




Chula Vista Elementary School District

Independent Citizens Oversight Committee (CVESD ICOC)

Annual Report to the Board of Education

June 17, 2020

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

Jason C. Hurtado-Prater, Chair
Community At-Large Representative

- ***Floyd Strayer, Vice Chair***
  Community At-Large Representative
- ***Jolyn DePriest, Ph.D.***
  Business Community Representative
- ***Martha Juarez***
  Parent SSC Representative
- ***Nancy Kerwin***
  Senior Citizens Organization Representative
- ***Gloria McKearney***
  Taxpayers Association Representative
- ***Ben Lien***
  Parent PTA Representative
- ***James L. Smyth***
  Community At-Large Representative

CVESD ICOC SCOPE

- $90 Million Proposition E approved by voters in November 2012.
  - Proposition E ICOC approved by Board in January 2013 to provided oversight of Proposition E General Obligation Bond funds.

- $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.
  - Annual Report shall contain separate sections for Proposition E and Measure VV.

- $300 Million Measure M approved by voters in March 2020.
  - No action taken during 2019-20 fiscal year.

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 of 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.

2019-20 CVESD ICOC Activities

- CVESD ICOC Meetings held on:
  - **September 18, 2019**
    - Conducted post Summer 2019 post-modernization site visit at Sunnyside Elementary School.
    - Discussed Measure VV Bond Funding Status.
  - **December 11, 2019**
    - Reviewed Summer 2019 Modernization Expenditure Report for modernization of Sunnyside Elementary School.
    - Discussed Summer 2020 Pre-Modernization status of Mae L. Feaster Charter School.
    - Discussed Proposed March 2020 General Obligation Bond.

2019-20 CVESD ICOC Activities

- CVESD ICOC Meetings held on:
  - **March 11, 2020**
    - Approved 2018-19 Independent Proposition E Financial and Performance Audit.
      - Unmodified Opinion from independent CPA.
      - No finding or questioned costs
    - Reviewed report on Sunnyside Summer 2019 Modernization Costs and Summer 2020 Pre-Modernization status of Mae L. Feaster Charter School.
    - Discussed Measure M General Obligation Bond Measure.
  - **May 13, 2020**
    - Discussed CVESD Board resolution adding independent citizens oversight of Measure M to the existing CVESD ICOC.
    - Virtual pre-modernization site visit of Mae L. Feaster Charter School prior to Summer 2020 Modernization.

2018-19 Independent Performance and Financial Audit

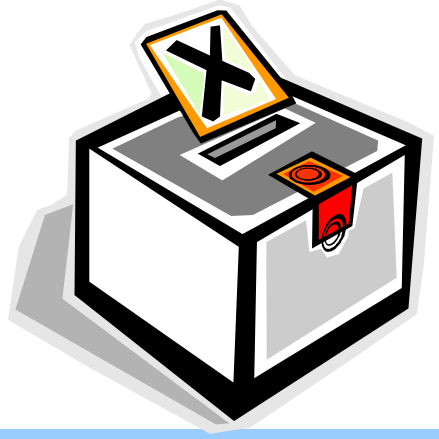
- Performed by Wilkinson Hadley King & Co. LLP, CPAs.
- Financial audit
  - Unmodified (clean) opinion with no audit findings.
- Performance audit
  - Complied with Proposition 39 requirements (CA Constitution XIIIA) and Proposition E Ballot Measure.
  - 80% of expenditures were tested.
  - CVESD ICOC found compliant with Education Code Sections 15278 through 15282.
- 2018-19 Audit report reviewed and approved by CVESD ICOC on March 11, 2020.

Proposition E Ballot Proposition

November 6, 2012

- ***Repair, renovate, construct, and upgrade classrooms and school facilities; increase student access to computers and modern technology; replace temporary classrooms; upgrade heating systems; and make energy cost-saving improvements.***
- ***Issue $90 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: 68.82% voter approval.
- **25-year amortization.**
- **No Capital Appreciation Bonds (CABs).**
- **Approximately $29 per $100,000 of assessed valuation per year.**



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.**

$90M Proposition E (2012) Summary of Series A, B and C Total Sources and Uses of Funds

