

Santa Clara Unified School District
Measure H Bond – Citizens Oversight Committee Minutes
Monday, December 3, 2012 – 5:30 PM
Meeting No. 06

Committee Members:

Mohammed Nadeem	Present	Jim Van Pernis	Present
Kevin Moore	Present	Christeanna Wong	Present
Tim Towers	Present		

District Administration:

Larry Adams	Present
Jim Luyau	Absent

Others

Valerie Russell	Present
Joyce Peters, Vavrinek, Trine, Day &Co. LLP	Present

1. **Welcome and Introductions:** Jim Van Pernis, Chair, called the meeting to Order at 5:30 p.m.
2. **Approval of Minutes:** Meeting No.5, June 18, 2012: Kevin More moved to approve. Motion seconded by Mohammed Nadeem and approved.
3. **Committee Composition and Organization:** Notices requesting applications to serve on the committee have been published in the San Jose Mercury News, Santa Clara Weekly and Sunnyvale Times. Notices have also been posted on the District and School Websites. Spanish translations have been distributed to the schools. Interviews have been conducted and recommendations will be made to the Board of Trustees at the January 10, 2013 meeting. Qualified candidates have been identified for all but two positions, representative of local business organization and representative of a bond-fide tax payer organization. Tim Towers currently represents a tax payer organization and could continue for a third two-year term if the bylaws are amended. Recent legislation gives the Board authority to make such a change.

Kevin Moore will be leaving the committee. The Committee and the District sincerely thank Mr. Moore for his work on the Committee.

4. **Fiscal Year 2011-2012 Financial and Performance Audits:** Ms. Joyce Peters with Vavrinek, Trine, Day &Co. LLP presented the findings of the annual Financial and Performance audits required by Proposition 39.

The Measure H Bond Fund 212 ended the fiscal year with a Fund Balance of \$67,522,965.

Total Expenditures for the year were \$13,158,972.

Eighty-one percent of all expenditures were examined and tested in detail. The results of the tests “disclosed no instances of noncompliance or other matters that are required to be reported under *Government Accounting Standards*.”

The Performance Audit found that the District properly accounted for the expenditures and that they were for authorized Bond projects. Also, expenditures for District administrator salaries were made only to the extent allowable per Opinion 04-110 by State of California Attorney General.

5. **Measure H Projects Status Update:**

- A. Agnews Property Acquisition: The State Department of General Services (DGS) recently received an updated appraisal of the property in excess of \$70M, well in excess of the \$45M allocated in the Measure H Master Plan. A recent letter from the DGS does not indicate any flexibility in accepting a purchase price less than the appraisal amount. Additional funding is

available from Developer Fee revenue from the North San Jose area but it is not sufficient to fund the DGS asking price. Senior administration is engaged in negotiating and lobbying to arrive at a compromise to acquire the site.

- B. Solar Energy Program: Construction is complete at Buchser Middle School, Peterson Middle School, Wilson Education Options and Millikin Basics Plus Elementary School (the Mariposa Campus). Construction is about to start at District Office Site. Significant design obstacles have been encountered at Don Callejon School site. Alternate solutions are being explored. The Santa Clara High School and Wilcox High School sites are being designed in coordination with Measure J modernization projects and will be completed next summer.
 - C. Mariposa: The Millikin Basics Elementary School started the school year in modernized facilities on the Mariposa (Carden) campus. Work has started to replace the administration building which is smaller than the existing building on the old Millikin (Sonoma Place) campus. This will eliminate the need to use permanent classrooms for administration functions.
 - D. Video Surveillance/Security Program: Work is complete to upgrade three data centers to collect process and store video data from all school sites at Peterson Middle School, Santa Clara High School and the District Office ITG Building. Cabling and data processing equipment was installed over the summer. Cameras are being installed. A new diesel powered emergency generator is in operation at the District Office to provide emergency power for District "head-end" communications equipment and portions of the District Office building.
6. **Measure H Reports:** Larry Adams presented the following reports:
- A. "Measure H Program Master Plan Revenue Report" dated December 3, 2012:
 - 1) The total Measure H Bond Revenue as of September 30, 2012 is \$82,707,078.
 - 2) All of the Bond authorization was sold in June 2011. Funds were deposited on July 1, 2011. The Bond sale was extremely successful with interest rates of approximately 4.1%.
 - B. "Measure H Program Master Plan Cost Report" dated December 3, 2012.
 - 1) Total of expenditures as of September 30, 2012 is \$18,139,081.
7. **Items from the Committee:**
- A. Were the before and after-school daycare portables installed at the Mariposa Campus for the Millikin Basics Plus program part of the Measure H Program? Expenditures for the portables are a legitimate use of Measure H funds. The portables were, however, added to the scope of the project about midway through construction. One portable would have been required for a YMCA or District daycare program in about 3 years as the school expands to three classrooms of every grade level.
 - B. Concern was expressed that every available avenue is being pursued to negotiate a successful purchase of the Agnews property. Also, is there a backup plan for housing students if the site acquisition is delayed or unsuccessful?
8. **Next Meeting:**
- A. The Bond Project Office will schedule the next meeting.
 - B. The meeting adjourned at 7:24 pm.

