

## Bueno, Amy

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**From:** Allen-Cantley, Nalani  
**Sent:** Friday, March 25, 2016 9:30 AM  
**To:** Mindeguia, Yvette Alzugaray; Campbell, Paula; Grima, Charlotte; Sebers, Ryan; Fentanes, Donna; Bueno, Amy; Blundell, Claudette; O, Ted; Gonzalez, Judith; Chan, Jennifer; Valenzuela, Judy; Savidge, Bill  
**Cc:** Bhatia, Leticia; Krause, Michael; Moore, Shawnterra; Spaulding, Jay  
**Subject:** Items approved/not approved at March 24 Board meeting

### Here is the recap of approved items.

**Closed session** – 2 expulsion recommendations

#### CONSENT

##### Educational Services

Curriculum Council recommendation: expansion of 6th grade reading list novel  
Curriculum Council recommendation: adoption of Math textbook  
Curriculum Council recommendation: adoption of AP Computer Science textbook  
Curriculum Council recommendation: adoption of MS Computer Science textbook  
Curriculum Council recommendation: 5th grade family life course material  
Curriculum Council recommendation: Advanced video art course  
Curriculum Council recommendation: AP Physics course

##### Human Resources

Certificated Assignment Order  
Classified Assignment Order

##### Business Services

Monthly reports  
Donations  
Declaration of surplus property

**NOTE:** First reading of Board Polices will move to a second reading/approval on April 14.

#### ACTION

##### Educational Services

Migrant Ed MOU

##### Business Services

Measure J Bond Audit for the fiscal year ended June 30, 2015

Ad hoc Safety Committee recommendations

Measure J/Honey Bucket temp. restrooms at Buri Buri and Parkway

Measure J/Project priority criteria

Measure J/Project Development (continue with Project Frog, delivery method is construction management multi-prime, and develop multiple projects with multiple contractors) Measure

J/Repackaging

Measure J/Staff support *Item was pulled, reconsidering due to construction management multi-prime*

##### Nalani Allen-Cantley

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South San Francisco Unified School District  
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## Bueno, Amy

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**From:** Krause, Michael  
**Sent:** Friday, March 25, 2016 12:42 AM  
**To:** Fentanes, Donna  
**Cc:** Savidge, Bill; Bueno, Amy  
**Subject:** Honey bucket agenda item approved

**SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
BOARD OF TRUSTEES  
AGENDA AND ORDER OF BUSINESS – REGULAR MEETING  
Thursday, March 24, 2016**

**Baden High School – Gymnasium  
825 Southwood Drive, South San Francisco, California**

**OPEN SESSION - 6:30 p.m.**

**A. CALL TO ORDER**

**CLOSED SESSION - 6:30 p.m.**

1. To consider two (2) expulsion waiver hearing recommendations in accordance with CDE Sections 48915 and 48918.

**RECONVENE INTO OPEN SESSION – 7:00 p.m.**

**B. ROLL CALL**

- C. PLEDGE OF ALLEGIANCE** will be jointly led by South San Francisco High School senior Alan Perez and El Camino High School senior Melinda McMonigle.

**D. REPORTING OUT FROM CLOSED SESSION**

**Action**

**E. REVIEW OF AGENDA**

**F. RECOGNITION AWARDS – volunteers**

**G. PTA COUNCIL REMARKS**

**H. STAFF ASSOCIATION REPRESENTATIVES' REMARKS**

South San Francisco Federation of Adult Educators  
South San Francisco Classroom Teachers Association  
California School Employees Association Chapter 197

**I. PERSONNEL COMMISSION**

**J. ITEMS FROM BOARD**

**K. SUPERINTENDENT'S REPORT**

**a. Board retreat**

**b. Other**

- ASB Reports
  - Tiana Valerio, ASB President, El Camino High School
  - Alan Perez, ASB President, South San Francisco High School

**L. COMMUNICATIONS**

Public comments are limited to three minutes per individual. Name/address cards are placed in the back of the room to be completed and given to the secretary. The Board President will call upon individuals in random order who have requested to speak. Each person may only speak once, and is required to address the Board from the podium. The meeting is recorded. Individuals may address the Board concerning school business not on the agenda, but public comment cannot be acted upon or discussed by the Board unless placed on the agenda at a subsequent meeting, in accordance with the law (Brown Act). The Board may request staff to respond orally at the meeting or in writing at a future time.

**M. PRESENTATIONS**

**1. EDUCATIONAL SERVICES**

**a. Teaching and learning presentation:  
South San Francisco High School**

Principal Cynthia Rapaido will share with the Board educational priorities and programs at South San Francisco High School.

**b. Teaching and learning presentation:  
El Camino High School**

Principal Daniel Lunt will share with the Board educational priorities and programs at El Camino High School.

**c. Big Lift update**

Sheryl Chan, Children's Center Coordinator, will provide the Board with an update on the Big Lift program in the District.

**2. BUSINESS SERVICES**

**a. Measure J/Keygent LLC – Bond financing update**

A Keygent representative will be presenting an update on the Bond program variables and repayment options to address the BANs repayment in addition to accessing the approximately \$1.05 million in remaining Measure J authorization.

**N. CONSENT AGENDA: The following items are submitted for Board approval. One motion will authorize action for those items so designated.**

	<u>PAGE</u>
<b>1. ADMINISTRATION</b>	
a. Minutes to the Regular Board Meeting, March 10, 2016.	1 - 19
b. Minutes to the Special Board Meeting, March 12, 2016.	20
<b>2. EDUCATIONAL SERVICES</b>	
a. Staff recommends the approval to expand the 6 <sup>th</sup> grade accepted reading list by adding the book “Flipped”.	21
b. Staff recommends the approval to add the textbook “Math Expressions” as the core mathematics curriculum for K-5 <sup>th</sup> grade.	22 - 23
c. Staff recommends the approval to adopt an AP Computer course and the textbook “Java Methods”.	24 - 25
d. Staff recommends the approval to adopt curriculum and resources for the Middle School Computer Science pathway.	26 - 27
e. Staff recommends the approval to purchase new 5 <sup>th</sup> grade Family Life curriculum and Human Relations Media materials.	28 - 29
f. Staff recommends the approval of the addition of the final Capstone course of Advance Video Art at SSFHS.	30
g. Staff recommends the approval to adopt the AP Physics 1 course at SSFHS.	30
<b>3. HUMAN RESOURCES</b>	
a. Certificated Personnel Assignment Order	32
b. Classified Personnel Assignment Order	33

PAGE

**4. BUSINESS SERVICES**

a. Purchase Order Listing, February 1 - 29, 2016	34 - 43
b. Warrant Register, February 1 - 29, 2016	44 - 85
c. Cash Receipts, February 1 - 29, 2016	86 - 98
d. Gifts to the District, March 2016	99 - 101
e. Staff recommends the approval of the declaration of surplus property.	102 - 103

PAGE

INFORMATION/DISCUSSION

**1. ADMINISTRATION**

**a. 1st reading of District’s updated Board Policies** 104 - 142

Staff will present to the Board, the first reading of the updated District’s Board Policies as follows:

1. BP 0410 Nondiscrimination in District programs and comprehensive plans
2. BP 1312.3 Uniform Complaint procedures
3. BP 4040 Employee use of Technology
4. BP 4115 Evaluation – Supervision
5. BP 5116.1 Intradistrict open enrollment
6. BP 5125 Student records

**2. HUMAN RESOURCES**

**a. Suspensions and expulsion data** 143

Director Ryan Sebers will present to the Board data on South San Francisco Unified School District’s suspensions and expulsions.

**3. BUSINESS SERVICES**

**a. Measure J/Bond Audit** 144

A representative from Christy White, CPA, will share with the Board, the Measure J financial and performance audit for the fiscal year ended June 30, 2015.

**b. Ad Hoc Safety Committee recommendations** 145 - 147

Staff will provide the Board with the Ad Hoc safety committee recommendations for several measures that would help sites become safer. These recommendations are listed by priority and include estimated costs.

	<u>PAGE</u>
c. <b>Measure J/Parkway Heights Middle School community meeting</b>	148
<p>Staff will provide the Board with information on a Measure J community meeting at Parkway Heights Middle School on April 4, 2016 to discuss the current status of construction and next steps moving forward.</p>	
d. <b>Measure J/Moving Forward</b>	149
<p>Staff will provide the Board with information on the Measure J issues of funding, project development and implementation including background information, options and consideration of pros and cons with different approaches.</p>	

**ACTION**

**1. ADMINISTRATION**

a. <b>Resolution No. 16-10 for American Red Cross Month</b>	150
<p>Staff recommends the adoption of Resolution #16-10: In recognition of American Red Cross Month.</p>	

**2. EDUCATIONAL SERVICES**

a. <b>Approval of Migrant Education memorandum of Understanding (MOU) for 2016-2017</b>	151 - 183
<p>Staff recommends the approval of the 2016-2017 Migrant Education MOU, as presented to the Board.</p>	

**3. BUSINESS SERVICES**

a. <b>Measure J/Bond audit approval</b>	184
<p>Staff recommends the approval of the Measure J financial and performance audit for the fiscal year ended June 30, 2015, as presented to the Board.</p>	

	<u>PAGE</u>
<p><b>b. Approval of Ad Hoc Safety Committee recommendations</b></p> <p>Staff recommends the approval of the Ad Hoc safety committee recommendations spending plan for several measures that would help sites become safer, as presented to the Board.</p>	185 - 187
<p><b>c. Measure J/Approval of Honey Bucket proposal for temporary restroom services</b></p> <p>Staff recommends the approval of the Honey Bucket proposal for temporary restrooms services at the Parkway Heights Middle School and Buri Buri Elementary School Measure J projects, as presented to the Board.</p>	188 - 191
<p><b>d. Measure J/Adoption of priority criteria for project funding recommendations</b></p> <p>Staff recommends the adoption of the priority criteria recommendations to guide preliminary project and budget development, as presented to the Board.</p>	192 - 193
<p><b>e. Measure J/Board direction and confirmation of Project Development recommendations</b></p> <p>Staff requests Board direction and confirmation of Project Development options in the following three areas: Building System, Project Delivery Method, Packaging and Phasing of Projects, as presented to the Board.</p>	194 - 195
<p><b>f. Measure J/Approval of repackaging recommendations</b></p> <p>Staff recommends the approval to begin the process of repackaging construction documents to reflect the previous Priority Project and Project Development decisions, as presented to the Board.</p>	196 - 197
<p><b>g. Measure J/Approval of additional support staff recommendations</b></p> <p>Staff requests Board direction and approval of recommendations to increase support staff in order to complete the Bond program, as presented to the Board.</p>	198 - 199

## REVIEW OF FUTURE AGENDA ITEMS AND MEETINGS

### April 14, 2016 - Televised (Municipal Building)

- Teaching and learning presentation – Martin Elementary School
- Williams report for 1st quarter ending 3/31/16
- Resolutions for retirements
- Update on Technology master plan, including upgrades and possibility of live audio streaming of Board meetings
- Presentation on Special Ed/Adult Transition Program
- Presentation on District Health Committee

### April 28, 2016

- Teaching and learning presentation – Junipero Serra Elementary School
- Boys and Girls Club presentation
- Measure J/Update on Summer construction projects
- Resolution for Day of the Teacher
- Resolution for Classified School Employee Week
- LCAP update

### May 12, 2016 – (at Parkway Heights Middle School)

- Teaching and learning presentation – Westborough Middle School
- Approval of the Board meeting calendar for the 2016-2017 school year
- Recognition for outgoing Student Trustee
- Resolution for Asian Pacific American Heritage Month
- Approval of Middle College MOU
- Approval of Graduates - Baden, ECHS and SSFHS
- Approval of Certificates of Completion - Baden, ECHS and SSFHS
- Approval of designated representatives to CIF
- Recognition for Spelling Bee winner

### May 26, 2016

- Teaching and learning presentation – Baden/Adult Education
- Presentation on Humane Society work with Baden students
- May revision of the Governor's 2016-2017 budget
- Approval for destruction of Disposable Class 3 records

### June 9, 2016 - Televised (Municipal Building)

- Teaching and learning presentation – Children's Center
- Public Hearing 2016-2017 LCAP
- Public Hearing preliminary 2016-2017 Budget
- Resolution on Budgetary increases and year end transfers
- Approval of 2016-2017 Dairy Supply bid
- Resolution in support of LGBT Pride Month
- Approval of Children's Center Program Self-evaluation annual reports
- Approval of School Services 2016-2017 contract

**June 23, 2016**

- Adoption of 2016-2017 LCAP
- Adoption of preliminary 2016-2017 Budget
- Approval of piggyback contracts
- Approval of 2016-2017 contracts with legal firms utilized by the District

**SUMMARY OF BOARD DIRECTIVES**

**GOOD AND WELFARE**

- Comments from Board Members and Superintendent

**ADJOURNMENT**

Copies of the agenda only are posted next to the front door of the District Office at 398 B Street, and at the following public libraries: South San Francisco libraries, West Orange and Grand Avenue, and the Daly City Library on Wembly Avenue, Daly City. It is also available for review at the District's website: [www.ssfusd.org](http://www.ssfusd.org) (Click on *Board Meeting Agendas and Minutes*).

