

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

**Measure C2004**  
**Report to the Public**

(July 01, 2009 to June 30, 2010)

Prepared by:

Arthur C. Scheithauer Jr. Chairman  
Santa Maria Joint Union High School District  
Measure C2004  
Citizens' Bond Oversight Committee

Published: January 26, 2011

## **PREFACE**

This is the fifth in a series of Bond Oversight Reports to the Public that are published by the Measure C2004 Citizens' Bond Oversight Committee. Annual reports are now published in January of each year to allow the fiscal year High School 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 and expenditures are being made from that first issue as reported by this Measure C2004 Citizen's Bond Oversight Committee. With a current balance available for new projects of approximately \$3 million dollars, a second issue on the bond is probable some time in the calendar year 2011.

The maximum amount of a second issue would not exceed \$27 million dollars to keep the maximum tax rate allowed under Prop. 39 of \$30/\$100,000 assessed valuation. The Santa Maria Joint Union High School District Board of Education will decide on what new projects shall be undertaken some time in the first part of calendar year 2011.

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**

**June 30, 2010**

Mr. Arthur (Chuck) Scheithauer Jr. - Chairman  
Mr. Ricardo (Rick) Velasco - Vice Chairman  
Ms. Shirleen Sladek - Secretary  
Ms. Robin Hayhurst  
Mr. Daniel Payne  
Mr. George Risher  
Mr. Jon Lindgren  
Ms. Ailina Mahelona  
Ms. Alesia Yglesias

**Members Filling California State Requirements for the Measure  
C2004  
Citizens' Bond Oversight Committee  
June 30, 2010**

**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:

Robin Hayhurst Rick Velasco Arthur Scheithauer Shirleen Sladek

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

Member(s) filling this requirement:

Rick Velasco

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

Member(s) filling this requirement:

Rick Velasco Robin Hayhurst

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

Member(s) filling this requirement:

Jon Lindgren Ailina Mahelona Alesia Yglesias

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

Member(s) filling this requirement:

Alesia Yglesias

**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. 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.

Santa Maria High School

Ernest Righetti High School

Pioneer Valley High School

Alternate Educational Facilities (Delta High School)

Support Services Center

(Unnamed) New High School – Start date to be determined

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, 2009 thru June 30, 2010.

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 Departments/Oversight, and search 'Oversight Committee Bylaws, MeasureC2004 Text, etc.

*(Note: This site may also be used to view the Santa Maria Joint Union High School District's audited 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 District Support Services Center.

Inquiries regarding this report may be addressed to the following c/o the Santa Maria Joint Union High School Support Service Center, 2560 Skyway Drive, Santa Maria, CA 93454:

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 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>

### **II. 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 Support Services Center located at 2560 Skyway Drive, Santa Maria CA 93455, and are planned to be held at 6:30 PM on the fourth Thursday of every other month, beginning in February of each year. During the period of this report, the Oversight Committee held meetings on September 2<sup>nd</sup>, October 22<sup>nd</sup>, December 8<sup>th</sup>, February 19<sup>th</sup>, March 4<sup>th</sup>, April 22<sup>nd</sup>, June 17<sup>th</sup>, August 19<sup>th</sup>, October 28<sup>th</sup>, and December 13<sup>th</sup>.

### II. Project Oversight:

A number of site 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 Trustees. 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 were the Santa Maria High School Library upgrade and the opening of the new Delta High School facilities, although some landscaping is still in work. Work began on the Righetti High Administration renovation.

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.

### III. Bond Expenditures - Overview

As of the September 2010 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:	\$ 3.9 Million
Williams, City or other reimbursements to Date:	\$ 1.8 Million
State Match for RHS 2 classrooms/portable moves:	<u>\$ 1.3 Million</u>
<b>Total Funds</b>	<b>\$ 42.0 Million</b>
Complete & Under Construction – as of 6/30/10	(\$ 30.3 Million)
Under Construction – estimated to complete	(\$ 4.3 Million)
Projects “Next up” but not yet bid (SMHS Pool)	<u>(\$ 4.4 Million)</u>

