

**San Bruno Park School District (SBPSD)
Measure X General Obligation Bond**

Citizens Bond Oversight Committee (CBOC)

First Annual Report (FY 2018-2019)

November 20, 2019

Measure X Background: On November 6, 2018, the voters of the San Bruno Park School District (SBPSD) authorized Measure X for the sale of \$79,000,000 in General Obligation Bonds. The proceeds of the Bonds are intended to be used to upgrade classrooms, science labs, technology, and school facilities to support student achievement and college readiness, improve student and school safety/security and repair deteriorating roofs, plumbing and electrical systems. Measure X received a favorable vote of approximately 70% with high voter turnout.

Letter from your Citizen’s Bond Oversight Committee: It is our pleasure to introduce our first Annual Report for Measure X Bonds. Much of our first year has been spent on developing a foundation for future activities. Highlights from the first fiscal year (FY), ending June 30, 2019, include the successful issuance of the first series of Measure X bonds and minimal bond expenditures of less than \$58,000.

CBOC Purpose & Duties (from Revised and Amended Bylaws): The Citizens Bond Oversight Committee (CBOC)’s purpose and duties are to review Measure X expenditures to ensure bond proceeds were expended only for the purposes set forth in Measure X; that the public is informed of these expenditures, and annual compliance reports are promptly submitted to the Board of Trustees.

Measure X Bond Issuance and Expenditures: The first series of bonds were issued February 21, 2019 for \$25,000,000, with \$54,000,000 remaining in bond authorization. Notably, the net costs of issuance and debt service was \$168,000, which were approximately \$120,000 lower than the estimated financing costs in the bond resolution. A key highlight of the bond issuance process was the Moody’s ratings upgrade from “A1” to “Aa3” which meant that the District no longer had to get bond insurance to bolster the credit on the bonds. The rating upgrade also broadened investor support. Hence, a total of \$24,832,000 was deposited into the Project Fund (Fund 21 Building Fund) before expenditures. Through June 30, 2019, Measure X bond expenditures were \$57,579 as shown in the table below.

| Measure X Bond Expenditures FY 2018-19 | |
|--|-----------------|
| Advertising | \$4,292 |
| Legal Fees | \$44,487 |
| Professional/Consulting Services/Operational Expenses | \$8,800 |
| Total: | \$57,579 |

CBOC Membership: After the passage of Measure X, the SBPSD Board of Trustees appointed eight (8) members to the Measure X Citizen’s Bond Oversight Committee at the January 16, 2019 board meeting.

| CBOC MEMBERS (as of 1/16/19) | | |
|-------------------------------------|-----------------------------------|----------------------|
| CITIZEN | REPRESENTING | TERMS (Years) |
| Wendy Al-Mukdad, Chair | Taxpayer's Association | 3 |
| George Peponis, Vice-Chair | Community at Large | 3 |
| Jeff Fornesi | Parent/Guardian of Enrolled Child | 2 |
| Raul Gomez | Community at Large | 2 |
| Nyla Ibrahim | Parent/Guardian & PTA member | 3 |
| Andrew Lipscomb | Community at Large | 3 |
| Jim Ruane | Business Organization in District | 2 |
| Stephen Seymour | Senior Citizen's Organization | 3 |

Completed Activities: After the establishment of the CBOC in January 2019, the CBOC had four quarterly committee meetings on March 27, 2019, May 29, 2019, August 28, 2019 and November 20, 2019. At the first committee meeting, the committee was trained on its roles and responsibilities by DWK, the SBPSD's legal firm, and was briefed on what to expect on expenditures reporting by Key Analytics. The CBOC also elected and appointed a Chair and Vice-Chair, discussed and recommended modification for the terms of members (later approved by the Board of Trustees on April 10, 2019 in the Revised and Amended Bylaws) and confirmed quarterly meeting schedule. At its second and third committee meeting, the committee was briefed on FY 2018-2019 bond expenditures by Patricia Paulsen, Key Analytics, and the Program Manager, Todd Lee, Greystone West, provided project updates.

Allen Elementary School Project: On May 29, 2019, Todd Lee, who is also the Construction Manager for the Allen Elementary School Project, informed us that a construction budget will be created, and he will work closely with Key Analytics to have checks and balances of the budget. The budget will contain all the costs and will be brought to the board for approval when the schematic design phase is complete. Greystone West will be working with the architect during this phase. Once the Division of State Architect (DSA) has approved the design it will go to the board for approval in order to go out to bid.

Performance Audit: A 3-year contract with Chavan and Associates to perform annual audits for Measure X Bond Program was finalized in April 2019. The contract services are for SBPSD for the fiscal years ending June 30, 2019, 2020, and 2021. We look forward to reviewing the annual audit for FY 2018-2019 when it becomes available.

For More Information:

About CBOC, including 2020 Meeting Dates, <https://www.sbpsd.org/Page/3545>

About Measure X, go to SBPSD Facilities Modernization weblink at: <https://www.sbpsd.org/Page/3538>

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