



**CITIZENS' BOND OVERSIGHT  
COMMITTEE**

**ANNUAL REPORT**

**May 8, 2012**

## **The Citizens Oversight Committee**

Measure H, authorizing the issuance of \$40 million of general obligation bonds, was approved by the voters within the Sonoma Unified School District in November, 2010. Pursuant to the provisions of the Strict Accountability in Local School Construction Bonds Act of 2000 the Board of Trustees was required to appoint a Citizens' Oversight Committee after the successful bond election.

The primary charge of the Oversight Committee is to inform the public about the expenditure of bond revenues and to ensure these revenues are spent for the purposes described in Measure H. Activities and duties of the Committee are found in Sections 15278 et. seq. of the Education Code.

The Citizens' Oversight Committee is required to have representatives from the following:

1. One member active in a business organization representing the business community located within the District.
2. One member active in a senior citizens' organization.
3. One member active in a bona fide taxpayers' organization.
4. One member who is the parent or guardian of a child enrolled in the District.
5. One member who is the parent or guardian of a child enrolled in the District and who is active in a parent-teacher organization, such as the PTA or school site council.
6. Two other members, selected from the public at large.

## **MEMBERS OF THE COMMITTEE**

The following were appointed to the Citizens Oversight Committee by the Board of Trustees:

**Bob Kruljac, Chairman**, is a former Sonoma Valley High School Teacher and Principal. Bob's grandchildren attend Sonoma Valley schools.

**George Psaledakis, Vice Chairman**, is an architect and an active member in the business community. George's children attend Sonoma Valleys schools.

**Veronica Brooks, Secretary**, is the Office Manager/Bookkeeper for Benchmark Construction. Veronica is currently the treasurer for the SVHS Booster club and is a current member of the Sonoma Valley High School Site Council. Veronica's older children attended Sonoma Valley schools and her youngest child currently attends SVHS.

**Anne Ching** is a Financial Analyst with Andrew Davidson and Co., Inc. Anne's children attend SVUSD schools and she has been active in her children's parent-teacher organization. Additionally, Anne is a past president of the Sonoma Valley Education Foundation.

**Dennis Ciocca** is a 40 year veteran of the California public financing industry representing public agencies as a bond underwriter and financial advisor. Dennis is also a member of the Sonoma Valley Hospital Bond Oversight Committee.

**Frank Mazzone** is a retired community member but has served the community as a member of the Sonoma City Planning Commission member and chairman and the Sonoma Valley Hospital Bond Oversight Committee.

**Oscar Lopez** is a self-employed construction worker. Oscar's children attend Sonoma Valley Unified schools and he is current member of the Altimira Middle School ELAC.

**George McKale** is an archaeologist and has been the City of Sonoma Historian since March, 2008. George's four children attend Sonoma Valley schools. George is also a member of the City of Sonoma Cemetery Committee, Chair/Founder of Friends of Sonoma Cemeteries, committee member of The Olompali People (Olompali State Park) and coaches soccer, baseball and basketball.

**Ignacio Vargas** is the Maintenance Manager at Sonoma Hills. His children attend SVUSD schools and has been active in Sassarini Elementary School's ELAC.

**Creed Wood** is a retired Orthopedic Surgeon and an active member in the Sonoma Tax Payer's Association. Creed is also involved in the Rotary Club of Santa Rosa and Fellow American Academy of Orthopedic Surgeons.

**Jennifer Yankovich** is Chief Executive Officer of the Sonoma Valley Chamber of Commerce. Jennifer also is a member of the Adele Harrison Middle School Site Council.

## **ACTIVITIES OF THE COMMITTEE**

The Citizens' Oversight Committee has its own page on the Sonoma Valley Unified School District Website. A copy of all agendas, backup and minutes can be found on this page.

### **Actions taken at the March 16, 2011 meeting include the following:**

- District Bond Counsel, Don Fields, from Orrick, Herrington & Sutcliffe, reviewed with the Committee their legal charge: to ensure the expenditure of bond revenues is spent only for the purposes as described in the Measure "H" text in the November 2010 election.
- The Oversight Committee was given a draft copy of the Committee's By-Laws. The draft was taken to the District's Board of Trustees at their regular April 2011 meeting for approval.
- Selection of Committee Chairperson, Vice Chairperson and Secretary. The Committee unanimously elected Bob Kruljac, Chair Person; George Psaledakis, Vice-Chairman; Veronica Brooks, Secretary. The Committee asked Deputy Superintendent Justin Frese to provide staff to assist with taking minutes during the meeting. District staff will transcribe the minutes and send them to the Secretary for approval.
- The Oversight Committee agreed to meet quarterly. There was a consensus to have the next meeting in the next month or so to review the District's bond budget and upcoming facilities projects.

