

ANNUAL REPORT

Measure G Bond Independent Citizens' **Oversight Committee**



REPORT #4

NIFIED

July 1, 2019 to June 30, 2020

Measure G Facts

- Voters Approved on November 8, 2016
- \$222M Approved
- First Bond Issuance \sim \$51M March 30, 2017
- Second Bond Issuance ~ \$55M October 15, 2019
- Third Bond Issuance ~ \$101M November 19, 2020

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

Kelly Mathyssen Parent Member

Brigit Nevin At-Large Member

Jeffrey Vaillant Senior Citizen Member 1015 Seventh Street Novato, CA 94945 • 415.897.4211

Letter From the Citizens' Oversight Committee Chair

March 2021

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

As the 2020-2021 Chair of the Novato Unified School District's (NUSD) Measure G Independent Citizen's Oversight Committee (ICOC), it is my pleasure to present on behalf of the committee the fourth annual report of the Measure G Bond program, covering the fiscal period from July 1, 2019 through June 30, 2020.

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 the ballot language of This mandate has been fulfilled to date by holding review Measure G. meetings, participating in a construction site walk to view ongoing projects, receiving construction progress reports and reviewing Measure G annual expenditures and audits.

The draft financial and performance audit for the period ending June 30, 2020, issued by the independent auditing firm Christy White Associates, has been reviewed by the committee. The firm issued an unmodified opinion that the financial statements "present fairly, in all material respects, the financial position of the Measure G Bond Building Fund of the Novato Unified School District as of June 30, 2020." Christy White "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 "\$13,225,761 or 25% of non -personnel 2019-2020 Measure G Bond Building Fund expenditures for validity, allowability and accuracy, and concluded that the sampled (cont'd)

Construction Complete - Novato HS Center for the Sciences (left) and San Marin HS STEM Building (right)



NUSD BOARD OF TRUSTEES

Ross Millerick President

Diane Gasson Vice-President

Maria Aguilera Trustee

Debbie Butler *Trustee*

Julie Jacobson Trustee

Derek Knell *Trustee*

Greg Mack *Trustee*

NUSD STAFF BOND OVERSIGHT

Kris Cosca Superintendent

Yancy Hawkins Asst Superintendent, Business & Operations

Mike Woolard Executive Director of Facilities

Melissa Duggan Facilities Project Manager

Tony Albini Director of Maintenance, Operations & Transportation

Lisa Casey Administrative Assistant for Facilities

QUESTIONS?

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

Find us on the web at www.nusd.org/bondinformation



2019-2020 Annual Report

Citizens' Oversight Committee Chair Letter (cont'd)

expenditures were in compliance with the terms of Measure G ballot language, the District-approved facilities plan, and applicable state laws and regulations." Christy White associates found in their performance audit 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, 2020." Regarding contract bid procedures and change orders, the District "appears to be properly reviewing projects and applying appropriate procedures over contract and bidding..."and that "all change orders were properly reviewed and approved by management and the governing board in accordance with District policy." There were no financial statement or performance audit findings or recommendations for the year ending June 30, 2020.

Based on this audit and other work of the Committee, we would like to announce that, to the best of the Committee's knowledge, the Novato Unified School District was in compliance with all requirements of Proposition 39 and Measure G for the period ending June 30, 2020.

The full audit report, and more detailed information on the ICOC's duties, meeting agendas and minutes are available on the District's website, *www.nusd.org/bond-information*. Within this annual report you will also find details and photographs on all the active or completed projects from 2019-2020, as well as continuing projects and new work for 2020-2021.

This past year offered challenges and opportunities for the Measure G Bond Program. During the state and county-directed shelter in place, public works construction projects were considered an essential business and were not shut down. Ongoing projects benefitted from additional workforce available from commercial construction shutdowns, as well as advanced work opportunity created by access to closed school facilities. While Covid-19 created impacts on construction material procurement and delivery delays for several of our projects, the STEM science building at San Marin HS and the Center for the Sciences at Novato HS are ready and waiting for student's eventual return to campus. Going forward the next year or two, there are signals of a competitive construction bidding environment that should offer projected budget savings on Measure G projects planned for 2021 and 2022.

