

SAN MATEO UNION HIGH SCHOOL DISTRICT

Citizens' Oversight Committee Measures M and O Annual Report Presentation July 30, 2015



Agenda

- Letter from COC Chair
- Bond Overview – Measures M and O
- Proposition 39 Requirements
- Purpose of COC
- Citizens' Oversight Committee Members
- Approved Project Lists
- Summary of COC Activities
- Financial Summary 2014 - 2015
- Conclusions

To: The Board of Trustees and Citizens of the San Mateo Union High School District
From: The Measure M and Measure O Citizens Oversight Committee
Date: June 30, 2015

As Chair of the Citizens Oversight Committee, it is my pleasure to present the Measure M and Measure O Annual Report to the Board of Trustees of the San Mateo Union High School District (District). Upon passage of Measure M in 2006, the Board of Trustees established a Citizens Oversight Committee in compliance with Education Code Section 15278 and Proposition 39. The original Measure M Citizens Oversight Committee was consolidated into the new Measure M and Measure O Citizens Oversight Committee (Committee) after the passage of Measure O in November 2010. The first meeting of the new Committee was held on December 7, 2011. Since the consolidation of the Citizen Oversight Committee, the Committee has met 17 times.

As in the past, the meetings of the Committee have been well-organized, well-attended and substantive. Information presented and reviewed at each meeting includes the most recent financial reports, current project expenditure summaries, general project construction and legal updates, as well as unique circumstances that impact the issuance of bonds, such as the long term financial commitment needed to provide the resources to maintain the facilities. District staff and administrators have been very helpful in providing timely information to the Committee as well as responding to the Committee's questions.

As Measure M closes, the Committee is pleased with Measure M's overwhelming success. Measure M allowed the District to make vast improvements at every comprehensive high school and extend the lifespan of our schools. It implemented CHIPs standards at the District, providing sustainable facilities, reduced operating costs, and made ADA and safety improvements. Additional classroom space was constructed, solar panels were installed at every comprehensive high school, technology was updated, specialized career technology classrooms such as the Biotechnology building at San Mateo High School, the Industrial Arts facilities at Burlingame High School, Engineering and Industrial Arts facilities at Aragon High School, Art facilities at Capuchino High School, Green Technology and Video Production classroom at Hillsdale High School were a few of the new teaching facilities added. Theaters were modernized, upgraded or newly constructed. These facilities are utilized by the students and the community. We have successfully changed our facilities to prepare our students for 21st century colleges and careers.

The Committee is pleased with the responsible use of the Measure M resources. While six Measure O projects have been completed or are underway, we hope a decision will finally be made for the remaining projects. The Committee would like to again express its gratitude to the voters of the community, without whom the Measure M and Measure O bond construction programs would not exist.

Based upon information presented to the Committee by District staff, the Committee's oversight activities and the Committee's review of the independent financial and performance audits, the District is in compliance with the requirements of Article XI 11A, Section 1(b)(3) of the California Constitution, which outlines accountability requirements for school districts that incur bonded indebtedness under Proposition 39. With the presentation of this Annual Report, the members of the Committee assure voters that the Measure M and Measure O Bond expenditures have been properly made and have been utilized for projects consistent with those identified in the bond measures. It is our sincere hope that you will find this Annual Report informative and comprehensive.

Sincerely,

Don Freeman

Chair, Measure M and Measure O Bond Citizens Oversight Committee

Bond Overview – Measure M

- Measure M is a Proposition 39 bond initiative and requires 55% approval by registered voters in the District
- The purpose of Measure M is to implement the Capital Facilities Plan to renovate, remodel and expand the existing school facilities to provide safe, healthy and state-of-the-art teaching facilities for academic success
- On November 7, 2006, the voters of San Mateo Union High School District approved Measure M and an extensive list of projects by a yes vote of 66.5%

Bond Overview – Measure O

- Measure O is a Proposition 39 bond initiative and requires 55% approval by registered voters in the District
- The purpose of Measure O is to complete the Board approved Capital Facilities Plan
- On November 2, 2010, the voters of San Mateo Union High School District approved Measure O and an extensive list of projects by a yes vote of 61.9%