### **Actions taken at the May 4, 2011 meeting include the following:**

- Approval of the minutes for the March 16, 2011 meeting.
- Review Budget: The Committee was given copies of the District's Budget for Fund 21, Clean and Renewable Energy Bonds (CREBS) and Fund 22, Tax Exempt Bonds. Deputy Superintendent Justin Frese explained the difference in Funds and how the budget was broken down.
- Review Expenses: The Committee was given an Account Object Summary for Funds 21 and 22. Business Manager John Bartolome was in attendance to answer any questions.
- Selection of an Independent Auditor: Deputy Superintendent Justin Frese shared a copy of a proposal from the District's auditor, Chavan and Associates, to provide a performance audit and report on the requirements noted in the ballot for the Measure H General Obligation Bonds as of June 30, 2011.

### **Actions taken at the September 7, 2011 meeting include the following:**

- Approval of the minutes for the May 4, 2011 meeting.
- Review Budget and Expenses: Deputy Superintendent Justin Frese distributed County Financial Reports for Funds 21 and 22. One set of reports was for fiscal year 2010-2011 and one set of reports was for the current fiscal year (2011-2012) to date. Also distributed was a project code key to help Committee Members read the reports and a "draft" copy of the Phase 1 Facility Projects that the SVUSD Board of Trustees would be asked to approve at the regular September 13, 2011 meeting.
- The committee unanimously decided to meet on October 19, 2011 to approve expenditures to date and begin discussion on the Annual Report.

- Committee Member Dennis Ciocca shared the Annual Report that the Sonoma Valley Hospital Oversight Committee presented in April 2011.

**Actions taken at the October 19, 2011 meeting include the following:**

- Approval of the minutes for the September 7, 2011 meeting.
- Review of County Financial Reports for Funds 21 and 22 and unanimous approval of bond expenditures for fiscal year 2010-2011.
- Review of County Financial Reports for Funds 21 and 22 and unanimous approval of bond expenditures beginning July 1, 2011 through October 13, 2011.
- Annual Report to the Board of Trustees: Dennis Ciocca reported back to the committee about the phone conference he had with Deputy Superintendent Justin Frese and Don Fields, the District's bond counsel. Mr. Fields felt that the Committee should not begin work on the Annual Report until the committee has had the opportunity to review the audit being done by Chavan and Associates. Chairman Kruljac noted that he would like Dennis Ciocca to direct the Committee's work on preparing the annual report.
- The Committee unanimously decided to cancel the previously set November 30, 2011 meeting and reschedule to February 29, 2012.

**Actions taken at the February 29, 2012 meeting include the following:**

- Approval of the minutes for the October 19, 2011 meeting.
- Review of County Financial Reports for Funds 21 and 22 and unanimous approval of bond expenditures for the period October 12, 2011 through February 24, 2012.
- The Committee received and reviewed a copy of the Proposition 39/ Measure H Audit Report from Inception through June 30, 2011.
- The Committee outlined the next steps to complete its Annual Report:
  1. Send a representative from the Oversight Committee to review all projects for which money was expended.
  2. Dennis Ciocca to prepare an outline for what the Annual Report should look like.
  3. Deputy Superintendent Justin Frese to report back on Bond counsel recommendation on reporting period.
- The Committee unanimously agreed to meet again in April to discuss the Annual Report.

**Physical Site Inspection conducted on March 29, 2012**

On March 29, between the hours of 8:00 a.m. and 9:00 a.m., Anne Ching, Oversight Committee Member, accompanied by Justin Frese, Deputy Superintendent conducted a survey of school campus. Solar array installations were viewed and found to be generally in conformance with percent completion per approved line items on budget reports.

**Physical Site Inspection conducted on March 30, 2012**

On March 30 between the hours of 9:30 am and 11:45 pm George Psaledakis, Architect and Oversight Committee Member accompanied by Justin Frese, Deputy Superintendent, conducted a survey of all public school campuses. Each solar array installation was viewed and found to be generally in conformance with percent completion per approved line items on budget reports.

