

SAN MATEO UNION HIGH SCHOOL DISTRICT



Citizen Oversight Committee Second Measure M Annual Report October 28, 2010

Agenda

- Bond Overview
- Approved Project List
- Purpose of COC
- Proposition 39 Requirements
- Citizen Oversight Committee Members
- Summary of Activities
- Financial Summary
- Conclusion

A Letter From The Citizens' Oversight Committee Chair

Dear Community Member:

On November 7, 2006, the voters in the San Mateo Union High School District approved a \$298 million facilities bond measure (Measure M) under the rules established by Proposition 39. This measure supports the District's Master Plan, which was published in 2000 and revised in 2006. Overwhelming support of Measure M validated the communities' continued support of its high-achieving high schools. Because Measure M is a Proposition 39 bond, a Citizens' Oversight Committee (COC) was established shortly after its passage to insure that Measure M bond proceeds were spent only on projects approved by the voters.

The COC is pleased to present the Annual Report covering the period of July 1, 2009, through September 30, 2010, to the San Mateo Union High School District Board of Trustees. The Annual Report encompasses a 13-month period to include all of the extensive summer activity. The Annual Report is available to District residents, in fulfillment of the role of the COC, as specified by law, and provides a report on the activities accomplished during this 13-month period. This report, as well as all construction updates, agendas, meeting minutes, financial and performance audits and any special items, are posted to the District website as they become available.

The COC's primary responsibilities are to:

- Review expenditures to ensure that the bond proceeds are expended only for the purposes set forth in Measure M.
- Provide a statement indicating whether the District is in compliance with Proposition 39 requirements.
- Present to the District's Board of Trustees an annual report summarizing the COC's proceedings and activities for the preceding year.

The COC reports that, to the best of its knowledge, the District is in full compliance with the responsibilities as described in Proposition 39. With this Annual Report, the COC assures the community that Measure M bond expenditures have been used properly only for projects identified in the bond measure and that no Measure M monies have been spent on teacher or administrator salaries.

Construction projects and scheduling can be inconvenient for District staff, teachers, students, parents and other community members, as well as full of surprises. The COC brings forth a wealth of experience to oversee large construction projects and help minimize the inconvenience and surprises. We are pleased to report the projects completed to date have been on time and under budget.

For a second consecutive year it has been my pleasure to serve as COC chair and to work closely with the COC members and the District staff. I am proud of the work we have accomplished thus far on behalf of the community to maintain and modernize District facilities. We look forward to continuing the positive work your investment has provided as the District continues to serve its community.

I wish to extend a special thanks to each of the COC members for their exemplary contributions, time and dedication to the Measure M projects and this committee.

Thank You.

Bond Overview

- Measure M is a Proposition 39 bond initiative and required 55% approval by registered voters in the District
- Purpose of Measure M is to renovate, remodel and expand the existing school facilities to provide safe and healthy and state-of-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%

Approved Project List

Aragon High School

Completed Projects

- Computer equipment replacement
- Columbine locks installed
- Air Conditioning
- Stadium field renovation
- Student services building expansion
- Kitchen renovation

Projects Under Construction

- 600 seat theatre
- Swimming pool renovation
- Roof replacement and solar

Projects in Design

- CTE Building
- Locker room and gym renovation
- Civil projects

Approved Project List

Burlingame High School

Completed Projects

- Kitchen and cafeteria renovation
- Gym and locker room renovation
- Stadium restroom
- Columbine locks installed
- Computer equipment replacement

Projects Under Construction

- Theatre renovation
- New industrial arts building
- Solar panels

Projects in Design

- Civil projects

Approved Project List

Capuchino High School

Projects Completed

- Columbine locks installed
- Computer equipment replacement
- Stadium field modernization
- Child development facility replacement
- Science building roof and window replacement

Projects Under Construction

- Replacement English classroom building
- CTE satellite humanities building
- Gyms and locker room renovation
- Theatre renovation
- Swimming pool renovation
- Solar panels

Projects in Design

- Civil projects

Approved Project List

Hillsdale High School

Projects Completed

- Columbine locks installed
- Computer equipment
- Air conditioning
- Fire line replacement
- Book locker replacement
- Stadium parking lot
- Stadium field modernization
- Gym, wrestling and dance room renovations
- HVAC piping and controls replacements

Projects Under Construction

- Roof and solar panels
- Cafeteria renovation
- Swimming pool renovation
- Industrial arts and special education classrooms

Projects in Design

- Theater renovation (small and large)
- Civil projects

Approved Project List

Mills High School

Projects Completed

- Air conditioning
- Columbine locks installed
- Technical classroom, kitchen and cafeteria renovation
- Computer equipment replacement
- Skylight replacement
- Book locker replacement
- Team, weight and locker room
- Stadium field renovation

