

Citizens' Bond Oversight Committee

DRAFT 2010 Annual Report

CBOC 2010 Annual Report

With Passage of 2010 Measure D Bond, Committee Now Oversees \$1.2 Billion Bond Fund Program

The West Contra Costa Unified School District Citizens' Bond Oversight Committee (CBOC) is responsible for reviewing and reporting on the expenditures of voter-approved school bonds issued under Measures M, D, J, and D-2010.

Measure M (\$150 million) was approved by the voters in 2000, Measure D (\$300 million) was approved in 2002, Measure J (\$400 million) was approved in 2005, and Measure D-2010 (\$380 million) was approved in 2010.

We are 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 expenditures are consistent with the bond measures that were approved by the voters.

The CBOC meets on a monthly basis to review bond expenditures, project progress, and the results of independent financial and performance audits. The CBOC also maintains a website and issues this Annual Report to keep the tax payers informed.

The CBOC encourages you to visit our website (<http://www.wccusd-bond-oversight.com/default.aspx>) to 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.



Helms Middle School \$53 million Reconstruction completed with Measure D funds.

There are currently 21 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 21 designated positions including the following five 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 designated 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, Public Employees Union Local One, the Citizen Advisory Committee on Special Education, and the Council of Industries.

In 2010 the following people served on the CBOC:

Tim Banuelos, Steven Bates, Frank Borg, Wayne Ellis, Kirk Ferreira, Brant Fetter, Jason Gallia, Paul Gilbert-Snyder, Alex Gomez, Don Gosney, Anton Jungherr, Richard Leigh, James McClelland, Leonard McNeil, Marcus Mitchell, Raul Morales, Sue Pricco, Charleen Raines, Ivette Ricco, Linda Ruiz-Lozito, Robert Sewell, Robert Studdiford, Cheryl Sudduth, Maureen Toms, Niccore Tyler, Cecilia Valdez, and Jeff Wright.

Significant CBOC Activities in 2010

- A mid-year performance audit by Total School Solutions was reviewed and approved by the CBOC in June.
- The CBOC's Administrative Regulations Subcommittee drafted revisions to the Administrative Regulations to clarify that District employees, vendors, and consultants were prohibited from serving as members on the CBOC.
- The CBOC reviewed and discussed the status of the Measure J Bond Program as a "constrained program" as a result of the declining tax base. This essentially means that additional Measure J bonds cannot be sold at this time.
- In addition to constraints on the Measure J program, the Measure D 2010 bond program was also limited by state statutory limits which can be waived upon request. In November the CBOC passed a resolution to support the District's waiver request so that the bond supported construction program could continue without costly delays.
- The public outreach committee continued to work diligently to update the CBOC's website.

Nystrom Subcommittee - Focusing on a Bond Construction Project from Start to Finish

In 2010 the CBOC decided that it would be beneficial to the Committee to follow a bond project in detail from beginning to end. The Nystrom Elementary School project was selected because of its complexity in funding, jurisdictional oversight, and challenging construction constraints. The construction project is challenging because of space limitations and proximity to active users.

The Nystrom Subcommittee looks forward to following this project as it progresses and will conduct a number of site visits to inspect the project first-hand.



Foundation work for the new Nystrom Elementary School began in 2010 using Measure J bond funds.

CBOC Statement of Compliance

- This Annual Report 2010 is submitted to the Board of Trustees by the Citizens' Bond Oversight Committee, Measure M, D, J, and D-2010 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, and California Education Code Section 15278-15282.

Availability of Bond Program Audits

As required by law, the District completes an annual performance audit and an annual financial audit of its bond program.

In 2010 a Performance Audit was completed by Total School Solutions and a Financial Audit was prepared by Perry-Smith LLP. Both of these audits can be found at the following website: <http://wccusd-bond-oversight.com/audits.htm>.

The CBOC has reviewed and accepted these audits. The audits did not reveal any fiscal or functional malfeasance.

