

SAUGUS UNION SCHOOL DISTRICT MEASURE EE CITIZENS OVERSIGHT COMMITTEE

ANNUAL REPORT

June 2022

On November 4, 2014, the voters residing within School Facilities Improvement District No. 2014- 1 of the Saugus Union School District (“SFID No. 2014-1”) approved the Saugus Union School District (“District”) Measure EE general obligation bond measure. The Measure EE election was called in accordance with the California Constitution and laws, including, but not limited to, the “Smaller Classes, Safer Schools, and Financial Accountability Act,” also known as “Proposition 39.”

The Saugus Union School District Measure EE Citizens’ Oversight Committee (“COC”) has approved and adopted this annual report, in accordance with Education Code Section 15280(b). The purpose of this report is to inform the public regarding expenditures of proceeds of the Measure EE general obligation bonds, for the period from July 1, 2020, to June 30, 2021 (“Reporting Period”).

I. COC membership and officers

The membership on the COC presently consists of the following individuals:

- Mr. John Estrada (Parent Representative 2020-2022)
- Ms. Lisa Eichman (*Business Representative 2020-2022*)
- Ms. Briana Boden (*Community Representative 2021-2023*)
- Mr. Nicholas Eckhart (*Community Representative 2021-2023*)
- Mr. Jarad Elderd (*Parent Representative 2021-2023*)
- Mr. Jason Warren Gibbs (*Taxpayer Organization Representative 2021-2023*)
- Ms. Julia Phippen (*Community Representative 2021-2023*)
- Ms. Oana Cioaca Taylor (*Community Representative 2021-2023*)
- Ms. Judy Egan Umeck (*Senior Citizen Representative 2021-2023*)

The following individuals are the current officers of the COC:

- Mr. John Estrada (*Chairperson*)
- Mr. Judy Egan Umeck (*Vice Chairperson*)

II. COC activities during the Reporting Period

For information regarding the meetings and activities of the COC, please see the COC meeting minutes on the COC website, at the following link:

<https://www.saugusd.org/Measure-EE>

All approved minutes and annual reports of the COC are available for review on the COC website. Additional documents and reports are posted at the COC website in accordance with the guidelines and policies applicable to the COC or as otherwise directed by the COC.

III. COC findings for the Reporting Period

As required to comply with the requirements of Proposition 39, the COC must make certain findings regarding its activities and regarding the expenditure and use of Measure EE bond proceeds. The COC hereby finds and determines as follows:

1. The COC met regularly during the Reporting Period

The meetings of the COC are described in the minutes of the COC meetings posted on the COC Website. The dates of the meetings were as follows:

- September 17, 2020
- November 5, 2020
- February 4, 2021
- May 27, 2021

2. The COC received and reviewed relevant reports and other information

The COC received various reports (both written and oral) relating to the expenditure of Measure EE bond funds during the Reporting Period (including, but not limited to, expenditure reports and project timelines). A complete list of the reports received and reviewed by the COC is available at the District Office for review by the public upon request and on the COC website.

Major project highlights from the year include:

- New energy-efficient HVAC units;
- New LED lighting;
- New multi-purpose buildings and upgrades;
- New classroom constructions;
- Roof replacements; and
- Fire alarm replacement.

3. The COC has visited District schools and project sites

The COC received various reports (both written and oral) relating to the expenditure of Measure EE bond funds during the Reporting Period (including, but not limited to, expenditure reports and project timelines).

Due to the Covid-19 pandemic, the Oversight Committee declined to visit any sites this year.

A complete list of the reports received and reviewed by the COC is available at the District Office for review by the public upon request and on the COC website.

4. Measure EE bond funds have been expended only for the projects authorized by Measure EE

Based on the documentation and information that it has reviewed, the COC finds and determines, in accordance with Education Code Section 15278(b)(1), that the District has expended Measure EE bond funds only to pay the costs and expenses associated with the construction, acquisition, and installation of projects as are authorized by Measure EE.