The work of the Independent Citizens' Oversight Committee 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,

Erich Mesenberg Chair, Measure G Independent Citizens' Oversight Committee

2019-2020 Annual Report

Bond Financing

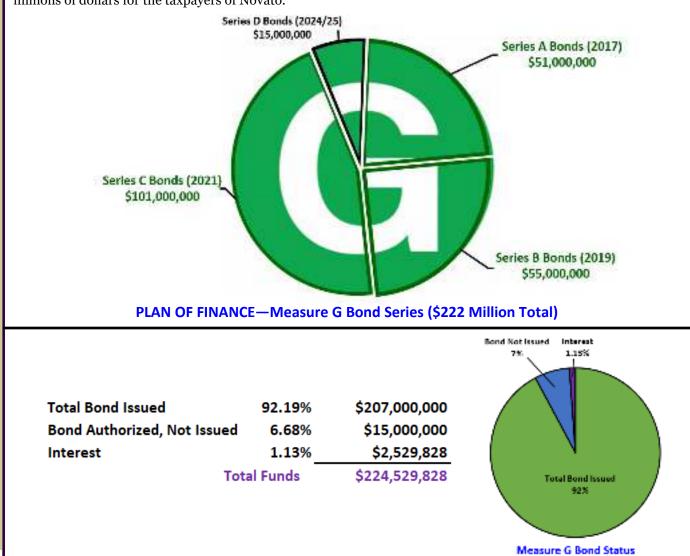
On November 8,2016, the voters in Novato approved Measure G, the \$222 million school facilities bond to improve Novato Schools. The Measure G Bond program is scheduled to be completed over a ten-year period and impacts all sites throughout the district.

The plan for Measure G is to issue the bonds in four scheduled series (Series A, B, C and D) over a seven to nineyear period. The bonds are issued in multiple series in order to meet the repayment requirements under Proposition 39. NUSD issued \$51 million of Series A bonds on March 30, 2017 with a blended True Interest Cost (TIC) of 3.54%. On October 16, 2019, the District issued Series B bonds of \$55 million with a TIC of 2.54%. The remaining \$116 million was earmarked for Series C and Series D offerings over the next four to five years.

In June, District staff recommended to the Board an updated issuance schedule, moving Series C issuance up to the 2020-2021 fiscal year. This recommendation was based upon several factors, including better than projected property tax growth, the ability to pay the debt off earlier, limiting construction escalation costs, and COVID-19 uncertainty. However, the primary driver of this recommendation was the availability of historical low interest rates on general obligation bonds in the municipal debt market.

On November 19, 2020, Series C in the amount of \$101 million was issued in a competitive sale, with a TIC of 2.22%. This early action of issuing Series C, combined with such a low interest rate will save the taxpayers approximately \$30 million in future debt interest repayment.

NUSD's GO Bond rating remains at Aa1 with Moody's and has an AA rating from Standard and Poors. These strong bond ratings continue to enable the District to sell bonds at very competitive interest rates, thereby saving millions of dollars for the taxpayers of Novato.



Board Approved Bond Allocation Summary

Fiscal Year 2019-20 saw significant progress in project planning, execution and completion. Over the course of the year and into 2020, the Board of Trustees approved an overall allocation plan of the entire \$222 million Measure G funding into ten areas of focus: Administrative Costs, Bond Issuance Costs, District-Wide (DW), Deferred Maintenance (DM), High School (HS), Middle School (MS), Elementary School (ES), Technology/One-to-World, IT Infrastructure Upgrade, and Other. Information on specific projects and funding committed within each category can be found on the District website at <u>www.nusd.org/bond-information</u>.

The approved and committed project allocations in 2019-20 include: Air Conditioning for Lu Sutton ES, Rancho ES, the Hill Campus and Novato HS; new kitchen facilities at Sinaloa MS and Pleasant Valley ES; campus-wide modernization projects at Lynwood ES and Olive ES as well as a new administration building at Olive; an Athletic Fields project at San Marin HS; and District Wide Deferred Maintenance projects at all sites over the life of the bond. The remaining funds that have not yet been committed will be identified and approved by the Board in the "Middle School", "Elementary School" and "Other" categories. The following table outlines the Board-approved allocations, dollars committed by the Board, and monies remaining to be directed. Identified and directed to the new Measure G Bond Program Contingency* are interest-earned revenue and project savings, which can be re-allocated by the Board to projects as needed.

