

CITIZENS OVERSIGHT COMMITTEE REPORT

MEASURE G GENERAL OBLIGATION BOND OF 2008

For the Gateway Unified School District



FISCAL YEAR ENDING JUNE 30, 2015

Citizens Oversight Committee Report

Background on Measure G - What the Voters Approved

In November 2008, the Gateway Unified School District (GUSD) voters passed a \$19 million general obligation bond (Measure G) with 57.7% of voters approving the measure.

The purpose of the bond proceeds was to "improve the quality of education, renovate and construct classrooms and school facilities including libraries and cafeterias; upgrade outdated heating, ventilation and air condition systems; make health and safety improvements; improve student access to computers and modern technology; and improve handicapped accessibility.

Because Measure G was approved through an election process under Proposition 39, the District is obligated to establish a Citizens' Oversight Committee (COC). The committee must be comprised of voters who represent parents, parent-teacher organizations, the business community, senior citizens, taxpayers associations, and the community at large. This committee reviews expenditure reports to ensure that: a) bond proceeds are expended only for the purpose set forth in the ballot measure, and b) no bond proceeds are used for any teacher, administrator salaries or any other operating expenses.

Attached to this report (Exhibit A) is the full text of Measure G which was approved by the voters on November 4, 2008. From the voters' authorization of Measure G, the school district has developed a comprehensive plan to address the need identified in their facility needs assessment. Although there is no way they could do all the projects possible with the funds available, the District, with oversight from the Citizens' Oversight Committee, must ensure that the Bond funds are only for these purposes.

District Progress and Oversight Committee Activities

The report of the Citizens' Oversight Committee (COC) represents the Measure G bond activity for the 2014/15 fiscal year. The report is designed to correlate with the timelines of the voters' approved Measure G, granting GUSD 19 million of bond expenditure authority. A summary of key District and COC activities related to the fiscal year ending June 30, 2015 is as follows.

Measure G Values

| | |
|--|------------------------|
| Voter approval bond amount | \$19,000,000.00 |
| General Obligation Bond Sale July 2009 | \$ 6,320,717.55 |
| General Obligation Bond Sale December 2013 | <u>\$ 6,300,280.55</u> |
| Unissued Bonds | \$ 6,379,001.90 |

Debt Service Schedule

| | |
|--------------------|-------------------|
| Term | 2010 through 2039 |
| Total Debt Service | \$71,426,500 |

Citizen's (Bond) Oversight Committee Meeting Schedule and Summary

| <u>Meeting Date</u> | <u>Summary</u> |
|---------------------|---|
| July 20, 2010 | Reviewed and approved expenditures and reviewed progress to date on Buckeye School of the Arts project. |
| August 17, 2010 | Reviewed and approve expenditures and change orders for Buckeye School of the Arts project. Reviewed progress of project and budget overview. |
| September 21, 2010 | Reviewed expenditures and change orders for Buckeye School of the Arts project. There wasn't a quorum so no voting took place. Budget Overview and Update, and Project Progress reports were shared. |
| October 19, 2010 | Reviewed and approved expenditures and change orders for Buckeye School of the Arts project. All agenda items from September 21 st meeting were included on this agenda. Gordon Lemke, Buckeye School of the Arts Project Inspector, explained the change order process to the Committee. Budget Overview and Update, and Project Progress reports were shared. |
| November 16, 2010 | Reviewed and approved expenditures and change orders for Buckeye School of the Arts project. The approval process was reviewed by Supt. Robert Hubbell. Ann Albertson resigned from the Committee so there are now two vacant seats on the Committee. Election of Bond Committee Chair and Vice-Chair took place: Tami Whetstine, Chair and Michael Daniels, Vice-Chair. Budget Overview and Update, and Project Progress reports for both Buckeye School of the Arts and Central Valley High School were shared. |
| February 2, 2011 | Reviewed and approved expenditures and change orders for Buckeye School of the Arts project. 2009/10 General Obligation Bonds Performance Audit by Matson and Isom, CPA was discussed and approved by Committee. Construction progress on Buckeye School of the Arts and |

