



Measure "R" Citizens' Oversight Committee
ANNUAL REPORT
for 2015-16 Fiscal Expenditures
& Committee Activities 2016-17

*Submitted to the
Banning Unified School District*

Board of Trustees

Alfredo Andrade, Board President

Kerri Mariner, Clerk

Alex Cassadas

Martha Bederio

Jan Spann

Measure "R" Citizens' Oversight Committee

Richard Krick

Susan McQuown

Diana Benhar

Veronica Topete

Ron Duncan

Chris McCallum

Mike Rose

Statement of Compliance

This Annual Report is submitted to the Board of Trustees by the Banning Unified School District Measure "R" Citizens' Oversight Committee.

The Committee advises that, to the best of its knowledge, the Banning Unified School District is in compliance with the requirements in Article XIII A, Section 1(b)(3) of the California Constitution. In particular, bond revenue has been expended only for the purposes so described in Measure "R". As prohibited by Article XIII A, Section 1(b)(3)(a) of the California Constitution, no funds were used for any teacher or administrative salaries or other operating expenses.

Respectfully Submitted:



Ron Duncan,

Measure "R" Citizens' Oversight Committee

Date:

FEB - 15, 2017

Summary of the Committee's Proceedings and Activities for 2015-16

The Banning Unified School District was successful at the election conducted on November 7, 2006 in obtaining authorization from the District's voters to issue up to \$63,000,000 in general obligation bonds for capital improvements as listed in the ballot language. The election was conducted under Proposition 39 (chaptered as the Strict Accountability in Local School Construction Bonds Action of 2000, Education Code Section 15264 *et seq.*)

The Board of Trustees adopted Board Policy 72141.1 Bond Oversight Committee, setting forth the duties and rights of the Committee at a meeting held on November 14, 2002. Pursuant to Education Code Section 15278, the District established the Citizens' Bond Oversight Committee at a meeting of the Board of Trustees held on December 12, 2002, in order to satisfy the accountability requirements of Proposition 39.

The Board of Trustees adopted the current Citizens' Bond Oversight Committee Members listed below with their respective term information. The following Committee Members were approved at Board meetings of the Board of Trustees held on August 27, 2015, September 24, 2015, February 12, 2015, July 16, 2015, April 17, 2016 and, October 27, 2016.

Member	Current Term Ends
Chris McCallum	April 2018**
Michael Rose	October 2018*
Ron Duncan	July 2017*
Richard Krick (SBE extension approved)	February 2017****
Susan McQuown	September 2017**
Diana Benhar	October 2017**
Veronica Topete	October 2017**

*First term, option to extend for two additional two-year terms

**Second term, option to extend for one additional two-year term

Third term (final) *Additional term SBE approved (final)

PROPOSITION 39 MEASURE R CITIZENS' OVERSIGHT COMMITTEE ANNUAL REPORT FOR 2016

There were three meetings during Fiscal Year 2015-16. The Committee met on October 6, 2015, February 2, 2016 and June 6, 2016. Banning High School Athletic Facilities, Phase II was completed in July of 2014. All available Measure R funds were expended as of October 2015.

October 6, 2015

Banning Unified School District Board Room
161 W. Williams
Banning, CA 92220

Information/ Discussion

BHS Project and other Measure "R" Financial Reports

Chris McCallum moved to accept the financial report. Diana Benhar seconded that motion. There were no questions or discussion about expenditures.

Ayes – 4

Nays – 0

Motion carried

Committee Concerns from February 4, 2015 Meeting

- Cracks in the new tennis courts
 - Ron Duncan & Chris McCallum visited the tennis courts on Friday, October 2nd and brought pictures to the meeting. There was intense discussion
 - Kris Meyer (L&M) explained the opening of the expansion joint for repair and what caused the initial problem
 - Kris Meyer stated that it was his belief that the North/South shifts in the courts are not in the concrete, but in the coating alone. He said that he will visit the courts along with the coating manufacturer, the architect, civil engineer, contractor and inspector to investigate committee concerns. He mentioned possibly coring the concrete for testing. He said he would begin making phone calls the next morning to begin this process

Equipment for Concession Stand

There was no discussion.

PROPOSITION 39 MEASURE R CITIZENS' OVERSIGHT COMMITTEE ANNUAL REPORT FOR 2016

Auditor's Report for 2013/2014 Includes Measure "L" as Committee Oversight
Beginning with the next COC meeting, Measure "L" information will be added to the meeting agendas.

Current Measure "R" COC Members and their Terms

Ron Duncan was welcomed to the Committee. Susan McQuown and Diana Benhar were congratulated on Board approval for a second term.