ltem	В	Board-Approved Allocation		Committed		Pending Board Direction	
Administrative Costs	\$	4,300,000	\$	(4,300,000)	\$	-	
Measure G Bond Issuance Costs	\$	850,000	\$	(850,000)	\$	-	
District-Wide Allocation	\$	25,920,840	\$	(25,920,840)	\$	-	
Deferred Maintenance Allocation	\$	50,882,301	\$	(50,882,301)	\$	-	
High School Allocation	\$	78,380,873	\$	(78,380,873)	\$	-	
Middle School Allocation	\$	18,000,000	\$	(2,000,000)	\$	16,000,000	
Elementary School Allocation	\$	26,000,000	\$	(23,000,000)	\$	3,000,000	
Technology - One to World Allocation	\$	6,000,000	\$	(6,000,000)	\$	-	
IT Infrastructure Upgrade Allocation	\$	12,900,000	\$	(12,900,000)	\$	-	
Other Allocation	\$	1,000,000	\$	-	\$	1,000,000	
Measure G Bond Program Contingency*	\$	295,814	\$	-	\$	295,814	
Measure G Bond Allocation - SUBTOTAL	\$	224,529,828	\$	(204,234,014)	\$	20,295,814	

Measure G Bond Program Contingency Summary* (New Category)					
Project Savings	\$	365,986			
Interest (As of 9/30/2020)	\$	2,529,828			
Board Approved Allocation	\$	(2,600,000)			
Remaining Program Contingency (As of 9/30/2020)	\$	295,814			

2019/2020 Annual Report

Construction in 2019-20 moved ahead on the four largest projects of Measure G - the new Center for the Sciences (CFS) and Center for the Arts (CFA) at Novato High School, as well as the new STEM (Science, Technology, Engineering and Math) Building and the Emily Gates Performing Arts Center (PAC) at San Marin High School.

Projects completed or near completion during the reporting year include: The Food and Nutritional Services (FANS) distribution warehouse on Olive Avenue, and the new Grounds, Maintenance and Operations building on C-Street. Each of these centralized the District's operations under one roof optimizing productivity, budget and energy efficiencies. Roof and skylight replacements were completed at Lynwood ES, San Jose MS, and Novato HS. Energy efficient heat pump and condensing units were installed providing air conditioning at Loma Verde ES, Lynwood ES, and Olive ES. These projects contributed energy efficiencies as well as providing a more comfortable learning environment in the classrooms.

The Athletic Field Complex at Novato HS constructed a new synthetic turf practice field, softball field and 5-court tennis complex; and turfed the existing baseball field. All were developed and constructed with student-athlete safety in mind.

The third phase of the One to World Chromebook roll-out was completed, putting Chromebooks into the hands of each district student, enhancing 21st Century learning skills both in and out of the classroom. This forward-thinking implementation of Chromebooks for all students and the readiness of digital distribution enabled the District to be one of the first to provide remote learning for all students when the pandemic hit. Diligent work by the District's IT staff is helping to facilitate longer device life cycles, minimizing future costs on planned replacements.

A summary of expenditures for the fiscal year 2019/2020 and for the Measure G Bond program to date is provided on the next page.

Looking Ahead to 2020/2021

In 2020/2021, the highly anticipated completion of Novato HS's CFS and CFA, as well as San Marin's STEM and PAC buildings will be the crown achievements for the year. Programming and design for campus wide modernizations at Lynwood ES, Olive ES and the new Olive Administration building are in development and are set to begin construction in the summer of 2021. District-wide new 21st Century classroom furniture, as well as the Classroom Technology Toolkit will be installed this summer as part of the Lynwood ES and Olive ES modernizations, rolling out to the remainder of District sites over the next two to three years. Also planned and beginning in June 2021 is the continuation of the IT Infrastructure Upgrade project for Lu Sutton ES, Lynwood ES, Olive ES, San Ramon ES and Sinaloa MS. San Marin HS will receive an exterior siding upgrade and new synthetic turf baseball and softball fields, with construction beginning in June 2021.

Projects in planning during the reporting year and completed during the summer of 2020 were an energy efficient "cool roof" replacement at Olive Avenue warehouse and the Novato HS Old Gym, and sanitary sewer repairs at Loma Verde ES and Lu Sutton ES. Rounding out work for summer 2020 were extensive IT Infrastructure fiber upgrades for the District, and installation of the Classroom Technology Toolkit and IT Infrastructure fiber and cabling upgrades for Novato HS and San Marin HS.

2019-2020 Annual Report

Measure G Bond Expenditures Summary

The following summary table includes a listing of projects with a 2019-20 bond funding expenditure and an overall bond funding expenditure total for 2016 to 2020. Please refer to Annual Reports 2016/17 through 2018/19 for prior individual fiscal year expenditures.