1) A CD is made of the Open Session of each meeting; 2) Any writing or document that is a public record relating to an open session agenda item, and is distributed less than 72 hours prior to a regular meeting will be made available for public inspection in the District Office located at 398 B Street, South San Francisco, California 94080. If however, the document or writing is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting, as listed on this agenda.; and 3) For special accommodation to participate in this meeting, please contact the Office of the Superintendent, a minimum of 48 hours prior to the meeting: Telephone--(650) 877-8705, Fax--(650) 588-8113 or e-mail: [ncantley@ssfusd.org](mailto:ncantley@ssfusd.org)

meeting, they discussed roles and responsibilities and governance practices, including the review and revision of the District's Governance Handbook, the Brown Act, Board values and Board self-evaluation.

- b. **Youth Government Day** – Each spring the City, in collaboration with the South San Francisco Unified School District, offers a Youth Government Day program to local high school seniors. We are inviting the students who participated this year to our televised April 14 Board meeting where they will receive certificates of recognition for taking part in this event.

#### ASB Reports

- o Alan Perez, ASB President, South San Francisco High School, shared events at his school with the Board. The basketball team, of which he is a member, won against ECHS. The Community Relations Committee is new this year and is focusing on engaging the school with the SSF community. “Bumpin’ to the Oldies” at Physique Magnifique and the musical “Little Shop of Horrors” were successful and he thanked the committee for their work. He and other SSFHS and ECHS students participated in Job Shadow Day, which was a great event. He was partnered with Gene Mullin. Last night’s Showcase of Bands highlighted performances from middle and high school students and was well received. Today was “Day on the Green” sponsored by the ASB and Activities Commission. Free food and fun activities provided a great way to kick off spring break.
- o Tiana Valerio, ASB President, El Camino High School, highlighted recent and upcoming events on campus. Last week was difficult since advisor Derek Padilla had emergency surgery, but is fine now. The lip sync rally with the theme of “Childhood Memories” still took place with help from the ASB students. Interviews for ASB are taking place. On Tuesday, the Students in Action regional competition was held and Ms. McMonigle will move on to nationals. The annual “Pennies for Patients” fundraiser for The Lymphoma and Leukemia Society concluded with \$580 raised. She thanked Dr. Moore and Dr. Leticia Bhatia for attending the House of Representatives meeting for the LCAP and hearing the student perspective.

#### L. COMMUNICATIONS

Allison Light said she was disappointed to not get a reply to the letter she gave the Board at their last meeting. She wants to know what the emergency plans for communicating with teachers is. She is excited about the expansion of summer school and said the District needs to communicate this to the community.

Alfredo Olguin, a former student, spoke about the gentrification happening in the City. The development is not for the current residents, who have no one to help, and leads to more demoralized youth. He wants to work with the youth and community on this issue.

Adolfo Leiva, a Buri Buri parent, wants improvements made to the site for student safety, more community meetings, and wants to understand the construction process. He recommended looking into best practices in neighboring districts.

Christina Arce, a Martin teacher, spoke about the recent community meeting on Measure J. She said things are headed in the right direction with a good Bond team in place. It was a positive meeting and the architect solicited community input on construction plans.

## M. PRESENTATIONS

### 1. EDUCATIONAL SERVICES

#### a. Teaching and learning presentation: South San Francisco High School

Principal Cynthia Rapaido shared educational priorities and programs at South San Francisco High School.

#### b. Teaching and learning presentation: El Camino High School

Principal Daniel Lunt shared educational priorities and programs at El Camino High School.

#### c. Big Lift Update

Sheryl Chan, Children's Center Coordinator, provided the Board with an update on the Big Lift program in the District.

##### San Mateo County Reading Gap

- 50% of the county's children are not reading proficiently by third grade.
- Rising to an alarming 73% for Latino, African American and Pacific Islander kids.

##### The Big Lift Collaborative

- Many organizations throughout San Mateo County are involved.

##### Big Lift Goal

- Increase Third Grade Reading Proficiency County-Wide to 80% by Year 2020
- 95% of brain development occurs in the first five years.
- Getting our children off to the right start.
- Combines high-quality and connected learning experiences from preschool to third grade.
- Overall goal: 80% of students reading at grade level by 3rd grade

- **Academic School Year 2015-2016** – Multiple teacher and administrator input session on types of kindergarten Assessments
- **January 25, 2016** – Committee selected the Brigance to be administered in Fall 2016 (annually each Fall after)
- **March-May 2016** – Meetings and trainings are scheduled to determine implementation needs (Teacher Professional Development, Timeline, Data collection)

#### Big Lift Inspiring Summer Program - 2016

- First 5 of San Mateo and Silicon Valley Community Foundation have partnered with SSFUSD and are providing grant funding to support Kindergarten and 1st grade Readiness programs.
- \$3.75 million investment over the next two years for low-income children in San Mateo County.
- Will be implemented by The Big Lift's first cohort of school districts in partnership with the San Mateo County Library, the Bay Area Discovery Museum's Center for Childhood Creativity and BELL, a nonprofit.
- The District will serve 190 rising kindergarten students and 200 rising 1st grade students

Trustee John Baker questioned the paraprofessional vacancies. Dr. Bhatia replied that, similar to the teacher shortage, there is a Classified shortage in the District due to the high cost of living. Ms. Chan added that SSFUSD is competitive with its salary range compared to other districts. Ms. Bhatia stated that Dr. Spaulding is attending job fairs and advertising for paraprofessionals. The openings are also posted on college websites. Ms. Chan will look into recruiting from City College as well. She said Skyline College students are concentrating on school and not working.

## **2. BUSINESS SERVICES**

### **a. Measure J/Keygent LLC – Bond Financing Update**

Chet Wang of Keygent and Frank Vega of RBC presented an update on the Bond program variables and repayment options to address the BANs repayment in addition to accessing the approximately \$1.05 million in remaining Measure J authorization.

#### District Assessed Value (AV)

- General obligation bond (GOB) programs are structured based on the growth in tax base, the assessed value (AV).
- AV is the repayment source for general obligation bonds.
- AV is at an all-time high for the last two years.
- The District had 4.00% assessed valuation AV growth in 2015-16.

- As of March 1, 2016, San Mateo County's AV tracker estimates that the District's secured AV will increase ~2.75%.

Interest rates

- The District sells tax fee bonds
- In June 2015, the District sold bonds, then rates fell
- In December 2015, the Feds increased the rates
- The current rate of 3.34% is the lowest since 2010
- SSFUSD has one of the highest credit ratings in the State

Mr. Wang provided two scenarios to the Board as follows:

Scenario #1

- Repay the outstanding BANs through the issuance of two series of bonds
- Assumptions:  
Annual AV growth rates:
  - 2016-17: 2.0%
  - Thereafter: 3.0%Interest rates:
  - 2016 issuance: 3.41%
  - 2018 issuance: 3.42%Compliance with AB 182

Scenario #2

- Repay the outstanding BANs through the issuance of one series of bonds
- Assumptions:  
Annual AV growth rates:
  - 2016-17: 2.0%
  - Thereafter: 3.0%Interest rates: 3.69%  
Compliance with AB 182

Pros and Cons of Issuance Scenarios

Scenario 1 – Issue bonds now to repay ~\$30 million in BANs

**Pros**

- Future bonds issued to repay remaining BANs could be refinanced on a tax-exempt basis within ten years if future interest rates allow . Bonds would need to be issued within 90 days of the BANs maturity date to preserve this option

**Cons**

- Uncertainty regarding future interest rates on future bonds
- Additional issuance costs associated with future bonds
- Additional staff time required on future bonds

Scenario 2 – Issue bonds now to repay all outstanding BANs

**Pros**

- Interest rates currently near historic lows
- Access remaining ~\$1,045,000 for projects  
Note: project dollars from bonds cannot be accessed until all BANs are repaid
- Single set of issuance costs
- Staff time required only on single financing

**Cons**

- Bonds could not be refinanced on a tax-exempt basis for ten years  
Would not apply to the ~\$1,045,000 issued for projects

Trustee Bush asked if this item will be agendaized for action at the next meeting. Mr. Wang advised that the first BAN is due in mid-2017.

Student Trustee Valerio, due to illness, left the meeting at 8:39 p.m.

**N. CONSENT AGENDA:**

MOTION # (Baker/Bush) to approve Item 1a, Minutes to the Regular Board meeting, March 10, 2016; Item 1b, Minutes to the Special Board meeting, March 12, 2016; Item 2a, adding book “Flipped” to 6<sup>th</sup> grade accepted reading list; Item 2b, “Math Expressions” textbook; Item 2c, adopting AP Computer course and “Java Methods” textbook; Item 3d, adopting curriculum and resources for Middle School Computer Science pathway; Item 2e, new 5<sup>th</sup> grade Family Like curriculum and Human Relations media materials; Item 2f, final Capstone course of Advance Video Art at SSFHS; Item 2g, adopting AP Physics 1 course at SSFHS; Item 3a, Certificated Personnel Assignment Order; Item 3b, Classified Personnel Assignment Order; Item 4a, Purchase Order Listing, February 1 - 29, 2016; Item 4b, Warrant Register, February 1 - 29, 2016; Item 4c, Cash Receipts, February 1 - 29, 2016; Item 4d, Gifts to the District for March 2016; Item 4e, declaration of surplus property. Motion Carried (Unanimous)

**INFORMATION/DISCUSSION**

**1. ADMINISTRATION**

**a. 1st Reading of District’s Updated Board Policies**

For this first reading, the Trustees considered the following updated Board Policies:

1. BP 0410 Nondiscrimination in District programs and comprehensive plans
2. BP 1312.3 Uniform Complaint procedures

- Accommodations and Special Education
- Behavioral interventions
- Community partnerships and resources

Mr. Sebers said the reasons current interventions are working is not one thing in particular. The District is employing a philosophical approach with a variety of interventions unique to each student.

### 3. BUSINESS SERVICES

#### a. Measure J/Bond Audit

##### COMMUNICATIONS (continued)

Rudy Sultan, of USS Cal Builders, spoke about the inaccuracy of items in the audit not performed by his company. All documents were submitted to Assistant Superintendent Michael Krause before March 14. He wants to make sure the Board received correct information. Mr. Krause said the audit findings are 100% independent of the District.

Heather Daud, the lead auditor from Christy White, CPA, shared with the Board, the Measure J financial and performance audit for the fiscal year ended June 30, 2015.

- **Unmodified opinion on financial statement** – numbers presented in the Bond audit building fund are correct. To determine this, she assessed Bond controls and spoke with personnel.
- **Bidding procedures** - change order rates were over 10% on lease lease back contracts. Also, the change orders were not getting Board approval prior to the work being performed, which is a best practice and not a compliance issue, but important in running an efficient Bond program.
- **Personnel** - high turnover affected Bond oversight.
- **Construction management oversight** – possible USS Cal Builders errors need to be investigated.
- Accounting and numbers are correct.

#### b. Ad Hoc Safety Committee Recommendations

Assistant Superintendent Krause said the Ad Hoc safety committee toured schools and made recommendations for several measures that would help sites become safer. Each site prioritized their recommendations. The District can use one-time RDA funds, which total \$276,550. These funds have been set aside for future use. The measures would be completed in the next six to twelve months.

A consistent request was for eight to ten foot fencing at the sites. Trustee Bush said the Board has asked for more esthetically pleasing

fencing so the sites do not look like prisons. She wants to consider re-looking at this. Mr. Krause said they can check on all options for appearance and safety sake.

Trustee Bush suggested a vendor discount would be possible if the District made bulk purchases. She said this issue has been discussed for two years and wants the majority of the work to be completed by the opening of the 2016/2017 school year.

Mr. Krause said there are many items where, without State funding, the District needs to find the revenue, such as the sale of properties within the District. When the City sells their RDA properties, the District receives 44% of the sale price.

Trustee Baker asked about panic bars listed in the recommendations and whether the District has many doors needing this equipment. Mr. Krause said they can present the full list of committee recommendations to the Board and check other sites as well. The panic bars listed were prioritized by some sites.

Trustee Lujan asked about the process for schools to prioritize and who participated. Mr. Krause replied that the committee made the recommendations in 2014 for all sites. Principals received the complete list of items and site administrators decided for their school. President Patrick Lucy, who was a member of the committee, said they invited a group of school-specific parents, the SRO, and others who walked the sites and created the list.