Sources of Funds	Amount
Series A Issuance (2013) ($31,000,000 Less $225,000 Costs of Issuance)	$30,775,000
Series B Issuance (2015) ($14,000,000 less $168,000 Costs of Issuance)	13,832,000
Series C Issuance (2017) ($45,000,000 less $185,000 Cost of Issuance)	44,815,000
Interest Income	1,437,458
Total – Sources of Funds	**$90,859,458**

Uses of Funds	Amount
Wifi Installation Cost for SFID No. 1 Sites (2013-2014)	$466,066
Castle Park Modernization (2014)	6,526,630
Lilian J. Rice Modernization (2014)	6,834,780
Rosebank Modernization (2014)	6,674,525
Ella B. Allen Modernization (2015)	8,527,200
Hilltop Drive Modernization (2015)	8,444,167
Vista Square Modernization (2015)	7,339,449
Harborside Modernization (2017)	11,799,641
Kellogg Modernization (2017)	11,289,461
Montgomery Modernization (2017)	12,392,743
Sunnyside Modernization (2019) – partial costs	**9,691,420**
Feaster Modernization (2019) – preconstruction costs	**873,376**
Total – Uses of Funds	**$90,859,458**

$150M Measure VV (2018)
First Issuance: $60M in August 2019

Bond Anticipation Note (BAN) Issuance	Amount
G.O. Bond Anticipation Notes (BAN) in August 2019 ($59,998,285.10 Less $198,000 Costs of Issuance)	$59,800,285
Interest Income	547,800
Total – Sources of Funds	**$60,348,085**

Projected Use of Funds	Amount
Sunnyside Modernization (2019) (Excludes $9.6M Prop E Costs)	$<6,334,306>
LED Energy Efficient Lighting Retrofit (2019-20)	<4,105,433>
CV Hills and Eastlake Fire Alarm Replacement (2019-20)	<967,382>
Network Infrastructure (2019-20)	<296,536>
Feaster Modernization-Summer 2020 (Budgeted Amount)	<22,797,676>
Funds Reserved for Measure VV Projects in 2020-21	<25,846,752>
Total – Projected Use of Funds	**$60,348,085**

Summer 2019 Modernization Project
Sunnyside Elementary

Uses of Funds	Actual Costs
Construction Cost*	$12,331,330
Soft Cost (includes Construction Management, Architect and Testing & Inspection)	3,588,697
Network equipment and Lync phone system	105,699
TOTAL Costs	**$16,025,726**
Paid from Measure VV	**$6,334,306**
Paid from Proposition E	**$9,691,420**

* Excludes $1,437,265 construction cost paid with State Funds.

2020 Summer Modernization
Estimated Cost for
Mae L. Feaster Charter School

Uses of Funds	Total
Construction Cost Per Bid Packages (1-14)	$17,219,976
Relocatable	639,142
Soft Cost (includes Construction Management, Architect and Testing & Inspection)	4,464,780
Furniture, Fixture and Equipment	1,347,154
TOTAL	**$23,671,052**

2020 Feaster Charter School
Summer Modernization Timeline

ACTIVITY	DATE
Bidding Advertisement Commenced	October 9 and 14, 2019
Bid Opening	November 21, 2019
Board Approval, Bid Package Nos. 1-2, 4-5, and 7-14, and Rejection of Bid Package Nos. 3 and 6	December 18, 2019
Bid Opening of Rebid Bid Package Nos. 3 and 6	January 23, 2020
Board Approval Bid Package Nos. 3 and 6	February 12, 2020
Last Day of School (Was June 4 Prior to COVID-19)	March 13, 2020
Construction Starts (Was June 5 Prior to COVID-19)	May 4, 2020
Construction Complete (Subject to Change)	August 30, 2020
Students Return (Subject to Change)	September 8, 2020

Measure M - March 2020

- $300 Million General Obligation (GO) Bond proposition approved by 55.42% of voters after final ballot count of the March 3, 2020 election.
- Measure M will authorize $300 million in locally controlled funds to repair and upgrade educational facilities and classrooms throughout the Chula Vista Elementary School District. Also includes District-wide solar installation program and staff housing project.
- Measure M property tax rate will not exceed $30 per $100,000 assessed valuation.

