Pacifica School District

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Preparing Students for an Evolving World

www.pacificasd.org

MEMORANDUM

Administrative Services

Meeting of February 8, 2023

TO: Dr. Heather Olsen, Superintendent
For Board of Trustees

FROM: Josephine Peterson, Chief Business Official

SUBJECT: Bond Oversight Committee Annual Report
(Information)

The state law requires that Pacifica School District Board of Trustees appoint an Independent Citizen's Oversight Committee. In the fall of 2018, the Pacifica Board of Trustees began appointing committee members. The composition of the committee shall consist of at least seven members:

- One member "active in a business organization"
- One member "active in a senior citizens' organization"
- One member "active in a bona fide taxpayers' organization"
- For a school district, one member shall be a parent or guardian of an enrolled child;
- If the specially reserved seats cannot be filled by volunteers, they remain vacant until a qualifying volunteer is found, but count toward the seven members
- No employees or officials of the district; no vendors, contractors or consultants for the district

<u>Current members of the committee are:</u>

Dennis Shillingburg – Business organization
David Todd – Business Organization
Betsy Margaret Landrum – Sunset Ridge School
Amy Swanson, Vallemar School
Jesse Levin, Cabrillo School
Chelssee De Barra, Ingrid B Lacy Middle School
Patricia Balmas, Ocean Shore School
Mary Treanor, Ortega School

<u>District Representatives:</u>

Heather Olsen, Superintendent
Josie Peterson, Chief Business Official
Sisi Meng, Project Manager

Betsy Landrum and Jesse Levin will present the committee report.

Pacifica School District Independent Citizen's Oversight Committee Report – February 8 2023

The Independent Bond Citizen's Oversight Committee has been charged with:

- Informing the public concerning the District's expenditures of Measure O bond proceeds
- Reviewing expenditure reports produced by the District to ensure that Measure O bond proceeds were expended only for the purpose set forth in Measure O; and
- Present to the Board in public session, an annual written report outlining their activities and conclusions regarding the expenditure of Measure O bond proceeds.

The Independent Bond Citizen's Oversight Committee met on February 1, 2023 and determined that the expenditures of the Measure O Bond have been spent in accordance with the Bond Language.

Measure O Summary:
"To repair and improve local elementary schools including, student safety/campus security, fixing aging/leaking roofs; upgrading classrooms, labs/computer systems to support programs in science/math, technology, English, arts; acquiring and constructing school facilities, shall Pacifica School District issue $55,000,000 in bonds at legal rates, raising an estimated $3,450,000 annually for approximately 33 years at projected rates of three cents per $100 of assessed valuation, with citizens' oversight and all funds staying local."

The report of the Pacifica School District Independent Citizen's Oversight Committee Report is based on the progress update presentation made on February 1, 2023 by Sisi Meng, project manager presented the bond projects with bid costs, budget and pictures.[1] Below is a summary of projects reviewed during the presentation:

Construction Projects Undertaken in Summer 2022

- Carpet Replacement at Three Sites: Vallemar, Cabrillo and Ortega (Completed)
- Outdoor Improvements at Four Sites: Ortega, IBL, Cabrillo, Sunset Ridge (Completed)
- Roof Replacement at Three Sites: Vallemar, Ortega and Sunset Ridge Portable (Completed)
- New playground and miscellaneous outdoor improvements at Ocean Shore (Completed)
- School facilities Improvements at Six Sites: Sunset Ridge, IBL, Ortega, Cabrillo, Vallemar, and Ocean Shore, Contractor (95% complete with unfinished portion not affecting student occupancy or school operation; contractors working after school hours and weekends to complete).

