

**Ontario-Montclair School District
 Ontario, California
 February 20, 2019
 MEASURE “K” CITIZENS’ BOND
 OVERSIGHT COMMITTEE**

<u>Members</u>	Term Expiration:	
	<u>Current</u>	<u>Third Term</u>
Bertha Diaz (Parent Member)	Apr 2021	Apr 2023
Judith Jasper (Senior Citizen’s Organization Member)	Apr 2020	Apr 2024
Crisol Mena (Parent Active in a PTA Member)	Apr 2021	Apr 2023
Michael Milhiser (At-Large Member)	Apr 2021	Apr 2023
Christine Pangelinan (At-Large Member)	Apr 2020	Apr 2024
Sergio Sahagun (Community Business Owner Member)	Apr 2020	Apr 2022
Daryll Volrath (Taxpayers Associate Member)	Apr 2021	Apr 2023

2018-19 ANNUAL REPORT

Background: Education Code Section 15280 requires that the Committee issue “regular reports on the results of its activities,” and that a report shall be issued at least once per year. There is no established or mandated form, or other required content, for an annual report.

1. Activities of the Committee.

On January 19, 2017, the Board approve Adoption of Resolution 2016-17-18, establishing an Independent Citizens' Bond Oversight Committee (“CBOC”) and Approving OMSD Independent Citizens' Bond Oversight Committee Bylaws for Measure K. In accordance with the CBOC Bylaws, the committee is to consist of a minimum of seven (7) members. The applications were received and screened to determine the recommended committee membership. On December 13, 2018, the Board or Trustees filled two vacancies by appointing, Christine Pangelinan (At-Large Member) and Judith Jasper (Senior Citizen’s Organization) and re-appointed members, Bertha Diaz (Parent Member), Crisol Mena (Parent Active in a PTA Member), Michael Milhiser (At-Large Member), Sergio Sahagun (Community Business Owner Member), Daryll Volrath (Taxpayers Associate Member).

The CBOC convened on July 27, 2017 and February 1, 2018. No business was conducted without a quorum. Agendas and Meeting Minutes, plus exhibits provided to the members, are posted on the District’s website.

2. **Findings of the Committee.**

The CBOC has scheduled meetings on a regular basis in compliance with State law and the School District's Board Policy BP 7214 and Administrative Regulation AR 7214.

The CBOC has received reports, updates, and information on the expenditure of the bond funds, and reviewed the expenditures made on projects authorized under the bond measure.

Bond funds have been expended on the identified projects authorized by the bond measure.

No bond measure funds have been spent on teacher/administrator salaries or other school operating expenses.

The annual financial and performance audits for the year ending June 30, 2018 was prepared by the auditing firm of Vavrinek, Trine, Day & Co., LLP (VTD) and included as an attachment to this report. The Board of Trustees received the 2017-18 Annual Measure K General Obligation Bond Audit Report ("Audit Report") on January 10, 2019. CBOC members were provided the Audit Report prior to the Board's January 10, 2019 meeting.

The CBOC has received all necessary and requested technical and administrative assistance from the School District.

The CBOC's Internet website is operational and includes all required documentation and information.

The CBOC received information on the District's efforts to maximize the use of Measure 'K' revenues by implementing cost-saving measures, including competitive bidding, negotiating professional services fees for architectural design and construction management services, reuse of plans, incorporating cost efficient/energy conservation measures, and pursuing supplemental funding, including Prop 39 HVAC replacement funding.

The District is in compliance with the requirements of Article XIII A 1(b)(3) of the California Constitution and Section 15278 of the Education Code governing the establishment of a CBOC.

3. Summary of Project Revenues and Expenditures as of June 30, 2018.

Bond authorization: \$150,000,000. Series A bonds: \$35,000,000. Subsequent bond issues: None.

On March 17, 2017, Series A bonds were issued for the bond authorization totaling \$35,000,000.

As reported in the Audit Report, project expenditures as of June 30, 2018 were \$8,597,554.41. The Fund ending balance was \$26,659,076.91. As of June 30, 2018, the Building Fund (“Measure K”) indicates commitments with respect to unfinished projects totaling \$32,439,785.00.

No Audit Findings or Questioned Costs were reported in the Audit Report.

The Audit Report Conclusion states the District’s expenditures were made for authorized Bond projects.

Projects’ funds may be augmented by other District budgets, as appropriate. These include Deferred Maintenance, Developer Fees budgets Prop 39, and funding from the State’s School Facilities Program. There were no adjustments to the District’s financial records as a result of the Audit Report.

4. Recommendations/Commendations.

The CBOC recommends that the District continue its efforts to maximize the use of Measure ‘K’ revenues by implementing cost-saving measures and pursuing supplemental funding. It is apparent to the Committee that the staff’s advanced planning, solid controls procedures, and the development of a strong project management team has resulted in great progress towards the completion of the Measure ‘K’ projects.

Measure ‘K’ was passed in November 2016 to provide \$150,000,000, in whole or in part, funds for the renovation/repair of aging classrooms, plumbing, gas lines, asbestos/lead paint abatement, code compliance, school security, fire safety, increase water conservation/energy efficiency, improve technology/computer/science labs, construct, acquire/retrofit school facilities, sites/equipment, including physical education facilities, gyms, lockers, bleachers, multipurpose rooms used for after-school programs, assemblies, sports, performing arts and serving meals, construct, upgrade, reconfigure parking lots and drop off/pick up zones, and temporary housing of dislocated District activities caused by bond projects.

On behalf of the members of the Measure 'K' Citizens' Oversight Committee (CBOC), I submit this 2018-19 Annual Report to the taxpayers and residents of the Ontario-Montclair School District. The CBOC wishes to thank District staff and the members of the Governing Board who have worked with us to execute our mission of monitoring and overseeing Measure 'K' bond expenditures.

At our February 20, 2019 meeting, the CBOC accepted, reviewed and approved this report.

Respectfully submitted,

Crisol Mena
Vice-Chair

on behalf of the

Measure 'K' Citizens' Bond Oversight
Committee, Ontario-Montclair School
District