# Chula Vista Elementary School District

## Independent Citizens Oversight Committee (CVESD ICOC)

DRAFT

# 2022-23 Annual Report to the Board of Education

**June 14, 2023**

# Chula Vista Elementary School District Independent Citizens Oversight Committee
## (CVESD ICOC)

***Martha Juarez, Chair***
**Parent Representative**

- ***Gloria McKearney, Vice Chair***
  **Taxpayers Association Representative**
- ***Diane Deugan***
  **Community At-Large Representative**
- ***Jason C. Hurtado-Prater***
  **Community-at-Large Representative**
- ***Ben Lien***
  **Parent Representative**
- ***Nancy Kerwin***
  **Senior Citizens Organization Representative**
- ***Heather Rubio***
  **Business Community Representative**
- ***Minnie A. Tandy***
  **Community-at-Large Representative**

# CVESD ICOC SCOPE

- $150 Million Measure VV approved by voters in November 2018.
  - January 23, 2019, Board of Education adopted resolution adding ICOC oversight of Measure VV to the scope of existing Proposition E ICOC oversight responsibilities.
  - January 23, 2019, Board of Education amended Proposition E ICOC Bylaws and renamed the Proposition E ICOC as the CVESD ICOC.

- $300 Million Measure M approved by voters in March 2020.
  - April 22, 2020, Board of Education adopted resolution adding ICOC oversight of Measure M to the scope of existing CVESD ICOC oversight responsibilities.
  - Annual Report shall contain separate sections for Measure VV and Measure M.

# CVESD ICOC Reporting Responsibilities

- CVESD ICOC is required to report on compliance with Article XIIIA, Section I(b)(3) of the California Constitution including:
  - That bond funds are expended for the construction, reconstruction, rehabilitation, or replacement of school facilities, or the acquisition or lease of real property for school facilities.
  - That no bond funds are used for any teacher or administrative salaries or other operating expenditures.
  - To report on the review of the annual independent financial audit and review of the annual performance audit.
  - Annual Report to Board of Education.

# 2022-23 CVESD ICOC Activities

- CVESD ICOC Meetings held on:

  - **September 7, 2022**
    - Provided an overview of the Independent Citizens Oversight Committee's role and responsibility.
    - Discussed Measure VV and Measure M Bond Funding Status.

  - **December 7, 2022**
    - Reviewed report on the status of Measure VV and Measure M projects.

# 2022-23 CVESD ICOC Activities

- **March 2, 2023**
  - Reviewed report on the status of Measure VV and Measure M General Obligation Bond projects.
  - Discussed ICOC Annual Report to CVESD Board.
  - Reviewed and Approved 2021-22 Independent Certified Public Accountant (CPA) Proposition M and Measure VV Financial and Performance Audits.
    - Unmodified Opinion from independent CPA.
    - No finding or questioned costs

- **April 21, 2023**
  - Two CVESD ICOC members participated in site walks of Loma Verde ES, Otay ES, and Maxwell Transportation Center.

- **May 10, 2023**
  - Reviewed 2022-23 CVESD ICOC Annual Report to CVESD Board.
  - Discussed status of Measure VV and Measure M General Obligation Bond projects.

# Measure VV Ballot Proposition

## November 6, 2018

- ***To make school safety, security, technology and energy efficiency improvements; repair, construct, acquire and equip classrooms and educational facilities and reduce overcrowding; replace aging plumbing, sewer and electrical systems.***
- ***Issue $150 million of bonds with legal interest rates, annual audits, independent citizens' oversight.***
- ***All funds spent locally and no money used for administrative salaries or taken by the State and spent elsewhere.***

- ❑ **Required: 55.00% voter approval.**
  **Received: 67.75% voter approval.**
- ❑ **25-year amortization.**
- ❑ **No Capital Appreciation Bonds (CABs).**
- ❑ **Extend, but not increase current tax rates of 1998 Proposition JJ of $20 per $100,000 assessed valuation.**

