

CITIZENS' BOND OVERSIGHT COMMITTEE 2014 ANNUAL REPORT

West Contra Costa Unified School District
[HTTP://WCCUSD-BOND-OVERSIGHT.COM/](http://wccusd-bond-oversight.com/)



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What is the Citizens' Bond Oversight Committee?

The West Contra Costa Unified School District Citizens' Bond Oversight Committee (CBOC) is an independent body of dedicated volunteers who make every effort to fully understand where the taxpayers' dollars are being spent, and to ensure that the District's facilities expenditures are consistent with the bond measures approved by voters.

We are responsible for reviewing and reporting on the expenditures of school bonds issued under Measures D (\$300 million, 2002), Measure J (\$400 million, 2005), Measure D (\$380 million, 2010), and Measure E (\$360 million, 2012).

The CBOC meets monthly to review bond expenditures, project progress, and the results of independent financial and performance audits.

The CBOC maintains a website and issues this Annual Report to keep the tax payers informed.

The CBOC encourages you to visit our website:

www.wccusd-bond-oversight.com

On it you can review current CBOC activities and public information, including agendas, meeting minutes, presentation documents, and links to project information.

Visitors are always welcome to attend our monthly CBOC meetings.

There are currently 19 designated CBOC membership positions and there are often vacancies, so if you are interested in serving on the CBOC please attend a meeting and learn more about the opportunities.

Who Serves on the CBOC?

There are 19 designated positions including the following 5 representatives that are required by State law:

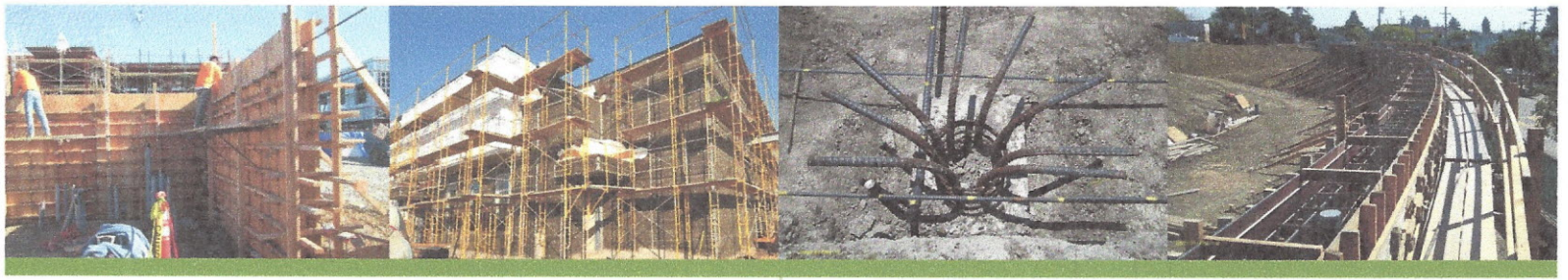
- Business organization
- Senior Citizen organization
- Taxpayers' Organization
- Parent or Guardian
- Parent/Guardian & PTA

In addition, the CBOC has five members nominated by each of the cities in the District; two members designated by the County Supervisors; one member designated by each of the five School Board members; and

there are members representing Trade Unions, and Public Employees Union Local One. All appointments are made by the Board of Education.

In 2014 the following people served on the CBOC:

Julio Arroyo, Margaret Browne, Peter Chau, Charles Cowens, Tashia Flucas, Charlene Harlan-Ogbeide, Marianne Harrison, Dennis Hicks, Ken Jett, Bill Kelly, Kelvin Love, Norma Martinez-Rubin, James Oakley, Stephen Purser, Ivette Ricco, Maureen Toms, Tom Waller, Tim Warner, and Orlandus Waters.



What is Being Rebuilt?

The WCCUSD bond program's primary purpose is to rebuild aging schools. As of the end of 2014, more than half of elementary, middle, and high schools have been rebuilt or extensively modernized. Some schools, whose primary construction is complete, have smaller projects to complete, such as sports complexes, or that update school facilities to more current standards.

In addition, some bond funds have been used to upgrade and expand computer technology in schools, including networking and wi-fi, as well as security cameras and equipment.

List of schools or projects whose primary construction was completed in 2014:

- De Anza HS 500 Building Fire Damage Repairs
- Dover ES Building A Security Cameras Upgrade
- Helms MS Sports Fields
- Bayview ES Exterior Repairs
- Olinda ES Fire Alarm Replacement
- Shannon ES Fire Alarm Replacement
- PVHS Interim Campus (Detention Basin/Site Improvements/Offsite Parking Improvements)
- Kennedy HS Science Wing Modernization
- Ohlone ES Phases 1&2 (West Campus)
- Miscellaneous repairs projects at Peres, Collins, Olinda, Shannon
- Dover Parking Improvements/Site work

List of schools or projects whose primary construction began in 2014:

- Helms ES Recycling Center
- Richmond Swim Center at Kennedy HS
- Pinole MS Soccer/Football Field
- Nystrom ES Classroom Building Modernization
- De Anza HS Building 10 & Sports Fields
- PVHS Hillside Stabilization

Changes Within Bond Program Administration

In Fall 2014, administration of the bond program switched to new Associate Superintendent for Operations Lisa LeBlanc, who previously served in a similar capacity for Fresno Unified School District. Luis Freese moved from his operations role to District Engineering Officer. And Mark Bonnett was brought on as Executive Director of Business Services for the bond program.