- April 13, 2011 Central Valley High School was shared, as well as budget reports. Central Valley High School project is expected to start before summer begins. Reviewed and approved expenditures and change orders for Buckeye School of the Arts and Central Valley High School projects. The Committee took a tour of the new Multi-purpose room and the renovated kitchen at Buckeye School of the Arts.
- June 23, 2011 Reviewed and approved expenditures and change orders for Buckeye School of the Arts and Central Valley High School projects. Budget Overview and Update, and Project Progress reports for both Buckeye School of the Arts and Central Valley High School were shared. Next Meeting will be held August 10, 2011.
- February 21, 2012 Reviewed and approved expenditures and change orders for Buckeye School of the Arts and Central Valley High School projects. Budget Overview and Update, and Project Progress reports for both Buckeye School of the Arts and Central Valley High School were shared. The Measure G General Obligation Bond Compliance and Performance Audit for 2010/11 was reviewed by the Committee. There are still two vacant spots on the Committee. The next meeting will be held April 17, 2012.
- April 17, 2012 Reviewed and approved expenditures and change orders for the Central Valley High School project. Budget Overview and Update, and Project Progress reports were shared. There are still two vacant spots on the Committee. The next meeting will be held June 13, 2012.
- June 13, 2012 Reviewed and approved expenditures and change orders for the Central Valley High School project and Buckeye School of the Arts. Budget Overview and Update, and Project Progress reports were shared. The Annual Citizen Oversight Committee Report for Fiscal Year ending June 30, 2011 was reviewed and approved. The Committee took a tour of the newly remodeled Talon Hall. The next meeting will be held on August 16, 2012.
- August 16, 2012 Reviewed and approved expenditures and change orders for the Central Valley High School project and Buckeye School of the Arts. Budget Overview and Update, and Project Progress reports were shared. There was a discussion about the Bond Committee Term Limits. The next meeting was scheduled for October 18, 2012.
- October 18, 2012 Reviewed and approved expenditures and change orders for the Central Valley High School project. Budget Overview and Update, and Project Progress reports were shared. The next meeting was scheduled for January 10, 2013, which was later rescheduled to February 28, 2013.

- February 28, 2013 There was a lack of quorum at this meeting so it was cancelled. The next meeting was later scheduled for June 25, 2013.

- June 25, 2013 Reviewed and approved final change orders and expenditures for the CVHS project. Budget Overview and Update were presented and final reports on this project were shared. The Annual Citizen Oversight Committee Reports for Fiscal Year ending June 30, 2012 and Fiscal Year ending June 30, 2013 were presented for review and approval. As there are no other projects pending at this time, this will be the last meeting for this committee.

- 2013-14 The Committee did not meet during the 2013/14 fiscal year. Close-out projects continued to be worked on and expensed, and were monitored by the District Board Members in Board meetings. The CVHS Gym remodel began in May, 2014.

- August 12, 2014 The Measure G General Obligation Bond Compliance and Performance Audit for 2012/13 was reviewed by the Committee. The contracts for the CVHS gym remodel project were presented to the Committee. A presentation was made on the District Wide Intercom, Paging and Bell System project. Budget Overview and Update Report was presented and discussed. Selection of Committee Chairperson and Vice-Chairperson took place. Next meeting was tentatively set for October 14, 2014.

- October 14, 2014 Budget Overview and Update Reports were presented and discussed. Next meeting was tentatively set for November 18, 2014.

- May 15, 2015 Superintendent Harrell sent letter to Committee members, to provide update on bond project status.

Independent Auditors Audit Report

The Measure G General Obligation Bond Compliance and Performance Audit for 2014/15 will be presented to the Gateway Unified School District Board for review and approval during the 2015/16 year.

Project Status and Expenditures

| <u>Project Description</u> | <u>Status</u> | <u>Expenditures Through June 30, 2015</u> |
|---|---------------|---|
| Tennis Courts Project Central Valley High School | Completed | \$ 85,000.00 |

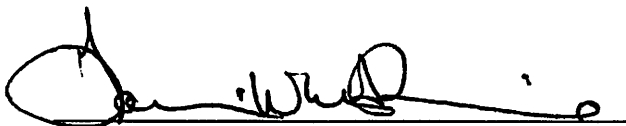
| | | |
|---|-----------|---------------|
| Paging and Bell System Project District Wide | Completed | \$ 206,735.05 |
| Misc. Close-Out Projects | 84% | \$ 62,862.01 |
| Gym Project Central Valley High School | 99% | \$ 449,713.39 |

Measure G Bond Citizens Oversight Committee

| | | |
|------------------|-----------------------------|-----------------|
| Richard Artusy | Seniors Organization | Lakehead, CA |
| Michael Daniels | Resident & Retired Business | Redding, CA |
| Kim Weatherbee | Parent Club President | Shasta Lake, CA |
| Tammi Whetstine | Parent | Shasta Lake, CA |
| Steve Hagenbaugh | Parent | Shasta Lake, CA |
| Leroy Perkins | Retired Resident | Redding, CA |
| James M. Harrell | District Superintendent | Redding, CA |

The Citizen’s Oversight Committee, based on the review of the annual financial and performance audit reports and information received at the Bond Oversight committee meetings, certifies that the bond proceeds for the fiscal year ended June 30, 2015 were expended only for the purposes set forth in the ballot measure and that no bond proceeds were expended for any teacher or administrator salaries or other operating expenditures.

Respectfully submitted:



Tammi Whetstine, Chairperson
Gateway Unified School District
Citizen’s Oversight Committee

9/23/2015
Date