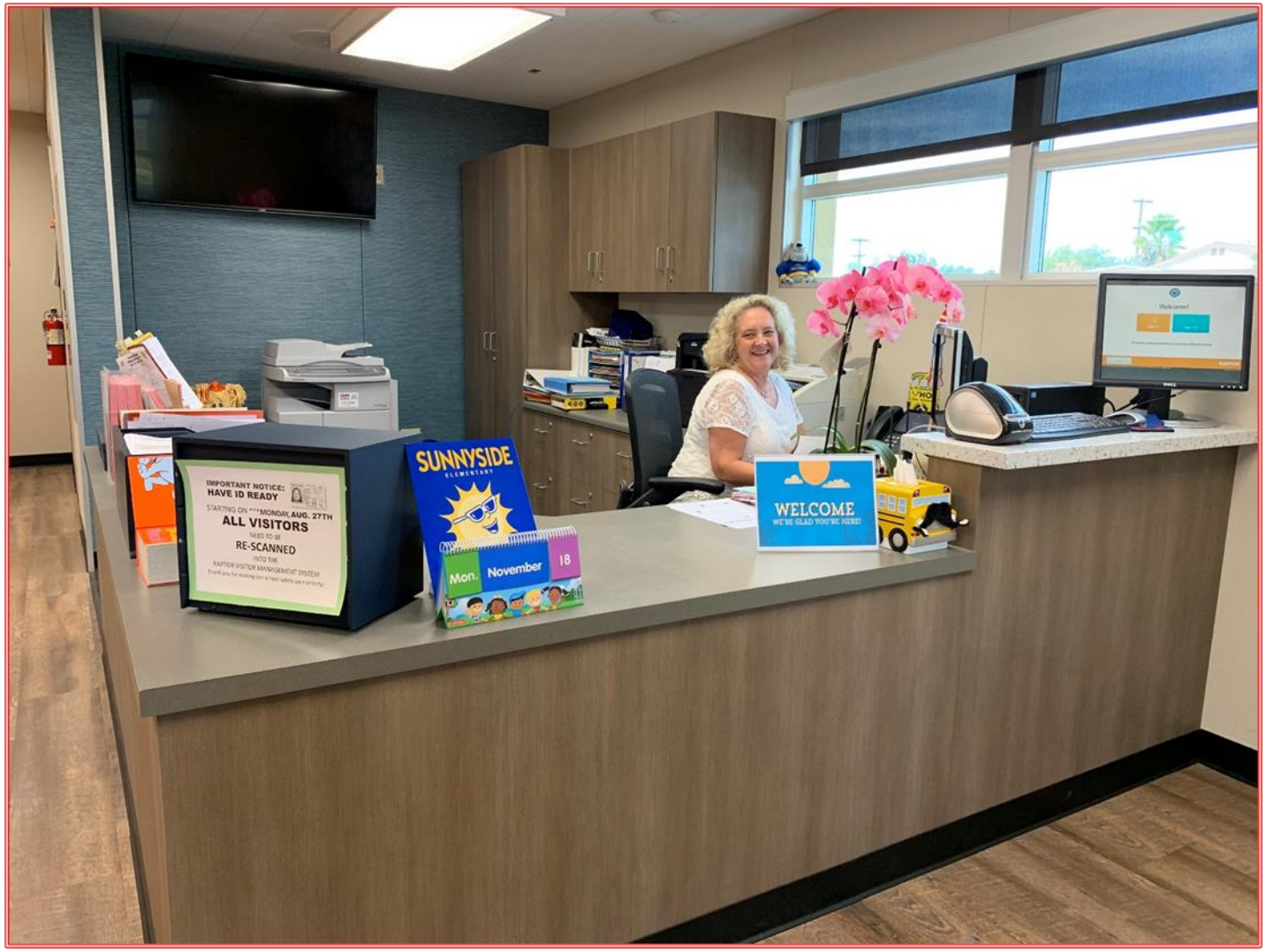
Compliance with Article XIIIA, Section I(b)(3) of the California Constitution

- 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.

Sunnyside Summer 2019 Modernization



Sunnyside Summer 2019 Modernization



Sunnyside Summer 2019 Modernization



Sunnyside Summer 2019 Modernization



Sunnyside Summer 2019 Modernization



Sunnyside Summer 2019 Modernization





Sunnyside Summer 2019 Modernization









Thank you!

Questions? Comments?