



Rio Bravo-Greeley Union Elementary School District

Measure B
Citizens' Bond Oversight Committee

Annual Report
September 2009

INTRODUCTION

On February 5, 2008, the Rio Bravo-Greeley Union Elementary School District submitted for voter approval Measure B, a general obligation bond measure authorizing the issuance of \$10.9 million in bonds to finance the modernization, acquisition, repair, renovation, construction, furnishing and/or equipping certain capital facilities of the District. The election was conducted in accordance with Proposition 39, which requires approval of 55% or more of the qualified voters voting on the bond measure and authorizes the County to levy an ad valorem property tax to pay debt service on the bonds. Measure B passed by a vote of 69.75% yes; 30.25% no.

PROPOSITION 39 REQUIREMENTS

In order to ensure accountability so that funds are spent prudently and only as directed by citizens of the community, a Proposition 39 election includes the following provisions:

- Restricts tax rates to \$30.00 per \$100,000 of assessed valuation,
- Requires the District to provide voters with a list of specific projects their bond money will be used for,
- Requires an annual, independent financial audit of the proceeds from the sale of the school facilities bonds until all of the proceeds have been expended for the specified school facilities projects,
- Requires an annual, independent performance audit to ensure that the funds have been expended on specified school facilities projects only, and not for teacher and administrator salaries or other school operating expenses,
- Requires the Board to appoint a Citizens' Oversight Committee to ensure the District's compliance with the foregoing restrictions.

CITIZENS' BOND OVERSIGHT COMMITTEE

The Citizens' Bond Oversight Committee is to be comprised of a minimum of seven members, to serve without compensation, for a maximum of two, two-year terms. Members must be at least 18 years of age and reside within the geographic boundaries of the District. Committee members may not include any employee, official of the District or any vendor, contractor or consultant of the District. Membership must include:

- One member who is active in a business organization
- One member active in a senior citizens' organization
- One member who is a parent or guardian of a child enrolled in the district
- One member who is both a parent or guardian of a child enrolled in the district and is active in a parent-teacher organization
- One member who is active in a bona fide taxpayers' organization
- Two general members

The Rio Bravo-Greeley Union Elementary School District Board of Trustees adopted a resolution appointing a Citizens' Bond Oversight Committee and approving the Citizens' Bond Oversight Committee By-Laws on April 14, 2008.

The original Committee members were:

John Ritchie – Business Representative
Glenn Myers – Senior Citizen
Royce Fast – Taxpayer Organization
Alan Gettman – Parent or Guardian
Roxann Komin – PTC member
Bryan Bone – General Member
Julie Moe – General Member

After the initial formation of the committee, Glenn Myers resigned and was replaced by Gordon Walter, and Roxann Komin was replaced by Nita Holland.

The duties of the Citizens' Bond Oversight Committee are to review expenditure reports produced by the District to ensure that Bond proceeds are expended only for the purposes set forth in the ballot measure and that no Bond proceeds are used for any teacher or administrative salaries or other operating expenses of the District. In addition, the Committee shall present to the Board, in public session, an annual written report which shall include a summary of the Committee's proceedings and activities for the preceding year. The committee is required to hold regular meetings, which shall be open to the public in accordance with the Ralph M. Brown Act, Government Code Section 54950 et seq.

Committee Meetings

The Committee met quarterly during the first year of the project, on September 15, 2008; December 15, 2008; March 16, 2009; and June 15, 2009. A synopsis of each meeting follows. Committee meeting minutes are attached to this annual report, and are available on the districts' website (www.rbgusd.k12.ca.us).

September 15, 2009

At the first meeting, Committee members were given copies of the Board Resolutions calling for the election, authorizing the sale of the bonds, and establishing the Citizens' Oversight Committee and By-Laws. Officers were elected and members drew straws to determine which members would serve one-year or two-year terms. John Ritchie was elected Chair, Bryan Bone was elected Vice-Chair, and Nita Holland was elected Secretary. The duties of the committee were discussed and the Committee By-Laws and Ethics Policy Statement were reviewed. The official Project List was reviewed and expenditure reports were examined. Committee members were updated on the status of the project, and took a tour of the facilities.

December 15, 2008

Minutes of the September 15, 2008 meeting were approved. Members were updated on the status of the project, and expenditure reports were reviewed and approved.

March 16, 2009

Minutes of the December 15, 2008 meeting were approved. Members were updated on the status of the project, and expenditure reports were reviewed and approved. CPA firm Linger, Peterson, Shrum & Co. was approved to perform the required annual performance audit.

June 15, 2009

Minutes of the March 16, 2009 meeting were approved. Members were updated on the status of the project, and expenditure reports were reviewed and approved. Committee members took a tour of the project.

