

# BOND CITIZENS' OVERSIGHT COMMITTEE FOR BOND MEASURES E AND C

Petaluma City Elementary School District  
Measure E

Petaluma Joint Union High School District  
Measure C

## Petaluma City Schools

### ANNUAL REPORT Under California Education Code 15280(b)

January 8, 2020

#### I. Introduction

Petaluma City Schools were successful in obtaining authorization from the District's voters to issue general obligation bonds through a local election on June 3, 2014, for both Petaluma City (Elementary) School District and the Petaluma Joint Union High School District. The Elementary School District obtained authorization to issue up to \$21,000,000 in aggregate principal amount of general obligation bonds pursuant to Measure E. The High School District obtained authorization to issue up to \$68,000,000 in aggregate principal amount of general obligation bonds pursuant to Measure C. The Bond Elections were conducted under Proposition 39, being chaptered as the Strict Accountability in Local School Construction Bonds Act of 2000, at Section 15264 *et seq.* of the Education Code of the State ("Prop 39").

The Citizens' Oversight Committee of Petaluma City Schools District (the "COC") was formed pursuant to Measures E and C for the purpose of actively reviewing and reporting on the expenditure of Measure E and C bond proceeds. The COC is required to advise the public, through at least one report per year which shall be made available on the District's web site, as to whether the District is in compliance with Article XIII A of the California Constitution, Measure E and C, and the provisions of Education Code Section 15278 and following.

#### A. Section 1 of Article XIII A of the California Constitution

Section 1(b)(3) of Article XIII A of the California Constitution provides that bonded indebtedness incurred by a school district for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities include certain accountability requirements:

- (A) That the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3), and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

- (B) The proposition shall contain a list of the specific school facilities projects to be funded and certification that the school district board has evaluated safety, class size reduction, and information technology needs in developing that list.
- (C) A requirement that the school district board conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects list.
- (D) A requirement that the school district board conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects.

## **B. The Citizens Oversight Committee; Purpose and Activities**

California Education Code §15278(a) provides that if a bond measure authorized pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution and subdivision (b) of Section 18 of Article XVI of the California Constitution is approved, the governing board of the school district establish and appoint members to an independent citizens' oversight committee. Section 15278(b) provides that the purpose of the citizens' oversight committee is to be:

1. Inform the public concerning the expenditure of bond revenues, and
2. Actively review and report on the proper expenditure of taxpayers' money for school construction.
3. Advise the public as to whether a school district is in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

Section 15278(b) provides that function of the committee shall be to ensure that bond revenues are properly expended and that no funds are used for teacher or administrative salaries, or other school operating expenses.

## **II. Specific School Facilities Projects Funded by Measures C and E**

Section 1(b) (3) of Article XIII A of the California Constitution requires that in order to incur bonded indebtedness for the construction, reconstruction, rehabilitation, or replacement of school facilities, the proposition presented to voters shall identify the specific school facilities projects to be funded and certify that the school district board has evaluated safety, class size reduction, and information technology needs in developing that list.

## A. Identification of School Facility Projects

See attachment A

## III. Public Meetings

The COC has met on the following dates and locations:

<b>Meeting Date and Time</b>	<b>Meeting Location</b>
June 18, 2019 7:00 p.m.	Petaluma City Schools District Office
October 2, 2019 7:00 p.m.	Petaluma City Schools District Office

Each meeting has been in compliance with the Ralph M. Brown Act (Brown Act), in that the meetings were formally scheduled with agendas duly posted and noticed and open to the public. Minutes were taken and when approved at the subsequent meeting was posted on the District's web page via the link to information relating to Measure C and E.

## IV. District Support

The District has, without spending bond funds, provided the COC with the administrative support it needs to meet and to perform its review and reporting duties.