February 2, 2016

Banning Unified School District Board Room

161 W. Williams

Banning, CA 92220

Information/ Discussion

BHS Project and other Measures "R" & "L" Financial Reports

Tables showing all Measure "R" & Measure "L" \$ currently Expended/Encumbered by Resource, and a spreadsheet showing only BHS Athletic Facilities, Phase II Project Costs fiscal year to date.

Update on Committee Concerns regarding BHS tennis courts

- Kris Meyer with Ledesma & Meyer (L&M) will give update regarding cracks in the new tennis courts.
 - Cornell Williams' memo on tennis courts inspection on October 27, 2015
 - Kris Meyer's memo on tennis courts inspection on October 27, 2015

Reauthorization of the Bonds/Election

Drawings of Rancho San Gorgonio (RSG) plans/maps and a letter from the developer are included in this meeting's packet

Measure "L" Committee Oversight

- An update of all Bond-financed facility issues with legal pending is in this meeting's packet

Vavrinek, Trine, Day & Co., LLP (VTD) Auditor's Annual Report for 2014-2015

The report is included in this meeting's packet

Annual Report of Measure "R" Citizens' Oversight Committee

Draft report attached to this meeting's minutes

Current COC Members and their Terms

Richard Krick, who has served as Committee President, fulfilled his third term. Per the request of members present at the last meeting, the District inquired of legal counsel regarding a way to bring him back for an extended term. The District completed the final phase of the State Board of Education (SBE) Waiver process to extend his final term and has received word their decision to extend his term through February 2017. (Letter attached)

Kerri Mariner was elected as a Board member beginning December 2015. The District has posted a letter inviting applications to fill the vacant seat, but as of the posting of this Agenda, has received no applicants. (Letter attached)

June 7, 2016

Banning Unified School District Board Room

161 W. Williams

Banning, CA 92220

Information/ Discussion

Reauthorization of the Bonds/Election

Discussed the upcoming November ballot and the process of reauthorizing sale of the remaining \$25,500,712.50 of the Measure R bonds through that election.

Robert Guillen, Superintendent, explained how the reselling \$20,000,000 of Measure R bond money (already expended) at a lower rate will save taxpayers money (approximately \$7,000,000) and hopefully help them to vote for the sale of the remaining Measure R bond funds.

Update on Committee Concerns regarding BHS tennis courts

There was a short discussion with Robert Guillen stating that he does not like the cracks and he wants to find out what caused them.

Annual Report of Measure "R" Citizens' Oversight Committee

It was noted that the District had no new applicants to fill the vacant member seat.

PROPOSITION 39 MEASURE R CITIZENS' OVERSIGHT COMMITTEE ANNUAL REPORT FOR 2016

Sue McQuown pointed out errors in the draft report. She motioned to accept the report with corrections and Veronica seconded the motion.

Ayes – 4

Nays – 0

Motion carried

It was decided that Richard Krick would present the report to the Board of Education at the June 30th, meeting.

Current COC Members and their Terms

There was a short discussion over the possibility of electing either Mrs. McQuown or Mr. Krick as Committee Chair. Sue McQuown motioned to re-appoint Richard Krick. Diane Benhar seconded the motion.

Ayes – 4

Nays – 0

Motion carried

2016-17 Meetings of the Measure "R" Citizens' Oversight Committee

The Committee conducts its meetings in accordance with provisions of the Ralph M. Brown Public Meetings Act, Government Code Sections 54950 *et seq.* Meeting notices and agendas are sent to members of the Committee within the required period of time, posted at the Banning Unified School District Administration Building and are sent to the local newspaper and Library. Meeting notices, agendas, minutes and all documents and reports received by the committee members are a matter of public record and made available on the Banning Unified School District Website:

(www.banning.k12.ca.us)

December 13, 2016

Banning Unified School District Board Room
161 W. Williams
Banning, CA 92220

Information/ Discussion

Reauthorization of the Bonds/Election

The District will be staying with Ledesma & Meyer as Construction Management for Measure M projects, but have changed Architects and are now using PJHM.

Update on Committee Concerns regarding BHS tennis courts

There was a short discussion with Robert Guillen, Superintendent, stated that the District has consultants and legal counsel looking into it.

BHS Athletic Facilities Equipment Accountability & Storage

Shane Hilde, new BHS Athletic Director (and Dean), explained the new system in place to keep track of keys, equipment and uniforms, stating that they now have a full-time Clerk in charge of keeping the records for the sports inventory that he shared. He recognizes the need to keep it ongoing and will return upon request to future meetings to give updates.