Projects in Construction

- Replacement roof and solar panels
- Pool replacement
- Nine classroom building
- Locker room renovation

Projects in Design

- Civil projects
- Theatre renovation
- HVAC piping and controls installed
- Gym renovation

Approved Project List

San Mateo High School

Projects completed

- Columbine locks installed
- Music room renovation
- Computer equipment replacement
- New Biotech building
- Parking lot
- Bus wash rack and gas tank
- Stadium field restroom

Project in Construction

- Solar panels

Projects in Design

- Performing Arts Theatre renovation
- Civil projects

Purpose of Citizen Oversight Committee

- Inform public concerning the expenditure of bond proceeds
- Ensure bond proceeds are expended on approved projects specified on the project list
- Oversight Responsibilities:
 - Report to the Board of Trustees annually on the expenditure of Measure M funds
 - Inspect school facilities to ensure funds are expended accordingly
 - Ensure no funds are expended on teacher or administrator salaries or other school operating expenses
 - Review annual independent financial and performance audits

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 life of Measure M
- An annual report is made by the COC to inform the Board of Trustees and community about Measure M 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
 - Senior citizen organization
- Members can serve up to two-two year terms

2009 Citizen Oversight Members

Committee

- Mike Loy-Chair
- Evelyn Long
- Mildred Swan
- Al Pucci, Ed.D.
- Patricia Griffin, Ph.D
- Richard Bojack
- Lee Manus-McNutt
- Mark Jones

Administration

- Elizabeth McManus, Deputy Superintendent

Board of Trustees

- Bob Griffin
- Linda Lees Dwyer

Summary of Measure M Activities

- Original Bond finance team and legal counsel were replaced using RFP process
- Language was validated to allow the District to issue 40 year bonds, allowing funds to align with a tight construction schedule
- Original architect agreements were terminated and fees incurred negotiated
- RFP was issued for architects and exemplary set of designers selected
- Prior Construction Management team was terminated
- RFP for Construction Management services was conducted and most qualified firm selected
- Lawsuit with prior Construction Management firm was settled
- Project list was consolidated for efficiencies and cost containment
- Construction schedules were consolidated for efficiencies
- New systems, processes and procedures were implemented
- Nigro and Nigro, LLP performed a financial and performance audit

Summary of COC Activities

- Since its inception the COC has met 17 times
- Agendas were disseminated in advance of the meetings
- Minutes reviewed and approved by the COC and posted on the District website
- Construction project updates were provided at each meeting
- Schedules were reviewed at each meeting
- Project budgets for specified approved projects were reviewed at each meeting
- Detailed expenditure reports for specified approved projects were reviewed at each meeting
- All Measure M board items were reviewed by committee members
- COC Web site regularly updated
- The annual independent audit was reviewed
- The annual independent performance audit was reviewed
- The committee conducted site visits to observe completed projects and future projects at all comprehensive high schools
- Special topics presented: PSA, solar,
- Concerns raised and discussed
- Bond counsel reviewed legal responsibilities of committee
- Closure status of Measure D projects was reviewed to ensure California Department of State Architect (DSA) approval on Measure M projects as required by law
- Currently advertising for new members

