

La Cañada Unified School District Bond Oversight Committee 2005-2006 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 who served on the Committee during 2005-06 fiscal year were as follows:

William Choi (Taxpayers Organization representative)	Barry Franzen (Senior Citizen/AARP representative)	Celina Lew (LCE Parents representative)
Robert Louk (PCY Parents representative)	Julie Markowitz (PCR Parents representative)	Melissa Schiller (Community Member)
Craig Steele (7/8 Parents representative)	Terry Walker (Business Organization representative)	

Dr. Jim Stratton, Dr. Mike Leininger, Dr. Bill Loose, Diane Clinton and Kim Bergner represented the District's staff; Andy Beattie and later Susan Boyd represented the Governing Board. Craig Steele served as Chair, Julie Markowitz was elected vice-chair.

II. Meetings

The Committee met 6 times during the roughly 12 months covered by this report. Subsequent reports from the Committee will be distributed on an annual basis, following the conclusion of the annual audit of bond funds. Minutes of the meetings are available on the District's website and from the District office. All of the other documents reviewed by the Committee and cited in this report are available for public review in the District office. Meetings of the Committee were open and public as required by the Brown Act.

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. **Quarterly Expenditure Reports:** The Committee reviewed quarterly expenditure reports for each ongoing construction project during the reporting period: 1) LCHS Energy Management System; 2) LCHS Building F/Choral Music; 3) LCHS Elevator/Building B; 4) LCHS Band/Home Economics; 5) FIS District Office project. Those quarterly reports indicated that that bond proceeds were expended only for the purposes set forth in Measure B and not for any teacher or administrator salaries or other operating expenses.
- b. **Finding Regarding New Construction:** The Committee reviewed with staff a written legal opinion from the District’s legal counsel and found that new construction of a multi-purpose room at Palm Crest Elementary, if undertaken by the District, would be consistent with the list of projects included in Measure B.
- c. **Construction Management Meetings:** The Committee’s Chair participated in monthly construction management meetings with staff, Members of the Governing Board and the Construction Management firm to monitor progress of on-going projects.
- d. **“Lessons Learned” Construction Process Outline:** The Committee reviewed and provided comments regarding staff’s draft of a construction process document that sets forth a framework for future planning and construction projects, based on “lessons learned” from completed projects.

- e. **Setting of Parameters for Annual Performance Audit:** A member of the Committee conferred 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 dated October 27, 2006. That report provides much of the basis for the finding in the following section.
- g. **Palm Drive Committee:** A member of the Committee participated as a member of the Palm Drive District Office Property Review Committee.
- h. **Other informational items:** Throughout the year, the Committee met with District's architects and construction managers and 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, 2006 the District was 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