





Chula Vista Elementary School District

Independent Citizens Oversight Committee (CVESD ICOC)

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2021-22 Annual Report to the Board of Education

June 15, 2022

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

Martha Juarez, Chair
Parent School Site Council Representative

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

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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.

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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.

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2021-22 CVESD ICOC Activities

- CVESD ICOC Meetings held on:
  - **September 8, 2021**
    - Provided an overview of the Independent Citizens Oversight Committee's role and responsibility.
    - Discussed Measure VV and Measure M Bond Funding Status.
  - **December 8, 2021**
    - Reviewed report on the status of Measure VV and Measure M projects.

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2020-21 CVESD ICOC Activities

- CVESD ICOC Meetings held on:
  - **March 2, 2022**
    - Reviewed report on the status of Measure VV and Measure M projects.
    - Discussed ICOC Annual Report to CVESD Board.
  - **May 11, 2022**
    - Reviewed and Approved 2020-21 Independent Certified Public Accountant (CPA) Measure M and Measure VV Financial and Performance Audits.
      - Unmodified Opinion from independent CPA.
      - No finding or questioned costs.
    - Reviewed 2021-22 CVESD ICOC Annual Report to CVESD Board.
    - Discussed status of Measure VV and Measure M projects.

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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.***

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- ❑ **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) [4]

Total Sources and Uses of Funds (Updated 3-31-2022)

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	334,482
Interest Income	1,366,806
Total – Sources of Funds	**$61,504,599**

Uses of Funds	Amount
Completed	
Sunnyside Modernization (Summer 2019) [1]	$6,263,408
LED Energy Efficient Lighting Retrofit (2019-20)	4,092,378
CV Hills and Eastlake Fire Alarm Replacement (2019-20)	638,196
Network Equipment (2019-20)	296,536
Feaster Modernization (Summer 2020) [1]	22,124,505
Olympic View HVAC Controls (2019-20)	97,200
Subtotal - Completed	**$33,512,223**
Completed – Pending Final Payments	
HVAC, Roofing Replacement and Asbestos Abatement (Phase 1 – 3) 12 school sites (2020-21 and 2021-22) [2]	$10,005,895
Juarez Lincoln Fire Alarm Replacement (2020-21) [2]	341,863
Subtotal – Completed pending final payments	**$10,347,758**
Projects In Progress/Planning Process	
Maxwell Transportation Center (2021-22 and 2022-23) [3]	14,484,593
Network Equipment (2021-22 and 2022-23) [3]	953,000
Security System / Low Voltage Cabling (2022-23) [3]	2,207,025
Subtotal – Projects in Progress/Planning Process	**$17,644,618**
Total – Estimated Uses of Funds	**$61,504,599**

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[1] Sunnyside and Feaster were partially funded by Proposition E.
[2] Phase 1-3 pending payment of final invoices.
Phase 1 sites were Juarez Lincoln, Parkview and Valley Vista
Phase 2 sites were Lauderbach, Mueller and Palomar
Phase 3 sites were Castle Park, Harborside, Kellogg, Los Altos, Montgomery and Rosebank.
[3] Estimated cost and year for projects.
[4] 1st Bond Issuance expected in 2023 to repay Bond Anticipation Note.