# $150M 2018 Measure VV Summary
# $60M G.O. Bond Anticipation Note (issued August 2019) [6]
# Total Sources and Uses of Funds (updated 4-30-2023)

| Sources of Funds | Amount |
|---|---|
| G.O. Bond Anticipation Notes (August 2019) ($59,998,285.10 Less $194,974 Costs of Issuance) | $59,803,311 |
| E-Rate Discount | 349,337 |
| Interest Income | 1,661,244 |
| School Facilities Program Reimbursement [5] | 1,074,283 |
| **Total – Sources of Funds** | **$62,888,175** |

| Uses of Funds | Amount |
|---|---|
| **Completed** | |
| Sunnyside Modernization (Summer 2019) [1] | $6,263,407 |
| LED Energy Efficient Lighting Retrofit (2019-20) | 4,092,378 |
| Fire Alarm Replacement (2019-20 and 2020-21) | 955,331 |
| Network Equipment (2019-20) | 402,500 |
| Feaster Modernization (Summer 2020) [1] | 22,108,566 |
| Olympic View HVAC Controls (2019-20) | 97,200 |
| HVAC, Roofing Replacement and Asbestos Abatement (Phase 1 – 3) (2020-21 and 2021-22) | 9,250,745 |
| Network Equipment (2022-23) [2] | 170,508 |
| **Subtotal - Completed** | **$43,340,635** |
| **Projects In Progress/Planning Process** | |
| Maxwell Transportation Center (2021-22, 2022-23 and 2023-24) [3] | $16,618,000 |
| Security System / Low Voltage Cabling (2023-24) [4] | 2,929,540 |
| **Subtotal – Projects in Progress/Planning Process** | **$19,547,540** |
| **Total – Estimated Uses of Funds** | **$62,888,175** |

[1] Sunnyside and Feaster were partially funded by Proposition E.
[2] Cost net of E-rate Discount $628,112
[3] April 20, 2023, bid opening results pending Board approval on May 24, 2023.
[4] Estimated cost and year for projects.
[5] In March 2023, $1 million was received from the Office of Public School Construction as partial reimbursement for the Sunnyside modernization.
[6] 1st Bond Issuance expected in 2023 to repay Bond Anticipation Note.

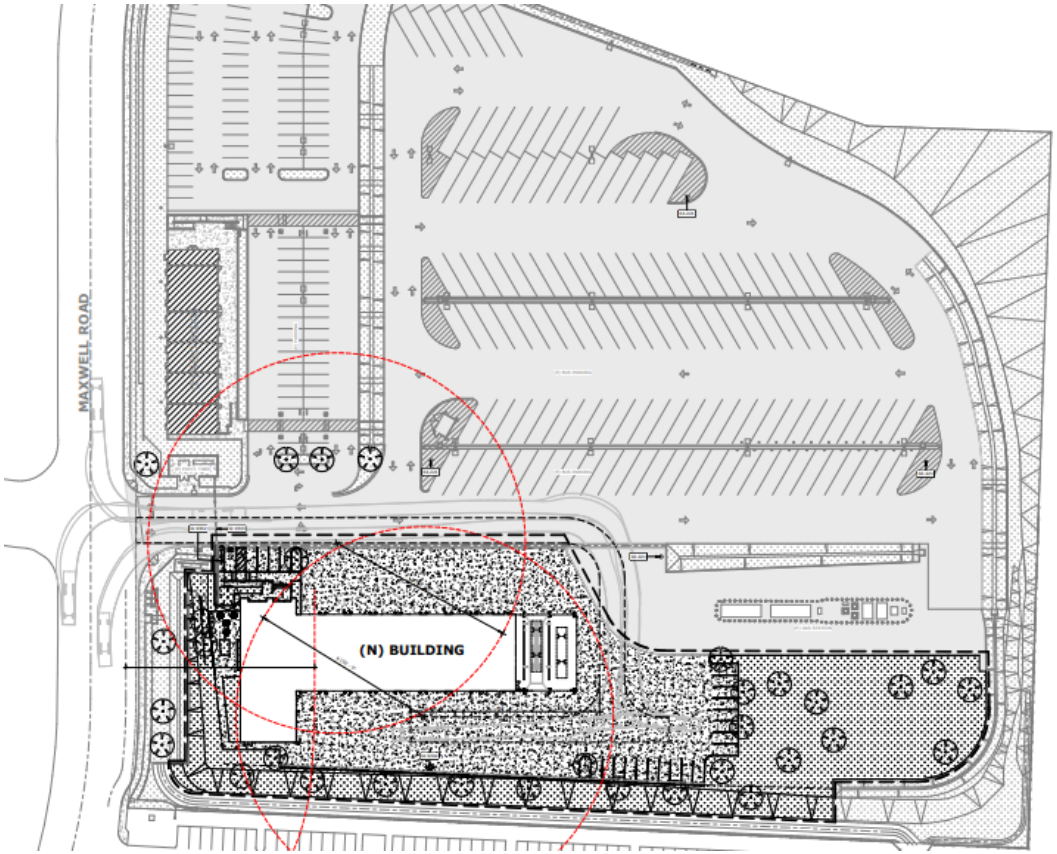
**Note**: $90M Proposition E (2012) was fully expended by 6/30/2020 and was used to Modernize 11 schools (including partial funding for Sunnyside and Feaster modernization) from 2014 through 2020.

