

**Measure G
Citizens' Oversight Committee**

2014-15 Annual Report





Bakersfield City School District
Measure G
Citizens' Bond Oversight Committee
2014-2015 Annual Report
November 16, 2015

INTRODUCTION

On November 7, 2006, the Bakersfield City School District submitted for voter approval Measure G, a bond election measure to authorize the sale of \$100 million in bonds “to upgrade restrooms and plumbing systems, renovate electrical systems to improve student access to computers/technology, acquire and construct classrooms and new schools to reduce overcrowding, make health, safety and security improvements, and improve facilities.” This measure was submitted to voters under the terms and conditions of Proposition 39, which requires a 55 percent affirmative vote for passage. Measure G passed with 63.8 percent.

Accountability requirements of Proposition 39 include annual performance and financial audits on the use of bond proceeds and the establishment of an independent Citizens’ Bond Oversight Committee to ensure bond proceeds are expended only on school facilities and not on school operating expenses.

CITIZENS’ BOND OVERSIGHT COMMITTEE

California Education Code Sections 15278-15282 established the duties of a school district and its duly formed Citizens’ Bond Oversight Committee with respect to Proposition 39 bond measures. This code requires that the governing board establish and appoint members to an independent citizens’ bond oversight committee within 60 days of the date that election results are certified. The Bakersfield City School District Board of Education was proactive in establishing a Citizens’ Bond Oversight Committee and adopting bylaws on August 22, 2006, contingent upon passage of Measure G. The Board certified Measure G election results on December 12, 2006.

The Committee must consist of at least seven members to serve for a term of two years without compensation and for no more than two consecutive terms. The Committee must include:

- A. One member who is active in a business organization representing the business community located within the school district.
- B. One member active in a senior citizens' organization.
- C. One member who is a parent or guardian of a child enrolled in the school district
- D. One member who is a parent, or guardian, of a child enrolled in the school district and active in a parent-teacher organization.
- E. One member who is active in a bona fide taxpayers' organization.

The current committee membership includes:

Edgar Pankey – Parent, Chairperson
Sherri Ostly – Parent Organization, Vice Chairperson
Jennifer Art – Parent Organization
Robert Cortez - Parent
Jarrell Epp – Business Organization
Matt Michael – Senior Organization
Tim Werdel – Taxpayer Organization

District support is provided by:

Steve McClain – District Chief Business Official
Marcos Rodriguez, Facilities Director
Randy Rowles, Maintenance & Operations Director
Sherry Gladin, Fiscal Services Director

The Bakersfield City School District's Measure G Citizens' Bond Oversight Committee met on the following dates: July 17, 2014, October 16, 2014, January 15, 2015, January 22, 2015, and April 16, 2015.

AUDITS

The annual independent financial audit was conducted by Vavrinek, Trine, Day & Co., LLP. Their report, dated November 9, 2015, states that the financial statements for the year ended June 30, 2015 were presented fairly and in conformity with generally accepted accounting principles. In addition, they identified no deficiencies in internal control considered to be material weaknesses.

The annual independent performance audit was conducted by Total School Solutions. Their report dated November 14, 2015 states that, for the year ended June 30, 2015, the expenditure of the funds generated through Measure G bonds were only for the projects listed in the Project List included in Resolution XVIII passed by the Board of Education on July 25, 2006.

HIGHLIGHTS FROM THE AUDIT REPORTS

Total bond authorization: \$100 million

Bonds issued:

Series A - February 2007: \$34,000,000

Series B, C, D - July 2012: \$35,286,619

Remaining bond authority as of June 30, 2015: \$30,713,381

On February 25, the District issued refunding bonds totaling \$25,930,000 in order to lower interest rates on the 2007 Series A bonds, saving taxpayers \$3.2 million in interest costs.

On July 30, 2015, the District issued Qualified School Construction Bond Series E and F totaling \$13,520,000. The bonds have a federally subsidized interest rate which reduces the amount of interest payments by \$9 million over the life of the bonds. The remaining bond authority after issuance of Series E and F is \$17,193,381.

The total amount of expenditures for the year ended June 30, 2015 was \$1,132,821.

The total amount expended cumulatively through June 30, 2015 was \$71,183,155.

EXPENDITURES

As of June 30, 2015, seven school modernization projects have been completed and the initial phase of the Voorhies Elementary School modernization project was in progress. Thirty-two security fencing projects have been completed as of June 30, 2015, and the Horace Mann fencing project was completed in the fall of 2015. Twenty security door projects have been completed as of June 30, 2015. Forty-five security camera projects have been completed. One hundred and ten permanent modular classrooms have been constructed to replace outdated portable buildings at twelve schools.

CONCLUSION

The Citizens' Bond Oversight Committee, based on its review of the annual financial and performance audit reports and information received at its meetings, finds that the Bakersfield City School District is in compliance with the requirements of Article XIII A, Section 1 (b) (3) of the California Constitution.

The Bakersfield City School District website, www.bcsd.com/bond , provides information on Measure G, annual financial and performance audits, the Citizens' Bond Oversight Committee and its activities.