Proposition 39 Requirements

- A list of projects was provided to the voters in the ballot measure
- A Citizens' Oversight Committee was established and will continue to be operational during the life of Measures M and O
- An annual report is made by the COC to inform the Board of Trustees and community about Measures M and O expenditures and compliance with Proposition 39 requirements
- An annual financial audit is conducted of the funds until all funds have been expended
- An annual performance audit is conducted to ensure that funds have been expended only on the specific projects listed
- COC membership includes a minimum of seven members with at least one from each of following categories:
 - Parent
 - PTO member
 - Member of a taxpayers' organization
 - Business organization representative
 - Member of a senior citizen organization
- Members can serve up to three, two-year terms (new this year, was two)

Purpose of Citizens' Oversight Committee

- Inform the public concerning the expenditure of bond proceeds
- Verify bond proceeds are expended on approved projects specified on the project list

Oversight Responsibilities include:

- Report to the Board of Trustees annually on the expenditure of Measure M and Measure O funds
- Inspect school facilities to validate that the bond funds are expended accordingly
- Verify that no funds are expended on teacher or administrator salaries or other school operating expenses
- Review annual independent financial and performance audits

2014-2015 Citizens' Oversight Committee Members

Committee

- Brian Beswick
- Dan Freeman, Chair
- Patricia Griffin
- Mike Loy
- Lee Manus-McNutt
- Jonathan Ng
- Lori Whitney

Board of Trustees

- Robert Griffin
- Linda Lees Dwyer

Administration

- Elizabeth McManus, Deputy Superintendent
- Pam Chavez, Executive Coordinator

Aragon High School Approved Project List

Measure M

Completed Projects

- Computer equipment replacement
- Columbine locks installed
- Air conditioning
- Stadium field artificial turf
- Stadium field bleachers replacement
- Stadium field restrooms
- Student services building expansion
- Kitchen renovation
- Roof replacement and solar
- Swimming pool replacement
- 600 seat theatre
- CTE building
- Locker room and gym renovation
- Civil projects



Work in Progress

- CTE Building, additional projects (3rd CTE grant awarded)

Aragon High School Approved Project List

Measure O

Work in Progress

- Technology hardware



Burlingame High School Approved Project List

Measure M

Completed Projects

- Kitchen and cafeteria renovation
- Gym and locker room renovation
- New gym lobby
- Stadium field artificial turf replacement
- Stadium field restrooms
- Columbine locks installed
- Computer equipment replacement
- Theatre renovation
- New industrial arts building
- Civil projects
- Solar panels
- Bleachers

Measure O

Work in Progress

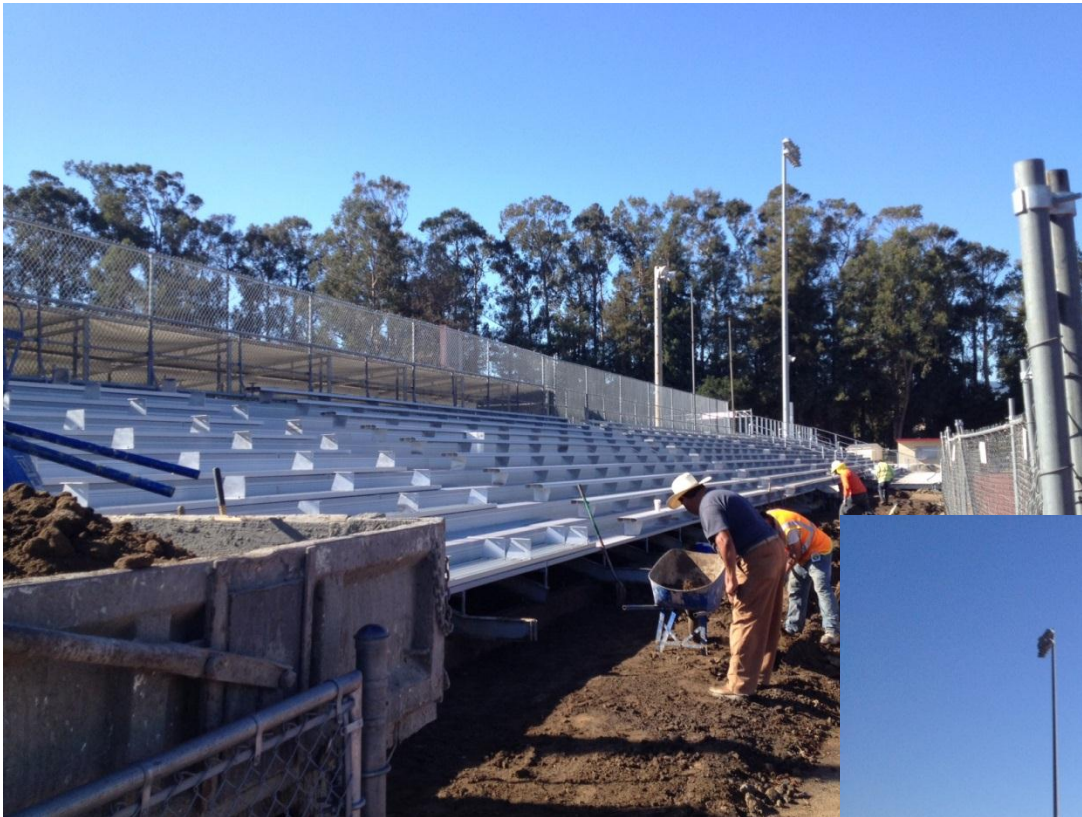
- Technology hardware
- 2-Story classroom building