**Current Balance Available for remaining projects \$ 3.0 Million**



#### IV. Bond Expenditures – Facilities\*

Site	Project Title	Status	C2004 Expenses	Other Fund Expenses	Est./Actual Total Cost
RHS	Parking Lot & Electrical Upgrade	Completed 02/06	\$1,081,242	\$ 223,681	\$1,304,924
RHS	Synthetic Track & Field	Completed 03/06	\$ 51,631	\$1,507,798	\$1,559,429
RHS	Industrial Arts Building Renovation	Completed 08/07	\$1,446,156	-	\$1,446,156
RHS	Asbestos Abatement-Industrial Arts	Completed 06/06	\$ 19,975	-	\$ 19,975
RHS	Portables Relocation	Completed 08/07	\$ 523,824	\$ 3,900	\$ 527,724
RHS	Admin Building HVAC Upgrade	Completed 08/07	\$ 125,345	\$ -	\$ 125,345
RHS	Admin Building Roof Replacement	Completed 08/07	\$ 21,354	\$ 176,430	\$ 197,784
RHS	New Swimming Pool & 2 Classroom Blds. Comp	05/09	\$4,351,203	-	\$4,351,203
RHS	Admin/Student Services Bldg Renovation	In Work	\$ 320,074	\$ 31,938	\$1,757,380
RHS	Admin Building Interim Housing	In Work	\$ 17,459	-	\$ 17,459
RHS	Access Road for Stadium	On Hold	\$ 40,193	-	\$ 350,000
SMHS	Admin Building Window Replace	Completed 10/05	\$ 362,619	\$ 32,911	\$ 395,529
SMHS	Admin Building Roof Replacement	Completed 08/05	\$ 82,753	-	\$ 82,753
SMHS	Morrison Bus Turnout	Completed 08/05	\$ 83,274	-	\$ 83,274
SMHS	New 6 Classroom Building (Colegio)	Completed 04/06	\$1,091,672	\$1,086,288	\$2,177,960
SMHS	New Cafeteria	Completed 11/06	\$4,252,363	\$ 608,753	\$4,861,116
SMHS	Stadium Replacement / Renovation	Completed 05/08	\$2,425,028	\$1,791,189	\$4,243,217
SMHS	Library Renovation	Completed 09/09	\$2,767,034	\$ 420,961	\$3,187,995
SMHS	New Swimming Pool	In Work	\$ 261,471	-	\$4,350,000
SMHS	New Classroom Bldg at Broadway	On Hold	\$ 50,100	-	\$8,500,000
PVHS	Stadium Bleachers and Concession	Completed 09/06	\$2,948,728	\$ 103,377	\$3,052,104
PVHS	Stadium Lights	Completed 01/06	\$ 443,536	-	\$ 443,536
PVHS	18 Portables	Completed 08/06	\$ 598,841	\$ 32,794	\$ 631,635
PVHS	11 Temporary Portables	Completed 08/05	\$ 6,180	\$ 581,551	\$ 587,730
PVHS	Synthetic Turf Repair	Completed 08/07	\$ 8,820	\$ 9,800	\$ 18,620
DHS	Continuation School Replacement	In Work	\$3,476,926	\$ 8,647	\$6,000,000
Student Support Center	Re-Roof Full Building	Completed 12/07	\$ 555,523	-	\$ 555,523
Student Support Center	Re-asphalt Park Lot	Completed 12/07	\$ 96,550	-	\$ 96,550
District Wide	Technology Infrastructure	Completed 08/07	\$1,202,188	\$ 33,912	\$1,236,100
District Wide	Replacement of Student Computers	On-going	\$ 323,784	\$ 198,918	\$ 522,701
District	Morrison Street Gate Installation	Completed 07/07	\$ 21,000	-	\$ 21,000
District	2004 Bond Issuance Cost	Completed 02/05	\$ 648,666	-	\$ 648,666
District	Deferred Maintenance Match 05/06	Completed	\$ 242,662	-	\$ 242,662
District	Deferred Maintenance Match 06/07	Completed	\$ 242,662	-	\$ 242,662
New HS	Site evaluation and testing	Completed 12/07	\$ 85,281	\$ 41,862	\$ 127,143

*\*Note: All costs are as of 30 June 2010. Some of the costs for new/upgraded facilities are being augmented with other funding sources such as; State Funds; Developer fees; Williams Act funding; City of Santa Maria; and Deferred Maintenance and District facility expense line items.*

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.



**Righetti's New Physical Education Classrooms & Swimming Pool**



**Pioneer Valley High School's New Stadium & Concession Stand**



**Santa Maria High School's Renovated Library**



**Santa Maria High's Stadium Replacement/Renovation**



**New Delta High Facilities**



**Righetti High Administration Offices Renovation**

## V. Bond Expenditures - New High School

With the projected total high school student population significantly dropping, the District Administration and the Board of Education have spent the current year evaluating the current need for a new 2,000 person high school and looking at alternative new facilities. The Bond Oversight Committee feels that it is imperative that some type of new high school is built with these Bond funds.

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.

## VI. External Audit

For the fiscal year ended June 30, 2010, the External Audit for the Measure C2004 Bond Building Fund of the Santa Maria Joint Union High School District was prepared by Christy White, a Professional Accountancy Corporation and the report is dated November 22, 2010. 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.

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 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 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 2010 (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 Support Services Center 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 Support Services Center located at 2560 Skyway Drive, Santa Maria, California 93455.*

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 decides on the type and size of the new high school, that this information be immediately announced to the public as there is significant interest in the decision. A new high school decision should be made before a majority of the Bond funds are expended on new facility projects. While there are many worthwhile new facilities on the proposed project list, the building of a new high school, of some type, should be a priority of the 2004 Bond funds. Therefore a projected cost of the new high school be developed and Bond funds set aside for this task so that all of the Bond funds are not all used on facility project/upgrades.

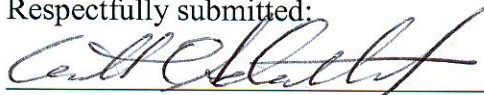
It is also the recommendation of the C2004 Bond Oversight Committee that the Board of Education continue with the current District Administration philosophy of not expending Bond funds to augment the Deferred Maintenance account. Funding a specific project gives the Bond Committee and therefore the public 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 District Office, 2560 Skyway Drive, Santa Maria, CA 9345 :

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) Jan 27 2011  
Arthur C. Scheithauer Jr., Committee Chair Date  
Santa Maria Joint Union High School District Measure C2004 Citizens' Bond Oversight Committee

 (Signature on File) Jan 27, 2011  
Mrs. Shirleen Sladek – Secretary Date  
Santa Maria Joint Union High School District Measure C2004 Citizens' Bond Oversight Committee

## Concurrence

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

	Signature*	Date
Ms. Robin Hayhurst		<u>1/27/2011</u>
Mr. George Risher		<u>1-27-2011</u>
Mr. Jon Lindgren		<u>1/27/2011</u>
Mr. Daniel Payne		<u>1/27/2011</u>
Mr. Ricardo Velasco		<u>1/27/2011</u>
Ms. Alesia Yglesias		<u>1/31/2011</u>
Ms. Ailina Mahelona		<u>1-31-2011</u>

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

**Attachment A**  
**Auditors' Financial Report**

Santa Maria Joint Union High School District C2004 Bond Project Financial Statements for year ended June 30, 2010 were provided by Christy White, a Professional Accountancy Corporation.

**MEASURE C2004 BOND BUILDING FUND**  
**OF SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT**

**Balance Sheet**  
**June 30, 2010**

**ASSETS**

Cash in county treasury, net of fair value adjustment	\$ 11,028,377
Accounts receivable	<u>27,541</u>

**Total Assets** \$ 11,055,918

**LIABILITIES AND FUND BALANCE**

<b>Liabilities</b>	
Accounts payable	<u>\$ 549,567</u>

**Total Liabilities** 549,567

<b>Fund Balance</b>	
Unreserved	<u>10,506,351</u>

**Total Liabilities and Fund Balance** \$ 11,055,918

The accompanying notes to financial statements are an integral part of this statement.



**MEASURE C2004 BOND BUILDING FUND  
OF SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT**

**Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2010**

**REVENUES**

Other local revenue \$ 79,806

**Total Revenues** 79,806

**EXPENDITURES**

Facilities acquisition and construction \$ 5,101,343

**Total Expenditures** \$ 5,101,343

**Excess (Deficiency) of Revenues**

**Over (Under) Expenditures** (5,021,537)

**OTHER FINANCING SOURCES**

Interfund transfers in 21,909

**Total Other Financing Sources** 21,909

**Net Change in Fund Balance** (4,999,628)

**Fund Balance, July 1, 2009** 15,505,979

**Fund Balance, June 30, 2010** \$ 10,506,351

The accompanying notes to financial statements are an integral part of this statement.