The priority of the projects is based upon the language in the 2016 Master Plan: “Phase 1 – Address two critical expectations simultaneously as soon as possibly: a) Safety and Security”.

5. Measure EE bond funds have not been expended for teacher or non-construction related administrator salaries or other school operating expenses that are not bond related

Based on the documentation and information that it has reviewed, the COC finds and determines, in accordance with Education Code Section 15278(b)(2), that the District has not expended Measure EE bonds funds to pay teacher or non-construction related administrator salaries or other District operating expenses.

6. COC received and reviewed the Fiscal Year 2020-2021 audit reports

The accounting firm of EideBailly prepared the annual Measure EE performance and financial audits for Fiscal Year 2020-2021 (i.e., the Reporting Period), as a single audit report (“2021 Measure EE Audit”). The 2021 Measure EE Audit is currently available for review on the COC website. The COC received and reviewed the 2021 Measure EE Audit, and took action during its February 10, 2022, meeting to file and receive the 2021 Measure EE Audit. At such meeting, the COC

determined that the 2021 Measure EE Audit did not indicate, in connection with the expenditure and use of Measure EE bond funds, any irregularities or failures to comply with statutory and Constitutional requirements.

7. The COC received from the District all necessary and requested technical and administrative assistance

During the Reporting Period, the District made presentations to the COC, provided necessary documents and information to the COC, and provided any necessary and requested architectural, construction management, legal, and administrative support and assistance to the COC. Based on the foregoing, and the documentation and information provided to it, the COC finds and determines that the District, as required by Education Code Section 15280, has provided all such necessary and requested technical and administrative assistance without expending Measure EE bond funds for such purposes.

8. COC website is operating and makes available all required documentation and information (Education Code Section 15280(b))

The District, on behalf of the COC, operates and maintains the COC website, which can be accessed at the link set forth above in this Annual Report. As required by Education Code Section 15280(b), information regarding the COC, its activities, and the documents received and reviewed by the COC, is available for review on the COC website.

9. Items noted by the COC

During the school year of 2020-2021, the COC expressed ideas/issues/concerns regarding the Measure EE funds and the allocation of the funds. They were as follows:

- A. Percentage of staff time billed to Measure EE. COC members requested clarity on how and why staff salaries are allocated the Measure EE monies.
- B. Project names cross-references to bond language. COC members suggest that starting in the 2019-2020 year, each project is linked to Bond Measure language in the COC meeting reports.
- C. Highlight cost savings mechanisms for deferred fees and site preparations. COC members request that staff propose and highlight potential joint use of corporate facilities that are not in place.
- D. Deferred maintenance plan. On the Measure EE website, a Deferred Maintenance plan is listed in the training materials and was last revised in October 2018. COC members request this document be updated yearly and presented to the COC for review.

In the 2019-2020 school year, the COC and the District personnel addressed the above-mentioned concerns in the following manner:

- A. Percentage of staff time billed to Measure EE. Staff now provides a “Facilities Staff Cost Allocations Report” at each COC meeting.
- B. Project names cross-references to bond language. Mr. Heinlein now provides a Master Plan reconciliation at each COC meeting tying the Master Plan to the Bond Language.
- C. Highlight cost saving mechanisms for deferred fees and site preparation. Staff combines projects with other funding sources to save costs.
 - a. E.g. Plum (Fencing) and Skyblue (Fire alarms)
- D. Deferred maintenance plan. Staff combines projects with other funding sources to save costs
 - a. E.g. Skyblue (Hard Court Asphalt) and Santa Clarita (LED Lights)

10. Based on the foregoing, the District fully complied, during the Reporting Period, with the requirements of Article XIII A 1(b)(3) of the California Constitution.

IV. Approval and adoption of Annual Report

The COC approved and adopted this Annual Report during its meeting held on June 22, 2022.

Attest:

A handwritten signature in black ink, appearing to read 'John Estrada', is written over a horizontal line.

John Estrada, Chairperson
Saugus Union School District
Measure EE Citizens’ Oversight Committee