DESCRIPTION OF THE PROJECT

The District has developed a Project List identifying facility improvements needed to improve the health, safety, and education provided to the children of its residents. The listing of a capital improvement on the Project List does not imply any particular prioritization among such improvements. Only those acquisitions and other capital improvements included on the Project List may be funded in whole or in part, with the proceeds of the Bonds. The ballot language and project list are included in Exhibit A.

The main focus of the project is the modernization of Rio Bravo-Greeley School, portions of which are over 50 years old. Planned renovations include:

- remove lead, asbestos and other hazardous materials,
- repair and replace electrical systems and wiring for safety purposes and in order to accommodate new technology,

- update internal communications systems for purposes of emergency preparedness and to replace fire alarm systems,
- repair restrooms including the replacement of antiquated plumbing and fixtures, installation of new stalls and floor and wall coverings,
- remodel restrooms, classrooms, and other public areas to comply with the Americans with Disabilities Act accessibility requirements,
- replace ineffective swamp coolers with air conditioning units

The modernization project is to be completed in phases. Below is a description of each phase.

Phase I

The first phase is comprised of work to the oldest buildings of the school, and includes six classrooms, library, administration, and restrooms and will include:

- upgrade of electrical and fire alarm systems
- remodel student and staff restrooms
- replace doors and door hardware, windows, lighting, flooring, chalkboards, and tackboards
- add insulation
- add air conditioning
- divide and convert a storage room into a classroom, staff workroom, and break room
- reconfigure the administration spaces to provide separate reception areas for students and the public, enlarge nurse's room, add additional conference room
- add ramps for compliance with accessibility requirements
- paint

Phase II

This phase will encompass eight classrooms, student and staff restrooms, the band room, the adjacent corridor, and the entry north of the Auditorium. Planned renovations include:

- install fire alarm devices
- remodel student and staff restrooms and provide accessibility
- convert two student restrooms into staff restrooms
- replace door and door hardware, windows, lighting, flooring, chalkboards, and tackboards
- add insulation,
- add air conditioning
- paint

Phase III

This phase will include the girls' and boys' shower, locker room and restroom, coaches' office/shower/restroom, staff restrooms north of the girls' locker room, three classrooms, and limited work to the gymnasium and the adjacent corridor. Work planned in Phase III includes:

- install new fire alarm devices
- remodel student and staff restrooms, shower, and locker rooms
- replace doors and door hardware, windows, lighting, flooring, chalkboards, and tackboards
- add insulation
- add air conditioning
- add ramps for compliance with accessibility requirements
- paint

After the start of construction, the band room, the adjacent corridor, and the entry north of the Auditorium were eliminated from Phase II, and the three classrooms previously included in Phase III were moved to a new Phase IV.

At the time of this report, Phase I and Phase II are 99% complete, and work on Phase III has begun.

FINANCIAL INFORMATION

Bonding capacity is calculated on assessed valuation of property in the district. The district is limited to issuing 1.25% of current assessed valuation less the outstanding principal of previously issued general obligation bonds. Therefore, with approval for \$10.9 million, the district was able to sell only \$7.6 million initially. As assessed valuation increases in the future, the district will be able to sell the remaining bonds for future projects on the voter-approved project list.

The bond sale was conducted on April 16, 2008, and the District received proceeds of \$8,065,370. Proceeds of the sale of bonds are deposited into the Building Fund of the district, which is kept separate and apart from all other accounts of the district. The district disperses amounts from the Building Fund to pay project costs, keeping a written record of all disbursements. Any amounts that remain in the Building Fund upon the completion of the Project will be transferred to the Debt Service Fund to be used to pay the principal and interest on the Bonds.

Principal and interest on the bonds will be paid from the proceeds of tax levies made upon the taxable property in the District. The estimate of the tax which would be required to be levied during the first fiscal year after the sale of bonds is \$30.00 per \$100,000 of assessed valuation. The estimated tax rates are based on the assessed value of taxable property, not on the property's market value. Actual tax rates may vary due to variations from the estimates. Proceeds from the tax levies will be deposited in the District's Debt Service Fund. Amounts in the Debt Service Fund are used to pay the principal and interest on the bonds when they become due and payable. Principal and interest will be paid over a period of 25 years.

During the period of April 16, 2008 to June 30, 2008, audited financial statements show total revenues and other financing sources of \$8,122,047 and total expenses and transfers out of \$1,157,061. The beginning fund balance was \$3 and the ending fund balance was \$6,964,989. For the period of July 1, 2008 through June 30, 2009, unaudited financial statements show total revenues of \$145,630 and total expenditures of \$3,887,388. The beginning fund balance was \$6,964,989 and the ending fund balance was \$3,223,231. Please see the attached financial reports.

CONCLUSION

The Citizens' Oversight Committee, based on its review of the 2007/08 Audited Financial Report and information provided at committee meetings, finds that the Rio Bravo-Greeley Union School District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.

John Ritchie, Committee Chair

Bryan Bone, Vice-Chair