

RIVERSIDE UNIFIED SCHOOL DISTRICT

MEASURE O CITIZENS' BOND OVERSIGHT COMMITTEE MEETING

Tuesday, December 9, 2025, 5:30 PM – Harrison Elementary School

Call Meeting to Order:

Chair Beeman commenced the Measure O Citizens' Bond Oversight Committee meeting at 5:32 PM.

Members Present:

Chani Beeman (Chair), Nick Corbo (Vice-Chair), H. Martin de' Campo, Douglas Kroon, Lara E. Martin, Michael Osmon, Jag Patel, Oswaldo Puerta, Beiwei Tu, Richard Vandenberg

Member Absent:

Art Alcaraz, Ashley Peake, Mathew Stowe

Staff Present:

Ariana Arciniega, Rene Castro, Tim DeLand, Karyn Dowden, Nickie Hoff, Erin Power, Samuel Precie, Michael Vargas, Orin Williams

Consultants Present:

Tarana Alam and Alicia McHenry from KeyAnalytics; Jennifer Bradlee from Best, Best & Krieger; Jeff Nigro from Nigro & Nigro; Lorena Cervera from the Riverside County Office of Education Translation Services

Community Members Present:

None present.

Pledge of Allegiance

The Pledge of Allegiance was recited by all committee members, staff, and guests present.

Tour of the Measure O Harrison Elementary School Campus Improvements

Mr. Castro shared an overview of the improvements made to the school and then led the committee members, staff, and guests on a tour of the site.

Welcome and Introduction of Members

All present Committee members introduced themselves, while absent members were noted.

Public Comment for Items Not on the Agenda:

Public Comment Instructions were read, and items not on the agenda were requested by Chair Beeman. None were received.

Staff Reports/Discussion Items:

1. Measure O Project Updates for John W. North High School, Ofelia Valdez-Yeager Eastside Elementary School, and Casa Blanca Elementary School

Mr. DeLand reported that the John. W. North High School Transformation project is nearing substantial completion. He stated that the new two-story science building was occupied as of December 1st, the gymnasium construction is complete, and staff training on specialized equipment is pending, and the former science classrooms are scheduled for conversion to standard classrooms in January. Mr. DeLand also confirmed that a ribbon-cutting ceremony is scheduled for Friday, December 19, at 9:00 a.m.

Mr. DeLand presented updates regarding the Ofelia Valdez-Yeager Eastside Elementary School project, confirming the project is currently in the design phase and undergoing Division of the State Architect (DSA) review. Mr. DeLand stated that offsite utility installation is underway on 13th Street and will soon progress to 14th Street. He then reported that as the District addresses the soil remediation on site, the DTSC (Department of Toxic Substances Control) is conducting a community survey of residents within a one-mile radius of the school, with survey results to be compiled and made available for public review.

Mr. DeLand then stated that Casa Blanca Elementary School is in the final closeout phase.

2. District Staff Report Regarding Measure O Financial Status

Ms. Alam presented the Measure O financial updates status as of October 31st, 2025, as reflected in the report distributed to the Committee. She presented an overview of the \$392M Measure O program as approved by the voters in 2016,

all bond funds generated to date (\$392M from the principle combined with \$15.7M in interest, except for what needs to be rebated to the IRS due to the District generating more money than the borrowing cost), what has been spent to date (\$356M) and what remains to be dedicated towards other project costs (\$53M).

Ms. Alam summarized additional funding sources the District uses to support Measure O projects, such as State School Facilities Program (SFP) grants, and discussed Measure O expenditures, which included \$2.973M in new spending since the previous Committee meeting, as well as the cumulative expenditures from all Measure O projects.

The Committee reviewed several line items: an expense description entry for "Hospitality Consulting Group" should be classified "construction costs" since this entity is a prime contractor on the Casa Blanca Elementary School project; Ms. Alam clarified that STEM Education Center is separate from the STEM Academy to Ms. Martin's inquiry; Mr. DeLand confirmed, to Chair Beeman's question, that the University of California Regents expense should state "CEQA", and further explained the expenses shown are for invoices that had not been previously billed, as well as expenses tied to interpreter services that were used for some public meetings. Mr. DeLand also explained that part of the Measure O budget does include school equipment, in response to Ms. Martin's question regarding if these expenses should come from a different budget.

3. Update on Remaining Issuance of \$40M Measure O Bonds & Refinanced Bonds

Mr. DeLand shared with the committee that in September, after Board approval in August, the District successfully closed the sale of the final \$40M Measure O bond series (Series D) and simultaneously refinanced outstanding bonds, further explaining this was highly successful due to strong investor demand and the District's excellent credit rating. Mr. DeLand further explained that the District secured an interest rate of 3.65% for the Series D issuance, besting the 4.06% estimate. The refinancing bonds achieved a 2.92% rate, compared to the 3.51% projection - as a result, will save taxpayers over \$6M in property taxes over the life of the bond.

4. Ofelia Valdez-Yeager Eastside Elementary Projected Cost Escalation due to Delays Caused by DTSC Requirements (conducted out of order)

Mr. DeLand presented the projected cost increase for the Ofelia Valdez-Yeager Eastside Elementary School project, resulting from a one-year delay in the construction timeline due to DTSC requirements, and that the project's midpoint of construction has shifted by one year.

