

# SAUGUS UNION SCHOOL DISTRICT

## MEASURE EE CITIZENS' OVERSIGHT COMMITTEE

### ANNUAL REPORT

Dated June 29, 2020

On November 4, 2014, the voters residing within School Facilities Improvement District No. 2014- 1 of the Saugus Union School District ("SFID No. 2014-1") approved the Saugus Union School District ("District") Measure EE general obligation bond measure. The Measure EE election was called in accordance with the California Constitution and laws, including, but not limited to, the "Smaller Classes, Safer Schools, and Financial Accountability Act," also known as "Proposition 39."

The Saugus Union School District Measure EE Citizens' Oversight Committee ("COC") has approved and adopted this annual report, in accordance with Education Code Section 15280(b). The purpose of this report is to inform the public regarding expenditures of proceeds of the Measure EE general obligation bonds, for the period from July 1, 2018, to June 30, 2019 ("Reporting Period").

#### **1. COC membership and officers**

For the 2018-2019 year, the COC membership consists of the following individuals.

- Collin Schoenfeld, Chairperson, Parent Representative
- Paul Travis, Parent Representative
- Robert Aholt, Community Representative
- Patricia Conwell, Senior Citizen Representative
- Lisa Eichman, Business Representative
- John Estrada, PTA/PTO Site Council Representative
- Jason Warren Gibbs, Taxpayer Organization Representative
- Jessica Coleman, PTA/PFO Site Council Representative
- Chris Gerrick, Parent Representative

The following individuals are the current officers of the COC:

- Collin Schoenfeld, Chairperson
- Paul Travis, Vice Chairperson

## **2. COC activities during the Reporting Period**

For information regarding the meetings and activities of the COC, please see the COC meeting minutes on the COC website, at the following link:

<https://www.saugusud.org/Measure-EE>

All approved minutes and annual reports of the COC are available for review on the COC website. Additional documents and reports are posted at the COC website in accordance with the guidelines and policies applicable to the COC or as otherwise directed by the COC.

## **3. COC findings for the Reporting Period**

As required to comply with the requirements of Proposition 39, the COC must make certain findings regarding its activities and regarding the expenditure and use of Measure EE bond proceeds. The COC hereby finds and determines as follows:

### **A. The COC met regularly during the Reporting Period**

The meetings of the COC are described in the minutes of the COC meetings posted on the COC Website. The dates of the meetings were as follows:

- October 18, 2018;
- November 15, 2018;
- February 7, 2019, and
- May 23, 2019.

### **B. The COC received and reviewed relevant reports and other information**

The COC received various reports (both written and oral) relating to expenditure of Measure EE bond funds during the Reporting Period (including, but not limited to, expenditure reports and project timelines) and has visited the sites with projects funded using Measure EE bond funds. A complete list of the reports received and reviewed by the COC is available at the District Office for review by the public upon request and on the COC website. See Appendix A for the latest report presented to the COC by the District.

Major project highlights from the year include:

- security door lock and communication system upgrades;
- lobby and single-point-of-entry enhancements;
- new multipurpose buildings and upgrades;
- new classroom constructions;
- new science lab constructions, and
- roof replacements.

**C. The COC has visited District schools and project sites**

The COC received various reports (both written and oral) relating to expenditure of Measure EE bond funds during the Reporting Period (including, but not limited to, expenditure reports and project timelines) and has visited the sites of projects funded using Measure EE bond funds. A complete list of the reports received and reviewed by the COC is available at the District Office for review by the public upon request and on the COC website.

- James Foster Elementary, October 18, 2018
- Tesoro del Valle Elementary, February 7, 2019

**D. Measure EE bond funds have been expended only for the projects authorized by Measure EE**

Based on the documentation and information that it has reviewed, the COC finds and determines, in accordance with Education Code Section 15278(b)(l), that the District has expended Measure EE bond funds only to pay the costs and expenses associated with the construction, acquisition, and installation of projects as are authorized by Measure EE. See point 3.I.2 for suggestions for the next reporting cycle information.

The priority of the projects is based upon the language in the 2016 Master Plan: "Phase 1 - Address two critical expectations simultaneously as soon as possible: a) Safety and Security"

**E. Measure EE bond funds have not been expended for teacher or non-construction related administrator salaries or other school operating expenses that are not bond related**

Based on the documentation and information that it has reviewed, the COC finds and determines, in accordance with Education Code Section 15278(b)(2), that the District has not expended Measure EE bonds funds to pay teacher or non-construction related administrator salaries or other District operating expenses. See point 3.I.1 and Appendix C for further information on salary allocations.