PROPOSITION 39 MEASURE R CITIZENS' OVERSIGHT COMMITTEE ANNUAL REPORT FOR 2016

Track and field space is ready for additional storage units needed so that each athletic Department can have a separate unit. Keys, equipment and uniforms are checked out at the beginning of the season and checked back in at each season's end. Only Track coaches keep a key all year long.

Vavrinek, Trine, Day & Co., LLP (VTD) Auditor's Annual Report for 2014-2015 was tabled February 2, 2016 but not on the agenda for the June 7, 2016 meeting
Ron Duncan motioned to approve the report as presented. Chris McCallum seconded the motion.

Ayes – 4

Nays – 0

Motion carried

Vavrinek, Trine, Day & Co., LLP (VTD) Auditor's Annual Report for 2015-2016Year
This item will be tabled until the next meeting to give members time to review it.

Current COC Members and their Terms

Mike Rose was welcomed as the newest member of the Committee.

Action

Confirm Next Meeting Date and Time

Wednesday, February 15, 2017 at 6:00 p.m.

Meetings were moved from Tuesdays at 5:30 p.m. to Wednesdays at 6:00 p.m.

Confirm members' desire to serve on the Committee for Measure M Oversight

- Sue McQuown – YES
- Chris McCallum – YES
- Ron Duncan – YES
- Mike Rose – YES
- Richard Krick – YES (per email dated December 10, 2016)

Kookie Williams will contact Diana Benhar and Veronica Topete to get an answer since they were not available at the meeting to ask.

Robert Guillen invited attending members to accompany District staff and Board members to a tour of San Diego Patrick Henry High School's Fine Arts Theatre building to compare it to District needs for a Fine Arts building. The tour will take place January 6, 2017 and Kookie will contact members with more information to see if they will attend.

Future Agenda Items

- Measure M – discussion and proceedings
- A COC member instruction “cheat sheet” or checklist from legal advisors
- Measure R COC Annual Board Report for 2015-16 Fiscal Expenditures & 2016-2017 Committee Activities, to be submitted to the Board and the Public no later than June 30, 2017

February 15, 2017

Banning Unified School District Board Room

161 W. Williams

Banning, CA 92220

Information/ Discussion

Measure M Next Steps

- Certification of Election Results by Banning USD Governing Board
 - Election results were canvassed and certified by the Board on January 26, 2017 by adopting Resolution 16-17-13
- Certification of Citizens' Oversight Committee by BUSD Governing Board
 - The four COC Measure R members present at the meeting on December 13, 2016, said yes to serving on the Measure M committee. Richard Krick agreed to serve in an email dated December 10, 2016; Diana Benhar in an email dated December 22, 2016; and Veronica Topete in an email dated January 7, 2017.
 - All seven members' names will be submitted before the Board on February 16, 2017 for approval. Measure M meeting will commence once the bond funds have been issued to the District.
 - Terms will start over as fist two-year terms for oversight of the new Measure.

Vavrinek, Trine, Day & Co., LLP (VTD) Auditor's Annual Report for 2015-2016 was tabled December 13, 2016

The report is in this meeting's packet.

PROPOSITION 39 MEASURE R CITIZENS' OVERSIGHT COMMITTEE ANNUAL REPORT FOR 2016

Measure R COC Annual Board Report for 2015-16 Fiscal Expenditures & 2016-2017 Committee Activities

A draft report is in this meeting's packet for review. The final Board meeting of the fiscal year will be June 29, 2016. This report must be presented to the Board and the Public no later than this meeting.

- Who will present?
- This will be the last report for Measure R. Bond authorization will be released once all of the Measure M bonds are issued (expected April 2017).

COC Member Regulation/Purpose Notice

A notice, created by legal advisors and updated specifically for Measure "M" is in this meeting's packet, for member to use as a guide while serving on the committee.

Current COC Members and their Terms

Member	Current Term Ends
Chris McCallum	April 2018**
Michael Rose	October 2018*
Ron Duncan	July 2017*
Richard Krick, Committee Chair	February 2017****
Susan McQuown	September 2017**
Diana Benhar	October 2017**
Veronica Topete	October 2017**

*First term, option to extend for two additional two-year terms

**Second term, option to extend for one additional two-year term

***Third term (final)

****Extended term, approved by State Board of Education (final)

Financial Report of the Citizens' Oversight Committee

Measure R Bonds have been sold in the amount totaling \$37,499,287.50: \$13,500,000 in Series A and \$23,999,287.50 in Series B, leaving \$25,500,712.50 of the \$63,000,000.

On November 8, 2016, the citizens of Banning elected to reauthorize sale of the remaining General Obligation Bonds. They were sold as Measure M bond funds.

This annual report is for the fiscal period ending June 30, 2016, as of which date, Measure "R" restricted Capital projects funds totaled \$0.