing of the financial records to include testing of lower dollar amounts.

District/State Budget Update

Dr. Zimring reported that the state budget picture continues to be negative which could force the district into instituting further cuts.

Next Meeting

The next meeting is scheduled for Wednesday, May 19, 2010 at Calabasas High School.

Tour of Lindero Canyon Middle School

The meeting adjourned at 5:00 pm for a tour of the Lindero Canyon Middle School construction site.

MEASURE G OVERSIGHT COMMITTEE

MEETING MINUTES

July 20, 2010

Members present: Jeff Costell
Pamela Evans
Lydia Gable
Dana Moraly
Leslie Petersil (via telephone)
Lissa Sholty

Members absent: Carlos Cojulun

Also present: Donald Zimring, Ph.D. – Superintendent

The meeting was called to order at Calabasas High School at 5:20 pm

Construction Update

Don Zimring gave an overview of the various construction projects:

Lindero Canyon – There has been a delay in masonry work. The buildings should be ready for move-in in January.

Performing Arts Education Centers - Project will be bid in two stages. Bids for ground work came in less than anticipated. Bids will be a bit staggered – Agoura High School will be first; Calabasas High School, second. Both jobs will be built simultaneously. Contractors can bid on both projects. It is anticipated that 300-400 jobs will be created for these projects.

A question was brought up about a cap on the construction management company – Team Concepts Development Services. Dr. Zimring responded that at the present time there is no cap, but that the Board's Facilities Committee is presently working on a redesign of their contract. Following a discussion, there was a motion by committee member Pamela Evans that in the interest of the ability of the Measure G Oversight Committee to better assess Measure G expenditures over future time periods, the Committee proposes that Team Concepts consider agreeing to a "not to exceed" cap on the amount of fees charged by their company. The motion was seconded by committee member Lydia Gable and unanimously carried.

Budget Summary

Dr. Zimring stated that as of this date, the state still has no budget. He informed the committee that the teachers' association agreed to a 5.4% salary rollback and that the calendar would be changed with five less instructional days.

Measure G Oversight Committee

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Dr. Zimring informed the committee that there will be no parcel tax election on the November ballot.

Permits

A question was raised regarding the impact that the district could foresee with LA Unified new policy on not releasing students. Dr. Zimring stated this could have an impact on our district. We currently have approximately 400 high school students on permit at the two schools. He stated that if parents do not agree with the decision, they can appeal to the LA County Office of Education. The County's decision would be considered final.

There was also a discussion regarding losing students to Oak Park School District. Oak Park is a "district of choice" district; meaning they are open to anyone who chooses to attend their schools and the home district must release them.

Public Outreach Meeting

The committee discussed the possibility of conducting a community outreach meeting in the fall (October). This would be an open forum to introduce the committee members to the community and inform the community as to the purpose of this committee.

Next scheduled meeting is September 23, 2010 at Lindero Canyon Middle School @ 5:30 pm.

The meeting adjourned to a tour of Calabasas High School at 6:30 pm.

MEASURE G OVERSIGHT COMMITTEE

MEETING MINUTES NOVEMBER 4, 2010

Members present: Carlos Cojulun
Jeff Costell
Pamela Evans
Judy Jordan
Dana Moraly

Members absent: Lydia Gable
Leslie Petersil
Lissa Sholty

Also present: Donald Zimring, Ph.D. – Superintendent

The meeting was called to order by Chair member Jeff Costell at 5:15 pm.

It was moved by Dana Moraly and seconded by Carlos Cojulun that the minutes from the September 20, 2010 meeting be approved as presented. It unanimously carried.

Role and responsibilities of Measure G Oversight Committee

Chair member, Jeff Costell, introduced the members of the Measure G Oversight Committee. Mr. Costell gave a presentation outlining the purpose and responsibilities of the Measure G Oversight Committee. In his presentation, he stated that this committee is mandated under the Proposition 39 General Obligation Bond provisions; the committee meets four times each year; all meetings are open to the public; the committee presents a report to the Board of Education each year (usually in January).

Measure G Projects

Dr. Zimring provided a general overview of all the projects that have been funded under the Measure G bonds. Currently, the renovation and remodeling of Lindero Canyon Middle School is ongoing with an anticipated move-in date at the end of the year. The District is also in the beginning stages of construction of two performing arts education centers at both high schools. Dr. Zimring spoke about the strict requirements that all school construction projects must adhere to and stated that school buildings must meet higher standards than any other type of construction. He pointed out that a portion of the Measure G funds can be used for technology, and the District has embarked on an ongoing program for upgrading technology in all classrooms and schools.

