

Santa Maria Joint Union High School District  
Measure C2004  
Citizens' Bond Oversight Committee

**Measure C2004**  
**Report to the Public**  
(July 01, 2014 to June 30, 2015)

Prepared by:

Joe Sheaff Chairman  
Santa Maria Joint Union High School District  
Measure C2004  
Citizens' Bond Oversight Committee

Published: March 22, 2016

## **PREFACE**

This is the tenth in a series of Bond Oversight Reports to the Public that are published by the Measure C2004 Citizens' Bond Oversight Committee. Annual reports are published in March of each year to allow the fiscal year end District financial reports to be prepared and then have the data audited by the Independent Accountants. These reports are made available for public review at the Santa Maria Joint Union High School District Support Services Center located at 2560 Skyway Drive, Santa Maria, CA 93455 and at the Santa Maria Public Library located at 420 S. Broadway, Santa Maria, CA 93454.

Measure C2004 was passed by the taxpayers of the Santa Maria Joint Union High School District on November 2, 2004. It authorized an issue of up to \$79 million in general obligation bonds to make repairs, upgrades, and new construction projects to the facilities in the district and to construct a new high school to reduce overcrowding that existed at the time at the high schools. The first issue of \$35 million was made in February 2005. The second issue of \$15 million was made in April 2013. The third and final issue was made in December 2014. Expenditures are being made from the second issue and remaining funds are committed.

The maximum tax rate allowed under Prop. 39 is \$30/\$100,000 assessed valuation. The Santa Maria Joint Union High School District Board of Education decided on what new projects would be undertaken with the remaining 2004 Bond funds and approved the latest Reconfiguration and Facilities Master Plan in the January 2015. The details of this plan will be discussed in depth later on in this report.

Note: Annual fiscal reports are reviewed by all members of the Oversight Committee to ensure accuracy of the published report.

**Santa Maria Joint Union High School District  
Measure C2004 Citizens' Bond Oversight Committee**

**Members  
as of June 30, 2015**

Mr. Walter "Gene" Kedslie, Chairman  
Mr. Joseph L. Sheaff, Jr., Vice Chairman  
Ms. Nohemy Ornales, Secretary  
Mr. David Hickey

**Members Filling California State Requirements for the Measure  
C2004  
Citizens' Bond Oversight Committee  
June 30, 2015**

**Requirement 1.** *At least one member must be active in a business organization representing the business community of Santa Maria.*

Member(s) filling this requirement:

None – Looking for an applicant to fill this position

**Requirement 2.** *At least one member must be active in a senior citizens' organization.*

Member(s) filling this requirement:

Joseph L. Sheaff, Jr., David Hickey

**Requirement 3.** *At least one member must be an active member in a bona-fide taxpayers' organization.*

Member(s) filling this requirement:

Walter "Gene" Kedslic

**Requirement 4.** *At least one member must be a parent/guardian of a high school student.*

Member(s) filling this requirement:

Nohemy Ornales

**Requirement 5.** *At least one member must be a parent/guardian active in a PTA or school council.*

Member(s) filling this requirement:

None – Looking for applicant to fill this position

**Requirement 6.** *At least one member must be an at-large community member.*

Member(s) filling this requirement:

All other members of the Oversight Committee are members-at-large

## **Facilities Affected by the Measure C2004 Bond**

The following facilities within the Santa Maria Joint Union High School District are affected by the issuance of the Measure C2004 School Bond:

Santa Maria High School  
Ernest Righetti High School  
Pioneer Valley High School  
Alternate Educational Facilities  
Delta High School  
A New Continuation High School with a career technical educational component  
Support Services Center

Bond expenditures cover both new construction (e.g., new classroom buildings), and upgrades (e.g., sports complexes, classrooms, etc.) and associated infrastructures and equipment at the identified facilities.

Activities associated with the individual facilities are identified in the Measure C2004 Projects List approved by the Santa Maria Joint Union High School District Board of Education.

## FOREWORD

This report contains a summary of Santa Maria Joint Union High School District Measure C2004 Citizens' Bond Oversight Committee activities for the period July 1, 2014 thru June 30, 2015.

All documentation prepared by or provided to the Santa Maria Joint Union High School District Measure C2004 Citizens' Bond Oversight Committee meetings and Sub-Committees thereof is available in the Oversight Committee archives at the Santa Maria Joint Union High School Support Services Center located at 2560 Skyway Drive, Santa Maria, California. This information will also be available at the following web site:

<http://www.smjuhsd.k12.ca.us>

Follow the link to Parents and Community, Bond Oversight Committee

*(Note: This site may also be used to view the Santa Maria Joint Union High School District's audited financial statements as well as other financial reports.)*

Specifics regarding activities of individual site teams or members thereof conducting site visits, budget reviews, contract documentation reviews, etc. are available to the public at the Santa Maria Joint Union High School Support Services Center (SSC).