Financial Summary-Projects Completed September 30, 2010

Site	Description	Total Adopted Budget	Approved Budget Revisions and Transfers	Total Approved Budget	Encumbrances & Actuals to Date	Pending Encumbrances	Balance	Actuals to Date	Remaining Contingency	Remaining Contingency %	Project Completion Level
AHS	Expand Student Services Bld	\$ 2,284,182	\$ (177,645)	\$ 2,106,537	\$ 2,106,537		\$ (0)	\$ 2,100,972		0.00%	100% Construction
AHS	Kitchen Renovation	\$ 674,113	\$ (139,823)	\$ 534,290	\$ 534,290		\$ (0)	\$ 532,749		0.00%	Complete
BHS	Cafeteria Renovation	\$ 1,964,781	\$ (1,430,935)	\$ 533,846	\$ 454,870		\$ 78,976	\$ 422,962	\$ 78,976	29.65%	100% Construction
BHS	Gym & Locker Room Renovation	\$ 6,104,450	\$ 729,946	\$ 6,834,396	\$ 6,770,128		\$ 64,268	\$ 5,875,431	\$ 64,268	5.72%	100% Construction
CHS	Child Development Center	\$ 1,124,839	\$ (268,631)	\$ 856,208	\$ 856,208		\$ (0)	\$ 854,233		0.00%	Complete
CHS	Science Bld. Roof & Windows	\$ 1,924,843	\$ (1,381,054)	\$ 543,789	\$ 543,789		\$ (0)	\$ 539,716		0.00%	Complete
HHS	Gym,Wrestling & Dance Renovation	\$ 4,883,477	\$ (321,417)	\$ 4,562,060	\$ 4,304,743		\$ 257,317	\$ 4,115,931	\$ 257,317	37.73%	100% Construction
HHS	HVAC Piping & Controls	\$ 5,954,408	\$ (2,369,208)	\$ 3,585,200	\$ 1,851,655		\$ 1,733,545	\$ 1,836,700	\$ 836,000	100.00%	100% Construction
HHS	Hillsdale Emergency Fire / Gas Line	\$ -	\$ 471,612	\$ 471,612	\$ 471,612		\$ -	\$ 471,612	\$ -	0.00%	Complete
MHS	Complete Building "A" Renovation	\$ 9,784,666	\$ (2,067,386)	\$ 7,717,280	\$ 7,528,364		\$ 188,916	\$ 7,389,050	\$ 188,916	13.76%	100% Construction
MHS	Operable Skylights	\$ 175,000	\$ (21,541)	\$ 153,459	\$ 153,459		\$ -	\$ 153,459	\$ -	0.00%	Complete
DW	Book Locker Replacement MHS, HHS	\$ -	\$ 442,692	\$ 442,692	\$ 442,692		\$ (0)	\$ 442,692	\$ -	0.00%	100% Construction
SMHS	New Biotech Building	\$ 9,174,982	\$ (3,886,318)	\$ 5,288,664	\$ 4,798,251		\$ 490,413	\$ 2,821,307	\$ 490,413	38.28%	100% Construction
SMHS	Music Room Renovations	\$ -	\$ 999,905	\$ 999,905	\$ 999,905		\$ 0	\$ 999,845	\$ -	0.00%	100% Const. Phase 2
DW	Track & Field Facilities Modernization	\$ 15,691,096	\$ -	\$ 15,691,096	\$ 14,512,941		\$ 1,178,155	\$ 14,329,724	\$ -	0.00%	100% Construction
DW	Air Conditioning at AHS,HHS,MHS	\$ 5,263,588	\$ (177,299)	\$ 5,086,289	\$ 5,086,289		\$ 0	\$ 5,086,289	\$ -	0.00%	Complete
DW	Security Lock Replacement	\$ 303,700	\$ (6,314)	\$ 297,386	\$ 297,386		\$ -	\$ 297,386	\$ -	0.00%	Complete
DW	Theater Programming	\$ -	\$ 150,575	\$ 150,575	\$ 150,575		\$ (0)	\$ 150,575	\$ -	0.00%	Complete
DW	Computer Equipment	\$ -	\$ 363,938	\$ 363,938	\$ 363,938		\$ -	\$ 363,938	\$ -	0.00%	Complete
	Project Completed Total	\$ 65,308,125	\$ (9,088,903)	\$ 56,219,222	\$ 52,227,633	\$ -	\$ 3,991,589	\$ 48,784,572	\$ 1,915,890		

Financial Summary-Construction Phase and Bid Phase Actuals through September 30, 2010

Site	Description	Total Adopted Budget	Approved Budget Revisions and Transfers	Total Approved Budget	Encumbrances & Actuals to Date	Pending Encumbrances	Balance	Actuals to Date	Remaining Contingency	Remaining Contingency %	Project Completion Level
AHS	New 600 Seat Theater	\$ 14,282,173	\$ -	\$ 14,282,173	\$ 1,595,081		\$ 12,687,092	\$ 1,049,637	\$ 1,900,000	100.00%	100% Pre Construction
BHS	Theater Renovation	\$ 4,234,565	\$ (1,409,095)	\$ 2,825,470	\$ 2,616,365		\$ 209,105	\$ 562,994	\$ 209,105	38.02%	100% Pre Construction
BHS	Replace Shops Building	\$ 8,754,577	\$ (334,905)	\$ 8,419,672	\$ 7,252,000		\$ 1,167,672	\$ 1,120,544	\$ 1,167,672	99.72%	15% Construction
CHS	New Classroom Building	\$ 26,643,807	\$ 2,075,896	\$ 28,719,703	\$ 26,343,229	\$ 41,988	\$ 2,334,485	\$ 4,536,210	\$ 2,334,485	62.81%	25% Construction
CHS	Theater Renovation	\$ 19,409,900	\$ -	\$ 19,409,900	\$ 2,205,736		\$ 17,204,164	\$ 1,522,267	\$ 2,613,600	100.00%	100% Pre Construction
HHS	Industrial Arts and Cafeteria	\$ 9,443,813	\$ 2,053,600	\$ 11,497,413	\$ 11,278,030		\$ 219,383	\$ 1,031,936	\$ 219,383	18.22%	100% Pre Construction
MHS	New Classroom Building	\$ 5,744,646	\$ (519,683)	\$ 5,224,963	\$ 5,054,225		\$ 170,738	\$ 3,862,912	\$ 170,738	21.00%	85% Construction
DW	Swimming Pool Renovation	\$ 5,515,548	\$ -	\$ 5,515,548	\$ 6,609,613	\$ 1,458	\$ (1,095,523)	\$ 1,044,693	\$ -	0.00%	100% Pre-Construction
CHS	Humanities Satellite Building	\$ -	\$ 1,893,462	\$ 1,893,462	\$ 756,447		\$ 1,137,016	\$ 369,923	\$ -	0.00%	100% Pre-Construction
DW	Re-Roof & Solar Installation	\$ -	\$ 22,238,128	\$ 22,238,128	\$ 11,320,263		\$ 10,917,865	\$ 3,532,225	\$ -	0.00%	95% Pre-Construction
Project Construction & Bid Total		\$ 94,029,029	\$ 25,997,403	\$ 120,026,432	\$ 75,030,988	\$ 43,446	\$ 44,951,998	\$ 18,633,341	\$ 8,614,983		