BHS New 2-Story Classroom Building



Burlingame High School Bleachers



Capuchino High School Approved Project List

Measure M

Projects Completed

- Science building roof and window replacement
- Columbine locks installed
- Computer equipment replacement
- Stadium field modernization
- Stadium field restrooms
- Child development facility replacement
- Swimming pool replacement
- CTE satellite humanities building
- New humanity arts building
- Gyms and locker rooms renovation
- Solar panel parking structures
- Civil projects
- Theatre renovation



Project in Progress

- Electrical panel/Interrupter pad upgrade

Measure O

Project in Progress

- Technology hardware

Hillsdale High School Approved Project List

Measure M

Projects Completed

- Columbine locks installed
- Computer equipment
- Air conditioning
- Fire line replacement
- Book locker replacement
- Artificial turf stadium field
- Stadium field bleachers
- Stadium parking lot
- Stadium field restrooms
- Gym, wrestling and dance room renovations
- HVAC piping and controls replacements
- New roof and solar panels
- Swimming pool replacement
- Cafeteria renovation
- Industrial arts and special education classrooms
- Small theater renovation
- Civil projects
- Large theater renovation



Measure O

Projects in Process

- Technology hardware
- New classroom building

Mills High School Approved Project List

Measure M

Projects Completed

- Air conditioning
- Columbine locks installed
- Technical classrooms (bio tech, art, industrial arts, video production)
- Kitchen and cafeteria renovation
- Computer equipment replacement
- Skylight replacement
- Book locker replacement
- Team, weight and locker room renovations
- Stadium field renovation
- Stadium field restrooms
- Swimming pool replacement
- Nine-classroom building
- HVAC piping and controls replacement
- Theatre / Gyms renovation and expansion
- Roof replacement and solar panel installation
- Video broadcast studio
- Civil projects



Measure O

Projects in Progress

- Technology hardware

San Mateo High School Approved Project List

Measure M

Projects completed

- Columbine locks installed
- Music building renovation
- Computer equipment replacement
- New Biotech building
- Bus wash rack and fuel tank replacement
- Stadium field restrooms
- Solar parking structures
- Civil projects
- Greenhouse addition
- Performing Arts Theatre renovation
- Bleachers