Site	Site Project		TOTAL	Project	
			EXPENDED	Complete	
Bond Program	-		\$1,313,455	No	
Management Measure G Bond Issuance		\$159,736	\$359,736	No	
	21st Century Furniture	\$0	\$108,853	No	
	Classroom IT Toolkit	\$72,993	\$125,353	No	
District-Wide Projects	GMO Building	\$3,576,250	\$4,128,194	No	
	FANS Renovation	\$1,480,117	\$1,728,610	YES	
	San Jose MS HVAC Installation	\$677	\$1,810,382	YES	
	LVES, LES, OES HVAC Installation	\$2,875,315	\$3,579,474	YES	
	NHS, Hill, LSES HVAC Installation	\$0	\$0	No	
	2017 Sewer Work (NHS & OES)	\$0	\$184,498	YES	
	San Ramon ES Re-Roof	\$0	\$2,050,806	YES	
	2018 Sewer Work (NHS, OES, SRES)	\$0	\$192,334	YES	
	Novato HS Stadium Re-Turf	\$2,944	\$1,312,768	YES	
	San Marin HS Stadium Re-Turf	\$32,680	\$1,303,772	YES	
Deferred	Novato HS Re-Roof (5 Bldgs)	\$448,993	\$750,552	YES	
Maintenance Projects	Lynwood ES Skylight Replacement	\$24,784	\$50,228	YES	
	San Jose MS Gazebo Skylights	\$122,204	\$208,572	YES	
	NHS Old Gym & Olive Ave Re-Roof	\$270,168	\$270,168	YES	
	2020 Sewer Work (LVES & LSES)	\$85,378	\$85,378	YES	
	Olive ES Modernization	\$146,626	\$146,626	No	
	Remaining Deferred Maint Work	\$0	\$0	No	
High School	San Marin HS PA System	\$27,040	\$327,681	YES	
	San Marin HS STEM & PAC	\$15,738,939	\$17,728,954	No	
	Novato HS CFS & CFA	\$18,213,851	\$20,726,319	No	
	Novato HS Athletic Fields Complex	\$8,353,958	\$9,075,560	YES	
	San Marin HS Athletic Fields	\$19,323	\$49,304	No	
Middle School	Sinaloa MS New Kitchen	\$0	\$0	No	
El sus sustants	Olive ES Modernization	\$146,626	\$146,626	No	
Elementary	Lynwood ES Modernization	\$149,130	\$164,357	No	
School	Pleasant Valley ES Kitchen	\$1,058	\$1,058	No	
Technology	Phases 1 thru 3 + Replenish	\$274,979	\$2,190,410	No	
IT Infrastructure	Novato HS & San Marin HS Upgrades	\$420,029	\$420,029	YES	
Upgrades	District + School Site Upgrades	\$433,755	\$1,665,432	No	
Other	NCS, Hill Campus, C-Street	\$0	\$0	No	

TOTAL \$53,568,254 \$72,205,489



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— construction completed in September 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 May 2021.



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) - construction completed in May 2020.









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

An 18,000 ft² STEM building, including ten classroom/labs, student break-out spaces and staff support spaces with two dedicated Bio-Technology classroom/labs and a positive pressure clean room, will support District-wide science and bio-tech programs as well as the STEM Marin Program—construction completed in September 2020.



San Marin High School—Performing Arts Center

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



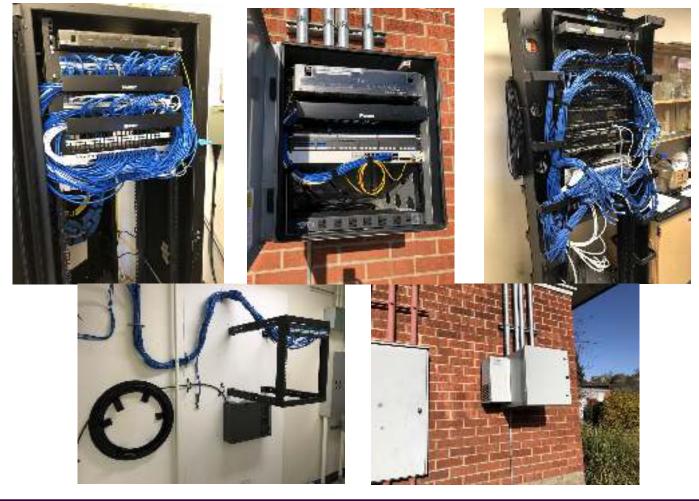
District Wide Classroom Technology Toolkit

Summer 2020 work included 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 was the first step in the Classroom Technology Toolkit project; the installation for middle schools is schedule for summer 2021 and for elementary schools for 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 enabled a 10GB capacity at each school site— the fastest connection of any school district in Marin County. Work began on the summer 2021 IT Infrastructure Upgrades at school sites (Sinaloa MS, Lynwood ES, Olive ES, Lu Sutton ES, & San Ramon ES).