## V. Status of Specific Projects

The following Projects have been completed:

- Petaluma City School Prop 39 Solar Projects at nine school sites
  - Petaluma Junior High School
  - San Antonio Continuation High School/Valley Oaks
  - Mary Collins at Cherry Valley Charter School
  - Grant Elementary School
  - McDowell Elementary School
  - McKinley Elementary School
  - McNear Elementary School
  - Penngrove Elementary Charter School
  - Valley Vista Elementary School
- Petaluma High School Stadium Project (Track & Field)
- Mary Collins at Cherry Valley Charter School Track & Field Renovation
- McKinley Elementary School New Drop-Off and Parking Alterations
- McKinley Elementary School Entryway, Phase II (Canopies)
- Petaluma High School Pool Renovation & Replacement Project
- Petaluma High School Reroofing and Repairs Project (Building F)
- Casa Grande High School Reroofing and Repairs Project (Building E)
- McKinley Elementary School Exterior Painting and Preparation Project (Building A & B including adjacent walkways, the Boys and Girls Club modular building and the South County Consortium modular building)
- San Antonio High School and Crossroads Community Day School add two

- portable classrooms
- Grant Elementary School – Removal of existing blacktop and rubber surface and repaving for play area
- McDowell Elementary School Roofing and Repair – Buildings D, E, and Breezeways

The following Projects are Under Construction:

- Petaluma High School Exterior Painting – Main Administration building and adjacent classroom wings, including the library and counseling offices (Buildings A, B and C)

The following Projects to begin in Summer 2020

The following Projects are in design:

- Penngrove Basement Improvements
- Penngrove Restroom modernization
- Mary Collins @ Cherry Valley Kitchen improvements
- Mary Collins @ Cherry Valley Roofing, HVAC, Duct Work Repair & Replace @ Laurel Cluster
- Petaluma High School – New Classroom Building
- Petaluma High School Exterior Painting – Phase II (Bldg D, Multi, CTE)
- Casa Grande High School – Covered outdoor student eating area
- Kenilworth Junior High School HVAC Upgrades
- Petaluma Junior High Breezeway Roofing & Repair
- McNear Elementary School – Roofing & Repair
- McNear Elementary School Classroom Floor Covering Replacement
- McNear, Valley Vista, and McDowell Elementary Schools Multi-Purpose Room Renovations (new floor, paint interior, pocket tables, etc.)

## **VI. Sale of Bonds**

In April 2018, the Board of Education adopted a resolution authorizing the issuance and sale of General Obligation Bonds, Election of 2014, Series B, in the aggregate principal amount of not to exceed \$9,000,000, and approving related documents and actions. The Series B Bonds were successfully issued on May 24, 2018.

## **VII. Members of the Citizens Oversight Committee for Measures C and E**

The Board of Education of the Petaluma City Schools District appointed the following individuals to the Citizens' Oversight Committee for Measures C and E:

Scott Pritchard

Patience Patchet

Mimi Knop

Elizabeth Marquardt

Alice Christensen

Thomas Donohoe

Tim Scheele

## VIII. Activities of the Citizens Oversight Committee for Measures C and E

In accordance with Education Code Section 15280(b), the following report is presented to the Board of Education for Petaluma City Schools in the fulfillment of the Committee's annual reporting requirement.

### A. Activities of the Committee and Summary of Meetings

The Committee met twice between June 2019 and October 2019. The meetings were noticed per the Brown Act and open to the public. Complete minutes are on file at the District Office. District personnel provided staff to the Committee and were present at the meeting.

*Review of Expenditures.* The COC was provided with expenditure reports prepared by the District at each of its meetings. At each meeting, the COC reviewed the text of Measures E and C and the expenditure reports. Members of the COC had the opportunity to ask District personnel questions regarding the projects and expenditures.

*Review of District Bond Audits.* With respect to the bond audit for the prior fiscal year, the COC met on June 18, 2019 to review the District's Financial and Performance Audits for the year ending June 30, 2018. The Petaluma City Schools District retained the services of the accounting firm of Nigro & Nigro, A Professional Accountancy Corporation to conduct an independent audit of the revenues, expenditures, and changes in fund balance related to construction costs for Measures E and C funds as of June 30, 2018.


## IX. Conclusion

Based on the foregoing review of expenditures and other activities, the COC concludes that bond proceeds spent to date have only been spent for the construction, reconstruction, rehabilitation, or replacement of school facilities, including furnishing and equipping of school facilities, or acquisition or lease of real property for school facilities, as identified in the project list presented to District voters, and as a result the District has complied with California Constitution Article XIII A Section (1)(b)(3), the text of Measures E and C and Education Code 15278 and following. Furthermore, no proceeds were spent on teacher salaries, administrative salaries or on operational expenses.

Approved by the Citizens' Oversight Committee on January 8, 2020.

**CITIZENS' OVERSIGHT COMMITTEE OF THE PETALUMA CITY SCHOOLS' DISTRICT**

BY: \_\_\_\_\_

  
Scott Pritchard, Chairperson