Superintendent Moore agreed this has been two years in planning, but with the Cabinet now in place, they are not losing sight of this issue.

c. **Measure J/Parkway Heights Middle School Community Meeting**

Assistant Superintendent Krause said that based on a recommendation from the site, the time for the Measure J community meeting at Parkway Heights Middle School on April 4 will be 4:00 p.m. Due to the many changes in the Bond program since its inception, they will discuss the current status of construction and next steps moving forward. He commended Principal Marco Lopez for being a tireless advocate for his site, participating in weekly Bond meetings and keeping his staff and community informed.

Another Measure J meeting was held this week at Los Cerritos concerning their construction and next steps.

d. **Measure J/Moving Forward**

Bill Savidge, the District's Bond Management Consultant, reviewed

Measure J issues of funding, priorities, project development and implementation of future construction projects.

He said there are insufficient funds to pay for all planned Measure J work and the remaining funds need to be prioritized. They will work with the sites to determine what can be done to meet their needs with reduced funds. President Lucy asked if things are status quo, is there enough money. Mr. Savidge replied the District is "heading for a fall" due to the large number of change orders.

Confirmation of Building System - whether to continue with the Project Frog modular building system used in all of the Measure J replacement projects to date. The presentation referenced potential cost and schedule impacts for the option of continuing with the system, moving to another modular building system, or going with site built construction. Mr. Savidge said the most expedient way is to keep the Project Frog building system.

Confirmation of Project Delivery Method – staff did not recommend continuing with the Lease-Leaseback method. They discussed whether to adopt either: Design-Bid-Build or "Hard-Bid;" Construction Management Multi-Prime; or, Construction Management at Risk.

Packaging and Phasing of Projects - whether to develop multiple projects, with multiple contractors rather than staying with a single contractor approach. In addition, staff asked for confirmation to initiate a package of high priority smaller projects at currently impacted sites, while beginning the process of re-packaging the major project construction documents. Trustee Baker asked if using multiple contractors would reduce the time. Mr. Savidge said it would.

#### **COMMUNICATIONS (continued)**

**Melissa Kohlmeister**, a Buri Buri parent, said she is angry and disappointed, but hopeful. She wants to work with the Board and said they need to prove through their actions they want to work with the community.

**Stacey Turpin**, a Buri Buri PTA member, said the Board is not doing their job and asked if they would be in the current situation with proper oversight and personnel. She recommended using General Funds to finish the work at the site if Measure J funds have run out. She said the items on the community list need to be addressed for the safety and education of their children.

**Carla Cisneros**, a Buri Buri parent, spoke of daily construction concerns at the school which include traffic back-ups, only one entrance to the school, needing more police giving out traffic tickets, mud that children must walk through, no library access and unsecured areas on campus which children must use. She expects the Board to prioritize handling these issues.

**Lauren Kitchen**, another Buri Buri PTA member, spoke about wanting to work with the Board and Mr. Savidge to get the school completed. The Board has not made the effort to push construction forward.

**Annette Lemons**, a Buri Buri parent, said she is worried about safety concerns and stressed the urgency to move forward with the construction. The priority for the work is for student safety and told the Board to make the decision tonight to address work to be done such as a walkway to the office back area.

**Erica Mendoza**, a Martin parent, asked if the \$10M from the General Fund will still be there for construction at that site. Mr. Krause assured the community and that the money is not co-mingled with Bond funds and is safe and secure for Martin.

**Los Cerritos Principal Kennelyn Celeste** spoke about the recent community meeting at her site which was attended by Mr. Krause and Dr. Moore. They were told the construction would be delayed for two years. Her staff and parents are disappointed, feel they will be forgotten, and students won't benefit. She said parents want a library/media center as a "consolation prize" now, along with improved technology.

MOTION # (Bush/Lujan) to extend the meeting past 10:30 p.m.  
Motion Carried. (Unanimous)

**Cynthia Hoffens-Oishi**, a Buri Buri parent, said the Board needs prioritization, efficiency and to continue to build trust with the community through communication. She feels the District could lose great, valued teachers due to the construction delays.

Trustee Bush asked if the District owns the designs, could they be given to a contractor, other than Project Frog, to build. Mr. Savidge said it is very difficult do without a proprietary system. Ms. Bush then asked if the Facilities department staff would be able to assist in construction. Mr. Krause said their staff handles maintenance and there is no one to assist in construction. He added that the proprietary items in the Project Frog system need to be considered as there is only one supplier for the materials needed.

Trustee Baker questioned if, by continuing to use Project Frog, the District can depend on them to fix any quality problems. Mr. Savidge replied that they have been responsible and don't want to be known for poor workmanship. Also, California has a one year warranty period and the District would have recourse if a situation arose. Mr. Baker, citing parent concerns with urgency, said it would be beneficial to maintain Project Frog.

President Lucy asked about the timeline to start projects. Mr. Savidge replied that with Board direction tonight and budget estimates in April, Buri Buri and Parkway Heights phase 1 projects could be worked on in the summer. With additional DSA addendum review, they are looking at November/December at the earliest for other projects.

**ACTION**

**3. BUSINESS SERVICES**

**c. Measure J/Approval of Honey Bucket Proposal for Temporary Restroom Services**

MOTION # (Baker/Bush) to approve the Honey Bucket proposal for temporary restrooms services at the Parkway Heights and Buri Buri Measure J projects. Motion Carried. (Unanimous)

**d. Measure J/Adoption of Priority Criteria for Project Funding Recommendations**

MOTION # (Baker/Lujan) to adopt the priority criteria recommendations to guide preliminary project and budget development as written. Motion Carried. (Unanimous)

**e. Measure J/Board Direction and Confirmation of Project Development Recommendations**

MOTION # (Baker/Bush) **Building System**; to confirm continuing with the Project Frog modular building system.

MOTION # (Bush/Lujan) **Project Delivery Method**; to confirm adopting the Construction Management multi-prime delivery method. Motion Carried. (Unanimous)

MOTION # (Baker/Bush) **Packaging and Phasing of Projects**; to confirm developing multiple projects, with multiple contractors rather than staying with a single contractor approach. Motion Carried. (Unanimous)

**f. Measure J/Approval of Repackaging Recommendations**

MOTION # (Baker/Lujan) to approve beginning the process of repackaging construction documents to reflect the previous Priority Project and Project Development decisions. Motion Carried. (Unanimous)

**g. Measure J/Approval of Additional Support Staff Recommendations**

Mr. Savidge suggested that, with their decision to adopt the Construction Manager multi-prime delivery method, the Board may want to reconsider this item.

MOTION # (Bush/Lujan) to pull this item. Motion Carried. (Unanimous)

## 1. ADMINISTRATION

### a. Resolution No. 16-10 for American Red Cross Month

Board Clerk Bush summarized the resolution.

MOTION # (Bush/Baker) to adopt Resolution #16-10: In recognition of American Red Cross Month. (AYES: Baker, Bush, Lucy, Lujan; NOES: None). Motion Carried (Unanimous)

## 2. EDUCATIONAL SERVICES

### a. Approval of Migrant Education Memorandum of Understanding (MOU) for 2016-2017

MOTION # (Bush/Lujan) to approve the 2016-2017 Migrant Education MOU. Motion Carried. (Unanimous)

## 3. BUSINESS SERVICES (continued)

### a. Measure J/Bond Audit Approval

MOTION # (Bush/Baker) to approve the Measure J financial and performance audit for the fiscal year ended June 30, 2015.. Motion Carried. (Unanimous)

### b. Approval of Ad Hoc Safety Committee Recommendations

MOTION # (Bush/Lujan) to approve the Ad Hoc safety committee recommendations spending plan for several measures that would help sites become safer . Motion Carried. (Unanimous)

## REVIEW OF FUTURE AGENDA ITEMS AND MEETINGS

### April 14, 2016 - Televised (Municipal Building)

- Teaching and learning presentation – Martin Elementary School
- Williams report for 1st quarter ending 3/31/16
- Resolutions for retirements
- Update on Technology master plan, including upgrades and possibility of live audio streaming of Board meetings

### April 28, 2016

- Teaching and learning presentation – Junipero Serra Elementary School
- Boys and Girls Club presentation
- AVID presentation
- Resolution for Day of the Teacher
- Resolution for Classified School Employee Week

## SUMMARY OF BOARD DIRECTIVES

1. Staff to check on condition of Project Frog materials stored at Foxridge.

## GOOD AND WELFARE

Trustee Lujan reported she attended the 2<sup>nd</sup> annual Biotech Summit, enjoyed the recent Board retreat which was a good chance to bond with her fellow Trustees, and visited the Junipero Serra and Skyline school sites. She was impressed with the talent at the Showcase of Bands event.

Trustee Baker said he also attended the two site visits and participated in the Biotech Summit. He went to the SMCSBA presentation on Human Trafficking, saw EL Arts at Parkway Heights, and said the Showcase of Bands was fantastic.

Trustee Bush stated that the Board retreat was a wonderful opportunity to get to know her fellow Trustees. She attended the Skyline College President's Breakfast and was "in awe" of the Showcase of Bands students. She asked to reconsider the refinance of BANS due to interest rates.

President Lucy recommended the "amazing" Little Shop of Horrors at SSFHS. He said May 14 is Human Trafficking Awareness Day, which focuses on a crime which affects many children.

## ADJOURNMENT – 11:15 p.m. in memory of:

- The victims of this week's terrorist attacks in Brussels, Belgium.
- and
- **Charlene Rebholtz**, a former employee who passed away on March 10. She worked in the District for 18 years and spent the majority of her career as a registrar at El Camino High School.

March 24, 2016

# South San Francisco Unified School District

General Obligation Bond Update

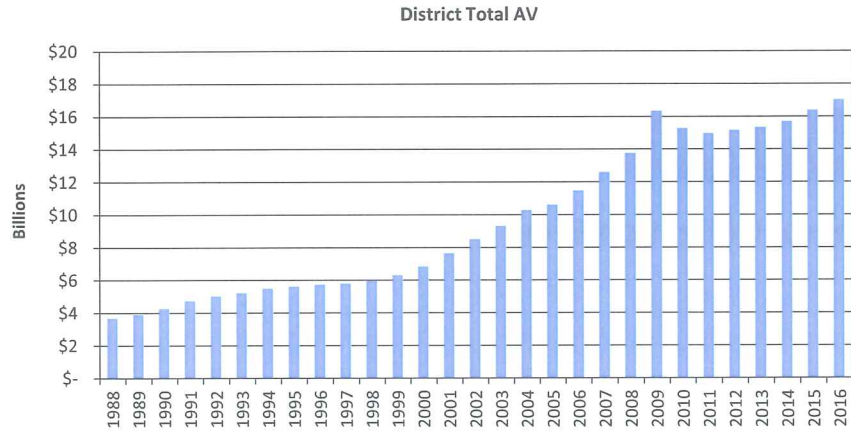


# District Assessed Valuation

The District experienced 4.00% assessed valuation (“AV”) growth in 2015-16

- ◆ As of March 1, 2016, San Mateo County’s AV tracker estimates that the District’s secured AV will increase ~2.75%.