# Maxwell Transportation Center

## Estimated Cost $16,618,000

| PROJECTED TIMELINE | Projected |
|---|---|
| Plan Approval from City of Chula Vista | February 15, 2023 |
| Bid Date | April 20, 2023 |
| Start of Construction | July 3, 2023 |
| Completion | August 9, 2024 |

| ESTIMATED COSTS | |
|---|---|
| Construction Cost (bid) [1] | $13,317,000 |
| Architect Costs | 931,000 |
| Construction Management | 1,500,000 |
| Other Soft Costs (i.e. city permits and fee, testing and inspection, blueprints, etc.) | 840,000 |
| Furniture and equipment | 30,000 |
| **Total** | **$16,618,000** |




[1] Pending Board Approval at the Board meeting on 5/24/2023.

# Maxwell Transportation Center



# Measure M Ballot Proposition

## March 3, 2020

- *To make repair and upgrade educational facilities and classrooms throughout the Chula Vista Elementary School District. Also includes District-wide solar installation and staff housing projects.*
- *Issue $300 million of general obligation bonds with legal interest rates, annual audits, independent citizens' oversight.*
- *All funds spent locally, and no money used for administrative salaries or taken by the State and spent elsewhere.*

- ❑ **Required: 55.00% voter approval.**
  **Received: 55.42% voter approval.**
- ❑ **not exceeding 25-year amortization.**
- ❑ **No Capital Appreciation Bonds (CABs).**
- ❑ **Measure M property tax rate will not exceed $30 per $100,000 assessed valuation.**

# $300M 2020 Measure M Summary
# $50M G.O. Bond Series A (issued August 2020)
# Total Sources and Uses of Funds (updated 4-30-2023)

| Sources of Funds | Amount |
|---|---|
| Series A Issuance (August 2020) ($50,000,000 less $200,000 Cost of Issuance) | $49,800,000 |
| Interest Income | 861,119 |
| **Total – Sources of Funds** | **$50,661,119** |

| Uses of Funds | Amount |
|---|---|
| **Completed** | |
| Irrigation Controls for Water Efficiency (2021-22) | $34,905 |
| HVAC Replacement (Phase 4) 5 school sites [2] (2020-21 and 2021-22) | 4,835,913 |
| **Subtotal - Completed** | **$4,870,818** |
| **Projects In Progress/Planning Process** | |
| Districtwide Solar Project [1] (2020-21, 2021-22, 2022-23) (46 school sites, ESSC and District Transportation Center) | $33,456,885 |
| HVAC Replacement (Phase 5) 2 school sites [3] (2021-22 and 2022-23) | 2,143,789 |
| HVAC Replacement (Phase 6) 10 school sites [3] (2021-22 and 2022-23) | 1,903,464 |
| HVAC Replacement (Phase 7) 3 school sites [4] (2023-24) | 3,932,981 |
| Relocatable Replacements [5] (2023-24) | 4,353,182 |
| **Subtotal – Projects in Progress/Planning Process** | **$45,790,301** |
| **Total – Estimated Uses of Funds** | **$50,661,119** |