Inquiries regarding this report may be addressed to the following c/o the Santa Maria Joint Union High School Support Services Center, 2560 Skyway Drive, Santa Maria, CA 93455:

Committee Chair -- Santa Maria Joint Union High School District Measure C2004 Citizens' Bond Oversight Committee

Committee Secretary -- Santa Maria Joint Union High School District Measure C2004 Citizens' Bond Oversight Committee

## **Historical Background**

### **I. Appointments to the 2004 Citizens Bond Oversight Committee:**

Refer to 'First Report to the Public' dated 28 February, 2006. This report is available for review at the Santa Maria Joint Union High School District Support Services Center located at 2560 Skyway Drive, Santa Maria CA 93455, or at the following web site:

<http://www.smjuhsd.k12.ca.us>

Committee members are appointed to a two year term and can serve a maximum of two terms. The Oversight Committee recommends individuals to the Santa Maria Joint Union High School Board of Education which makes the appointment. Persons interested in becoming an Oversight Committee member should contact the Santa Maria Joint Union High School District Support Services Center.

### **II. Purpose of the 2004 Citizens Bond Oversight Committee:**

The purpose of the Bond Oversight Committee is to insure the proceeds from the sale of the Measure C2004 Bond are only used for the purposes set forth in the ballot measure and not for any other purpose, such as teacher and administrative salaries. The Committee also provides information to the public regarding the expenditure of Measure C2004 Bond funds.

### **III. Meeting Minutes:**

Minutes of all meetings of the Measure C2004 Citizens Bond Oversight Committee are available for review at the Santa Maria Joint Union High School District Support Services Center located at 2560 Skyway Drive, Santa Maria CA 93455, or at the following web site:

<http://www.smjuhsd.k12.ca.us>

## Ongoing Activities

### I. Meetings:

Regular meetings of the Measure C2004 Citizens Bond Oversight Committee are held in the Board Room located at the Santa Maria Joint Union High School District SSC located at 2560 Skyway Drive, Santa Maria CA 93455, and are planned to be held quarterly at 6:30 PM on the fourth Wednesday, beginning in March of each year. During the period of this report, the Oversight Committee held meetings on: **October 15, 2014, February 4, 2015 and April 20, 2015.**

### II. Project Oversight:

Visits were made by Oversight Committee members throughout the year to observe first-hand the progress and quality of approved projects. In conjunction with these site visits, documentation relative to each project was examined to ensure that the projects being evaluated were in fact those identified in the Measure C2004 Projects List approved by the Board of Education. The Measure C2004 Projects List in turn was independently compared by the Oversight Committee to the Bond Measure C2004 (as passed by the voters). Members of the Oversight Committee determined that the Projects List was in fact consistent with the intent of Bond Measure C2004.

Major projects completed during this reporting period was the construction of the 14 classroom addition at Santa Maria High School. The new performing arts building at Pioneer Valley High School received its final approvals and was about to commence construction.

A new continuation high school, designed for 400+ students with a career technical educational component is planned to be built on 25 acres. This new high school would be available to all students of the District. The building of the new continuation high school would begin once land for the school is acquired. The Administration and the Board of Education are currently in escrow for land that would be suitable for this facility. As of the date of this report, suitable land has not yet been acquired.

In addition, the Board approved the major facility upgrades to be undertaken with the rest of the 2004 Bond Funds and a tentative schedule on when construction work would begin. They are as follows: A new performing arts building at Pioneer Valley High School, 2015-16; a new classroom building for Santa Maria High School at Broadway now complete; a new classroom building at Ernest Righetti High School, 2016-2018; and a career technical facility, 2016-18. The new classroom building at Santa Maria High was designed to pick up features that would be required in the renovation of the Ethel Pope auditorium, such as elevators, and restrooms meeting American Disabilities Act (ADA) requirements.

It should be noted that as a result of changes in state funding, the school district demographics, and economic factors, projects may be re-prioritized throughout the life of the bond with approval of the Board of **Education**.