Mr. DeLand first addressed market factors, showing an analysis from the California Construction Cost Index that displayed an average escalation of 7% over the last three years. Mr. DeLand further stated that, while inflation is moderating, factors such as strong investment in construction and rising labor costs continue to increase prices, and industry experts project a 5-7% rise in construction costs next year.

Mr. DeLand reported that, after consulting with the District's construction manager and estimator, a conservative escalation factor of 8% was applied to the total project budget of \$118M to account for the one-year delay. This resulted in a projected cost increase of \$9,460,000, bringing the estimated total project cost to \$127M

In answer to Mr. de' Campo's question, Mr. DeLand explained the District is receiving the same or similar pricing to any other county in the region, further elaborating that in CASH (Coalition for Adequate School Housing) workshops, presentations from industry experts regarding construction escalation are often shared with school districts. In answer to the committee's questions, the final issuance of Measure O has been committed to Ofelia Valdez-Yeager Eastside Elementary School, but this project will be funded by multiple sources.

Consent Calendar:

Approval of September 17, 2025, Committee Meeting Minutes

Chair Beeman asked if there was any discussion regarding the minutes. After discussion, and corrections requested by Ms. Martin to suggest changing the statement from Dr. Llamas to "the time during the remediation delay will be used to improve the project's drawings....", and Chair Beeman requested to change her quoted statement to "significant number of portable classrooms at Highgrove Elementary School". Ms.

McHenry also requested Ms. Martin's corrections previously emailed to the District be shared with her so all additional changes can be incorporated in the minutes. Chair Beeman then requested a motion to approve the minutes as amended. A motion was made by Mr. Puerta and seconded by Mr. Vandenberg.

A vote was taken via roll call per the Brown Act, and the motion carried unanimously.

Action Items:

1. Election Cycle of Chair and Vice-Chair

A discussion was held by the committee on whether to move the election cycle from a June cycle to a December cycle. After Ms. Bradlee confirmed election cycle timing is flexible if it remains within a 12-month cycle, the Committee then held a vote on the preferred election cycle.

Chair Beeman requested a motion be made to maintain the current June-June election cycle, to which a motion was made by Mr. Puerta, and seconded by Mr. Kroon.

A vote was taken via roll call per the Brown Act, and the motion carried unanimously.

2. Measure O 2024-2025 Financial Audit

Jeff Nigro of Nigro & Nigro presented the Measure O Annual Financial Audit for Fiscal Year 2024–2025 to the Committee. Mr. Nigro explained the difference between a performance audit and a financial audit and reviewed the purpose of the audit, which is to ensure accountability and the proper use of bond funds as required by Proposition 39. Mr. Nigro then outlined his firm's audit process, which included review of \$58.4 million in expenditures, testing both large and randomly selected transactions, as well as transactions involving uncommon vendors. The audit also included a physical site visit to Casa Blanca Elementary School to verify that reported costs aligned with work performed.

Mr. Nigro then proceeded to share his firm's opinion, which is an unmodified "clean" opinion, stating this is the best possible outcome, as this indicates the financial statements are accurate and free of material misstatements. Mr. Nigro then stated the audit confirmed the District is in compliance, as there were no material weaknesses or significant deficiencies found in the District's internal controls, and all tested expenditures were allowable and properly procured according to Public Contract Code, and aligned with their intended bond

projects. Mr. Nigro concluded that no questionable findings or compliance issues were reported.

Ms. Martin inquired how Mr. Nigro qualifies "significant" when he stated there are no significant deficiencies, to which Mr. Nigro explained this is an auditor's judgment - he further elaborated that if one or two improper expenditures samples were found then these would be considered isolated as exceptions and may not be noted, but if multiple samples are found that are questionable then this could be noted as including significant deficiencies. Mr. de' Campo asked if Mr. Nigro's audit could have helped prevent the theft that had previously occurred, to which Mr. Nigro explained that this incident was reviewed by his firm and it is difficult to confirm if this audit could have prevented the fraud unless one of the related expenditures was selected, the fact that the District brought this incident to the firm's attention before the audit began, and the payment was for a legitimate expense.

3. Selection of Annual Report Items

After discussion, the committee identified key items from this meeting to include in the next Annual Report to the Board: the Harrison Elementary tour, the successful bond refinancing rate due to favorable credit rating and resulting taxpayer savings of \$6M, the Measure O Series D issuance, the annual audit with no findings, the projected \$9M cost escalation and delay for the Ofelia Valdez-Yeager Eastside Elementary School project, the election cycle vote to maintain a June-June cycle, and the upcoming ribbon-cutting ceremony for John W. North High School.

Chair Beeman requested a motion to include these identified items in the potential next Annual Report – to which a motion was made by Mr. Osmon and seconded by Ms. Patel.

A vote was taken via roll call per the Brown Act, and the motion carried unanimously.

Committee Member Agenda Requests

After discussion, the committee requested key items to be added to the next meeting's agenda: a summary from the District of the DTSC survey findings, an update on the details regarding the John W. North High School project's "Real Volleyball, LLC"

expenses, the final cost of the Casa Blanca Elementary School project, and an update to be shared on the STEM Education Center project.

Next Meeting

Next meeting is tentatively scheduled at Sunshine Early Learning Center, pending confirmation of a suitable meeting space, on March 3rd at Sunshine Early Childhood Center at 5:30 PM.

Meeting adjourned at 7:42 PM