FY	Total AV <sup>(1)</sup>	Annual % Change
1988	\$ 3,704,212,601	
1989	3,934,178,384	6.21 %
1990	4,292,792,110	9.12
1991	4,763,870,603	10.97
1992	5,050,820,182	6.02
1993	5,261,236,992	4.17
1994	5,540,277,450	5.30
1995	5,660,526,214	2.17
1996	5,768,709,293	1.91
1997	5,837,918,346	1.20
1998	5,988,960,304	2.59
1999	6,348,300,126	6.00
2000	6,870,203,463	8.22
2001	7,682,544,692	11.82
2002	8,550,685,930	11.30
2003	9,361,000,623	9.48
2004	10,312,517,126	10.16
2005	10,645,515,455	3.23
2006	11,511,350,739	8.13
2007	12,622,770,658	9.65
2008	13,787,630,184	9.23
2009	16,369,087,299	18.72
2010	15,311,131,760	-6.46
2011	15,000,117,817	-2.03
2012	15,184,957,969	1.23
2013	15,365,519,350	1.19
2014	15,726,422,339	2.35
2015	16,397,682,567	4.27
2016	17,053,125,802	4.00



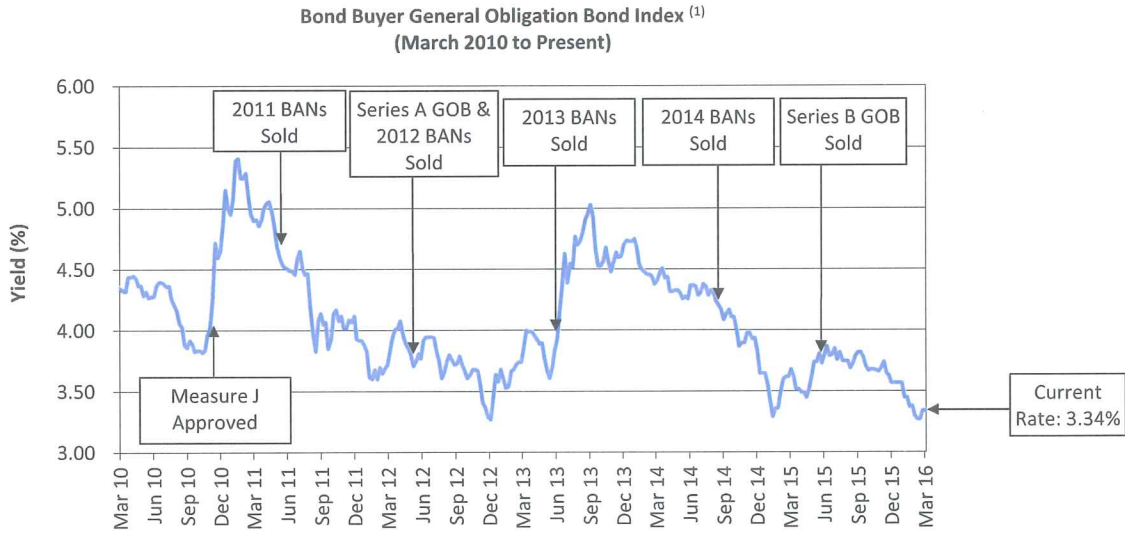
Growth Statistics		
Annualized Growth Rates:	Lowest Rolling Averages:	
1-year:	4.00 %	3-year: -2.47 %
5-year:	2.60	5-year: -0.80
10-year:	4.01	10-year: 4.01
15-year:	5.46	15-year: 5.46
20-year:	5.57	20-year: 5.35
25-year:	5.23	25-year: 5.23

(1) Source: California Municipal Statistics, Inc. and San Mateo County Auditor-Controller.



# Interest Rates

Following is a history of municipal bond interest rates and when Measure J financings were sold



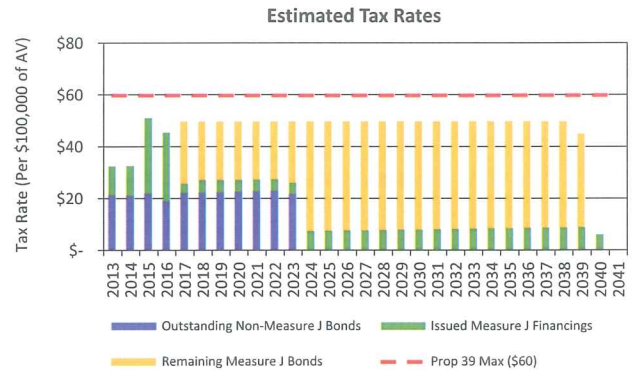
(1) Index reflects average yield to maturity of 20 general obligation bonds with 20-year maturities rated 'Aa2' by Moody's Investors Service and 'AA' by Standard and Poor's. Source: The Bond Buyer & Bloomberg.



# Updated Measure J Scenario 1

Repay the outstanding BANs through the issuance of **two** series of bonds

Outstanding BANs			Bond Issuances		
Issuance Date	Principal Amount	Maturity Date	Issuance Date	Principal Amount	
			May 2012	\$ 7,000,000 <sup>(1)</sup>	
			Jun 2015	\$ 26,000,000 <sup>(1)</sup>	
May 2012	\$ 30,002,417 <sup>(1)</sup>	May 2017	→	Sep 2016	\$ 30,002,417
Jun 2013	\$ 30,001,870 <sup>(1)</sup>	Jun 2018	→	Jun 2018	\$ 98,996,870 <sup>(2)</sup>
Sep 2014	\$ 67,950,000 <sup>(1)</sup>	Jul 2018	→	Jun 2018	\$ 98,996,870 <sup>(2)</sup>



## ◆ Assumptions:

- Annual AV growth rates:
  - 2016-17: 2.0%
  - Thereafter: 3.0%
- Interest rates:
  - 2016 issuance: 3.41% <sup>(3)</sup>
  - 2018 issuance: 3.42% <sup>(3)</sup>
- Compliance with AB 182

## Estimated Repayment Summary

Issue Date	Principal	Total Debt Service	Estimated Rpmnt Ratio	% CABs
May 2012	\$ 7,000,000	\$ 7,373,678	1.05 to 1	0.0 % <sup>(1)</sup>
June 2015	26,000,000	49,468,558	1.90 to 1	20.4 <sup>(1)</sup>
September 2016	30,002,417	49,730,725	1.66 to 1	11.7
June 2018	98,996,870	158,377,656	1.60 to 1	14.5
<b>Total Measure J</b>	<b>\$ 161,999,287</b>	<b>\$ 264,950,617</b>	<b>1.64 to 1</b>	<b>14.3 %</b>
<b>June 2018 Issuance Sensitivity</b>				
+ 0.50%	\$ 98,996,870	\$ 175,658,738	1.77 to 1	26.4 %
- 0.50%	\$ 98,996,870	\$ 147,883,025	1.49 to 1	12.7 %

(1) Previously issued financings.

(2) Includes ~\$1,045,000 for projects.

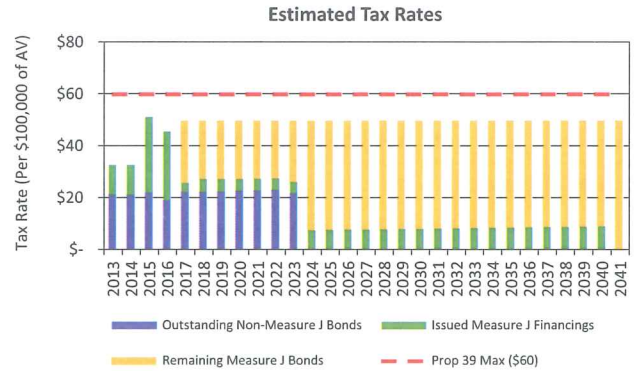
(3) Reflects estimated interest rates as provided by RBC Capital Markets on February 26, 2016. Interest rates are subject to market fluctuations until Bonds are sold.



# Updated Measure J Scenario 2

Repay the outstanding BANs through the issuance of one series of bonds

Outstanding BANs			Bond Issuances	
Issuance Date	Principal Amount	Maturity Date	Issuance Date	Principal Amount
May 2012	\$ 30,002,417 <sup>(1)</sup>	May 2017	May 2012	\$ 7,000,000 <sup>(1)</sup>
Jun 2013	\$ 30,001,870 <sup>(1)</sup>	Jun 2018	Jun 2015	\$ 26,000,000 <sup>(1)</sup>
Sep 2014	\$ 67,950,000 <sup>(1)</sup>	Jul 2018	Sep 2016	\$ 128,997,675 <sup>(2)</sup>



## ◆ Assumptions:

- Annual AV growth rates:
  - 2016-17: 2.0%
  - Thereafter: 3.0%
- Interest rate: 3.69% <sup>(3)</sup>
- Compliance with AB 182

## Estimated Repayment Summary

Issue Date	Principal	Total Debt Service	Estimated Rpmt Ratio	% CABs
May 2012	\$ 7,000,000	\$ 7,373,678	1.05 to 1	0.0 % <sup>(1)</sup>
June 2015	26,000,000	49,468,558	1.90 to 1	20.4 <sup>(1)</sup>
September 2016	128,997,675	236,226,000	1.83 to 1	30.0
<b>Total Measure J</b>	<b>\$ 161,997,675</b>	<b>\$ 293,068,236</b>	<b>1.81 to 1</b>	<b>27.2 %</b>

(1) Previously issued financings.

(2) Includes ~\$1,045,000 for projects.

(3) Reflects estimated interest rates as provided by RBC Capital Markets on February 26, 2016. Interest rates are subject to market fluctuations until Bonds are sold.



# Pros and Cons of Issuance Scenarios

---

## Scenario 1 – Issue bonds now to repay ~\$30 million in BANs

### ◆ Pros

- Future bonds issued to repay remaining BANs could be refinanced on a tax-exempt basis within ten years if future interest rates allow
  - Bonds would need to be issued within 90 days of the BANs maturity date to preserve this option

### ◆ Cons

- Uncertainty regarding future interest rates on future bonds
- Additional issuance costs associated with future bonds
- Additional staff time required on future bonds

## Scenario 2 – Issue bonds now to repay all outstanding BANs

### ◆ Pros

- Interest rates currently near historic lows
- Access remaining ~\$1,045,000 for projects
  - Note: project dollars from bonds cannot be accessed until all BANs are repaid
- Single set of issuance costs
- Staff time required only on single financing

### ◆ Cons

- Bonds could not be refinanced on a tax-exempt basis for ten years
  - Would not apply to the ~\$1,045,000 issued for projects



# Moving Forward

Measure J Bond Program

South San Francisco

Unified School District

Background Information and Options

Board of Trustees Meeting

March 24, 2016

William Savidge, Bond Management Consultant

# Agenda

- Available funds and adequate reserve
- Budgets for remaining projects
- Priority projects criteria
- Project Development
  - Confirmation of building system
  - Confirmation of project delivery method
  - Preliminary packaging and phasing of projects
- Implementation, next steps
  - Repackaging of project documents, DSA approvals
  - Staffing and construction management
  - Bidding and award processes

# Available funds, reserves

- Existing contract closeout with USSCal
  - Claims, and developing counterclaims
  - Long timeline to final resolution
- Need “best estimate” of funds to reserve
  - For disputed elements of the work, performance
- Then confirm funds remaining
  - Less confirmed payments to close USSCal contract
  - Outstanding retention, undisputed pay applications
  - Including resolution of any remaining valid change orders

# Budgets for remaining projects

- Total bond funds remaining to complete work
  - Will not be enough to complete all projects
- Why?
  - Additional costs for project document changes
  - Additional costs for bidding new projects
    - Original bids were in 2013
    - Cost escalation is significant
    - Construction market is quite active—lots of work
- We will need to prioritize remaining funds

# Priority projects criteria

- District will need to develop priority criteria
- To determine which projects proceed immediately
- And which projects are pushed back
- Priority criteria might include
  - Finish projects that are already started
  - Complete projects with active construction sites
  - Undertake short-term projects for student/staff safety
    - At existing construction sites
- Prioritize projects that will allow work to proceed during major project required re-design
- Reconsider project plans for future work

# Project development

- We need to confirm District's approach
- Remember the current model...
- Utilizes a Modular Building System—Project Frog
- Under a Lease-Leaseback Project Delivery Method
- With a single Contractor holding all projects
- Look at each element, consider options

# Project building system—do we continue with Project Frog?

## Continue with Project Frog

- Issues, concerns with delivered quality
- Performance issues
- Would be the most expedient approach
- Least schedule impact
  - Reuse existing plans
- Some building components already delivered/in storage

## Switch to different approach

- Different modular vendor/system
- “Stick-built”
- In either case, schedule is impacted
  - Redesign, DSA approval
- Cost impact
  - From Modular to stick-built

# Project delivery methods

- Lease-Leaseback option not recommended
  - District's own experience
  - Legal challenges to this approach in other areas
- Default delivery method is "Design-Bid-Build"
  - "Hard bid"
- Construction Management ("CM") delivery
  - CM Multi-Prime
  - CM At-Risk
  - In either approach Construction Management firm takes basic responsibility for project delivery

# Packaging of projects

- Single contractor for all projects has challenges
- Option to consider multiple contracts
  - Provides for individual project accountability
- Phasing of the work as we move forward
  - Appears to favor a series of individual contracts
  - We will potentially have re-design time on major building projects
  - But, can proceed with smaller, high-priority projects

# Implementation, next steps

- In order to proceed immediately with re-starting the work
- A number of specific steps
- Re-packaging construction documents
- We will need updated staff support
  - In-house and/or consultant CM's
- Updated DSA approvals
- New bidding and contract award process

# Re-packaging of documents

- Regardless of decisions regarding building system, or project delivery
- We will need to “re-package” the existing construction documents
  - They currently include plans for buildings/sitework that are complete
- A major element is clear delineation of all work completed to date
  - Underground utilities for example
  - In order to ensure accurate bids

# Repackaging of documents

- Will require updated Division of State Architect approvals
  - Working to coordinate with them
  - Ensure expedited process for previously approved components
- Will require us to hire Architect/Engineering teams to complete the work
  - Considerations regarding existing firms
  - Project Frog's Architect HMC
  - Site Architect QKA

# Staff support

- Need additional Construction Management support
  - District's internal CM position still unfilled
  - Outside CM, as staff augmentation
    - Could provide a Construction Manager
    - And back office support in Estimating and Scheduling
    - This will be critical in the re-packaging effort
- Internal Bond Manager consideration
  - Important to have District staff in the lead

# Bidding and contract award

- Current contract issues impact the District as it tries to move forward
  - Unpaid subcontractors, local vendors
  - We are working to resolve...
- Contractor, Vendor outreach is needed
  - Re-establish trust in the District as an “Owner of Choice”
- Contractor Pre-Qualification
  - Coordination with new outreach
  - We can begin process soon

# Summary

- We are at a crossroads, ready to move forward
- Need Board decisions as discussed above
- Will continue our process to community meetings to address concerns
  - And to help everyone understand the new direction
  - New timelines
- Thank you!