Comment [Y01]:



### III. Bond Expenditures - Overview

As of the January Facilities Update to the Board, expenditures on the 2004 Bond were as follows:

C-2004 Initial Issuance – Feb 2005:	\$35.0 Million
Interest Earned/Investment Gains to Date:	4.0 Million
Williams, City or other reimbursements to Date:	1.8 Million
State Match for RHS 2 classrooms/portable moves:	1.3 Million
State Match for New Delta:	3.3 Million
C-2004 Second Issuance-April 2013	15.0 Million
C-2004 Third Issuance-Dec 2014	<u>29.0 Million</u>

**Total Funds** **\$89.4 Million**

Complete & Under Construction – as of 6/30/15 (\$45.3 Million)

**Current Balance Available for remaining projects \$44.1 Million**

The Bond Committee feels the District Facility management has done an outstanding job of managing the Bond projects funds. By adding additional funding sources to specific projects, where applicable, has allowed additional facilities to be placed on the “to do” project list that would have gone unfunded and therefore not accomplished.

### III. Bond Expenditures - New High School

With the projected total high school student population significantly dropping, the District Administration and the Board of Education have decided that it is not in the best interest of the school district and the taxpaying public to expend 2004 Bond funds on a new comprehensive student high school as originally presented to the voters of the 2004 Bond. The Board of Education decided that a better use of 2004 Bond funds would be to build a career technical facility with an emphasis on technical training at a cost of approximately \$14,000,000.

Following the construction of new classrooms at Santa Maria High School and at Ernest Righetti High School at approximately \$22,000,000, most of the portable classrooms are planned for removal from these sites.

Bond funds were expended in 2007 for a new large high school when the District had engineering and testing expenditures on a potential school site that is no longer being considered.



**SMHS: New 14 Classroom Building**



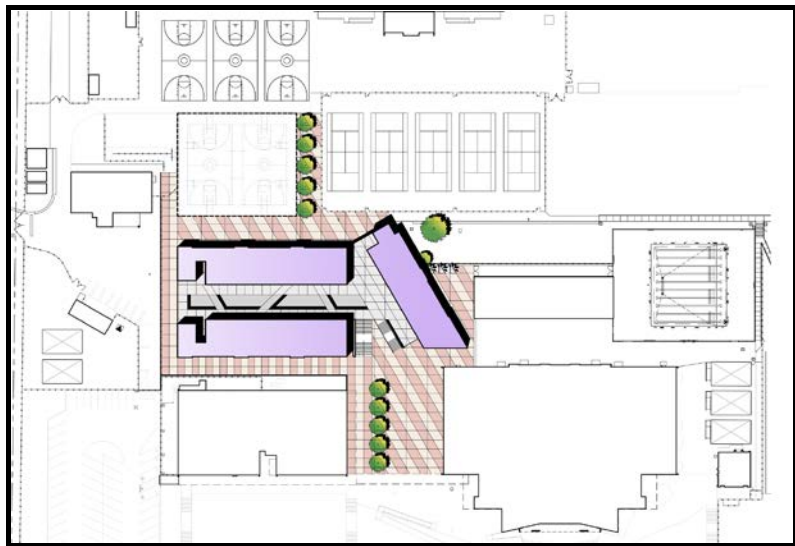


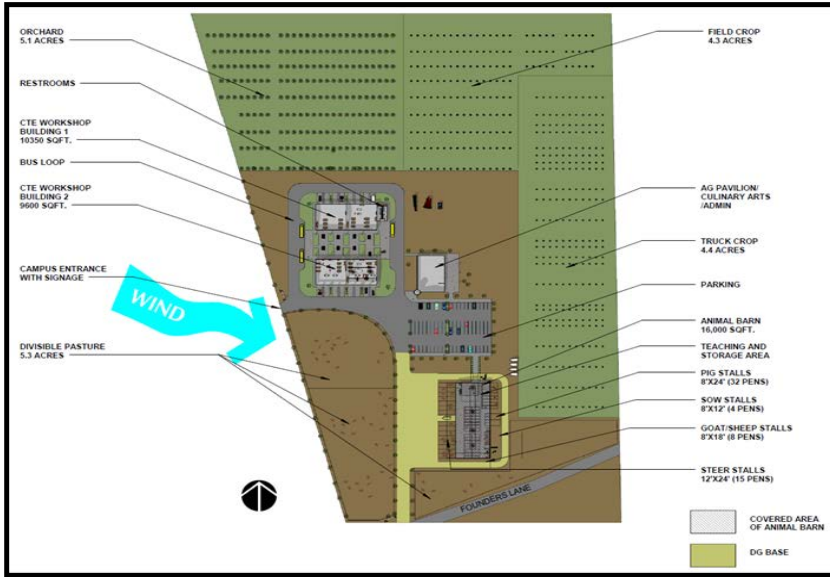
**PVHS: PAC Groundbreaking Ceremony**





**ERHS: 38 Classroom Building Soils Testing and Site Layout**





**Ag and CT Center: Site Layout and Area Photo**



#### IV. External Audit

For the fiscal year that ended June 30, 2015, the External Audit for the Measure C2004 Bond Building Fund of Santa Maria Joint Union High School District was prepared by Christy White, a Professional Accountancy Corporation and dated June 30, 2015. The audit states in part the following:

1. The proceeds from the sale of the Measure C2004 Bond were only used for the purposes set forth in the ballot measure and not for any other purpose, such as teacher and administrative salaries.
2. The Governing Board of the District, in establishing the approved projects set forth in the ballot measure, evaluated the remodeling, new construction and renovation of items which will improve learning and reduce overcrowding in the District, with no funds expended on administrator salaries.
3. The expenditures tested to be in compliance with the terms of the Measure C2004 ballot measure, Facilities Master Plan, and applicable State laws and regulations without exception.
4. The contracts tested follow proper bidding procedures, and were awarded to the lowest responsible bidder.

The financial data of this report are provided in Attachment "A" of this report. The full report can be viewed at <http://www.smjuhsd.k12.ca.us>

## Conclusions/Recommendations

### Conclusions:

It is the conclusion of the SMJUHSD Measure C2004 Citizens' Bond Oversight Committee that:

1. The Santa Maria Joint Union High School District did expend bond revenues only for the purposes described in the California Constitution, Article XIII A, Section 1, paragraph (3), subdivision (b).
2. The Santa Maria Joint Union High School District, as prohibited by the California Constitution, Article XIII A, Section 1, paragraph (3), subdivision (b), did not spend any Bond Measure C2004 revenue for teacher and administrator salaries.
3. The Santa Maria Joint Union High School District did, in fact, expend Bond Measure C2004 funds only on the Measure C2004 projects approved by the voters and the Santa Maria Joint Union High School District Board of Education.
4. All documentation and data provided by the Santa Maria Joint Union High School District was accurate and easily verified.
5. The Bond Oversight Committee has received project costs broken out by Bond fund expenditure and, if applicable, funds from other sources that were used to augment project costs, thereby showing a total project cost.
6. The Bond Oversight Committee feels that with the declining enrolment and the unforeseen creation of a Charter High School by the Orcutt Union School District, as well as other charter schools, that building of a new continuation High School at this time is a prudent decision and the best way for 2004 Bond funds to be spent.
7. The Santa Maria Joint Union High School District staff demonstrated **Outstanding** due diligence in the performance of all activities associated with Bond Measure C2004.

### *Notes:*

- a. Independent Auditors' Report for Fiscal Year ending June 30, 2015 (financial data) is included in Attachment.*
- b. Independent Accountants Report on Applying Agreed-Upon Procedures is not included but can be viewed at the District Office if desired.*
- c. Revised Project List(s), Enrollment Projections, etc. are not part of this report as they are continuously subject to change. Information regarding these items is available at the Santa Maria Joint Union High School District SSC.*

Recommendations:

It is the recommendation of the SMJUHSD Measure C2004 Citizens' Bond Oversight Committee that once the Santa Maria Joint Union High School District Board of Education acquires the land for the new Career technical High School that the facility is built as expeditiously as possible. While the conditions dictating the type of high school have changed, the need for a new school facility is still valid. The current plan for facility development and the sequencing of when each of the proposed facilities is built should be adhered to.

It is also the recommendation of the C2004 Bond Oversight Committee that the Board of Education continue with the current District Administration philosophy of not expending Bond funds to augment the Deferred Maintenance account. Funding a specific project gives the Bond Committee and the public at large, a more visible account on how Bond funds are used.

Questions regarding the findings of the Measure C2004 Santa Maria Joint Union High School District (SMJUHSD) School Bond Oversight Committee may be addressed to the following, c/o Santa Maria Joint Union High School Support Service Center, 2560 Skyway Drive, Santa Maria, CA 93455:

Committee Chair -- Santa Maria Measure C2004 SMJUHSD School Bond Oversight Committee

Secretary-- Santa Maria Measure C2004 SMJUHSD School Bond Oversight Committee

Respectfully submitted:

\_\_\_\_\_ (Signature on File) \_\_\_\_\_

Walter "Gene" Kedsle – Committee Chair  
Santa Maria Joint Union High School District Measure C2004 Citizens' Bond Oversight Committee

Date

\_\_\_\_\_ (Signature on File) \_\_\_\_\_

Nohemy Ornelas – Secretary  
Santa Maria Joint Union High School District Measure C2004 Citizens' Bond Oversight Committee

Date



Concurrence

The following members of the Oversight Committee have reviewed this report, and concur with the data presented herein.

	Signature*	Date
David Hickey	_____	_____
Joe Sheaff	_____	_____

**\* Signatures are on file at the SMJUHSD District Office for those reading this report on line.**