**F. COC received and reviewed the Fiscal Year 2018-2019 audit reports**

The accounting firm of EideBailly prepared the annual Measure EE performance and financial audits for Fiscal Year 2018-2019 (i.e., the Reporting Period), as a single audit report ("2019 Measure EE Audit"). The 2019 Measure EE Audit is currently available for review on the COC website. The COC received and reviewed the 2019 Measure EE Audit, and took action during its February 6, 2020, meeting to file and receive the 2019 Measure EE Audit. At said meeting, the

COC determined that the 2019 Measure EE Audit did not indicate, in connection with the expenditure and use of Measure EE bond funds, any irregularities or failures to comply with statutory and Constitutional requirements.

**G. The COC received from the District all necessary and requested technical and administrative assistance**

During the Reporting Period, the District made presentations to the COC, provided necessary documents and information to the COC, and provided any necessary and requested architectural, construction management, legal, and administrative support and assistance to the COC. Based on the foregoing, and the documentation and information provided to it, the COC finds and determines that the District, as required by Education Code Section 15280, has provided all such necessary and requested technical and administrative assistance without expending Measure EE bond funds for such purposes.

See Appendix B for further information on the bond indebtedness breakdown.

**H. COC website is operating and makes available all required documentation and information (Education Code Section 15280(b))**

The District, on behalf of the COC, operates and maintains the COC website, which can be accessed at the link set forth above in this Annual Report. As required by Education Code Section 15280(b), information regarding the COC, its activities, and the documents received and reviewed by the COC, is available for review on the COC website.

**I. Items noted by the COC**

During the school year of 2018-2019 the COC expressed the following ideas/issues/concerns regarding the Measure EE funds and the allocation of the funds.

1. Percentage of staff time billed to Measure EE. COC members requested clarity on how and why staff salaries are allocated the Measure EE monies. See Appendix C for presentation materials provided to the COC by the District.
2. Project names cross-references to bond language. COC members suggest that, starting in the 2019-2020 year, each project is linked to Bond Measure language in the COC meeting reports.
3. Highlight cost saving mechanisms for deferred fees and site preparation. COC members request that staff propose and highlight potential joint use of corporate facilities that are not in place, and methods implemented to reduce costs of site preparation.

4. Highlight cost saving mechanisms for professional fees. COC members request that staff propose or highlight efforts by the district to maximize bond revenues utilizing mechanisms to reduce the costs of professional fees.
5. Highlight cost saving mechanisms used in the design of school sites. COC members request that staff propose or highlight efforts by the district to maximize bond revenues utilizing mechanisms to reduce project costs by incorporating efficiencies in school site design.
6. Deferred maintenance plan. On the Measure EE website, a Deferred Maintenance plan is listed in the training materials, and was last revised in October 2018. COC members request this document be updated yearly and presented to the COC for review.

We suggest that the 2019-2020 COC institute processes and procedures to address these points in the coming year.

**J. Based on the foregoing, the District fully complied during the Reporting Period with the requirements of Article XIII A 1(b)(3) of the California Constitution**

**4. Approval and adoption of Annual Report**

The COC approved and adopted this Annual Report during its meeting held on June 16, 2020.

Attest:

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Collin Schoenfeld, Chairperson  
Saugus Union School District  
Measure EE Citizens' Oversight Committee

### **Appendix A: Project listing and status**

#### [May 7, 2020 COC Report](#)

[https://tb2cdn.schoolwebmasters.com/acnt\\_533114/site\\_533115/Documents/May-14-2020-COC-Report.pdf](https://tb2cdn.schoolwebmasters.com/acnt_533114/site_533115/Documents/May-14-2020-COC-Report.pdf)

Please refer to this document for the list of projects completed and in progress. Budget estimates and current commitments are also included within this report.

### **Appendix B: Existing and project bonded indebtedness**

#### [May 5, 2020 COC Tax Rates Report](#)

[https://tb2cdn.schoolwebmasters.com/acnt\\_533114/site\\_533115/Documents/May-5-2020-COC-Tax-Rates-Report.pdf](https://tb2cdn.schoolwebmasters.com/acnt_533114/site_533115/Documents/May-5-2020-COC-Tax-Rates-Report.pdf)

Please refer to this document for the breakdown of existing and project bonded indebtedness including current tax rate, amount of debt issued, amount of bonds not yet sold, assessed value growth rates; and explain any drift from estimated tax rates.

### **Appendix C: Allocation of Measure EE salaries**

Attachments:

- Handouts presented by Mr. Heinlein at the November 15, 2018 meeting
- Quarterly facilities salary allocation document presented by Mr. Heinlein at the February 7, 2019 meeting
- Quarterly facilities salary allocation document presented by Mr. Heinlein at the May 23, 2019 meeting