Attachments:

Measure H Program Master Plan Revenue Report dated December 3, 2012

Measure H Program Master Plan Cost Report dated December 3, 2012

Measure H Program Master Plan Revenue Report

Presentation to the Measure H Citizens' Oversight Committee

December 3, 2012

Source of Funds	Budget	Received to 09/30/2012	Budget Balance	Fund 212
Measure H Bond Authorization				
First Issue 2011	81,100,000	82,139,701	1,039,701	82,139,701
Interest Proceeds from Measure H				
Fiscal Year 10-11	0	(1,576)	(1,576)	(1,576)
Fiscal Year 11-12	0	568,953	568,953	568,953
Fiscal Year 12-13	0		-	-
Subtotal Interest	0	567,377	567,377	567,377
				-
Grand Total *	81,100,000	82,707,078	1,607,078	82,707,078

Measure H Program Master Plan Cost Report
 Presentation to the Measure H Citizens' Oversight Committee
 December 3, 2012

Bond Projects List Category	Program Budget	Expenditures to 09/30/2012	Balance	Notes
"Upgrade and Install school fire safety and security systems."	\$3,000,000	\$1,256,697	\$1,743,303	
"Renovate and reopen closed school sites."	\$11,000,000	\$8,713,602	\$2,286,398	
"Improve or install systems to reduce energy costs"	\$15,000,000	\$7,048,208	\$7,951,792	
"Acquire Site for Future Schools"	\$45,000,000	\$660,123	\$44,339,877	
"Expand over-crowded schools by renovating and repairing outdated classrooms and adding classrooms as needed."	\$4,000,000	\$91,664	\$3,908,336	
Program Costs	\$3,100,000	\$368,786	\$2,731,214	
Grand Total	\$81,100,000	\$18,139,081	\$62,960,919	1

Notes: 1. Budget based on Preliminary Master Plan approved by the Board of Trustees January 27, 2011

Measure H Bond Expenditures

Costs by Location and Cost Center As of September 30, 2012

	Fiscal Year 10-11	Fiscal Year 11-12	Fiscal Year 12- 13	Total
000 All Locations				
964211 IP-Based Video Surveillance System	2,773.00	1,185,393.83	68,530.55	1,256,697.38
964241 Mariposa Site Modernization	507,401.57	7,266,470.97	812,830.59	8,586,703.13
964243 Mariposa Site Daycare Portables		30,600.00	96,298.76	126,898.76
964251 Solar Power Generation		4,235,605.00	2,812,602.65	7,048,207.65
968540 Agnews Site Acquisition	352,120.99	276,835.50	31,166.90	660,123.39
964261 Old Millikin Site Renovation				-
964265 Montague Traffic Improvements	13,500.00	78,164.35		91,664.35
075 Bond Program Staffing				
096 Program Cost				
951000 Program Costs	-	85,903.00	4,000.00	89,903.00
964201 Bond Issue Costs	21,644.00		257,239.00	278,883.00
Total	897,439.56	13,158,972.65	4,082,668.45	18,139,080.66