

**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)**

June 20, 2023

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:

Meeting Date and Time	Meeting Location
February 1, 2022 7:00 p.m.	Via Zoom
March 7, 2022 7:00 p.m.	Via Zoom
March 16, 2023	District Office
June 20, 2023	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-NO)
- Casa Grande High School Reroofing and Repairs Project (Building E-SO)
- 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/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
- Petaluma High School Exterior Painting (Phases I, II, & III)– Main Administration building and adjacent classroom wings, including the library and counseling offices (Buildings A, B and C, D) Multi, Gymnasium, Pool area , and CTE/AG buildings
- Petaluma High School HVAC replacement - Museum
- Petaluma Junior High School Roofing/HVAC replacement & repairs kitchen
- Petaluma Junior High School Roofing replacement & repairs Breezeways (Admin/Multi/Library)
- Mary Collins at Chery Valley New Roof & HVAC Laurel & Admin Bldgs
- McNear elementary Roofing & repairs to breezeways and lower roofs
- Valley Vista Multi-purpose/kitchen interior modernization with new flooring, paint, pocket tables, lighting, and other finishes Penngrove Parking Lot redesign and expansion with ADA Ramp
- Kenilworth HVAC upgrades and replacement Phase I- Bldgs C/D and Gym
- Kenilworth HVAC upgrades and replacement Phase II- Bldgs F, G, J & Woodshop
- Roofing repairs and replacement Classrooms 4,5 6
- McNear installation of new flooring in all classrooms and small instructional spaces
- Valley Vista Elementary asphalt repairs for both South & North Blacktop with new striping
- Petaluma Junior High School Exterior Paint (Phases I & II)
- Casa Grande Roofing & Repairs & HVAC replacement (Multi-OMU/NUM & Admin Bldg)
- Casa Grande – installation and replacement of underground gas lines across the campus
- Penngrove Lower Parking Lot reconfiguration and expansion with new dropoff and ADA Access ramp for Admin. Bldg
- Petaluma Junior High School – Battery Backup/Micro-grid project (Paid for in part by PGE SJIP funds) (Scheduled for final commissioning in July 2023)
- Casa Grande High School – Battery Backup/Micro-grid project(Paid for in part by PGE SJIP funds)
- Casa Grande High School – Covered outdoor student eating area
- Casa Grande ADA upgrades to student restrooms in Library and Music Bldgs
- Modernize and upgrade former SCOE building at Maria & McDowell for new fully intergrated and accessible preschool program for preschool students of all abilities (Paid for in part by State Grant Funding)

The following Projects are Under Construction:

- Penngrove Restroom modernization
- Mary Collins @ Cherry Valley Kitchen improvements
- Casa Grande High School – New Classroom Building (R-Wing 5 classrooms)
- Kenilworth Junior High School HVAC Upgrades Ph III (under construction)
- Casa Grande HVAC replacement and upgrade for Building M (24-classrooms) and new roof (under construction)⁵

- Penngrove Elementary Charter new Library & replacement of 4-classroom building with 6 classroom building (under construction)
- Exterior Paint at McDowell Elementary (under construction)
- Exterior Paint at Casa Grande High School (in design – Fall 2023)
- Redesign and replace blacktop play area and paths of travel at Mary Collins @ Cherry Valley to address ADA Access and safety concerns (Fall break 2023)
- Electrical Upgrades and new electric charging stations at Transportation Yard to support new electric buses (Fall 2023)
- PHS Locker room HVAC and Roofing Replacement (4 flat roofs)
- Flooring replacement at McKinley Multi
- Flooring replacement at Room 6 (Robotics lab) former culinary room-KJHS

Future Projects:

- Penngrove Restroom modernization
- Mary Collins @ Cherry Valley Kitchen improvements
- Casa Grande High School – New Classroom Building (R-Wing 5 classrooms)
- McDowell Elementary, McKinley, and McNear Elementary Schools Multi-Purpose Room Renovations (new floor, paint interior, pocket tables, etc.)
- McKinley replace existing SOCC modular building with new 2 new kinder and SOCC classroom modular building with newly expanded and redesigned kinder play area
- Interior renovations and existing bleacher replacement of Casa Grande gymnasium
- Flooring Replacement at KJHS Multi
- Multi- Purpose Interior Improvements at PHS
- **Replace portable classroom near pool with new specialized classroom building with accessible restrooms**
- **Renovate main quad area at PHS with installation of shade trees, seating area, and amphitheater and add new trees with irrigation in front entryway**
- Cafeteria Interior improvements at PJHS and CASA (OMU)
- Grandstand and Pressbox replacement at CASA Football Field (Home side)
- Grandstand and Pressbox replacement at PHS Football Field (Home side)
- Multi Purpose interior renovations for McDowell, McKinley, Mary Collins @ Cherry Valley, and McNear (including restroom ADA upgrades)
- Ongoing HVAC replacement at various sites
- Ongoing Roofing replacement at Various sites
- Carpet Replacement Library at CASA
- Locker room interior renovations at CASA
- Lighting upgrades

VI. Sale of Bonds

In June 2022, the Board of Education adopted 2 resolutions:

The first Resolution 2122-36, authorizing the issuance and sale of General Obligation

Bonds, Election of 2014, Series C, in the aggregate principal amount of not to exceed \$5,000,000, and approving related documents and actions for Petaluma City (Elementary) School District.

The second Resolution 2122-37, authorizing the issuance and sale of General Obligation Bond, Election of 2014, Series C, in the aggregate principal amount of not to exceed \$25,000,000, and approving related documents and actions for Petaluma Joint Union High School District.

The Series C Bonds for both Districts were successfully issued on August 3, 2022.

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:

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|-------------------|--------------|---------------|
| Alice Christensen | Phoebe Ellis | Jerry Mataria |
| Tim Scheele | Michael Webb | |

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 July 2021 and February 2022 and twice between March 2023 and June 2023. 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 March 16, 2023 to review the District’s Financial and Performance Audits for the year ending June 30, 2022. 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, 2022.

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 June 20, 2023.

CITIZENS' OVERSIGHT COMMITTEE OF THE PETALUMA CITY SCHOOLS' DISTRICT

BY: _____
Jerry Mataria, Chairperson