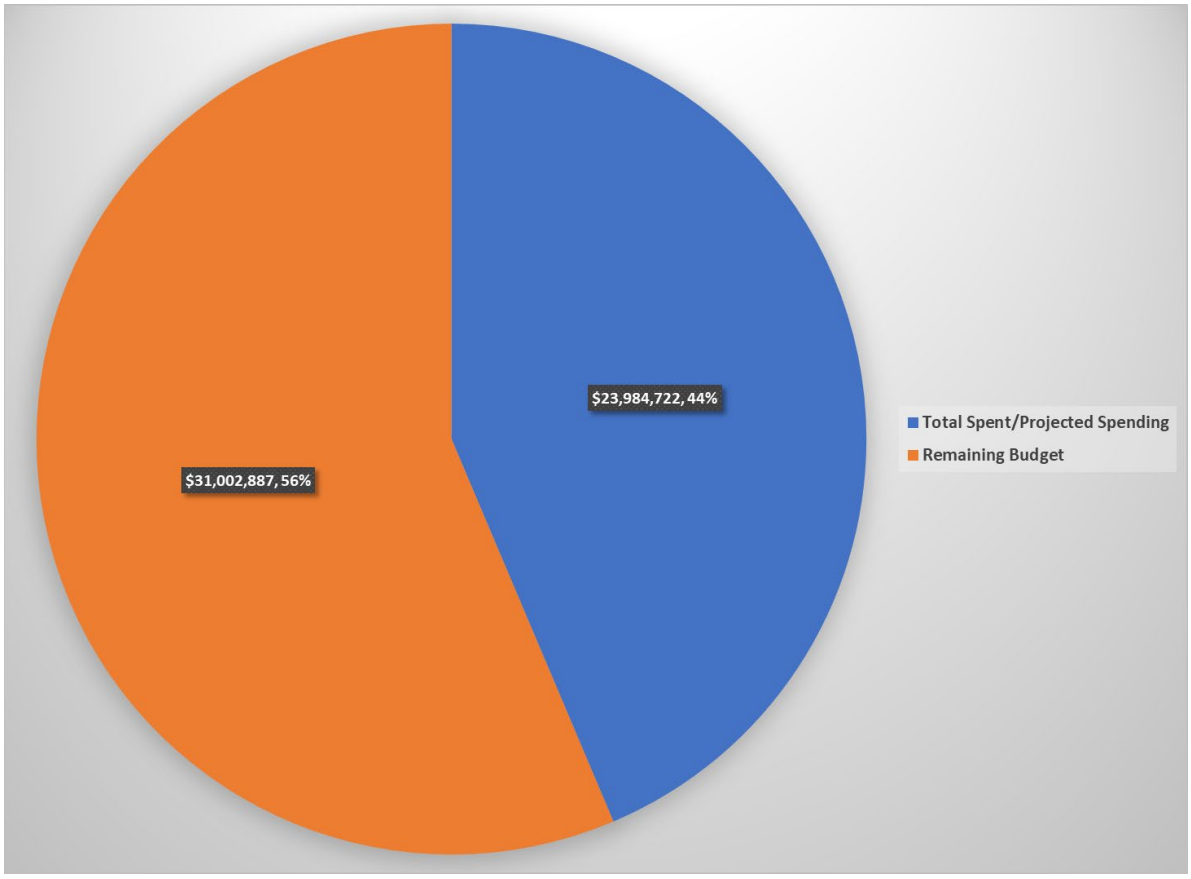
Construction Projects Undertaken in Fall 2022

- School Facilities Improvements at six Sites: Sunset Ridge, IBL, Ortega, Cabrillo, Vallemar, and Ocean Shore (Completed except for two minor items remaining at IBL with long lead time for materials – kitchen roll-up door and entry PA system).
- Portable Ramp Replacement at Ortega (Completed)
- Campuswide Lockset Replacement and New District Standard Keying System (95% Complete)
- School Fence, Walkway, and Synthetic Turf at Vallemar (90% complete – waiting on delivery of decorative fence panel).
- Student Transition to Temporary Classrooms at Vallemar to Facilitate Construction of New D-Wing (Completed)

A summary of the expenditures to date across key project categories was provided in the presentation that provides a clear overview of both spending/projected spending and remaining budget amounts. The simple chart in Exhibit 1 provides a basic overview of current/projected spending and remaining budget both in total and as a percentage of the full value of the bond. To date, 44% of the bond money has been spent or committed to projects, while 56% remains.

[1] The full presentation is available on the PSD web site at https://simbli.eboardsolutions.com/SB_Meetings/ViewMeeting.aspx?S=36030354&MID=18162.