[1] Excludes Jeffers E.S. which is funded by CFD funds.
[2] Phase 4 total contracted cost of $5,707,000 includes work partially funded by Measure VV. Phase 4 sites were Arroyo Vista, CVLCC, Cook, Marshall and Rogers.
[3] Phase 5 and 6 were approved by the Board on April 13, 2022. Phase 5 sites are Heritage E.S. and Loma Verde E.S. Phase 6 are Relocatable HVAC unit replacements at CV Hills, Discovery Charter, Eastlake, Harborside, Kellogg, Lauderbach, Loma Verde, Mueller,Otay and Valley Vista.
[4] Phase 7 estimated cost and year for CVLCC (MPR), Heritage and McMillin.
[5] Estimated cost and year for relocatable replacement based on needs assessment.

# $300M 2020 Measure M Summary
# $50M G.O. Bond Series A
# Districtwide Solar Project Status (April 30, 2023)

| Group | School Sites | Status | Construction Timeline |
|---|---|---|---|
| 1 & 2 (18 sites) | Castle Park, Eastlake, Halecrest, Hedenkamp, Heritage, Liberty, Marshall, McMillin, Montgomery, Muraoka, Palomar, Parkview, Rogers, Rohr, Salt Creek, Tiffany, Valle Lindo, Wolf Canyon | Construction Completed and Generating Electricity | June 29, 2021 – February 15, 2022 |
| 3 & 4 (14 sites) | Camarena, Casillas, Cook, CVLCC, Finney, Harborside, Kellogg, Loma Verde, Los Altos, Olympic View, Otay, Transportation, Valley Vista, Veterans | Construction Completed and Generating Electricity | September 2021 – February 28, 2022 |
| 5 (5 sites) | Arroyo Vista Charter, Discovery Charter, Juarez-Lincoln, Kellogg, Rice, Sunnyside | Construction Completed and Generating Electricity | January 2022 – April 2022 |
| 6 (10 sites) | Allen, Chula Vista Hills, Clear View, ESSC*, Feaster Charter, Hilltop Drive, Lauderbach, Rosebank, Silver Wing, Vista Square | Construction Completed and Generating Electricity | February 2022 – July 2022 |
| | ESSC Microgrid (Battery Backup) | Pending SDGE design review | Summer 2023 |

* 74% of ESSC solar array is operational.

Note: Jeffers E.S. not included above since it was funded from CFD funds. Jeffers solar was completed in June 2022 and is generating electricity.

# Muraoka Parking Solar Panel Shade Structure



# Transportation Center Parking Solar Shade Structure



# Education Services and Support Center Parking Solar Shade Structure



# Clear View Playground Solar Panel Shade Structure



# Halecrest HVAC Upgrade






# 2021-22 Independent Performance and Financial Audit – Measure VV and Measure M

- ❑ Performed by Wilkinson Hadley King & Co. LLP, CPAs.
- ❑ Financial audit
  - Unmodified (clean) opinion with no audit findings.
- ❑ Performance audit
  - Complied with Proposition 39 requirements (CA Constitution XIIIA) and Measure VV and Measure M Ballot Measure.
  - CVESD ICOC found compliant with Education Code Sections 15278 through 15282.
- ❑ 2021-22 Audit report reviewed and approved by CVESD ICOC on March 2, 2023.

# Compliance with Article XIIIA, Section I(b)(3) of the California Constitution

- Based on review of information provided by the District and independent auditor to the CVESD ICOC, and its inspections of projects to date, the CVESD ICOC concludes that expenditures of the CVESD Bond Building Fund (Measure VV and Measure M) have been in compliance with the requirements of Section Article XIIIA, Section I(b)(3) of the California Constitution. Specifically :
  - that Bond funds have been expended for the construction, reconstruction, rehabilitation, or replacement of school facilities, or the acquisition or lease of real property for school facilities. That no Bond funds have been used for any teacher or administrative salaries or other operating expenditures; and
  - that the CVESD ICOC has reviewed the annual Independent Performance Audit and annual Financial Audit.

# *Thank you!*

**Questions? Comments?**