MEASURE G PROJECTS COMPLETED - 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.



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— construction completed June 2020.



MEASURE G PROJECTS COMLETED - HIGH SCHOOLS

NOVATO HIGH SCHOOL

Old Gym Roofing Replacement—2020

Removed damaged and aged roof on the Old Gym and replaced with new roof matching Gordon Gym—construction completed August 2020.



Stadium Field Re-Turf and Track Resurfacing

Re-turfed with FieldTurf, added a new safety pad underneath along with cork infill; resurfaced the track with a new topcoat along with new painted striping/markings—construction completed August 2018.



Roofing Replacement Project-2019

Replaced 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 PROJECTS COMPLETED - HIGH SCHOOLS

SAN MARIN HIGH SCHOOL

<u>Stadium Field Re-Turf & Track Resurfacing</u> Re-turfed with FieldTurf, added a new safety pad underneath along with cork infill; resurfaced the track with a new topcoat along with new painted striping/markings-construction completed August 2018.



Stadium Public Address System Upgrade

Installed 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 PROJECTS COMPLETED - MIDDLE SCHOOLS

SAN JOSE MIDDLE SCHOOL

<u>A/C Upgrade Project</u>

Removed existing gas heating unit/furnace from each classroom and replaced 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

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



MEASURE G PROJECTS COMPLETED - ELEMENTARY SCHOOLS

LOMA VERDE ELEMENTARY SCHOOL

<u>A/C Upgrade Project:</u>

Replaced 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:

Replaced 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

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







MEASURE G PROJECTS COMPLETED - ELEMENTARY SCHOOLS

OLIVE ELEMENARY SCHOOL

<u> A/C Upgrade Project</u>

Replaced 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.



<u>Sewer Repair Projects— 2017 , 2018 and 2020</u>

Replaced many clogged and damaged sanitary sewer lines, including the installation of several new clean-out access points—construction completed August 2018. at Loma Verde ES, Lu Sutton ES, Olive ES, and San Ramon ES



SAN RAMON ELEMENTARY SCHOOL

Roofing Replacement Project:

Replaced 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

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

PROJECTS COMING SUMMER 2021

SAN MARIN HIGH SCHOOL

Exterior Siding Replacement for All San Marin Campus Buildings:

Repair existing damage on current wood siding and install stucco siding system on top; paint to match existing paint scheme on new STEM and PAC buildings — construction starts June 12, 2021.

Athletic Fields Project:

Transfer existing 31,000 ft² natural grass softball field into a synthetic turf field, and demolish existing natural grass baseball field and construct a new redesigned 102,000 ft² turf baseball field — construction starts May 22, 2021.



AGETTINGS THESE

BARBRALL PRICE

LYNWOOD ELEMENTARY SCHOOL

Site Modernization:

Modernize entire Lynwood ES campus to include new classroom floors, interior paint, wall coverings, lights, exterior repairs/ painting, roof replacements, concrete work, new furniture and a new kitchen space — construction starts June 12, 2021.

OLIVE ELEMENTARY SCHOOL

Site Modernization:

Modernize entire Olive ES campus to include new classroom floors, interior paint, wall coverings, lights, exterior repairs/painting, roof replacements, concrete work, new furniture and a new Administration Building—construction starts June 12, 2021.

DISTRICT-WIDE

District-Wide IT Infrastructure Upgrades

Upgrades to the IT infrastructure at Sinaloa MS, Lynwood ES, Lu Sutton ES, Olive ES and San Ramon ES, including new switching hardware, new fiber and copper cabling, and new site distribution systems from each school's main data-frame hub to each class-room; this upgrade enabled a 10GB capacity at each school site— the fastest connection of any school district in Marin County — construction begins June 12, 2021.

District-Wide Classroom Technology Toolkit

Summer 2021 work includes the installation of a TV monitor on a portable cart, Apple TV, and an iPad in each classroom at San Jose MS and Sinaloa MS. This is the second step in the Classroom Technology Toolkit project; the installation for elementary schools for summer 2022.



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!

Find us on the web: www.nusd.org/bond-information email: bondinfo@nusd.org icoc@nusd.org twitter: @NUSD_Bond facebook: @NovatoUnified