Exhibit 1 – Total Value of Bond Broken Out by Bond Spending and Remaining Budget



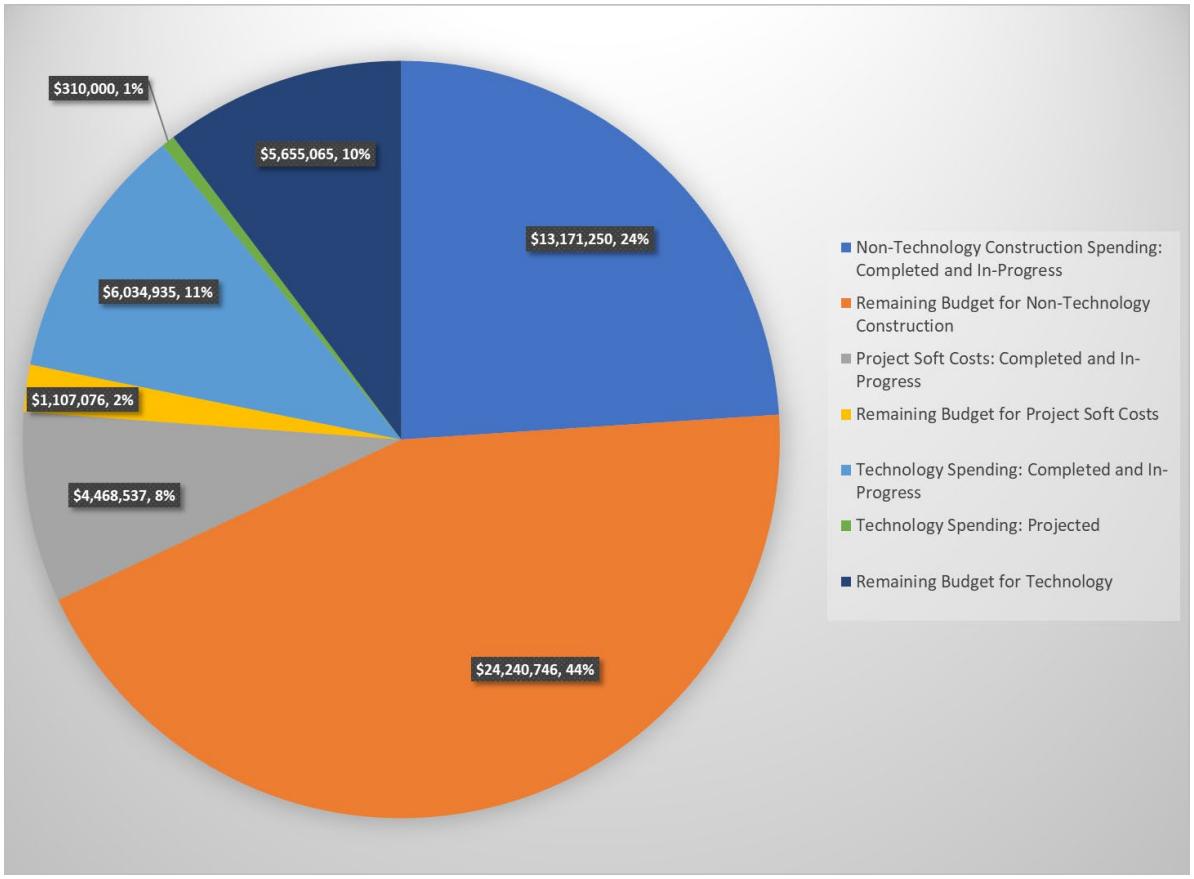
Source: Chart derived from information in Pacifica School District Measure O update provided to District Independent Citizen's Bond Oversight Committee on February 1, 2023, available at https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030354&AID=426694&MID=18162 (slide 48).

Exhibit 2 provides a more detailed picture of project spending versus remaining budget that can be summarized as follows. Out of the total budget of $37,411,995 devoted to *construction that is not technology related*, $13,171,250 (35%) has been spent on projects that have either been completed or are currently in progress, leaving a remaining balance of $24,240,746 (65%). Out of the total budget amount of $5,575,613 for covering *"soft" costs* (i.e., costs devoted to project design and administrative management of bond spending), a total of $4,468,537 (80%) has been committed to projects that are either complete or in progress, leaving a balance of $1,107,076 (20%). Finally, out of the total $12,000,000 budget planned for *technology*, $6,034,935 (50%) has been spent on completed project work with an additional $310,000 (3%) projected for other efforts, and a remaining balance of $5,655,065 (47%). Aggregating these figures across the key project categories shows that the majority of bond dollars (68%) are accounted for by non-technology construction projects. An additional 22% of the total bond value is devoted to technology, while the remaining 10% is associated with covering soft costs.

Conclusion

Our review of the expenditure reports provided by the District confirms that that the bond proceeds have been spent in accordance with the purposes set forth in Measure O listed above. Furthermore, we thank the district representatives for serving as responsible stewards of the Measure O funding and their tireless effort in ensuring these public dollars are spent wisely in order to provide the best possible educational experience for our students.

Exhibit 2 – Total Value of Bond Broken Out by Spending and Remaining Budget Across Key Project Categories (Non-Technology Construction, Soft Costs and Technology)



Source: Chart derived from information in Pacifica School District Measure O update provided to District Independent Citizen's Bond Oversight Committee on February 1, 2023, available at https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030354&AID=426694&MID=18162 (slide 48).