BDX110  
 FEB 2016 CASH RECEIPTS REPORT  
 40 South San Francisco Unified SD

SAN MATEO COUNTY OFFICE OF EDUCATION  
 BUDGET SUMMARY REPORT  
 02/01/2016 TO 02/29/2016

#JZK17

03/14/2016

Fund: 21 BUILDING FUND

PAGE 13

OBJECT CLASSIFICATION	WORKING BUDGET	EXPENDED/RECEIVED CURRENT	YEAR TO DATE	ENCUMBERED	UNENCUMBERED BALANCE	%
9660 INTEREST	275,000.00	0.00	226,828.92	82.4	48,171.08	17.5
TOTAL: 8000	275,000.00	0.00	226,828.92	82.4	48,171.08	17.5

# SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Shawnterra Moore, Ed.D., Superintendent

**THRU:** Michael Krause, Assistant Superintendent – Business Services

**DATE:** March 24, 2016

**RE:** Bond Audit Acceptance Presentation

---

### **BACKGROUND:**

One of the requirements of a Proposition 39 bond measure is to provide an annual Financial and Performance Audit. Christy White Associates was contracted to perform the required audit for Measure J for the fiscal year ended June 30, 2015.

In the auditor's opinion, the financial statements of Measure J present fairly, in all material respects, the financial position of the bond funds as of June 30, 2015.

A representative from the firm will present a summary of the report and answer any questions.

The Board is being provided with copies of the audit report. The public can access this report on the SSFUSD website's Measure J section, at <http://www.ssfusd.org/mjb>.

### **FISCAL IMPLICATIONS:**

The cost of this audit, \$21,500, was within normal standards for such work and will be paid from the Measure J funds, as provided by law.

### **RECOMMENDATION:**

For Information/Discussion only

MEASURE J BOND BUILDING FUND OF  
SOUTH SAN FRANCISCO UNIFIED  
SCHOOL DISTRICT

FINANCIAL & PERFORMANCE  
AUDIT REPORT

FOR THE YEAR ENDED  
JUNE 30, 2015

San Diego

Los Angeles

San Francisco  
Bay Area

christywhite  
A PROFESSIONAL  
ACCOUNTANCY CORPORATION *associates*

MEASURE J BOND BUILDING FUND  
SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
Table of Contents  
June 30, 2015

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	<u>Page</u>
Introduction and Citizens' Oversight Committee Member Listing .....	1
Independent Auditors' Report .....	2

**FINANCIAL SECTION**

Balance Sheet .....	4
Statement of Revenues, Expenditures and Changes in Fund Balance .....	5
Notes to Financial Statements .....	6

**OTHER INDEPENDENT AUDITORS' REPORTS**

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	15
Report on Performance .....	17

**FINDINGS AND RESPONSES SECTION**

Schedule of Findings and Responses.....	23
Schedule of Prior Year Findings and Responses.....	25

**MEASURE J BOND BUILDING FUND  
SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
Introduction and Citizens' Oversight Committee Member Listing  
June 30, 2015**

---

The South San Francisco Unified School District (the "District") was founded in 1851, under the laws of the State of California. This District operates under a locally elected five-member Board form of government and provides educational services to grades K – 12 as mandated by the state and federal agencies. The District is located in Northern San Mateo County, California, one of the nine counties which comprise the metropolitan San Francisco Bay Area. The District encompasses territory in the entire City of South San Francisco, a portion of Daly City, a small area of San Bruno and small "islands" of unincorporated areas of San Mateo County. The District extends from San Francisco Bay in the east to Skyline Boulevard in the western hills. The District currently operates ten elementary schools, three middle schools, two comprehensive high schools, one continuation school, four day-care schools, one adult education school and one centrally located children center.

In November 2010, the voters of San Mateo County approved by more than the required 55% favorable vote the Measure J, authorizing the issuance and sale of general obligation bonds, not to exceed \$162,000,000. Measure J is a Proposition 39 bond. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability provisions. Specifically, the District must conduct an annual independent performance audit to ensure that funds have been expended only on the specific projects listed in the full text of the Measure J ballot measure as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for bond-designated facilities projects.

On May 8, 2012 the District issued General Obligation Bonds, Series A (Bonds) in the amount of \$7,000,000. The Bonds were issued at a premium of \$232,314 and the net proceeds are to be applied to provide repayment to the 2011 General Obligation Bond Anticipation Notes, Series A and Taxable Series B, and to pay the cost of issuance of the Bonds. Also on May 8, 2012, the District issued General Obligation Bond Anticipation Notes, Series C and Series D (BANs) in the amounts of \$25,999,340 and \$30,002,417, respectively. On June 6, 2013, The District issued General Obligation Bond Anticipation Notes, Series E and Series F (BANs) in the amounts of \$29,170,000 and \$831,870, respectively. On August 19, 2014, The District issued General Obligation Bond Anticipation Notes, Series G (BANs) in the amounts of \$67,950,000. These BANs will be used on to pay for certain costs of the Measure J bond project and also as repayment to the 2011 General Obligation Bond Anticipation Notes.

Upon passage of Proposition 39, an accompanying piece of legislation, AB 1908 (Chapter 44, Statutes of 2000), was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond measure pursuant to the 55% majority authorized in Measure J including formation, composition and purpose of the Citizens' Oversight Committee, and authorization for injunctive relief against the improper expenditure of bond revenues. In compliance with Education Code section 15278(a), the Measure J COC was formed within 60 days after the date that the Governing Board entered the results of the bond election in its minutes.

The Citizens' Oversight Committee was comprised of the following members as of June 30, 2015:

<u>Name</u>	<u>Title</u>	<u>Representation</u>
John Sanna	Chair	Parent & PTA Member
Rich Blank	Vice Chair	Community at Large
Dana Abarca	Clerk	Parent
Paul Formosa	Member	Business Community
Martin Romero	Member	Bona-fide Tax Organization
America Guiterrez	Member	Parent
Richard Holt	Member	Senior Citizens Organization
Julia Lopez	Member	Parent
Patricia Turpo Ames	Member	Parent

## INDEPENDENT AUDITORS' REPORT

Governing Board Members and  
Measure J Citizens' Bond Oversight Committee  
South San Francisco Unified School District  
South San Francisco, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the Measure J Bond Building Fund of South San Francisco Unified School District (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Measure J Bond Building Fund basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Christy White, CPA

Michael Ash, CPA

Heather Rubio

SAN DIEGO

LOS ANGELES

SAN FRANCISCO/BAY AREA

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State Board of Accountancy

**Auditor's Responsibility (continued)**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

□

As discussed in Note 1A, the financial statements present only the individual Proposition 39 Bond Building Fund, consisting of the net construction proceeds of the Measure J general obligation bonds and bond anticipation notes as issued by the District, through the County of San Mateo, and are not intended to present fairly the financial position of the District in conformity with generally accepted accounting principles.

□

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective balance sheet of the Measure J Bond Building Fund of South San Francisco Unified School District as of June 30, 2015 and the respective statement of revenues and expenditures and changes in fund balance for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2016 on our consideration of the South San Francisco Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Measure J Bond Building Fund's internal control over financial reporting and compliance.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have also issued our performance audit report dated February 29, 2016 on our consideration of the South San Francisco Unified School District's compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Measure J Bond Building Fund of South San Francisco Unified School District for the fiscal year ended June 30, 2015 should be considered in assessing the results of our financial audit.

*Christy White Associates*

San Diego, California  
February 29, 2016

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□  
**FINANCIAL SECTION**  
□

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MEASURE J BOND BUILDING FUND  
 SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
 Balance Sheet  
 June 30, 2015

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<b>ASSETS</b>	
Cash and investments	\$ 46,317,012
Accounts receivable	92,746
Prepaid Expenditures	7,848
<b>Total Assets</b>	<u>\$ 46,417,606</u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	\$ 5,534,731
Due to other funds	119
<b>Total Liabilities</b>	<u>5,534,850</u>
<b>Fund Balance</b>	
Nonspendable for prepaid expenditures	7,848
Restricted for capital projects	40,874,908
<b>Total Fund Balance</b>	<u>40,882,756</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 46,417,606</u>

The accompanying notes to financial statements are an integral part of this statement.

MEASURE J BOND BUILDING FUND  
 SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 For the Year Ended June 30, 2015

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REVENUES	
Interest income	\$ 408,251
Increase of Fair Market Value of Investments	36
<b>Total Revenues</b>	<u>408,287</u>
EXPENDITURES	
Plant services	1,960
Facilities acquisition and construction	45,480,602
<b>Total Expenditures</b>	<u>45,482,562</u>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	<u>(45,074,275)</u>
OTHER FINANCING SOURCES (USES)	
Proceeds from long-term debt	67,950,000
<b>Total Other Financing Sources</b>	<u>67,950,000</u>
Net Change in Fund Balance	22,875,725
Fund Balance, July 1, 2014	18,007,031
<b>Fund Balance, June 30, 2015</b>	<u>\$ 40,882,756</u>

The accompanying notes to financial statements are an integral part of this statement.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The South San Francisco Unified School District (the “District”) was founded in 1851, under the laws of the State of California. This District operates under a locally elected five-member Board form of government and provides educational services to grades K – 12 as mandated by the state and federal agencies. The District is located in Northern San Mateo County, California, one of the nine counties which comprise the metropolitan San Francisco Bay Area. The District encompasses territory in the entire City of South San Francisco, a portion of Daly City, a small area of San Bruno and small “islands” of unincorporated areas of San Mateo County. The District extends from San Francisco Bay in the east to Skyline Boulevard in the western hills. The District currently operates ten elementary schools, three middle schools, two comprehensive high schools, one continuation school, four day-care schools, one adult education school and one centrally located children center.

In November 2010, the voters of San Mateo County approved by more than the required 55% favorable vote the Measure J, authorizing the issuance and sale of general obligation bonds, not to exceed \$162,000,000. Measure J is a Proposition 39 bond. The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability provisions. Specifically, the District must conduct an annual independent performance audit to ensure that funds have been expended only on the specific projects listed in the full text of the Measure J ballot measure as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all of the proceeds have been expended for bond-designated facilities projects.

An advisory committee to the District’s Governing Board and Superintendent, called the Measure J Citizens’ Bond Oversight Committee (“CBOC”) was established pursuant to the requirements of state law and the provisions of Measure J. The purpose of the CBOC is to inform the public concerning the expenditure of bond revenues. The CBOC is required by state law to actively review and report on the proper expenditure of taxpayers’ money for school construction. The CBOC provides oversight and advises the public whether the District is spending the Measure J funds for school capital improvements within the scope of projects outlined in the Measure J Project List. In fulfilling its duties, the CBOC reviews, among other things, the District’s annual performance and financial audits of Measure J activity.

The statements presented are for the individual Measure J of the District, consisting of the net construction proceeds of Measure J General Obligation Bonds and Bond Anticipation Notes issued by the District, through the County of San Mateo and are not intended to be a complete presentation of the District’s financial position or results of operations.

MEASURE J BOND BUILDING FUND  
SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2015

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NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Accounting Policies

The District accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB") and the American Institute of Certified Public Accountants ("AICPA").

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 1 year after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

D. Fund Balance

Fund Balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The five classifications are *Nonspendable, Restricted, Committed, Assigned and Unassigned*. The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

E. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Deposits and Investments

In accordance with Education Code Sections 15357 and 41001, the District maintains a portion of its cash in the San Mateo County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

H. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District's governing board must adopt a budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

MEASURE J BOND BUILDING FUND  
SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2015

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NOTE 2 – CASH AND INVESTMENTS

Summary of Cash and Investments

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as cash in county treasury of \$46,317,012.

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations. Investments of debt proceeds held by trustees are governed by the provisions of debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities up to 30 years.

*Cash in County Treasury* – The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

MEASURE J BOND BUILDING FUND  
 SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
 Notes to Financial Statements, continued  
 June 30, 2015

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NOTE 2 – CASH AND INVESTMENTS (continued)

General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. The table below identifies examples of the investment types permitted in the investment policy:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains an investment with the San Mateo County Investment Pool with a fair value of approximately \$46,312,380 and an amortized book value of \$46,317,012. The weighted average maturity for this pool as of June 30, 2015 is 595 days.