Comments from the audience

- 1) Question regarding the loss of tennis courts at Calabasas High School due to the construction of the performing arts educational center – Bond funds can be used to replace existing courts but cannot be used to construct new ones. Those funds would come from deferred maintenance dollars.
- 2) Lindero Canyon Middle School – Existing multipurpose room (Building B) – This building will be demolished and a new multipurpose room/music room will be constructed. This project should begin in January 2011.
- 3) Concern regarding the loss of parking spaces at Agoura High School because of the construction of the performing arts education center – Approximately 40 spaces have been lost at the present time. District is currently working with the city of Agoura Hills on some possible solutions.
- 4) Concern about low-cost housing being considered near the backside of Agoura High School – District is working with the City on medium-cost housing (approximately 12 units) with the initial plan that these units would be offered to teachers and public service workers.

The meeting adjourned at 6:55 pm.

A tour of the Lindero Canyon Middle School construction project followed the meeting.

MEASURE G OVERSIGHT COMMITTEE

MEETING MINUTES

December 8, 2010

Members present: Carlos Cojulum Lydia Gable
Jeff Costell Leslie Petersil
Pamela Evans Lissa Sholty
Judy Jordan Dana Moraly

Also present: Donald Zimring, Ph.D. – Superintendent
Jeff Carter – Vavrinek, Trine, Day & Co.

A motion was made by Pamela Evans, seconded by Lydia Gable, that the minutes for the November 4, 2010 meeting be approved. The motion carried unanimously.

Audit Report

Jeff Carter from Vavrinek, Trine, Day, and Co. presented the annual audit report to the committee. He stated that, at the request of the committee last year, an expanded testing was done. Random sampling was expanded on smaller items. In their examination, there were no errors noted and no adjustments needed. A motion was made by Dana Moraly, seconded by Lissa Sholty, that the audit report be accepted. The motion carried unanimously.

Chairman Jeff Costell discussed with the committee the presentation of the Measure G Oversight Committee's annual report to the Board of Education. A motion was made by Lissa Sholty, seconded by Dana Moraly, that the same format be used as in previous years and authorize Chair Member Jeff Costell to prepare the annual report to follow the same procedures as last year. The motion carried unanimously.

Once Mr. Costell has completed the report, he will circulate it to the committee members for review and would like to receive any responses from the committee by January 11, 2011. Mr. Costell will be presenting the annual report to the Board of Education at their January 25, 2011 meeting.

Measure G District Summary Report

The committee members discussed the summary report mainly focusing on the Lindero Canyon construction.

Committee members asked for clarification of the different columns of the report in order to get a better understanding of the dollars.

Construction Update

Lindero Canyon Middle School – Furniture is being delivered and moved into classrooms for an anticipated move-in date of January 3, 2011. The last concrete pour was done and an anti-skateboard wall is being constructed. Dr. Zimring stated that with the savings that have been realized in the Phase I construction, Building B will be demolished and a new multipurpose/music building will be constructed. Construction should commence in February, 2011.

Performing Arts Education Centers – Project is approximately 1 month behind. There has not been too much activity lately.

A committee member commented that most of the priorities have been focused toward secondary schools and felt that an effort should be made to also include elementary schools on the priority list with a suggestion to the Facilities Committee to focus on all levels.

Issuance of Series C Bonds

The District is in the process of obtaining its third series (Series C) of bond funds. The district was unable to acquire the remainder of the bond funds as the L.A. County Office of Education would not support the district going for 40-year bonds (too costly to the taxpayers over the long period of time). The district will receive approximately \$25 million with this sale. Dr. Zimring and Karen Kimmel will be traveling to San Francisco next week to meet with the rating agencies. The district currently has an AA- rating.

District/State Budget Update

Dr. Zimring shared that news about the state budget continues to be negative. The District did receive one-time federal dollars and was able to add five days back to the district calendar for this year which will equate to salaries being cut just under 2% (rather than 5.4%).

Meetings for next year

Meetings for next year were established as follows:

- Thursday, February 17, 2011
- Thursday, May 19, 2011
- Thursday, September 15, 2011
- Thursday, December 8, 2011

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December 8, 2010
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Meetings will begin at 5:30 pm at the District Office unless otherwise changed prior to the meetings.

The meeting adjourned at 6:40 pm.

EXHIBIT "2"

TO THE MEASURE G COMMITTEE REPORT,

AS OF DECEMBER 31, 2010

COPIES OF DOCUMENTS

RELATING TO THE "COMMUNITY OUTREACH" MEETING

**OF THE MEASURE G COMMITTEE
(CONSISTING OF 30 PAGES)**