Measure D 2010

An important event for WCCUSD in 2010 was the passage of a new bond measure on June 8, 2010 to raise an additional \$380 million for capital improvements. Because there is an existing Measure D bond for WCCUSD, this bond is referred to as Measure D 2010.

Community surveys had shown sufficient public support for a new bond to fund unmet school construction needs in WCCUSD. As part of community budget meetings held at the beginning of 2010, information about the school construction program was presented to the public and feedback was received by the WCCUSD school board. At the March 3, 2010 school board meeting, the board voted to put the bond measure on the ballot.

State law requires that bond measures specify what the bond funds will be spent on. Although Measure D 2010's project list is broad and complex, the board identified the following schools as priority projects for the Measure D 2010 bond:

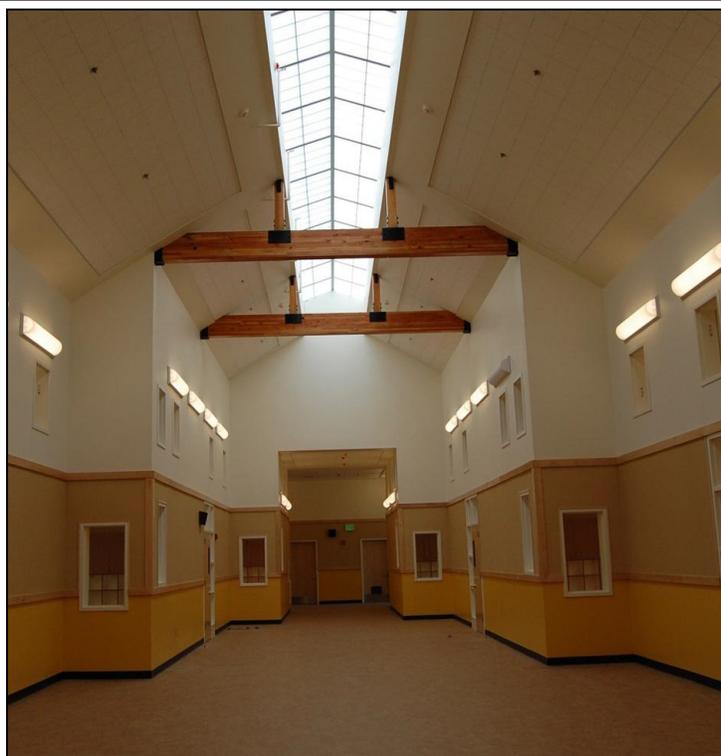
- Pinole Valley High School
- Richmond High School
- Kennedy High School (renovations)
- Hercules Middle/High School (classrooms)
- El Cerrito High School (track & field)
- Leadership High at Gompers
- Coronado Elementary
- Fairmont Elementary
- Highland Elementary
- Stege Elementary
- Valley View Elementary
- Wilson Elementary

For all projects completed under Measure D 2010, the main project types are identified as follows:

- School renovations
- Repair and upgrade projects
- School health, safety, and security
- Earthquake safety and energy efficiency projects
- District-wide wiring and instructional technology for effective learning environment and job training projects
- New construction education enhancement/class size reduction projects

Waiver of Statutory Bonding Capacity Limits

State law limits the amount of bonds that the WCCUSD can sell to 2.5% of the assessed property value within the District, unless a waiver of the 2.5% limit is applied for and granted. As the result of a 20% decline in the assessed property values over a two-year period, the District's bond program became constrained by the statutory limit. Under this constraint, no additional bonds could be sold, even though the bond measures, including Measure D-2010, had been approved by the voters. In order to protect the building program and ensure that construction could continue during a favorable bidding economy and without costly delays, in the fall of 2010 the District applied to the State Board of Education for a waiver of the 2.5% limit. The CBOC supported the District's application on the basis that the waiver would make the most efficient use of taxpayers' dollars and continue the voter-approved bond program in an efficient manner. The waiver was subsequently granted in 2011.



Interior of King Elementary School - reconstructed as part of a \$16 million project funded by Measure J.