**Actions taken at the April 11, 2012 meeting include the following:**

- Approval of the minutes for the February 29, 2012 meeting.
- Review of County Financial Reports for Funds 21 and 22 and unanimous approval of bond expenditures for the period February 25, 2012 through March 28, 2012.
- The Committee reviewed the outline prepared by Dennis Ciocca. All agreed to use the outline in preparing the Annual Report to the District's Board of Trustees at the May 8, 2012 meeting.

**CONCLUSION**

The Committee's activities and actions have been in accordance with the Procedures, Policies and Guidelines adopted by the Board of Trustees as well as the duties outlined in Sections 15278 et. seq. of the Education Code. Financial reviews have taken place at each of the Committee's meetings. The Committee has been apprised of the plans for construction as they relate to expenditure of bond funds, and all expenditures have been found to be in order. The total of expenditures approved over this period from Fund 21 (Solar) was \$5,791,571. 69 while the total approvals from Fund 22 (Building Fund) was \$1,481,597.33.

## EDUCATION CODE

### SECTION 15278-15282

15278. (a) If a bond measure authorized pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution and subdivision (b) of Section 18 of Article XVI of the California Constitution is approved, the governing board of the school district or community college shall establish and appoint members to an independent citizens' oversight committee, pursuant to Section 15282, within 60 days of the date that the governing board enters the election results on its minutes pursuant to Section 15274.

(b) The purpose of the citizens' oversight 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. The citizens' oversight committee shall advise the public as to whether a school district or community college district is in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The citizens' oversight committee shall convene to provide oversight for, but not be limited to, both of the following:

(1) Ensuring that bond revenues are expended only for the purposes described in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Ensuring that, as prohibited by subparagraph (A) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, no funds are used for any teacher or administrative salaries or other school operating expenses.

(c) In furtherance of its purpose, the citizens' oversight committee may engage in any of the following activities:

(1) Receiving and reviewing copies of the annual, independent performance audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Receiving and reviewing copies of the annual, independent financial audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(3) Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(4) Receiving and reviewing copies of any deferred maintenance proposals or plans developed by a school district or community college district, including any reports required by Section 17584.1.

(5) Reviewing efforts by the school district or community college district to maximize bond revenues by implementing cost-saving measures, including, but not limited to, all of the following:

(A) Mechanisms designed to reduce the costs of professional fees.

(B) Mechanisms designed to reduce the costs of site preparation.

(C) Recommendations regarding the joint use of core facilities.

(D) Mechanisms designed to reduce costs by incorporating efficiencies in schoolsite design.

(E) Recommendations regarding the use of cost-effective and efficient reusable facility plans.

15280. (a) The governing board of the district shall, without expending bond funds, provide the citizens' oversight committee with any necessary technical assistance and shall provide administrative assistance in furtherance of its purpose and sufficient resources to publicize the conclusions of the citizens' oversight committee.

(b) All committee proceedings shall be open to the public and notice to the public shall be provided in the same manner as the proceedings of the governing board. The citizens' oversight committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year. Minutes of the proceedings of the citizens' oversight committee and all documents received and reports issued shall be a matter of public record and be made available on an Internet website maintained by the governing board.

15282. (a) The citizens' oversight committee shall consist of at least seven members to serve for a term of two years without compensation and for no more than two consecutive terms. While consisting of a minimum of at least seven members, the citizens' oversight committee shall be comprised, as follows:

(1) One member shall be active in a business organization representing the business community located within the district.

(2) One member shall be active in a senior citizens' organization.

(3) One member shall be active in a bona fide taxpayers' organization.

(4) For a school district, one member shall be the parent or guardian of a child enrolled in the district. For a community college district, one member shall be a student who is both currently enrolled in the district and active in a community college group, such as student government. The community college student member may, at the discretion of the board, serve up to six months after his or her graduation.

(5) For a school district, one member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization, such as the Parent Teacher Association or schoolsite council. For a community college district, one member shall be active in the support and organization of a community college or the community colleges of the district, such as a member of an advisory council or foundation.

(b) No employee or official of the district shall be appointed to the citizens' oversight committee. No vendor, contractor, or consultant of the district shall be appointed to the citizens' oversight committee. Members of the citizens' oversight committee shall, pursuant to Sections 35233 and 72533, abide by the prohibitions contained in Article 4 (commencing with Section 1090) and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code.