

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, 2009

**MEASURE G CITIZENS' BOND OVERSIGHT COMMITTEE REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009**

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 second annual report to the Board, for the year ended December 31, 2009:

- 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. 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"*). As stated in its Bylaws, the Measure G Committee *does not have independent legal capacity* from the District; *may only receive* copies of reports and documents which have been previously presented to the Board and which are *public records*; and *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 26, 2009	District Office
May 27, 2009	District Office
September 10, 2009	District Office
December 10, 2009	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, 2009, 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 "2009 Audit Report"*).
2. Meeting (both independently and with District staff present), with the Audit Accountant regarding the 2009 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 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; and
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.

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:** 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 posting this report to the District website, along with a copy of the 2009 Audit Report from the Audit Accountant; and by engaging in the Activities described above.

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 2009 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, 2009:

- (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, 2009

MEASURE G OVERSIGHT COMMITTEE

MEETING NOTES

February 26, 2009

Members present: Jeff Costell
Pamela Evans
Lydia Gable
Judy Jordan
Leslie Petersil
Lissa Sholty

Members absent: Carlos Cojulun
Dana Moraly

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

The meeting was called to order at 5:40 pm.

Items discussed:

Measure G District Summary Report

Committee members reviewed the Measure G Summary Report. There was a request from committee members that the report be condensed to only include items that had not been reviewed or approved by the committee. The report, as currently given, shows all Measure G items from the beginning of the bond which has made it difficult to determine what items are current and what items have already been reviewed and approved. One suggestion was to only include items transacted since the last audit.

District/State Budget Update

Dr. Zimring gave a condensed version of the Board of Education presentation regarding the approved state budget and its impact on our district budget. Basically, the state budget calls for nearly \$8.4 billion in cuts to education. Dr. Zimring explained that specifically, the final plan divides categorical programs into three tiers: those programs that have no flexibility (examples; special education, K-3 class size reduction, home to school transportation); those with limited flexibility; and those with full flexibility (examples; deferred maintenance, GATE).

Dr. Zimring discussed with committee members his plan to put together a multi-year budget plan that will help sustain the district through these difficult times rather than go through the cut/reduction process each year. He expressed that it is his goal to restore as many jobs and bring back as many people as possible, maintain programs, and remain stability. The district anticipates sending out 50-75 preliminary lay-off notices (deadline is March 15).

There was a discussion regarding the various avenues the district is pursuing in order to meet the approximate \$2.5 million in cuts, including:

- Reducing district office through reduction in administrative support and freezing of positions
- Restructuring of library services (become more centralized)
- Reduction in counseling services
- Combining college/career support
- Enhanced revenue by leasing of school property

Committee members thanked Dr. Zimring for his presentation and that through this presentation, they had a much clearer understanding of the state budget and where the district is heading.

Lindero Canyon Middle School Construction Update

Dr. Zimring reported that demolition has begun at the school. There will be a “building breaking” ceremony in the Lindero Canyon Middle School parking lot on Saturday, February 28, at 10:00 am.

Next Meeting

The next meeting is scheduled for Thursday, May 14, 2009 at 5:30 pm.

The meeting adjourned at 7:15 pm.

MEASURE G OVERSIGHT COMMITTEE

MEETING NOTES

May 27, 2009

Members present: Jeff Costell
Carlos Cojulun (via telephone)
Lydia Gable
Judy Jordan
Dana Moraly
Leslie Petersil

Members absent: Pamela Evans
Lissa Sholty

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

The meeting was called to order at 5:35 pm by vice chair Lydia Gable. (Chairman Jeff Costell arrived late)

Construction Update

Don Zimring gave an overview of the status of the Lindero Canyon Middle School project stating that a lot of ground work has been completed. The timeline for the project will be approximately 2 - 2 ½ years. Dr. Zimring stated that when he attended the open house for Lindero, he was pleased at the amount of positive feedback he received from parents regarding the project.

Dr. Zimring gave a status the Calabasas High School science lab project which is currently in progress stating that the timeline of this project is very tight but work continues progressing on schedule.

Dr. Zimring stated that the plans for the performing arts education centers are complete and are in the Division of State Architect at the present time.

Measure G District Summary Report

Committee members reviewed the summary report with questions regarding office supplies and conference registration. It was determined that the conference registration was for technology and would be a legitimate Measure G expense, however, the office supplies should not be listed as a Measure G expense and should be transferred out.

District/State Budget Update

Dr. Zimring reported that with the failure of the ballot initiatives, the district would be facing more cuts of approximate \$2.5 million. He informed the committee that the four-year plan budget stability plan that the district has been working on is now reduced down to a two-year plan due to these unexpected cuts.

Analysis for next potential bond issuance – fall 2009

Dr. Zimring reported that due to the current market, the district is anticipating the next issuance of Measure G bonds for this fall in the amount of \$45 million. This will help accelerate upcoming projects such as the performing arts education centers.

Review of proposed language – Board approval of expenditures

Dr. Zimring distributed a draft board agenda item for committee review. After discussion, it was the consensus of the committee to include the dollar amounts of the projects (\$550,000 – Indian Hills High School relocation to AHS and \$325,000 – Community Learning Center relocation to Sumac) as part of the agenda item as well as include that part of the ballot language which authorizes the Board to take such action. This item will be placed on the June 9 board agenda for formal action.