MEASURE J BOND BUILDING FUND  
SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2015

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NOTE 2 – CASH AND INVESTMENTS (continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Per County investment policy, the investments within the San Mateo County Investment Pool were rated AA/A1.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government Code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2015 consisted of \$92,746 of interest earned on the District's investment in the County Treasury.

NOTE 4 – INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due From/Due To)

The individual interfund payable consisted of \$119 due to the General Fund for postage.

NOTE 5 – CONSTRUCTION COMMITMENTS

The Measure J Bond had construction commitments with respect to unfinished capital projects of \$46,638,031 as of June 30, 2015.

MEASURE J BOND BUILDING FUND  
SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2015

NOTE 6 – LONG-TERM DEBT

A schedule of changes in long-term debt for the year ended June 30, 2015 consisted of the following:

	Balance			Balance June 30, 2015	Due Within One Year
	July 1, 2014	Additions	Deductions		
GO Bonds, 2012 Series A	\$ 5,510,000	\$ -	\$ 1,695,000	\$ 3,815,000	\$ 1,820,000
Premium	139,388	-	46,463	92,925	46,463
Total GO Bonds	5,649,388	-	1,741,463	3,907,925	1,866,463
2012 Bond Anticipation Notes, Series C & D	56,001,757	-	-	56,001,757	25,999,340
Premium	180,860	-	60,286	120,574	60,286
Accreted Interest	2,177,825	1,121,925	-	3,299,750	-
Total BAN, Series C & D	58,360,442	1,121,925	60,286	59,422,081	26,059,626
2012 Bond Anticipation Notes, Series E & F	30,001,870	-	-	30,001,870	-
Premium	2,734,286	-	683,571	2,050,715	683,571
Accreted Interest	83,592	93,366	-	176,958	-
Total BAN, Series E & F	32,819,748	93,366	683,571	32,229,543	683,571
2014 Bond Anticipation Notes, Series G	-	67,950,000	-	67,950,000	-
Premium	-	6,950,606	1,737,652	5,212,954	1,737,652
Total BAN, Series G	-	74,900,606	1,737,652	73,162,954	1,737,652
<b>Total</b>	<b>\$ 96,829,578</b>	<b>\$ 76,115,897</b>	<b>\$ 4,222,972</b>	<b>\$ 168,722,503</b>	<b>\$ 30,347,312</b>

A. General Obligation Bonds

On May 8, 2012 the District issued General Obligation Bonds, Series A in the amount of \$7,000,000. The bonds were issued at a premium of \$232,314 and the net proceeds are to be applied to provide repayment to the 2011 General Obligation Bond Anticipation Notes, Series A, and to pay the cost of issuance of the Bonds. Interest rates of the bond range from .32% - 2%. The annual requirements to amortize the 2012 Series A general obligation bonds outstanding as of June 30, 2015 are as follows:

Year Ending June 30,	2012 Series A		
	Principal	Interest	Total
2016	\$ 1,820,000	\$ 67,200	\$ 1,887,200
2017	1,995,000	19,950	2,014,950
<b>Total</b>	<b>\$ 3,815,000</b>	<b>\$ 87,150</b>	<b>\$ 3,902,150</b>

MEASURE J BOND BUILDING FUND  
 SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
 Notes to Financial Statements, continued  
 June 30, 2015

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NOTE 6 – LONG-TERM DEBT (continued)

B. Bond Anticipation Notes

On May 8, 2012, the District issued General Obligation Bond Anticipation Notes, Series C and Series D (BANs) in the amounts of \$25,999,340 and \$30,002,417, respectively. These BANs will be used to pay for certain costs of the Measure J bond project and also as repayment to the 2011 General Obligation Bond Anticipation Notes. The BANs are issued as capital appreciation notes whereas the BANs will not bear current interest, but will increase in value by the accumulation of earned interest from the principal amounts on the date of delivery to the respective maturity dates. The annual requirements to amortize the BANs as of June 30, 2015 are as follows:

Year Ended June 30,	Series C & D		
	Principal	Interest	Total
2016	\$ 25,999,340	\$ 1,965,660	\$ 27,965,000
2017	30,002,417	3,132,583	33,135,000
Total	\$ 56,001,757	\$ 5,098,243	\$ 61,100,000

On June 6, 2013, the District issued General Obligation Bond Anticipation Notes, Series E and Series F (BANs) in the amounts of \$29,170,000 and \$831,870, respectively. These BANs will be used to pay for certain costs of the Measure J bond project and also as repayment to the 2011 General Obligation Bond Anticipation Notes. Interest rates of the Series E bond range from 2% - 4%. The annual requirements to amortize the BANs as of June 30, 2015 are as follows:

Year Ending June 30,	Series E & F		
	Principal	Interest	Total
2016	\$ -	\$ 1,066,800	\$ 1,066,800
2017	-	1,066,800	1,066,800
2018	30,001,870	1,584,930	31,586,800
Total	\$ 30,001,870	\$ 3,718,530	\$ 33,720,400

MEASURE J BOND BUILDING FUND  
 SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
 Notes to Financial Statements, continued  
 June 30, 2015

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NOTE 6 – LONG-TERM DEBT (continued)

On August 19, 2014, the District issued General Obligation Bond Anticipation Notes, Series G (BANs) in the amounts of \$67,950,000. These BANs will be used to pay for certain costs of the Measure J bond projects. Interest rate of the Series G bond is 3.50%. The annual requirements to amortize the BANs as of June 30, 2015 are as follows:

Year Ending June 30,	Series G		
	Principal	Interest	Total
2016	\$ -	\$ 2,378,250	\$ 2,378,250
2017	-	2,378,250	2,378,250
2018	-	2,378,250	2,378,250
2019	67,950,000	1,189,125	69,139,125
Total	\$ 67,950,000	\$ 8,323,875	\$ 76,273,875

NOTE 7 – SUBSEQUENT EVENT

On January 21, 2016, the District issued a news release to the South San Francisco Unified School District community notifying them on the discontinuing of contracts with USS Cal, the District's contractor. The District has retained legal counsel to handle any outstanding financial issues with USS Cal.



**OTHER INDEPENDENT  
AUDITORS' REPORTS**

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS

Christy White, CPA

Michael Ash, CPA

Heather Rubio

Independent Auditors' Report

Governing Board Members and  
Measure J Citizens' Bond Oversight Committee  
South San Francisco Unified School District  
South San Francisco, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure J Bond Building Fund of South San Francisco Unified School District, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Measure J Bond Building Fund of South San Francisco Unified School District's basic financial statements, and have issued our report thereon dated February 29, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Measure J Bond Building Fund of South San Francisco Unified School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Measure J Bond Building Fund of South San Francisco Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Measure J Bond Building Fund of South San Francisco Unified School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Audit Findings and Questioned Costs as items #2015-1, #2015-2 and #2015-3 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Measure J Bond Building Fund of South San Francisco Unified School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Christy White Associates*

San Diego, California  
February 29, 2016

REPORT ON PERFORMANCE

Independent Auditors' Report

Christy White, CPA  
Michael Ash, CPA  
Heather Rubio

Governing Board Members and  
Measure J Citizens' Bond Oversight Committee  
South San Francisco Unified School District  
South San Francisco, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Measure J Bond Building Fund of South San Francisco Unified School District, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Measure J Bond Building Fund's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Objectives

In connection with our audit, we also performed an audit of compliance as required in the performance requirements for Measure J for the fiscal year ended June 30, 2015. The objective of the examination of compliance applicable to the District is to determine with reasonable assurance that:

- The proceeds of the sale of the Measure J Bonds were only used for the purposes set forth in the Measure J ballot language and not for any other purpose, such as teacher and administrative salaries.
- The Governing Board of the District, in establishing the approved projects set forth in the ballot measure, evaluated the remodeling, new construction and renovations of items which will improve learning and to accommodate growth in the District, with no funds expended on administrator salaries.

In performing our audit of compliance, we performed procedures including but not limited to those listed as follows:

<b>Internal Control Evaluation</b>
------------------------------------

#### Procedures Performed:

Inquiries were made of management regarding internal controls to:

- Prevent fraud or waste regarding Measure J projects, including budgetary controls
- Ensure adequate separation of duties exists in the fiscal services department for Measure J funds
- Prevent material misstatements in the financial statements
- Ensure expenditures are allocated to the proper fund(s)
- To follow applicable regulations, including regulations related to bidding and contract management

We then performed substantive tests of financial statement balances to determine whether the controls designed by management were operating effectively, and to provide reasonable assurance that the fiscal year 2014-15 financial statement balances for the Measure J Bond are not materially misstated.

#### Results of Procedures Performed:

The result of our audit tests show that internal control procedures appear to be working to meet the financial and compliance objectives required by generally accepted accounting standards and applicable laws and regulations. However, there were overall concerns with the internal management of the bond program. An unmodified opinion was expressed on the financial statements.

At the time of our audit, the District terminated services with the Construction Management Firm and there was no Director of Facilities/ Internal Bond Manager. Review of the work and contracts reveal that there are project and budget overruns and significant change orders that could have been prevented with proper monitoring and oversight, see Finding #2015-2.

## Facilities Site Walk

### Procedures Performed:

We performed site walks to verify that Measure J Bond funds expended for the year ended June 30, 2015 were for valid facilities acquisition and construction purposes. We toured South San Francisco High School, Parkway Heights Middle School, and Buri Buri Elementary School where construction work occurred.

### Results of Procedures Performed:

On February 8, 2016, we visited three sites South San Francisco High School, Parkway Heights Middle School, and Buri Buri Elementary School to view the work performed over the year ended 2014-15.

- South San Francisco High School: we toured completed projects at the South San Francisco High School. The auditor viewed the completed athletic field. Included in the tour, we viewed the ticket booth, field lights, turf field, track, bleachers, and fencing. The paving and ADA ramps around the field were also completed in the 2014-15 year. The continuation of the site walk included the viewing of 3 newly constructed buildings. One of the buildings is the Science Lab Wing (L shaped building). This building was in use in the beginning of the school year.
- Parkway Heights Middle School: We toured the four new classroom buildings as well as the renovation of Buildings E & F. The Building D project which was opened and in use in February 2016. We also viewed the interim housing portables. The interim housing includes 12 portables. We then viewed Building E & F which was the renovation project of the locker rooms, dance and ban room. There were increases in work for this project due to abatement of hazardous materials including asbestos. We then viewed the Building G counseling rooms which was in use in 2015-16. Lastly, we viewed West Campus which included a 6 pack of classroom (4 science classrooms and 2 computer labs) and an art room. These were completed in the Fall of 2015.
- Buri Buri Elementary: The last project viewed was at the Buri Buri campus. These buildings were in use in the summer of 2015. This project included the newly constructed Administration Building (4-pack), 2-pack, two exploratoriums, and separate kindergarten area. There were also four 6-pack buildings. We also viewed the new playground as well as the asphalt and concrete in the play area.

Results of the site walks indicate that the major 2014-15 Measure J construction projects at South San Francisco High School, Parkway Heights Middle School and Buri Buri Elementary were successfully completed and closed out or advanced into 2015-16 construction phases, where applicable.

## Tests of Expenditures

### Procedures Performed:

The following performance tests of expenditures were performed:

1. We tested expenditures to determine whether Measure J funds were spent solely on voter and Board approved school facilities projects (as set forth in the District's Facilities Master Plan and the Measure J ballot measure language). The expenditure test included a sample of 29 payments, of which 25 were vendor payments and salaries for 4 employees, totaling \$17.01 million, or approximately 37% of total expenditures for 2014-15.
2. We also tested one payment made to the professional service firms contracted by the Measure J bond program. We obtained the contract for this firm and ensured that position rates per contract were accurately billed to the District.
3. Additionally we also tested payments made to the USS Cal Builders to determine validity.

### Results of Procedures Performed:

We found all expenditures tested to be in compliance with the terms of the Measure J ballot measure and applicable State laws and regulations, except for the instance discussed in the paragraph below. Also, we ensured that payments made to profession service firms are in line with the position rates per the contract with the vendor.

An a invoice billed to the District on June 2, 2015 for additional scope in the amount of \$971,722 from USS Cal Builders it appears that items billed were not actually worked on. Additionally, subcontractors listed did not perform the work. The billing appears to include at least \$200,000 worth of work that was not performed. We recommend that the District review all invoices paid to this vendor for billing accuracy, see finding #2015-3.

## Test of Contracts and Bid Procedures

### Procedures Performed:

For the fiscal year ended June 30, 2015, we performed testing contracts to determine compliance with District policy and Public Contract Code provisions related to contracting and bidding. As well as the additional procedures including the following:

1. Review of change order testing on hard projects
2. Review of change order testing on lease-lease back increases in 2014-15
3. Review of calculating the percentage increase in the guaranteed maximum price and contingency over the life of the lease lease-back of USS Cal by project and site and noted any increases that exceeded 10% of the contract price.

**Test of Contracts and Bid Procedures**

**Results of Procedures Performed:**

We found that no projects were bid in the 2014-15 year.

