

SEQUOIA UNION HIGH SCHOOL DISTRICT
480 James Avenue, Redwood City, California 94062-1098

BOND OVERSIGHT COMMITTEE REPORT TO THE COMMUNITY

June 1, 2005

Contact: Dennis P. McBride Chairperson (650) 365-2713

Measure G is an \$88 million bond passed under Proposition 39 by the voters in the Sequoia Union High School District in November, 2001. One of the legal requirements of Measure G was the establishment of a Measure G Bond Oversight Committee, composed of community members representing local businesses, senior citizens' organizations, a bona fide tax payers' organization, as well as involved parents of a child enrolled in a district school. The nine member Committee was charged with the responsibility of assuring voters that bond proceeds are expended effectively and in compliance with the projects listed in the Measure G ballot language.

From July 1, 2003 through April 30, 2005, the Bond Oversight Committee has met eleven times to review the District's bond project plans, timelines, and proposed expenditures. At each meeting the Committee was provided with financial and project plan updates describing the bond-related activities undertaken by the District. The Committee also visited each construction site on two separate occasions.

The accounting firm of Patel & Associates conducted a financial audit for the year ending June 30, 2004. The firm found that the financial results were presented fairly. The firm of RGM and Associates has been retained to perform the performance audit for the year ended June 30, 2004. They are expected to be done by July 15, 2005.

The Measure G Bond Oversight Committee has stated that it is pleased with the efficiency and inception-to-date results of the District's construction efforts.

The District has received over 88 million from the sale of the Measure G bonds. It is estimated that this will generate between \$3.75 to \$4.0 million dollars in interest over the life of the bond which will then allow the District to do additional construction projects. To date the Sequoia Union School District has received \$10,635,000 from state matching funds for construction and \$902,000 in private donations. The community, thus, will receive approximately \$103.6 million worth of school construction for the price of the original \$88 million bond.

Since the initial sale of bonds from February 2002 through April 30, 2005, approximately \$77.9 million has been spent on construction projects, with approximately an additional \$6.0 million projected to be spent in the next two months of fiscal year 2004-2005.

The majority of the projects have been delivered on or below budget. As of April 30, 2005, only two significant projects are projected to be over budget. The Woodside Performing Arts Center was originally budgeted for \$13.8 million; it is currently estimated to be \$2.6 million over budget. The overage is due to \$1.8 million of architectural fees that were inadvertently left out of the original budget, \$0.2 million of

increased costs due primarily to increased costs of steel and cement, \$0.3 million for a change in design to a state of the art Vortek rigging system, and \$0.2 million for excess liability insurance that was not budgeted for because of extended construction time. This overage is partially offset by \$1.4 million in State Construction matching funds. Based on the items that were left out of the budget, the District has revamped its budget process to make sure all costs are adequately estimated and budgeted. The Carlmont classroom project to build 24 classrooms is over budget by \$1.2 million, due to unforeseen site conditions, which led to delays, increased construction time, work that then happened out of sequence from the original plans, and resultant cost increases.

Attached are schedules that show a summary of revenues received and a summary of where the money has been spent as of April 30, 2005.

The Bond Oversight Committee invites community members to attend its meetings that are held at the Sequoia District Office, 480 James Avenue, Redwood City. All meetings are open to the public. Meeting dates/times and agendas are posted on the District web site at <http://www.seq.org/committees/boc/index.html> . The web site also has more detailed project information, photos, minutes and updates.