Financial Summary-Design Phase and DSA Review Phase Actuals Through September 30, 2010

Site	Description	Total Adopted Budget	Approved Budget Revisions and Transfers	Total Approved Budget	Encumbrances & Actuals to Date	Pending Encumbrances	Balance	Actuals to Date
AHS	Locker Room & Gym Renovation	\$ 7,794,100	\$ -	\$ 7,794,100	\$ 705,366		\$ 7,088,734	\$ 270,927
AHS	Civil Improvement Projects	\$ 5,151,821	\$ (600,000)	\$ 4,551,821	\$ 461,933		\$ 4,089,888	\$ 227,107
AHS	New Arts Bldg.	\$ -	\$ 1,386,802	\$ 1,386,802	\$ 538,020		\$ 848,782	\$ 288,421
BHS	Civil Improvement Projects	\$ 7,374,091	\$ (1,883,000)	\$ 5,491,091	\$ 627,331		\$ 4,863,760	\$ 201,010
CHS	Civil Improvement Projects	\$ 5,863,659	\$ (3,114,200)	\$ 2,749,459	\$ 514,318		\$ 2,235,141	\$ 64,765
HHS	Theater Renovation, Small & Large	\$ 15,523,086	\$ (1,453,600)	\$ 14,069,486	\$ 1,402,201		\$ 12,667,285	\$ 431,517
HHS	Civil Improvement Projects	\$ 4,174,837	\$ (971,612)	\$ 3,203,225	\$ 756,600		\$ 2,446,625	\$ 327,645
MHS	HVAC Piping & Controls	\$ 4,944,718	\$ (902,918)	\$ 4,041,800	\$ 507,027		\$ 3,534,773	\$ 229,556
MHS	Theater & Gym Renovation	\$ 17,274,640	\$ -	\$ 17,274,640	\$ 1,682,268		\$ 15,592,372	\$ 558,889
MHS	Civil Improvement Projects	\$ 7,344,078	\$ (900,000)	\$ 6,444,078	\$ 626,319		\$ 5,817,759	\$ 219,127
SMHS	Performing Arts Center Renovation	\$ 25,024,775	\$ -	\$ 25,024,775	\$ 2,220,640		\$ 22,804,135	\$ 660,162
SMHS	Civil Improvement Projects	\$ 2,974,853	\$ (300,000)	\$ 2,674,853	\$ 285,444		\$ 2,389,409	\$ 140,639
	Project Design & DSA Review Total	\$ 103,444,658	\$ (8,738,528)	\$ 94,706,130	\$ 10,327,467	\$ -	\$ 84,378,663	\$ 3,619,763

Citizen Oversight Committee Concerns

- Staffing allocations for new facilities
- Deferred Maintenance Endowment to ensure adequate monies exist to repair facilities on ongoing basis

Conclusion

- Measure M is a complex and multi-year program
- Strong administrative leadership, new consulting team, compressed project list and construction schedules, rigid process and controls all ensure the program is now fiscally sound
- Expenditures are compliant with proposition 39, Article XIII A, Section 1(b)(3) of the California Constitution and applicable to the approved construction projects
- COC would like a deferred maintenance plan addressed
- Projects completed to-date are under budget
- Construction is inconvenient and full of surprises
- COC collectively has a great wealth of expertise
- COC is pleased with the results of the District's efforts

Closing

- Elizabeth McManus Closing Comments