We tested change orders on hard bid projects and determined the change orders were executed in accordance with District policies and procedures were in compliance with applicable provisions of the Public Contract Code. Contracts tested with change orders included. West Science Remodel project, we noted that the District has been providing the Governing Board with a listing of change orders to contracts that were hard bid that relate to Measure J projects in fiscal year 2015-01 and that no Measure J projects have a cumulative change order rate in excess of 10% of contract value.

We tested change orders on lease-lease back increases in 2014-15 for four school sites. We noted that all increases were approved by the board, however they were not approved individually by change order but rather to an amount that each subsequent change order is offset against that amount approve by the board. When the amount approved by the board was depleted by change orders an additional increase was requested and approved by the board. We noted that all change orders were approved by the board as described above, however two sites tested had change orders for the year that exceeded 10% of the purchase order for the year. The total of 4 change orders for the 2014-15 year at Ponderosa Elementary increased by 14% over the 2014-15 purchase order amount. The total of 6 change orders for the 2014-15 year at South San Francisco High School increased by 33% over the 2014-15 purchase order amount.

In testing increased in guaranteed maximum price and contingencies over the life of lease-lease back projects at 17 sites, we noted that 4 sites had increases were over 10% of the original contract price, see finding #2015-1.

**Citizens' Oversight Committee**

**Procedures Performed:**

In accordance with AB 1908 (Assembly Bill) and Ed Code Section 15278, the District is required to establish a bond oversight committee for Prop 39 bonds including one active member from each of the following sectors: a business organization, senior citizens organization, bona fide taxpayers association, and one parent/guardian of a child enrolled in the District and one parent/guardian of a child enrolled in the District who is also a member of a parent teacher association. The COC is to meet pursuant to Education Code Section 15280.

**Results of Procedures Performed:**

In our review of the minutes of the Citizens' Bond Oversight Committee for Measure J, we found that there was adequate documentation of meetings held during fiscal year 2014-15. In addition, the District has submitted annual audit reports during the life of the Measure J.

In our review of the composition of the committee, we noted that the District has the proper members in the CBOC that come from each of the sectors noted above.

Our audit of compliance was made for the purposes set forth in the objectives section of this report and would not necessarily disclose all instances of noncompliance.

**Opinion**

In our opinion, based on the fieldwork described above as well as the other tests that we conducted, the District complied with the compliance requirements for the Measure J as listed and tested above.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on accountability requirements pursuant to the passage of Proposition 39 and the enactment of AB 1908 (Chapter 44, Statutes of 2000). Accordingly, this report is not suitable for any other purpose.

*Christy White Associates*

San Diego, California  
February 29, 2016



## FINDINGS AND RESPONSES SECTION

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MEASURE J BOND BUILDING FUND  
SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
Schedule of Findings and Responses  
For the Year Ended June 30, 2015

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This section identifies the deficiencies, significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**FINDING #2015-1: CHANGE ORDERS PROCEDURES AND INCREASE IN GMP & CONTINGENCIES FOR LEASE-LEASE BACK PROJECTS**

**Finding:** In testing change orders on lease-lease back increases in 2014-15 for four school sites, we noted that increase were not approved individually by change order but rather to an amount that each subsequent change order is offset against that amount approve by the board. When the amount approved by the board was depleted by change orders an additional increase was requested and approved by the board. We recommend that each individual change order increase be approved by the board individually rather than a lump sum amount.

We also noted two sites tested had change orders for the year that exceeded 10% of the purchase order for the year. The total of 4 change orders for the 2014-15 year at Ponderosa Elementary increased by 14% over the 2014-15 purchase order amount. The total of 6 change orders for the 2014-15 year at South San Francisco High School increased by 33% over the 2014-15 purchase order amount.

Lastly in testing increases in guaranteed maximum price and contingencies over the life of lease lease back projects at 17 sites, we noted that 4 sites had increases were over 10% of the original contract price. These sites were El Camino High School (13% over original contract price), Parkway Heights (15%), Spruce (11%), and South San Francisco High (26%).

**Recommendation:** We recommend that that District personal review the work performed and require that any change to the scope of work be approved prior to work commencing.

**FINDING #2015-2: TURNOVER OF PERSONNEL**

**Finding:** Through our testing at the district office, we noted a large amount of turnover in key positions in the bond program. Both the Construction Manager and Bond Manager left their positions during or near the end of the 2014-15 year. Their positions remained vacant as of our completion of field work on February 8, 2016. Review of the work and contracts reveal that there are project and budget overruns and significant change orders that could have been prevented with proper monitoring and oversight.

**Recommendation:** We recommend the District hire the positions and maintain a high level of oversight over the bond program. All work and changes to scope need to be approved prior to work commencing.

MEASURE J BOND BUILDING FUND  
SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
Schedule of Findings and Responses, Continued  
For the Year Ended June 30, 2015

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FINDING #2015-3: CONSTRUCTION MANAGEMENT OVERSIGHT

**Finding:** In reviewing an invoice billed to the District on June 2, 2015 for additional scope in the amount of \$971,722 from USS Cal Builders, it appears that items billed were not actually worked on. Additionally, subcontractors listed did not perform the work. The billing appears to include at least \$200,000 worth of work that was not performed. We recommend that the District review all pay apps paid to this vendor for billing accuracy. We are unable to determine without further detailed review if this was intentional or an error on the part of the construction management firm. It is important to note that this is the same firm that requested the changes orders noted in the Finding #2015-1.

**Recommendation:** We recommend that the District review all pay apps paid to this vendor for billing accuracy. Also due to the dollar amount of this error, the District might want to pursue further action.

MEASURE J BOND BUILDING FUND  
SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
Schedule of Prior Year Findings and Responses  
For the Year Ended June 30, 2015

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There were no findings for the year ended June 30, 2014.

□

# SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## MEMORANDUM

**TO:** Board of Trustees  
**FROM:** Shawnterra Moore, Ed.D., Superintendent  
**THRU:** Michael Krause, Assistant Superintendent – Business Services  
**DATE:** March 24, 2016  
**RE:** Ad Hoc Safety Recommendations

---

### **BACKGROUND:**

The Ad Hoc safety committee met and collected a listing of several measures that would help sites become safer. The total amount to do all recommendations is over \$1 million dollars. Sites were asked to prioritize their list and that is what is being presented today for approval. The District has some one time RDA funds that can be used for this purpose. Please see the recommendations to be approved and installed within the next 6 -12 months, if not sooner.

### **Safety Priorities from Ad Hoc Safety Recommendations**

#### **Baden**

Add additional non-cyclone interior perimeter fencing (possibly matching existing wrought iron) to unsecured areas.

**Estimated Cost \$24,200**

#### **El Camino**

Fencing needed at the north end of the office/administration building, limit entry access.

**Estimated Cost \$ 28,400**

#### **South City**

Install minimum 8'+ fence around the perimeter of the school (including the centennial trail side

**Estimated Cost \$72,500**

---

#### **Parkway Middle School**

Update as needed after construction is completed.

### **Alta Loma Middle**

Re-Install/Secure pedestrian gate to ALMS and replace front entrance gate with wrought iron (More Pleasing to the Eye) or bolt-cutter Metal Fencing.

**Estimated Cost \$5,400**

### **Westborough Middle**

Install missing fence sections of the lower field to prevent access from Westborough Park. Raise to 10'+ if possible.

**Estimated Cost \$ 18,400**

---

### **Monte Verde**

Add external speaker extensions to playground area and new classroom wings and bells.

**(This has already been quoted and the work is being done)**

### **Buri Buri**

Add interior perimeter gate to east entrance, kinder area.

Falls under Measure J. Is in progress.

### **Sunshine Gardens**

Install interior fence with gates along outer breezeway/covered walkway, possibly with painted wrought iron rather than cyclone. (From restrooms at Room1 to the multi-use room).

**Estimated Cost \$ 33,200**

### **Skyline**

Maintain/replace existing fencing.

**Estimated Cost \$ 8,000**

### **Junipero Serra**

Fence-in the large tree. Have a "panic" exit bar to comply with the demands of the DCFD for expedient exits in an emergency.

**Estimated Cost \$ 5,550**

### **Ponderosa**

Install fencing on the Ponderosa Road side of campus that encompasses the MUR to close off access from outsiders.

**Estimated Cost \$ 43,200**

### **Martin**

Add 8'+ fence from end of residential fence line to the baseball field at northwest corner of blacktop. Continue along field and across the driveway. Add double swing gate/rolling gate for morning and afternoon parking access.

**Estimated Cost \$ 18,500**

**Spruce**

Add interior fence to flagpole area (sidewalk to academic building, create separation between parking lot and playground).

**Estimated Cost \$ 9,800**

**Los Cerritos**

Gate on W. Orange to be equipped with panic- bar for exiting in case of emergency or fire as well as renovate existing fence at C St. entrance -prohibit roof access.

**Estimated Cost \$ 9,400**

**FISCAL IMPLICATIONS:**

Estimated Cost \$276,550, to be paid from one time RDA funds, currently in reserve.

Staff is requesting a NTE amount of \$300,000 due to potential price increases as well as unforeseen conditions that may arise as these items are contracted for and installed.

**RECOMMENDATION:**

For Information/Discussion only.



**SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT**

**MEMORANDUM**

**TO:** Board of Trustees  
**FROM:** Shawnterra Moore, Ed.D., Superintendent  
**THRU:** Michael Krause, Assistant Superintendent – Business Services  
**DATE:** March 24, 2016  
**RE:** Measure J/Parkway Middle School Community Meeting

---

**BACKGROUND:**

With all of the recent changes to the Measure J program, staff will be coordinating with Parkway Heights Middle School to hold a community meeting on April 4, 2016, at 4 p.m. in the site's multi-purpose room.

**Topics to be discussed include:**

- Current status of construction
- Next steps involved moving forward

The community will be notified about this meeting in the following ways, not all inclusive: Flyers, email, advertisements, and verbal invites.

**FISCAL IMPLICATIONS:**

N/A

**RECOMMENDATION:**

For Information/Discussion only.



# SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Shawnterra Moore, Ed.D., Superintendent

**THRU:** Michael Krause, Assistant Superintendent – Business Services  
Mr. Bill Savidge, Bond Management Consultant

**DATE:** March 24, 2016

**RE:** Measure J Moving Forward

---

### **BACKGROUND:**

As the District moves forward with Measure J, staff will present scenarios for discussion and potential action. Staff will review the following issues and provide background information, including options and consideration of pros and cons with different approaches.

#### **Available funds and adequate reserve**

- Budgets for remaining projects
- Priority projects criteria

#### **Project Development**

- Confirmation of building system
- Confirmation of project delivery method
- Preliminary packaging and phasing of projects

#### **Implementation, next steps**

- Repackaging of project documents, DSA approvals
- Staffing and construction management
- Bidding and award processes

### **FISCAL IMPLICATIONS:**

TBD

### **RECOMMENDATION:**

For Information/Discussion only.



# SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Shawnterra Moore, Ed.D., Superintendent

**THRU:** Michael Krause, Assistant Superintendent – Business Services

**DATE:** March 24, 2016

**RE:** Acceptance of Measure J Bond Audit

---

### **BACKGROUND:**

One of the requirements of a Proposition 39 bond measure is to provide an annual Financial and Performance Audit. Christy White Associates was contracted to perform the required audit for Measure J for the fiscal year ended June 30, 2015.

In the auditor's opinion, the financial statements of Measure J present fairly, in all material respects, the financial position of the bond funds as of June 30, 2015.

A representative from the firm will present a summary of the report and answer any questions.

The Board is being provided with copies of the audit report. The public can access this report on the SSFUSD website's Measure J section, at <http://www.ssfusd.org/mjb>.

### **FISCAL IMPLICATIONS:**

The cost of this audit, \$21,500, was within normal standards for such work and will be paid from the Measure J funds, as provided by law.

### **RECOMMENDATION:**

It is recommended that the South San Francisco Unified School District Board of Trustees accept the Financial and Performance Audit of Measure J for the fiscal year ended June 30, 2015.



# SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## MEMORANDUM

**TO:** Board of Trustees  
**FROM:** Shawnterra Moore, Ed.D., Superintendent  
**THRU:** Michael Krause, Assistant Superintendent – Business Services  
**DATE:** March 24, 2016  
**RE:** Ad Hoc Safety Recommendations

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### **BACKGROUND:**

The Ad Hoc safety committee met and collected a listing of several measures that would help sites become safer. The total amount to do all recommendations is over \$1 million dollars. Sites were asked to prioritize their list and that is what is being presented today for approval. The District has some one time RDA funds that can be used for this purpose. Please see the recommendations to be approved and installed within the next 6 -12 months, if not sooner.

