

**2016 Annual Report of the
Los Gatos-Saratoga Union High School District
Independent Citizens' Bond Oversight Committee**

On June 3, 2014 the LGSUHSD's voters approved Measure E authorizing the issuance of general construction bonds for delineated projects pursuant to the requirements of State Proposition 39. In further accountability compliance with Proposition 39 the Board of Trustees established the Independent Citizen's Oversight Committee. The duties of the Committee include to inform the public, review expenditures and complete an Annual Report. The Annual report must include a statement indicating whether the District is in compliance with Measure E language and contain a summary of the Committee's proceedings and activities for the preceding year.

The by-laws of the Oversight Committee call for the selection of a minimum of seven members, representing specific categories. The following members of the 2016 Committee were appointed by the BOT on November 1, 2016:

- Mr. Rick Tinsley
- Mr. Victor Zhang
- Ms. Parul Samdarshi
- Ms. Cynthia James
- Ms. Denise Ramon Herrera
- Mr. Tim DuClos
- Ms. Shirley Cantu
- Ms. Jill Van Hoesen
- Mr. Mike Buncic

Ms. van Zuiden continues to serve on the CBOC, her second year of a two-year term, resulting in the following membership roster for 2017.

Parent of a Child	Parent of a Child AND Active in Assoc	Business Org.	Senior Citizens Org.	Tax Payers Org.	At Large Comnty Member
Rick Tinsley	Parul Samdarshi	Denise Ramon Herrera	Tim DuClos	Shirley Cantu	Jill Van Hoesen
Victor Zhang	Cynthia James				Mike Buncic
					Michele van Zuiden

Proceedings and Activities:

Since the January 21, 2016 presentation of the CBOC Annual Report, the committee has met four times as a full-committee; in addition, the subcommittee met to draft this Annual Report on December 14, 2016.

At the May 17, 2016 meeting, the committee discussed a new job description for a Director of Capital Projects for the district, a position designed to ultimately reduce district costs for project oversight and management. The position would be funded with a combination of Measure E and facilities maintenance funds. The committee also discussed project costs and discrepancies with the original Master Plan projected costs; clarifying that Master Plan numbers were not based on actual contracts; that the costs changed once contracts were awarded. It is anticipated that future, smaller projects could be redesigned to ensure that, ultimately, the district stays within budget. The committee also discussed the planned sale of Series 2 bonds in the fall – the entire remaining bond issuance of \$55 million. Finally, the committee and Chief Business Officer, Mr. Greg Medici reviewed financial reporting systems and processes to ensure alignment in all reporting documents.

At the September 13, 2016 meeting, the committee reiterated the fact that the original numbers, coming from the Master Plan, were not based on contracts awarded and, therefore, not a baseline for any discussion of cost overruns. Mr. Medici reported lower than anticipated cost of issuance, resulting in a savings of approximately \$1.6 million – monies that can be allocated to the site capital project budgets. The inter-connectedness of many projects, including the Saratoga High Music/Cafeteria/Drama projects and the Los Gatos Classroom/Music/Maintenance Relocation was noted and financial reporting is complex. For example, funding for the Saratoga High Drama renovations is now being reported as part of the Music building. These renovations are also included in some of the renovations on other parts of campus, allowing for economies of scale while meeting the programmatic needs of the department. The committee confirmed that no Measure E funds had been spent on non-Measure E projects.

At the November 9, 2016, Mr. Rick Tinsley, Ms. Denise Ramon Herrera and Ms. Jill Van Hoesen were named to serve on the subcommittee, charged with drafting the 2016 CBOC Annual Report.

At the December 14, 2016 meeting of the Annual Report subcommittee, all three members were in attendance. A draft report was reviewed, discussed, modified and approved for submission to the full Oversight Committee at its next meeting.

At the March 6, 2017 meeting, the draft Annual Report was approved by the members of the committee for submission to the Board of Trustees on March 28, 2017.

Comments: The Chair would like to thank all of the Committee members for their time and interest in serving on the Oversight Committee. The voters can be assured that all Committee members take their role seriously. The Chair would also like to thank the District for their willingness to provide the Committee with the necessary information essential for our duties to be responsibly discharged. The information provided to date promises the necessary transparency deserved by the voters.

Conclusion:

- The Citizens' Bond Oversight Committee finds that the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution; that after review of all Measure E revenues and expenditures, the committee concludes that all funds were used for school facilities as set forth in the language of Measure E and that no money was used for teacher and administrators salaries.
- At the December 13, 2016 meeting of the Board of Trustees, LGSUHSD, Vavrinek, Trine, Day and Co. presented the Annual Audit Report. This audit, conducted per the requirements of Proposition 39, included an audit of Measure E expenditures – they reported a clean audit with no findings.

Respectfully Submitted:


Rick Tinsley:




Mike Buncic:



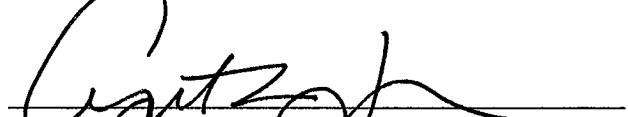
Shirley Cantu:



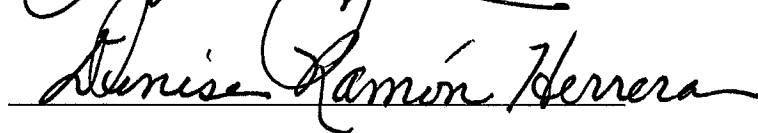
Tim DuClos:



Cynthia James:



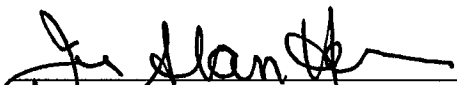
Denise Ramon Herrera:



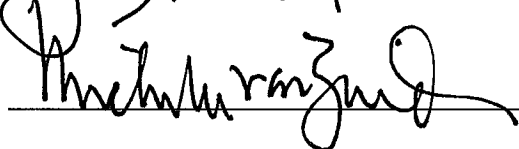
Parul Samdarshi:



Jill Van Hoesen:



Michele van Zuiden:



Victor Zhang:

