



INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE 2018-2019 ANNUAL REPORT

1015 Seventh Street Novato, CA 94945 • 415.897.4211

REPORT #3

July 1, 2018
to
June 30, 2019

Measure G Facts

- ♦ Voters Approved on November 8, 2016
- ♦ \$222M Approved
- ♦ First Bond Issuance ~ \$51M on March 30, 2017
- ♦ Second Bond issuance ~ \$55M on October 15, 2019

Independent Citizens' Oversight Committee

Chair

Erich Mesenburg
PTA Member

Vice Chair

Ali Iqbal
Taxpayer Member

Judy Adison-Hight
At-Large Member

Sylvia Barry
Business Member

Gregory Coté
Parent Member

Jeffrey Vaillant
Senior Citizen Member

Brigit Nevin
At-Large Member

Letter From the Citizens' Oversight Committee Chair

To the Board of Trustees and Residents of the Novato Unified School District:

It is my pleasure as the 2019-2020 Chair of the Novato Unified School District's (NUSD) Measure G Independent Citizen's Oversight Committee (ICOC), to present on behalf of the committee the third annual report of the Measure G Bond program, covering the reporting period from July 1, 2018 through June 30, 2019.

The ICOC's primary responsibility is to look back at the prior fiscal year to review and report on the expenditure of taxpayer money, ensuring that bond revenues are expended only for the purposes set forth in Measure G. This mandate has been fulfilled to date by holding review meetings, participating in a site walk to view ongoing construction projects, receiving construction progress reports and reviewing Measure G expenditures and audits, in order to make sure taxpayer monies were spent as required.

The committee has reviewed the financial and performance audit for the period ending June 30, 2019, issued by our independent auditing firm Christy White Associates. The firm conducted its audit in compliance with Generally Accepted Government Auditing Standards. Christy White Associates issued an unmodified opinion that the financial statements "present fairly, in all material respects, the respective financial position of the Measure G Bond Building Fund of the Novato Unified School District as of June 30, 2019." In regard to the evaluation of internal controls, the firm "tested internal controls over financial reporting and compliance with laws, regulations, or provisions of contracts or agreements and have determined through our inquiry of management and our evaluation of District processes that no significant deficiencies were noted." The auditors also tested "36% of total 2018-19 Measure G expenditures for validity, allowability and accuracy, and concluded that the sampled expenditures were in compliance with the terms of Measure G ballot language, the District-approved facilities plan, and applicable state laws and regulations." In connection with its performance audit, Christy White associates found that "Novato Unified School District complied, in all material respects, with the types of compliance requirements...that are applicable to the Measure G Bond Building Fund for the year ended June 30, 2019." There were no financial statement or state performance findings or recommendations. cont'd



Groundbreaking Ceremonies at San Marin HS and Novato HS June, 2019

Shovels went into the ground at San Marin HS to celebrate the start of construction of the new STEM Center and Performing Arts Center. At Novato HS we celebrated the new Center for the Arts, the Center for the Sciences and the new Athletic Field Complex projects.



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QUESTIONS?

Email us at:
bondinfo@nUSD.org
or
ICOC@nUSD.org

Find us on the web at
www.nUSD.org/bond-information



2017 - 2018 Annual Report

Citizens' Oversight Committee Chair Letter (cont'd)

Based on this audit and other work of the Committee, we would like to announce that, to the best of the Committee's knowledge, NUSD was in compliance with all requirements of Measure G as set forth under the rules of Proposition 39, for the period ending June 30, 2019. The full report and more detailed information is available on the District's website, www.nUSD.org/bond-information.

Highlights of the Committee for 2018 - 2019:

- ◆ Our second Annual Report, covering the reporting period from July 1, 2017 through June 30, 2018, was presented to and accepted by the Board of Trustees at its regular Board Meeting on March 19, 2019.
- ◆ Four regular meetings of the ICOC were held on August 22, 2018, September 26, 2018, March 4, 2019, and May 15, 2019. Proceedings included ongoing program & project updates, including construction management overview; plan of finance updates; the performance and financial audit review presented to the Committee by the district's independent auditors as well as election of the 2019/20 Chair (Erich Mesenburg) and Vice Chair (Ali Iqbal).
- ◆ The August meeting included a Facilities Construction site walk for the committee of 2018-19 construction projects to date, in order to verify expenditures for authorized bond projects, and ascertain that they were successfully completed, continuing to completion in 2018-19, and/or advancing into 2019-20.

2018-2019 was full of a lot of exciting activity, as five of the largest projects for Measure G really took shape. Complete with hard hats and shovels, groundbreaking ceremonies were held at San Marin HS for the new STEM Center and Performing Arts Center, and at Nova-to HS for the new Center for the Sciences, the new Center for the Arts, as well as the new Athletic Field Complex. Construction is currently in progress for all these projects. Within this report you will also find details and photographs on all the active or completed projects from 2018-2019, as well as continuing projects and new work for 2019-2020.

The work of the ICOC is conducted under The Brown Act. All of our meetings are open to the public and we welcome observers. If you have any questions for the Committee, we can be reached by email at ICOC@nUSD.org.

Sincerely Yours,


Erich Mesenburg
Chair, Measure G Independent Citizens' Oversight Committee

2018-2019 ICOC Committee Members



Back row: Greg Coté, Brigit Nevin, Ali Iqbal, Jeffrey Vaillant
Front row: Erich Mesenburg, Sylvia Barry, Judy Adison-Hight

ICOC 2018-19 Meeting Schedule

2018

08.22.2018 *Site Walk*

- San Jose MS Classroom HVAC Installation
- Novato HS and San Marin HS Stadium Re-turf and Track Resurfacing Projects
- Deferred Maintenance: Sewer Repair at San Ramon ES and Novato HS San Ramon ES ReRoof

09.26.2018 *Regular Mtg*

- Bond Facilities Project Update Presented
- Change Order Update Presented
- ICOC Annual Report Subcommittee Approved

2019

03.04.2019 *Regular Mtg*

- Measure G Bond Audit Report Presented
- ICOC Annual Report Presentation
- Lease/Leaseback Construction Cost Mechanism Presentation
- Bond Facilities Project Update Presented

05.15.2019 *Regular Mtg*

- Construction Bid Lists Presented
- Audit Process Letter
- Bond Facilities Project Update—Summer 2019 Projects
- Election of Chair & Vice-Chair for 2019/20
- Reappointment of 3 Committee Members
- Measure G Communications Update
- ICOC Meeting Calendar

2018-2019 Annual Report

Measure G Bond Project Update

In the 2018-19 school year, the District continued with planning and preconstruction of the four largest projects in the Board approved Phase One of Measure G—the new STEM (Science, Technology, Engineering and Math) and Performing Arts Centers at San Marin HS and the new Center for the Sciences and Center for the Arts at Novato HS. In October, the Board prioritized air-conditioning at school sites, beginning with plans for installation at three elementary schools, and moved forward with the Athletic Field Complex at Novato HS. Completed during the reporting year was the installation of air-conditioning at San Jose MS, the stadium field re-turf projects at San Marin HS and Novato HS; the 2nd phase roll-out of Chromebooks for the “One to World” program; an upgraded public address (PA) system at the San Marin HS stadium field; deferred maintenance sewer repairs at Olive ES, San Ramon ES and Novato HS, and the roofing replacement project at San Ramon ES, which increased energy efficiency with the installation of a single-ply membrane “cool roof” system. In preparation for continued IT Infrastructure upgrades, the District installed a robust firewall system, and in partnership with additional state funding purchased new wireless access points throughout the district.

In looking ahead to the 2019-20 school year, several projects are under construction, and the District is working hard with their construction partners to mitigate any delays caused by weather and Division of State Architect approvals. All partners are working diligently to ensure the highest standard of quality while keeping a careful eye and being a responsible steward of bond revenues. Simultaneously, the District is continuing its efforts to maximize additional state new construction and modernization funding, including a CTE Facilities grant for the San Marin HS Bio-Technology lecture labs in the new STEM building.

Completed over the summer in 2019 were the A/C installations at Olive, Lynwood and Loma Verde Elementary schools, and re-roof and skylight replacements at Lynwood, San Jose Middle School and Novato High School, contributing to overall energy efficiency in the classrooms. Also completed was the new Food and Nutritional Services (FANS) Distribution warehouse, which centralizes the district’s operation under one roof for a more effective program. The final roll-out of the “One to World” Chromebook project, putting technology into the hands of every district 3rd through 12 grade student has been a tremendous success. Diligent work by the District’s IT department is ensuring longer device life cycles than previously estimated, thereby minimizing future costs on planned replacements.

About the Independent Citizens’ Oversight Committee:

Under the provisions of Proposition 39, the Board of Trustees appointed an Independent Citizens’ Oversight Committee (ICOC) to monitor bond expenditures on March 7, 2017.

The focus and responsibilities of the committee are to “look back” at the expenditures and uses of Measure G revenues from the prior reporting year of July 1st through June 30th. The Committee’s legal charge is to actively review and report on the expenditure of taxpayer’s money for bond-funded school construction, review the annual audit report prepared by an independent Certified Public Accounting Firm, and inform the public concerning the District’s expenditure of bond proceeds. The Committee shall convene to provide oversight to ensure that a) bond proceeds were expended only for the purposes set forth in Measure G; and b) no bond proceeds were used for teacher or administrative salaries or other operating expenses other than those in compliance with Article XIII A, Section 1(b)(3)(A) of the California Constitution. They shall present to the Board, in public session following each fiscal year, an annual written report which shall include a) a statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution and b) a summary of the Committee’s proceedings and activities for the preceeding year.

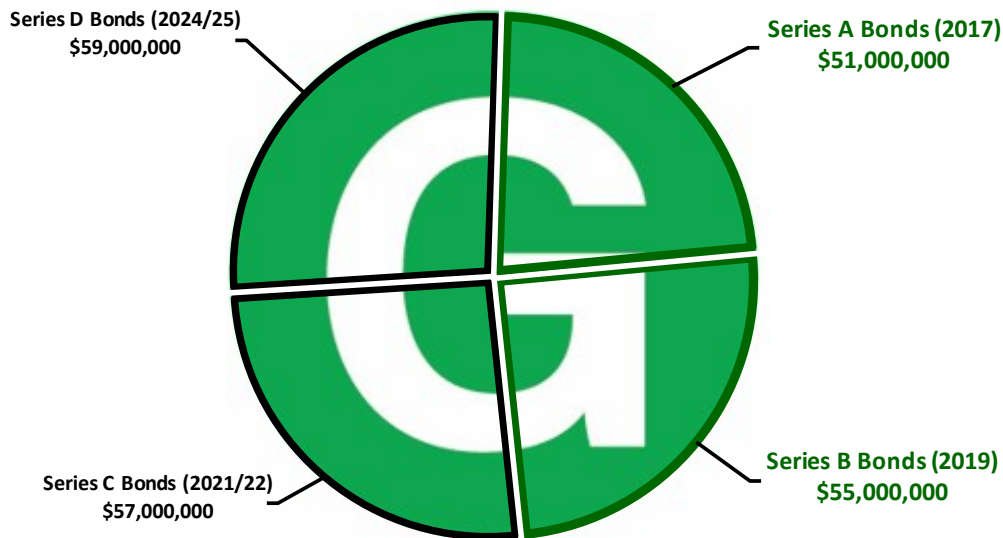
The committee does not determine how or for what specific projects bond funds shall be spent; select contractors or consultants for bond projects or participate in the negotiation or bid process; enter or inspect a job site or construction project without prior permission of the District; contact District contractors or consultants directly without prior permission of the District; require the District to prepare reports or conduct audits more frequently than required by law; or make decisions regarding timing, terms or structure of a bond issuance other than review the District’s bond issuance documents upon the conclusion of a bond sale if desired.

The Measure G Bond ICOC consists of at least seven (7) members each serving a term of two (2) years, and for no more than three (3) consecutive terms. The committee exists until all the bond proceeds have been expended. They meet approximately four times a year, and all meetings are open for the public to observe. The agenda, meeting dates, minutes of prior meetings and materials presented during the meetings are available on the district website, at www.nusd.org/bond-information.

Bond Financing

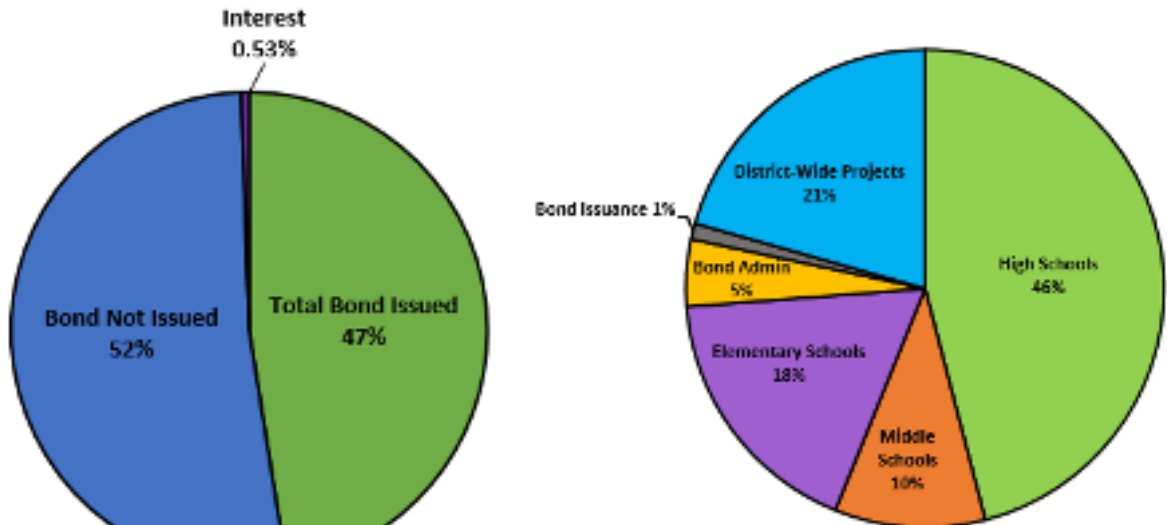
The first bond issuance occurred March 16, 2017, for \$51 million with a blended True Interest Cost (TIC) of 3.45%. This was comprised of \$47 million for Series A (30 years with a TIC of 3.50%) and \$4 million for Series A -1 (5 years with a TIC of 1.31%). On October 16, 2019, the District issued \$55 million of Series B Bonds with a TIC of 2.54%, maturing on August 1, 2044.

Novato Unified School District's GO Bond Rating remains at Aa1 with Moody's, and has an AA rating from Standard & Poors. These strong bond ratings continue to enable the District to sell the next series of bonds at a lower interest rate, saving taxpayer money.



PLAN OF FINANCE—Measure G Bond Series (\$222 Million Total)

MEASURE G BOND EXPENDITURES from July 1, 2016 Through June 30, 2019



Measure G Bond Status

Total Bond Issued	47.50%	\$106,000,000
Bond Authorized, Not Issued	51.98%	\$116,000,000
Interest	0.53%	\$1,180,608
Total Funds		\$223,180,608

Total Bond \$ Allocation (2016-2019)

High Schools	\$8,563,336
Middle Schools	\$1,896,073
Elementary Schools	\$3,294,808
Bond Admin	\$843,148
Bond Issuance	\$200,000
NUSD-Wide Work	\$3,839,870
Total Funds	\$18,637,235

Measure G Bond Expenditures Summary

The following summary table includes a listing of projects by site with a 2018-19 bond funding expenditure total and an overall bond funding expenditure total for 2016 to 2019. Project, or portions of projects, that were completed as of June 30, 2019, are included in these totals.

Site	Measure G Bond Project	Annual Bond Expenditures (2018-19)	Total Bond Expenditures (2016-19)
Lynwood ES	Food & Nutritional Services (FANS) Move Skylight Replacement	\$248,493 \$25,444	\$263,720 \$25,444
Olive ES	Sewer Repairs (Summer 2017) Sewer Repairs (Summer 2018)	\$0 \$84,150	\$92,935 \$120,322
San Ramon ES	Sewer Repair (Summer 2018) Roof Replacement	\$26,172 \$1,155,631	\$37,422 \$2,050,806
LES, LVES, OES	A/C Installation	\$704,159	\$704,159
San Jose MS	A/C Installation Roof Replacement/Gazebo Skylights	\$920,546 \$86,368	\$1,809,705 \$86,368
Novato HS	Sewer Repair (Summer 2017) Sewer Repair (Summer 2018) 2nd Turf Field/Athletic Fields Complex Center for the Arts Building Center for the Sciences Building Roof Replacement (3 wings & Gordon Gym) Stadium Field & Track Renovation	\$0 \$26,172 \$674,325 \$1,215,102 \$685,814 \$301,559 \$766,729	\$88,732 \$37,422 \$721,602 \$1,566,014 \$946,454 \$301,559 \$1,309,824
San Marin HS	2nd Athletic Turf Field Stadium Public Address System Performing Arts Center Building STEM Building Stadium Field & Track Renovation	\$0 \$245,872 \$664,192 \$810,559 \$607,936	\$29,981 \$300,641 \$784,680 \$1,205,335 \$1,271,092
Bond Program Management	Administrative Costs Bond Issuance Costs	\$434,636 \$0	\$843,148 \$200,000
District-Wide Projects	"One to World" Program IT Infrastructure Upgrades GMO Building Classroom Toolkit 21st Century Furniture	\$619,773 \$650,352 \$551,944 \$52,360 \$52,136	\$1,915,431 \$1,231,677 \$551,944 \$52,360 \$88,458

TOTAL \$11,610,424 \$18,637,235



MEASURE G PROJECTS - IN PROGRESS

Novato High School—Center for the Sciences

A new 15,000 ft² Center for the Sciences to replace aging portable classrooms at the end of their useful life; this new building includes 10 lecture/labs, a demonstration area, breakout spaces, staff support space, as well as outdoor learning areas to support project-based learning pedagogy—planned construction completion is Fall of 2020.



Novato High School—Center for the Arts

A new 450-seat, 18,000 ft² Center for the Arts, including gallery space, classroom/greenroom spaces and support spaces; this balcony-style seating building will support District-wide arts programs, as well as Novato High School's Marin School of the Arts—planned construction completion is January 2021.



MEASURE G PROJECTS - IN PROGRESS

Novato High School—Athletic Field Complex

A new 85,000 ft² synthetic turf practice field, a new 31,000 ft² synthetic turf softball field, a redesigned 102,000 ft² turf baseball field, and 30,240 ft² of new tennis courts (5) - planned construction completion is May 2020.



Grounds Maintenance and Operations Building

A new 10,800 ft² building to relocate Maintenance & Operations from the Olive Avenue warehouse and removes the Grounds department off the Novato HS campus— planned construction completion is May 2020.



MEASURE G PROJECTS - IN PROGRESS

San Marin High School—Science Technology Engineering & Math (STEM) Center

An 18,000 ft² STEM classroom/lab building, including student break-out spaces, demo areas and staff support space with two dedicated Bio-Technology classroom/labs as well as a positive pressure clean room—planned construction completion is Fall 2020.



San Marin High School—Performing Arts Center

A new 7,800 ft² Performing Arts Center, accommodating approximately 250 seats, with greenroom/classroom support spaces, lobby, ticket booth and restrooms—planned construction completion is January 2021.



MEASURE G PROJECTS - IN PROGRESS

District Wide Classroom Technology Toolkit

Summer 2020 work includes the installation of a TV monitor on a portable cart, Apple TV, and an iPad in each classroom at Novato and San Marin High Schools. This is the first step in the Classroom Technology Toolkit project; the installation for middle schools and elementary schools are scheduled for summer 2021 and summer 2022.



District-wide IT Infrastructure Upgrades

Upgrades to the IT infrastructure at Novato and San Marin High Schools, including new switching hardware, new fiber and copper cabling, and new site distribution systems from each school's main data-frame hub to each classroom; this upgrade will enable a 10GB capacity at each school site— the fastest connection of any school district in the County.



MEASURE G COMPLETED PROJECTS - DISTRICT-WIDE

“One to World” Chromebook Roll Out Phase 1 (August 2017), Phase 2 (August 2018) & Phase 3 (August 2019)

Putting technology into the hands of all 3rd through 12th grade students, this One To World program issued Chromebooks to each student to engage, inspire and enhance 21st Century learning skills in and out of the classroom.



Food and Nutritional Services (FANS) New Distribution Center at Olive Avenue

Renovated space at the District's Olive Avenue warehouse to relocate the Food & Nutritional Services (FANS) operation off of the Lynwood ES campus, providing greater operational efficiency and allowing for a future renovation project at the site—construction completed February 2020.



MEASURE G COMPLETED PROJECTS - HIGH SCHOOLS

NOVATO HIGH SCHOOL

Stadium Field ReTurf and Track Resurfacing

Re-turfing with FieldTurf, adding a new safety pad underneath along with cork infill; resurfacing of the track with a new topcoat along with new painted striping/markings—construction completed August 2018.



Roofing Replacement Project—2019

Replacing the damaged and aged roofs on the Gordon Gym and classroom buildings 2400, 2600, 3000 and 3600—construction completed August, 2019.



Sewer Repair Projects—2017 and 2018

In 2017, Pipe Spy Marin did camera inspections at several school sites, and replaced many clogged and damaged lines at Novato High School. In 2018, Maggiora & Ghillotti completed additional sewer repair work. Completion: August 2017 and August 2018



MEASURE G COMPLETED PROJECTS - HIGH SCHOOLS

SAN MARIN HIGH SCHOOL

Stadium Field Re-Turf & Track Resurfacing

Re-turfing with FieldTurf, adding a new safety pad underneath along with cork infill; resurfacing of the track with a new topcoat along with new painted striping/markings—construction completed August 2018.



Stadium Public Address System Upgrade

Installation of a new state-of-the-art public address system in the newly constructed press box to enhance the experiences of various sporting events on the field—construction completed August 2018.



MEASURE G COMPLETED PROJECTS - MIDDLE SCHOOLS

SAN JOSE MIDDLE SCHOOL

A/C Upgrade Project

Removal of existing gas heating unit/furnace from each classroom and replacement with a new energy-efficient heat pump and exterior condensing unit that provides both heating and much needed cooling capacity in each classroom—construction completed August 2018.



Gazebo Skylight Replacement Project

Removal of existing skylights in the school's central gazebo with new custom-sized skylights that eliminated water leaks—construction completed August 2019.



MEASURE G COMPLETED PROJECTS - ELEMENTARY SCHOOLS

LOMA VERDE ELEMENTARY SCHOOL

A/C Upgrade Project:

Replacement of the existing gas heating unit/furnace from each classroom with a new energy-efficient heat pump connected to an exterior condensing unit—construction completed September 2019.



LYNWOOD ELEMENTARY SCHOOL

A/C Upgrade Project:

Replacement of the existing gas heating unit/furnace from each classroom with a new energy-efficient heat pump connected to an exterior condensing unit—construction completed September 2019.



Skylight Replacement Project

Removal of existing skylights in the school's classroom wings with new custom-sized skylights that eliminated water leaks—construction completed August 2019.



MEASURE G COMPLETED PROJECTS - ELEMENTARY SCHOOLS

OLIVE ELEMENARY SCHOOL

A/C Upgrade Project

Replacement of the existing gas heating unit/furnace from each classroom with a new energy-efficient heat pump connected to an exterior condensing unit—construction completed September 2019.



Sewer Repair Projects— 2017 and 2018

Replacement of many clogged and damaged sanitary sewer lines, including the installation of several new clean-out access points—construction completed August 2018.



SAN RAMON ELEMENTARY SCHOOL

Roofing Replacement Project:

Replacement of 36,000 square feet of a single-ply membrane cool roof system, including new roof flashing, water damage repair to roofing structure and gutter/drain/downspout repairs—construction completed September 2018.



Sewer Repair Project

Replacement of many clogged and damaged sanitary sewer lines, including the installation of several new clean-out access points—construction completed August 2018.



NOVATO **UNIFIED** SCHOOL DISTRICT
1015 Seventh Street | Novato, California 94945

**Thank you
Voters and the Novato Community!**

**Measure G:
Great Schools For A Greater Novato!**



**Independent Citizens' Oversight Committee
Annual Report and Bond Project Updates Inside!**

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