### **Safety Priorities from Ad Hoc Safety Recommendations**

#### **Baden**

Add additional non-cyclone interior perimeter fencing (possibly matching existing wrought iron) to unsecured areas.

**Estimated Cost \$24,200**

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Fencing needed at the north end of the office/administration building, limit entry access.

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**Estimated Cost \$72,500**

---

#### **Parkway Middle School**

Update as needed after construction is completed.

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---

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**Estimated Cost \$ 8,000**

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**Los Cerritos**

Gate on W. Orange to be equipped with panic- bar for exiting in case of emergency or fire as well as renovate existing fence at C St. entrance -prohibit roof access.

**Estimated Cost \$ 9,400**

**FISCAL IMPLICATIONS:**

Estimated Cost \$276,550, to be paid from one time RDA funds, currently in reserve.

Staff is requesting a NTE amount of \$300,000 due to potential price increases as well as unforeseen conditions that may arise as these items are contracted for and installed.

**RECOMMENDATION:**

It is recommended that the South San Francisco Unified School District Board of Trustees approve the spending plan as presented.



# SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Shawnterra Moore, Ed.D., Superintendent

**THRU:** Michael Krause, Assistant Superintendent – Business Services  
Mr. Bill Savidge, Bond Management Consultant

**DATE:** March 24, 2016

**RE:** Measure J Moving Forward: Honey Bucket Proposal for temporary restrooms services at Parkway Heights Middle School and Buri Buri Elementary School Measure J projects

---

### **BACKGROUND:**

As part of the process of implementing the Board's direction to dissolve our relationship with USS Cal Builders, the District must assume some of the construction items. The first items the Board approved on February 11, 2016 were the Mobile Modular and Fencing items at Parkway.

During construction, the contractor provided temporary restrooms services from Honey Bucket. As we transition, the Bond Office has scaled down the need to one temporary restroom at both Parkway Heights Middle School and Buri Buri Elementary School.

### **FISCAL IMPLICATIONS:**

Total by this action: Parkway Heights - \$271.15/per 28 days and Buri Buri - \$247.77/per 28 days.

### **RECOMMENDATION:**

It is recommended that the South San Francisco Unified School District Board of Trustees approve the Honey Bucket temporary restrooms services at the Parkway Heights Middle School and Buri Buri Elementary School Measure J projects.



## Fentanes, Donna

---

**From:** Charles Frederick <CharlesFrederick@HoneyBucket.com>  
**Sent:** Wednesday, March 09, 2016 10:01 AM  
**To:** Fentanes, Donna  
**Subject:** Re: HoneyBucket Proposal for SSFUSD Services

Order 0985583  
Parkway Heights:  
\$271.15 per 28 day billing cycle.

Order 0985585  
Buri Buri:  
\$247.77 per 28 day billing cycle.

Charles Frederick  
Honey Bucket  
425-244-4228

---

**From:** Fentanes, Donna <dfentanes@ssfusd.org>  
**Sent:** Thursday, March 3, 2016 10:45 AM  
**To:** Charles Frederick  
**Cc:** Bueno, Amy  
**Subject:** RE: HoneyBucket Proposal for SSFUSD Services

Thank you for letting me know. Send it as soon as you're done, no worries.

Donna Fentanes  
Administrative Assistant-Measure J Bond Program  
South San Francisco Unified School District  
398 B Street  
South San Francisco, CA 94080  
Phone: (650) 246-5976  
Fax: (650) 616-3803  
[dfentanes@ssfusd.org](mailto:dfentanes@ssfusd.org)

**From:** Charles Frederick [mailto:CharlesFrederick@HoneyBucket.com]  
**Sent:** Thursday, March 03, 2016 10:41 AM  
**To:** Fentanes, Donna  
**Subject:** Re: HoneyBucket Proposal for SSFUSD Services

## Fentanes, Donna

---

**From:** Bueno, Amy  
**Sent:** Wednesday, February 10, 2016 10:24 AM  
**To:** Fentanes, Donna  
**Subject:** FW: Restroom quotes

Thank You,

### Amy Bueno

#### Accounting Technician-Measure J Bond Program

South San Francisco Unified School District  
398 B Street  
South San Francisco, CA 94080  
Phone: (650) 246-5978  
Fax: (650) 616-3803

**From:** Charles Frederick [mailto:CharlesFrederick@HoneyBucket.com]  
**Sent:** Wednesday, February 10, 2016 9:08 AM  
**To:** Bueno, Amy  
**Cc:** Savidge, Bill  
**Subject:** Re: Restroom quotes

Amy,

Here are the numbers for each school:

Foxridge Adult School (Weekly service)  
1 Standard Restroom with containment tray: \$108.00  
1 Handwash Station: \$105.00

Buri Buri Elementary (Twice weekly service)  
6 Standard Restrooms with containment trays: \$636.00  
3 Handwash Stations: \$427.00

Parkway Heights (Weekly service)  
2 Standard Restrooms: \$196.00  
1 ADA Compliant Restroom: \$150.00  
3 Handwash Stations: \$354.00

Thank you!

Charles Frederick  
Manager

March 24, 2016

Honey Bucket  
425-244-4228

---

**From:** Savidge, Bill <bsavidge@ssfusd.org>  
**Sent:** Tuesday, February 9, 2016 3:50 PM  
**To:** Charles Frederick  
**Cc:** Bueno, Amy  
**Subject:** FW: Restroom quotes

Hi Charles: Please forward a quote/proposal to my office. Amy Bueno will set up the Purchase Order. Thanks, Bill Savidge

**From:** Krause, Michael  
**Sent:** Monday, February 08, 2016 4:39 PM  
**To:** Bonner, Jeff  
**Cc:** Savidge, Bill  
**Subject:** Fwd: Restroom quotes

Sent from my iPhone

Begin forwarded message:

**From:** Charles Frederick <[CharlesFrederick@HoneyBucket.com](mailto:CharlesFrederick@HoneyBucket.com)>  
**Date:** February 8, 2016, 3:03:06 PM PST  
**To:** "mkrause@ssfusd.org" <[mkrause@ssfusd.org](mailto:mkrause@ssfusd.org)>  
**Subject:** Restroom quotes

Michael,

I started working up the quotes this weekend and found some errors in the pricing for Parkway Heights. Please disregard the invoices for this site. If they have been paid then I will have your account credited. I also noticed that they converted 4 orders for this location. I am having those consolidated into one, this will reduce the number of invoices.

I will get back to you shortly with the numbers.

Thank you!

Charles Frederick  
Manager  
Honey Bucket  
425-244-4228



# SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Shawnterra Moore, Ed.D., Superintendent

**THRU:** Michael Krause, Assistant Superintendent – Business Services  
Mr. Bill Savidge, Bond Management Consultant

**DATE:** March 24, 2016

**RE:** Measure J Moving Forward: Priority Criteria for Project Funding Recommendations

---

### **BACKGROUND:**

As reviewed by staff in the presentation during the information item on Moving Forward, the District will need to make some difficult decisions regarding which projects to proceed with on the Measure J Bond Program. Depending upon action to clearly understand and then approve available project funds, which staff will bring to a future meeting, it is apparent that some anticipated work will need to be put on hold or reconsidered. It is important to develop and apply criteria to prioritize which projects will be funded. The following are important criteria that should be considered when selecting which projects should be budgeted to proceed:

1. Finish projects that are already started
  - a. Complete projects with active construction sites
  - b. Major projects already underway with required re-design
  - c. Projects which are started and utilizing leased temporary housing
2. Undertake short-term projects for student/staff safety
  - a. At existing construction sites
3. Prioritize smaller projects that will allow work to proceed on impacted sites
4. Reconsider project plans for future work, give lowest priority to work not initiated

**FISCAL IMPLICATIONS:**

Not known at this time. The intent of the action is to ensure that the District selects future work that is prioritized by the adopted criteria and which is consistent with remaining funds available. Funds available, proposed projects and budgets based upon adopted criteria will be brought to a future meeting for approval.

**RECOMMENDATION:**

It is recommended that the South San Francisco Unified School District Board of Trustees adopt Priority Criteria 1-4 noted above to guide preliminary project and budget development.

# SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Shawnterra Moore, Ed.D., Superintendent

**THRU:** Michael Krause, Assistant Superintendent – Business Services  
Mr. Bill Savidge, Bond Management Consultant

**DATE:** March 24, 2016

**RE:** Measure J Moving Forward: Project Development  
Recommendations

---

### **BACKGROUND:**

As reviewed by staff in the presentation during the information item on Moving Forward, one of the most important next steps is for the Board to approve three key Project Development options.

1. **Confirmation of Building System.** Staff is seeking Board direction on whether to continue with the Project Frog modular building system used in all of the Measure J Replacement Projects to date. Staff's presentation references potential cost and schedule impacts for the option of continuing with the system, moving to another modular building system, or going with site built construction.
2. **Confirmation of Project Delivery Method.** Staff does not recommend continuing with the Lease-Leaseback method. Staff is seeking Board direction on whether to adopt either: Design-Bid-Build or "Hard-Bid;" Construction Management Multi-Prime; or, Construction Management at Risk.
3. **Packaging and Phasing of Projects.** Staff is seeking Board confirmation to develop multiple projects, with multiple contractors rather than staying with a single contractor approach. In addition, staff is seeking Board confirmation to initiate a package of high priority smaller projects at currently impacted sites, while we begin the process of re-packaging the major project construction documents.

**FISCAL IMPLICATIONS:**

There will be increased costs to the Bond funds from changing the Building System. Exact fiscal implications cannot be determined without confirmation of approach and updated estimates. We will return to the Board with preliminary budgets for approval.

**RECOMMENDATION:**

District staff respectfully requests Board direction and confirmation of Project Development options in each of the three areas as noted above: Building System, Project Delivery Method, Packaging and Phasing of Projects.

# SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Shawnterra Moore, Ed.D., Superintendent

**THRU:** Michael Krause, Assistant Superintendent – Business Services  
Mr. Bill Savidge, Bond Management Consultant

**DATE:** March 24, 2016

**RE:** Measure J Moving Forward: Repackaging Recommendations

---

### **BACKGROUND:**

As reviewed by staff in the presentation during the information item on Moving Forward, the District will need to re-package existing construction documents in order to ensure clarity for bidders on future projects. Clear, concise, complete bid documents are the basis for a strong project meeting budget and schedule expectations. The Board's direction regarding Project Development decisions will impact the specific repackaging needs as we move forward. Staff is seeking Board direction in relation to the following specific issue:

1. **Retain/Rehire existing Architectural/Engineering teams.**

As discussed in the presentation there are some specific issues and concerns with retaining the existing firms. On the one hand, the firms are familiar with the projects, have all of the drawings and specifications, which makes for a potentially most simple translation to a new Building System for example. On the other hand, the Architectural/Engineering team that worked with the Project Frog system may end up in an adversarial relationship with the District through any potential counter claims prepared as part of severing the relationship with USS Cal. This would be a potentially difficult situation to manage in an ongoing relationship. The Architect/Engineering team used on the site work portion of the project could also be considered to take over the projects, and there are potential cost and time savings in that approach.

**FISCAL IMPLICATIONS:**

Additional costs to the Measure J Bond Program for Architectural and Engineering Services. Staff will bring a future item to the Board with preliminary budgets for approval.

**RECOMMENDATION:**

It is recommended that the South San Francisco Unified School District Board of Trustees approve beginning the process of repackaging construction documents to reflect the previous Priority Project and Project Development decisions. Staff is seeking Board direction on the specific issue as noted above, whether to retain/rehire either of the existing Architectural/Engineering teams going forward.

# SOUTH SAN FRANCISCO UNIFIED SCHOOL DISTRICT

## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Shawnterra Moore, Ed.D., Superintendent

**THRU:** Michael Krause, Assistant Superintendent – Business Services  
Mr. Bill Savidge, Bond Management Consultant

**DATE:** March 24, 2016

**RE:** Measure J Moving Forward: Staff Support Recommendations

---

### **BACKGROUND:**

As reviewed by staff in the presentation during the information item on Moving Forward, the District will need additional staff support in order complete the Measure J Bond Program.

#### **1. In-House Construction Manager**

The District has an internal Construction Manager position that is currently unfilled and the vacancy is being advertised. It is recommended to that the District continue to attempt to fill the position.

#### **2. Construction Management Firm**

As part of the Re-Packaging effort the District will need cost estimating and scheduling support. In addition, we will need staff augmentation through an outside Construction Manager to provide on-site CM as we ramp up to complete the program. Both estimating/scheduling and on-site CM support could be provided as a part of retaining a small firm with expertise in K-12 Construction Management.

### **FISCAL IMPLICATIONS:**

The District has an existing budget for Program Management and Support with funds remaining. There may additional costs to the program based upon the Board's direction. These costs will be included in the updated program budget brought to a future meeting for approval.

**RECOMMENDATION:**

District staffs are seeking Board direction and approval of the items as presented.