

La Cañada Unified School District Bond Oversight Committee 2004-2005 Annual Report to the Community and Governing Board

I. The Committee

Following the passage of Measure B in 2004, and consistent with the requirements of that measure and California's Proposition 39, the Governing Board of the La Cañada Unified School District appointed a Citizens Bond Oversight Committee. Pursuant to State law, Members of the Committee were appointed to represent school sites and groups in the community. The members initially appointed to the Committee were as follows:

Susan Boyd	William Choi	Barry Franzen
Doug Leeds	Scott Lorenz	Robert Louk
Julie Markowitz	Melissa Schiller	Craig Steele

Dr. Sue Leabo and Dr. Mike Leininger represented the District's staff; Cindy Wilcox and later Andy Beattie represented the Governing Board. The Committee elected Craig Steele to serve as Chair.

II. Meetings

The Committee met eight times during the roughly sixteen months covered by this report. Subsequent reports from the Committee will be distributed on an annual basis, each October. The Committee met on June 28, September 16, November 15, and December 16, 2004 and on January 13, March 24, April 21 and October 13 of 2005. Minutes of the meetings are attached to this report and are available on the District's website. All of the other documents reviewed by the Committee and cited in this report are available for public review in the District office.

III. Purpose and Duties of the Committee

The Governing Board adopted bylaws for the Committee that specify the Committee's purpose:

"The purposes of the Committee shall be to inform the public concerning the expenditure of bond revenues. The citizens' oversight committee shall actively review and report on the proper expenditure of taxpayers money for school construction, and these Bylaws are specifically made subject to the applicable provisions of Prop 39 as to the duties and rights of the Committee."

In addition, the Committee's bylaws require that the Committee inform the public regarding the expenditure of bond funds. We are required to review plans and priorities for the expenditure of

bond funds including, where applicable, schematic drawings for projects to determine consistency with Measure B. In addition, the Committee is charged with reviewing quarterly expenditure reports to ensure that bond proceeds are expended only for the purposes set forth in Measure B and not for any teacher or administrator salaries or other operating expenses. Finally, we are required to annually prepare and present this report to the Board and the Community regarding the expenditure of bond funds, containing a summary of our activities and “a statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.”

IV. Committee Activities

During the period covered by this report, the Committee participated in the activities summarized below:

- a. **Organizational activities:** The Committee worked with staff and the Governing Board to complete a workable set of bylaws that would allow Committee Members to gather information in ways sufficient to meet their duty to inform the community regarding the expenditure of bond funds.
- b. **Review of Priorities:** The Committee reviewed with staff the District’s facilities modernization priorities, the list of projects included in Measure B, and the District’s plans for executing those projects in a prioritized way. The Committee requested, and the District supplied, letters from each school site committee indicating that the school sites agreed with the District’s priorities for Phase One projects on each site.
- c. **Review of Schematic Drawings:** The Committee reviewed schematic drawings and, in some cases, models of the projects proposed for each site. Members of the Committee toured each site with the architects and District staff. With regard to each school site, the Committee found that the work proposed in the schematic drawings was consistent with the bond language. Further detail regarding the projects the Committee reviewed and the discussion regarding each project can be found in the minutes of the Committee’s meeting on January 13, 2005.
- d. **Review of LCHS Energy Management System:** The Committee reviewed staff’s recommendation that the District install an Energy Management System at LCHS, and found that project to be consistent with the bond language.
- e. **Setting of Parameters for Annual Performance Audit:** The Committee met with the District’s independent auditor to establish the parameters for the annual performance audit required by law.
- f. **Review of Annual Performance Audit Report:** The Committee reviewed the annual audit report prepared by Boceta, Macon, Workman & Associates. That report provides much of the basis for the finding in the following section.

g. **Other informational items:** Throughout the year, the Committee received informational reports regarding scheduling, bidding, the status of consultants, and the progress of projects as part of its general oversight of bond expenditures and duty to inform the public.

V. Statement Regarding Compliance with the California Constitution

State law requires that the Committee issue an annual statement regarding the District's compliance with Article XIII A, section 1(b)(3) of the California Constitution, which requires compliance with all of the following accountability measures in the expenditure of school bond funds:

(A) A requirement 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) A list of the specific school facilities projects to be funded and certification that the school district board, community college board, or county office of education has evaluated safety, class size reduction, and information technology needs in developing that list.

(C) A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.

(D) A requirement that the school district board, community college board, or county office of education 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.

Based on the information that has been supplied to us by District staff, independent accountants, and consultants, as reflected in the official records of the Committee, the Bond Oversight Committee is pleased to report to the Governing Board and the community that as of June 30, 2005 the District is in compliance with Article XIII A, Section 1(b)(3) of the California Constitution.

Respectfully submitted,
The La Cañada Unified School District Bond Oversight Committee

by: _____
Craig Steele, Chair