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

Palomar HVAC Upgrade and Roof Replacement





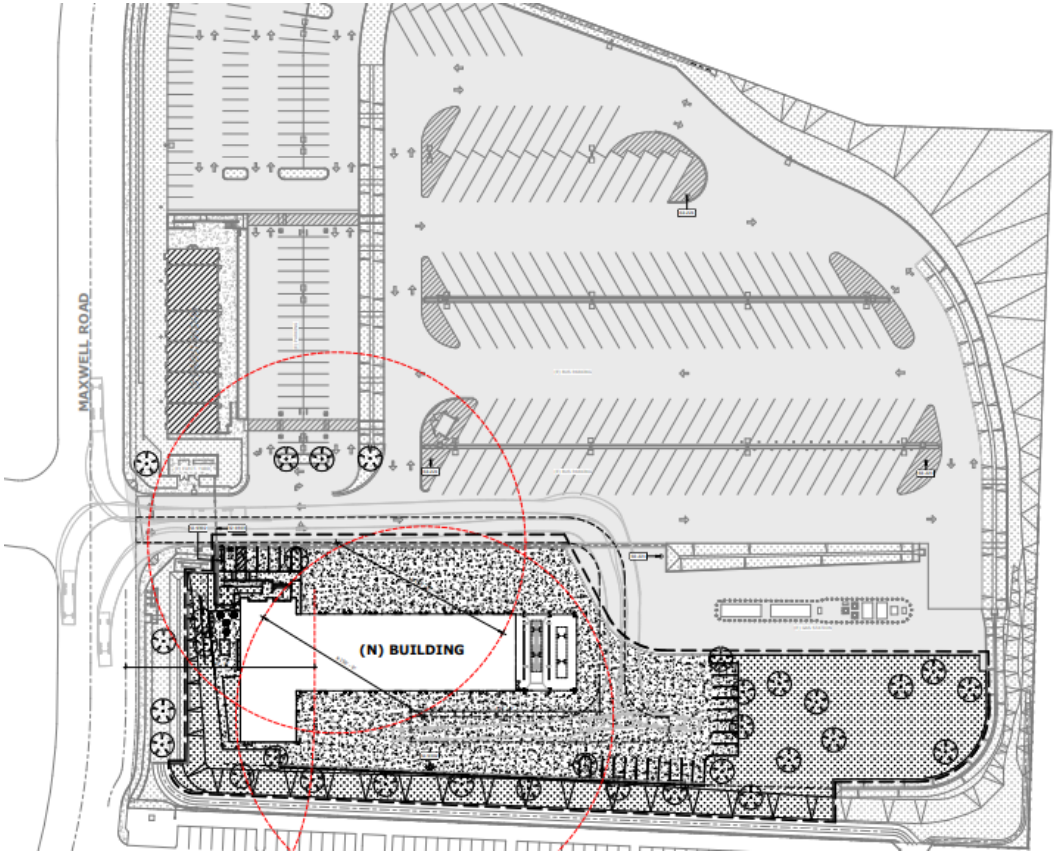
Harborside Roofing Replacement



Maxwell Transportation Center

Estimated Cost $14,484,593

PROJECTED TIMELINE	
	Projected
Anticipated Plan Approval from City of Chula Vista (plans were submitted on June 18, 2021)	October 2022
Bid Date	November 2022
Start of Construction	January 2023
Completion	February 2024



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 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.***

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- ❑ **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 3-31-2022)

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Sources of Funds	Amount
Series A Issuance (August 2020) ($50,000,000 less $200,000 Cost of Issuance)	$49,800,000
Interest Income	738,588
Total – Sources of Funds	**$50,538,588**

Uses of Funds	Amount
Completed – Pending Final Payments	
HVAC Replacement (Phase 4) 5 school sites [2] (2020-21 and 2021-22)	$5,625,345
Subtotal – Completed pending final payments	**$5,625,345**
Projects In Progress/Planning Process	
Districtwide Solar Project [1] (2020-21 and 21-22) (46 school sites, ESSC and District Transportation Center)	$34,081,445
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] (2022-23)	3,420,795
Relocatable Replacements [5] (2022-23)	3,363,750
Subtotal – Projects in Progress/Planning Process	**$44,913,243**
Total – Estimated Uses of Funds	**$50,538,588**

[1] Contract cost per board approved contract.
[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. Notice of completion pending board approval.
[3] Phases 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 (issued August 2020)
Districtwide Solar Project Status (April 22, 2022)

Group	School Sites	Status	Construction Timeline
1 & 2	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	Camarena, Casillas, Cook, CVLCC, Finney, Harborside, Kellogg, Loma Verde, Los Altos, Olympic View, Otay, Transportation, Veterans	Construction Completed	September 2021 – February 28, 2022
5	Arroyo Vista Charter, Discovery Charter, Juarez-Lincoln, Kellogg, Rice, Sunnyside	Construction Completed	January 2022 – April 2022
6	Allen, Chula Vista Hills, Clear View, ESSC, Fahari L. Jeffers, Feaster Charter, Hilltop Drive, Lauderbach, Rosebank, Silver Wing, Vista Square	Construction started 2/9/2022	February 2022 – July 2022

Muraoka Parking Solar Panel Shade Structure



Halecrest Playground Solar Panel Shade Structure



2020-21 Independent Performance and Financial Audit – Proposition M and Measure VV

- 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 Proposition E Ballot Measure.
  - CVESD ICOC found compliant with Education Code Sections 15278 through 15282.
- 2020-21 Audit report reviewed and approved by CVESD ICOC on May 11, 2022.

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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 (Proposition E and Measure VV) 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.

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Thank you!

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Questions? Comments?