Committee Members are:

Dennis McBride (Chairman) – Certified Public Accountant, parent

Gregory Rubens (Secretary) – Attorney

Robert Eppler – Contract Engineer

Robert Hutson – Facilities Management at San Francisco State

Margaret MacNiven – Restaurant Owner, parent

Lewis Miller – Chairman, Port of RWC Board of Commissioners

Clint Ostrander – Management Consultant, former CEO

Dale Williams – General Contractor, parent

**Sequoia Union High School District
Measure G Sources of Funds
Inception through April 30, 2005
Unaudited**

Proceeds from sale of bonds	\$ 88,343,346
Interest, net	\$ 3,674,153
State of California Construction Matching Funds	\$ 10,635,214
Private Donations for specific projects	\$ 902,288
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Total Proceeds as of 04-30-05	\$103,555,001

**Bond Oversight Committee
Source of Non G Funds
Inception through April 30, 2005
Unaudited**

	<u>Carlmont</u>	<u>Sequoia</u>	<u>Menlo Atherton</u>	<u>Redwood</u>	<u>Woodside</u>	<u>Total</u>
State Matching	\$ 749,328	\$ 4,677,409	\$ 773,500	\$	\$ 4,434,977	\$ 10,635,214
Private Donations	\$ 500,000	\$ 402,288	\$	\$	\$	\$ 902,288
Total	<u>\$1,249,328</u>	<u>\$ 5,079,697</u>	<u>\$ 773,500</u>	<u>\$</u>	<u>\$ 4,434,977</u>	<u>\$ 11,537,502</u>

**Sequoia Union High School District
Measure G Expenditures
Inception through April 30, 2005
Unaudited**

	Carlmont	Menlo Atherton	Redwood	Sequoia	Woodside	Total
New Music Drama Theaters	\$ 7,923	\$ 97,611	\$	\$	\$ 15,611,411	\$ 15,716,945
Site Modernization	\$ 3,463,715	\$ 4,285,966	\$ 336,058	\$ 2,687,706	\$ 1,188,089	\$ 11,961,534
New Classroom wing	\$11,697,515	\$	\$	\$	\$	\$ 11,697,515
Carrington Hall -	\$	\$	\$	\$ 8,968,498	\$	\$ 8,968,498
All Weather Track & Field, Bleachers & Field Rest Rooms	\$ 1,681,414	\$ 2,415,303	\$	\$ 2,560,503	\$ 1,813,299	\$ 8,470,519
Infrastructure	\$ 2,765,605	\$ 910,049	\$ 132,043	\$ 1,489,403	\$ 1,259,775	\$ 6,556,875
New Gym & Classrooms -	\$	\$ 5,811,843	\$	\$	\$	\$ 5,811,843
Science & Technology Building -	\$	\$	\$	\$ 5,667,270	\$	\$ 5,667,270
Pool replacement	\$ 3,726,126	\$	\$	\$	\$	\$ 3,726,126
Other -	\$	\$ 35,982	\$ 525	\$	\$	\$ 36,507
Subtotal	\$ 23,342,298	\$13,556,754	\$ 468,626	\$ 21,373,380	\$ 19,872,574	\$ 78,613,632
Fees (1)						\$ 76,852
Bond Interest returned to tax payers (1)						\$ 343,346
Total Expenditures	\$ 23,342,298	\$13,556,754	\$ 468,626	\$ 21,373,380	\$ 19,872,574	\$ 79,033,830

(1) Proceeds greater than the Bond the voters approved; is required to be paid to the County to reduce the debt service.

Carlmont, Menlo Atherton, Sequoia, and Woodside were all allocated approximately the same amount of money.

Due to the timing of projects actual expenditures may not appear comparable. As an example Menlo Atherton has reserved \$7 million of their allocation for a Performing Arts Center which is in the design stage.

**Sequoia Union High School District
Measure G State Matching Funds
Inception through April 30, 2005
Unaudited**

<u>School</u>	<u>Description</u>	<u>Dollars</u>	<u>Where Classified</u>
Carlmont	New D&E Wing	\$ 4,677,409	New Classroom wing
Menlo Atherton	Classrooms in Gym	\$ 825,344	New Classrooms in Gym
Sequoia	Front of School	\$ 1,283,173	Infrastructure
Woodside	Performing Arts Center	\$ 1,432,100	Classrooms in Performing Arts Center
Woodside	Science Rooms	\$ 894,360	Modernization
Woodside	Lighting	\$ 773,500	Infrastructure
Woodside	Heating	\$ 749,328	Infrastructure
	Total	<u>\$10,635,214</u>	