Measure O

Projects in Progress

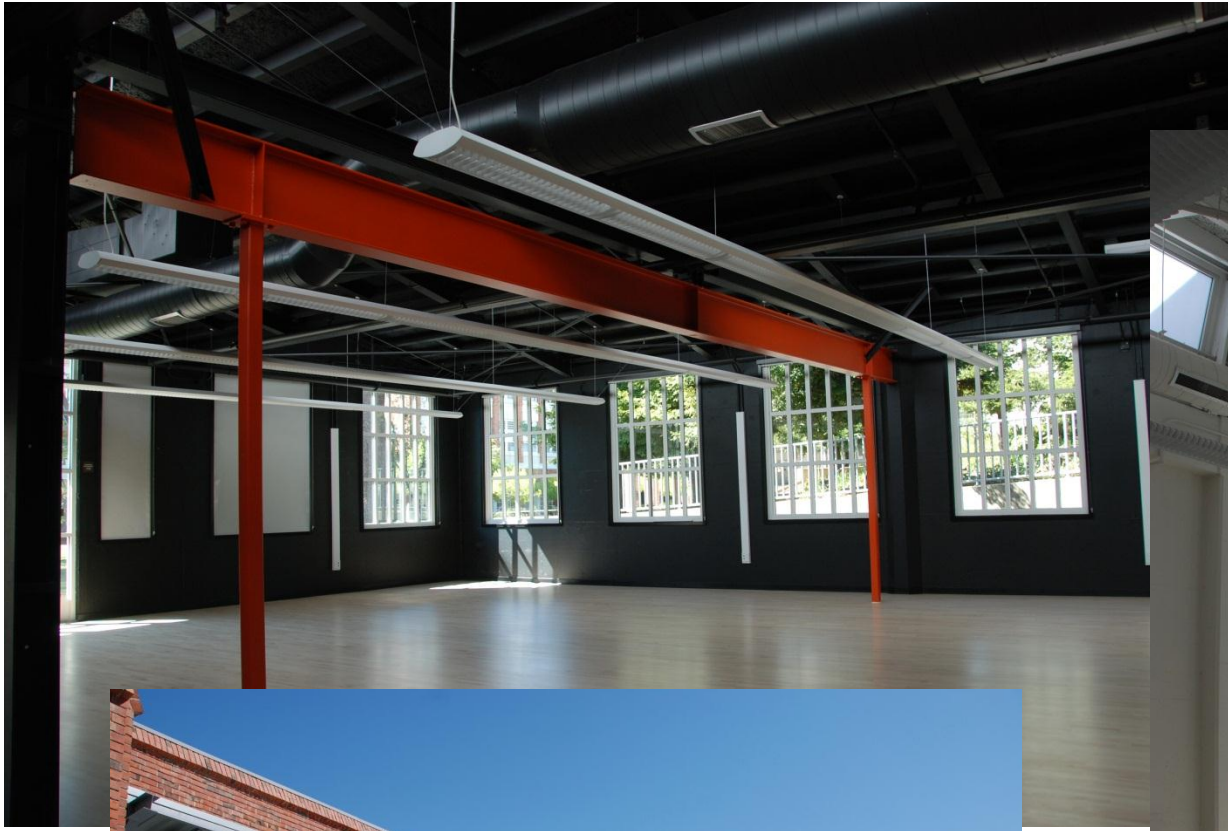
- Technology hardware
- Modernize brick building



San Mateo High School Bleachers



SMHS Brick Building Modernization



SMHS Brick Building Modernization



Current Year Citizens' Oversight Committee Activities

- The required annual independent financial audit was reviewed and the District was found to be fully compliant
- The required annual independent performance audit was reviewed and the District was found to be fully compliant
- The committee conducted one site visit to observe completed projects, projects under construction and future projects at all comprehensive high schools
- Special topics on the COC agenda included: Solar; design-build; lease-lease back, construction market conditions; potential legal issues, Measure O project list to date and timeliness of completing projects
- The financial reports, project updates and schedules were reviewed at each meeting
- Sources of funding for the capital facilities plan for deferred maintenance continues to be discussed

Financial Summary (Estimated) through June 30, 2015

Measure M

- Measure M was approved for \$298 million
- It is estimated (98%) will be expended by June 30, 2015
- 2014-15 ending balance projected at \$6,254,046
- \$6,254,046 is encumbered (committed) to be expended in 2015-16

Measure O

- Measure O was approved for \$186 million
- It is estimated (53%) will be expended by June 30, 2015
- 2014-15 ending balance projected at \$87,228,642
- \$28,898,056 is encumbered (committed) to be expended in the future
- Remaining Measure O budget \$58,330,586

Conclusions

- Strong administrative leadership, experienced and accountable consulting team, streamlined project list and construction schedules, and rigid processes and controls have been implemented to ensure the Measure M Capital Facilities Plan remains fiscally sound
- Approved Measure O Capital Projects remain fiscally sound
- All expenditures are compliant with Proposition 39, Article XIII A, Section 1(b)(3) of the California Constitution and applicable to the approved construction projects
- The COC is pleased with the excellent cooperation of the District's staff and construction team and wishes to express its thanks to:
 - Elizabeth McManus
 - Pam Chavez
 - Debbie Arobio
 - Todd Lee
 - Adam Coll