Next Meeting

The committee discussed upcoming meeting dates and felt that due to summer vacations, the committee would not meet on July 16 and decided to meet in September. The date was scheduled for September 10 at 5:30 pm. In addition, the meeting scheduled for 10/15 was canceled. The committee will continue to meet on December 10 which will be their audit review.

The meeting adjourned at 6:30 pm.

MEASURE G OVERSIGHT COMMITTEE

MEETING NOTES

September 10, 2009

Members present: Jeff Costell
Carlos Cojulun (via telephone)
Lydia Gable
Judy Jordan
Dana Moraly
Leslie Petersil
Lissa Sholty

Members absent: Pamela Evans

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

The meeting was called to order at 5:30 pm by Chair Member Jeff Costell.

The minutes from the May 27, 2009 meeting were approved as presented.

Items for discussion:

Measure G District Summary Report

Committee members reviewed the current summary report. Following discussion, one item under District Office ("Home Depot" - \$2,000) was determined not to be a Measure G expense and should be moved.

Construction Update

Calabasas High School Science Labs – Dr. Zimring reported that this project was completed on time and ready for occupancy on the first day of school. This project came in close to budget; however, more ceiling had to be removed than originally planned.

Lindero Canyon Middle School

At the present time, this project is ahead of schedule. During the summer, underground work was being accomplished with the underground water problems being resolved. The original drawings called for a remodel of Building B. However, due to the current economic times, the Facilities Committee has opted to demolish Building B and construct a new building housing a multipurpose room and music room. It was suggested that the committee do a tour of the facility at a future meeting.

PAEC

The architect has stated that the plans should come back from DSA in December.

District/State Budget Update

Dr. Zimring reported that as of this date, the district has shown an 18% reduction in revenue over one year ago. The state budget continues to create challenges for the district as decisions regarding additional cuts need to be made. On a positive note, enrollment was up over projections. Due to the present economy, more students are leaving the private school sector for public school.

Access to Federal Funds

We have received the bulk of the federal stimulus money – approximately \$4 million.

Status of potential bond issuance – Fall 2009

The district will be going to market in October for the second issuance of the bond – approximately \$40 million. These funds will be earmarked to finish LCMS construction and for the first phase of the performing arts education centers.

Next meeting

The next meeting will be held on Thursday, December 10, 2009, at 5:30 pm. The audit review will be scheduled for this meeting.

The meeting adjourned at 6:25 pm.

MEASURE G OVERSIGHT COMMITTEE

MEETING NOTES

December 10, 2009

Members present: Jeff Costell
Carlos Cojulun (via telephone)
Lydia Gable
Judy Jordan
Dana Moraly

Members absent: Pamela Evans
Leslie Petersil
Lissa Sholty

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

The meeting was called to order by Chair Member Jeff Costell at 5:40 pm.

It was moved by Dana Moraly, seconded by Judy Jordan, that the minutes from the September 9, 2009 meeting be approved as presented.

Review of Audit Report

The committee met with Jeff Carter from Vavrinek, Trine, Day and Co. to review the audit report for the Measure G financial records. It was moved by Jeff Costell and seconded by Dana Moraly to accept the report as presented.

There was a suggestion by the committee of the possibility of the audit firm lowering their threshold levels in the review of the financial records for future audits. This will be discussed further at the next meeting. The committee also discussed soliciting a multi-year proposal for future auditing services.

Measure G District Summary Report

The committee reviewed the report and found no exceptions.

Construction Update

Don Zimring reported that the Lindero Canyon project has been progressing on schedule up until last week when it was announced that the masonry contractor filed bankruptcy. This is problematic as the masonry contractor had already begun working on the project. The District is protected under the Lease/Leaseback; however, it could delay the project from 1 to 6 weeks while new contractors are solicited.

District/State Budget Update

Don Zimring reported the latest information to the committee. The LA County Office of Education gave the District a "conditional budget approval" contingent upon the District establishing a fiscal stabilization plan by its first interim report. Staff presented a list of \$3.5 million in cuts/reductions/revenue enhancements over the next two years to the Board of Education at its December 8 meeting. Under the law, the Board of Education can only eliminate programs and institute lay offs. Anything involving salaries, benefits, and furlough days must be negotiated with the respective unions.

Bond Sale

Don Zimring reported that the District accelerated its second issuance of bonds. The District was able to maintain its AA rating and when the bonds went to market, the majority of the bonds were sold within a short period of time.

Future Meetings

The committee established the following meeting dates for the 2010 year:

Thursday, February 25, 2010 @ Lindero Canyon Middle School – 4:30 pm

Wednesday, May 19, 2010 @ Calabasas High School – 5:00 pm

Thursday, September 23, 2009 @ Lindero Canyon Middle School – 5:30 pm

Wednesday, December 8, 2010 @ District Office (audit review) – 5:30 pm

The committee authorized Jeff Costell to prepare the annual Measure G Committee report following the same procedures established for past reports. This report will be scheduled for the January 26, 2010 board meeting; and the committee authorized Jeff to attend this meeting to present the report to the Board. It was decided that Jeff would distribute his draft report to committee members for review by January 11, 2010 and requested any responses be forwarded to him by January 15. He will then finalize the report and submit it to the District by January 21.

There was also a discussion regarding having committee members present their report to the various cities within our district as a gesture of good public relations.

The meeting was adjourned at 7:00 pm