Failed Bond Measure

In June 2014, Measure H, which would have added \$270 million to the bond program, was rejected by 53.7% of voters. The impact on the construction program is unknown as we prepare this report, but District staff is working to provide priority and construction scenarios for the remaining bond funds.

No Bond Sales in 2014

The District conducted no bond sales in 2014, and thus no Capital Appreciation Bonds (CABs) were issued.

A sale of \$135 million in bonds is expected in the first quarter of 2015, which will provide the funds needed for the next 12-18 months, at the current rate of construction.

CBOC Statement of Compliance

This Annual Report 2014 is submitted to the Board of Trustees by the Citizens' Bond Oversight Committee, Measure D-2002, J-2005, D-2010, and E-2012 in accordance with Education Code section 15278 (b).

The CBOC advises that, to the best of its knowledge based on available information provided by the District, the West Contra Costa Unified School District is in compliance with the requirements of Article XIII A, Section 1 (b) (3) of the California Constitution except the CBOC cannot certify that the bond expenditures were made in accordance with the list of specific facilities projects.

Availability of Bond Program Audits

Annually, the WCCUSD, by legislation, completes an annual Performance Audit and yearly Financial Audit of its bond program. The Performance Audit of 2014, Building Fund (Measure D and Measure E), completed by Vavrinek, Trine, Day & Company, LLP, is available at: <http://wccusd-bond-oversight.com/AuditsPerformance.htm>

For the 2014 Financial Audit, by Crowe Horwath, visit: <http://wccusd-bond-oversight.com/AuditsPerformance.htm>

The CBOC received these audits from the District. Audits did not reveal any fiscal or functional issues. In summary, the results of their tests indicated that the District expended Building Fund funds only for the specific projects approved (Measures D and E) by the voters, in accordance with Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.



WCCUSD's Bond Program at a Glance

	Voter Approvals (M = million)			Bonds Issued (M = million)		Bonds Repaid (M = million)		Finish Month/ Year	Tax rate per \$100,000 of assessed value
	Amount	% Yes Vote	% Req.	Amount Issued	Amount Remaining	Principal Repaid	Interest Paid		
1998 Measure E*	\$40 M	75.7%	66.6%	\$40 M	\$0	\$18.0 M	\$24.1 M	8/2025	\$8.70
2000 Measure M*	\$150 M	77.5%	66.6%	\$150 M	\$0	\$57.7 M	\$72.4 M	8/2032	\$55.60
2002 Measure D	\$300 M	71.8%	55%	\$300 M	\$2,517	\$0.07 M	\$86.6 M	8/2034	\$60.00
2005 Measure J	\$400 M	56.9%	55%	\$322.4 M	\$77.6 M*	\$5.3 M	\$97.1 M	8/2036	\$60.00
2010 Measure D	\$380 M	62.6%	55%	\$140 M	\$240 M	\$15.7 M	\$14.7 M	8/2045	\$48.00
2012 Measure E	\$360 M	64.4%	55%	\$85 M	\$275 M	\$7.8 M	\$3.2 M	8/2045	\$48.00
Total	\$1,630 M***			\$1,037.4 M	\$592.6 M**	\$104.5 M	\$298.0 M		\$280.30

* Measure E and Measure M are not Proposition 39 Bond Measures under the oversight of the CBOC.

** Measure J is subject to the statutory 2.5% bonding capacity limit. Thus, these funds won't become available till approximately 2036 when assessed property values are projected to have risen. Bond limits are determined by measure. A 3.5% waiver for Measure J expired in May 2014. Measures D (2010) and E (2012) both have bond-limit waivers of 5% that won't expire till December 2021 and December 2025, respectively.

*** As of February 28, 2015, the WCCUSD had received \$182.6 million in additional funds from state and federal programs, not requiring repayment, bringing the total funding available for construction to \$1,812.6 million.

New Legislation Affecting Bond Programs

In 2014, several laws went into effect that impact school bond programs. The most important of these are AB 182 (Buchanan), which sets limits and provides guidelines for sales of capital appreciation bonds, and SB 581 (Wyland) and SB 584 (Wyland), which sets new requirements on the scope and timing for financial and performance audits of bond programs.

Several other laws may require upgrades in facilities or construction standards, especially for projects still in the design phase. These include: AB 56 (Weber) – Carbon Monoxide Devices; AB 327 (Perea) – Net Energy Metering; AB 341 (Dickinson) – Green Building Standards; SB 743 (Steinberg) – CEQA Modernization. Additionally, several laws went on the books that may affect incentives, contractor qualification, and priorities, including: SB 869 (Committee on Budget and Fiscal Review) – Reallocation of State Facility Funding; SB 854 – Prevailing Wage Monitoring Program; AB 308 (Hagman) – Sale of Surplus Property; SB 858 (Senate Committee on Budget and Fiscal Review) – Deferred Maintenance.



Exterior and interior views of construction at Sylvester Greenwood Academy/LPS.