



Long Beach Unified School District Measure K Bond Citizens' Oversight Committee Annual Report

May 3, 2011

To the Board of Education and residents of the Long Beach Unified School District:

The Measure K Bond Citizens' Oversight Committee ("COC" or "Committee") is pleased to present its second annual report. This annual report covers the activities of the Committee during the 2010 calendar year.

- Our first annual report was presented to the Board of Education at its regular Board Meeting on May 11, 2010 and covered the activities of the Committee from its inception, June 2009 through December 2009.
- We held five (5) regular meetings including a construction site tour of the new 6-8 Middle School #1 at the former GTE Site.
- At each of the regular meetings, the Committee reviewed and discussed the quarterly financial reports and was provided with project status reports.
- The Committee requested and received for their use and distribution, a Measure K Program update flyer which included project updates and frequently asked questions.
- There was a change in the Committee's Bylaws, allowing two (2) additional meetings each year.
- There was one member resignation and one new Community-at-Large member was added.
- Two (2) members with one-year terms were reconfirmed for one additional two-year term.
- The Committee elected a new Chair (Karen Hilburn) and Vice-Chair (Julie Jackson).

Audits

Two audits were completed during the past calendar year, a performance audit and a financial audit. The audits covered fiscal year 2009-2010 for Measure K Bond activities from July 1, 2009 through June 30, 2010. Both audits were completed and presented by the independent auditing firm of Christy White Accountancy Corporation. In December, the Committee had full access to the auditors and met with the audit team prior to the start of their work. The Committee received, reviewed and discussed the audit reports with the audit team. The following summarizes key items from those audit reports:

Audit Findings:

- The District's internal audit department may enhance oversight of the Measure K Program by participating in reviews over contractor payments, contract change orders, the vendor selection process, and other pertinent aspects of the program.
- District employees working on the Measure K Bond Program were charged to the District's General Fund for the fiscal year ending June 30, 2010. The District may charge compensation for employees directly working on the Measure K Bond Program to the Measure K Bond Building Fund.
- The District has a fraud hotline, but the District's fraud hotline is not advertised to contractors in the facilities area. To improve internal controls, we recommend that the District regularly advertise the fraud hotline to employees and contractors in the facilities area.

Financial Summary

The Committee received and reviewed expenditures through October 31, 2010, summarized as follows:

Bond Issued Fiscal Year 2008/2009	\$260,000,000
Pre-existing 11/2008 Debt Retirement	(\$51,250,000)
Expenditures by Site through October 31, 2010:	
▪ Measure K Program Expenses	(\$3,648,495)
▪ New 6-8 Middle School #1 (former GTE Site at 20 th Street and Cherry Avenue)	(\$15,744,884)
▪ New High School #1 (ECATS 7025 E. Parkcrest Street)	(\$224,119)
▪ Roosevelt Elementary School	(\$18,654)
▪ Cabrillo High School Pool	(\$1,647)
▪ Jordan High School	(\$37,895)
▪ New High School #2 (Browning Site at Hill Street and Redondo Avenue)	(\$10,891)
▪ Newcomb K-8 Academy	(\$24,035)
▪ 2010 Phase 1 Portable Building Removal	(\$38,742)
▪ 2010 Boiler Replacement	(\$68,803)
▪ 2010 Electrical Core Switch and Uninterrupted Power Replacement	(\$765,482)
	<u>(\$20,583,647)</u>
Expenditures Subtotal	(\$71,833,647)
Balance Remaining on Issuance	<u>\$188,166,353</u>

Project Status as of December 16, 2010

New 6-8 Middle School #1 (at former GTE Site located at 20th Street and Cherry Avenue)

- Project has progressed from site preparation and underground utilities to erection of all building structures. Building systems and interior work is now the bulk of the work effort.
- School is projected to open in fall of 2012, which is a delay of one year primarily due to unforeseen underground site conditions and remediation, extended weather impacts and necessary modifications to building components during construction.
- The District anticipates using approximately \$37,150,000 in Measure K funds towards completion of this project.

New High School #1 (ECATS located at 7025 E. Parkcrest Street)

- Project has progressed from completion of design to start of construction. As of December 31, 2010, building demolition, site work and relocation of a major well water line was underway.
- School is projected to open in fall of 2013, which is a delay of one year primarily due to agency project approval delays.
- The District anticipates using approximately \$87,700,000 in Measure K funds towards completion of this project.

2010 Data Core Switch Replacement and Uninterrupted Power Replacement

- Project replaced main data core switches and provided for uninterrupted power at 52 campuses to accommodate future technology upgrades and more reliable data service, was completed in October 2010.
- The District used approximately \$740,000 in Measure K funds to complete this project.
- E-rate funds received approximately \$410,000.

Projects in the planning and design phase:

- **Roosevelt Elementary School** - Complete rebuild using approximately \$44,900,000 of Measure K funds.
- **Cabrillo High School** - Addition of pool and supporting facilities using approximately \$16,400,000 of Measure K funds.
- **Jordan High School** - Major renovation in coordination with the North Long Beach Initiative, using approximately \$157,600,000 of Measure K funds.
- **New High School #2 (Browning Site at Hill Street and Redondo Avenue)** - New small high school using approximately \$63,200,000 of Measure K funds.
- **Newcomb K-8 Academy** - Major renovation using approximately \$38,000,000 of Measure K funds.
- **2010 Phase 1 Portable Building Removal** - Removal of old portable buildings at 14 sites using approximately \$500,000 of Measure K funds.
- **2010 Boiler Replacement** - Replacements of 24 boilers at 10 sites using approximately \$3,200,000 of Measure K funds.

For more detailed information, please see the Citizen's Oversight Committee website at www.lbschools.net by clicking on Citizen's Oversight Committee, located in the Alphabet index under the letter C.

To the best of our knowledge, the District is in compliance with the requirements of Article XIII A, Section 1 (b) (3) of the California State Constitution.

2010-2011 Committee Members

Representing:

Karen Hilburn, Chair
Julie Jackson, Vice-Chair
Byron Bolton
Kristine Hammond
Victor McCarty
Michael Noll
Anna Ulaszewski

*Senior Citizen Organization
Parent with Child Enrolled in LBUSD and active in a PTO
Taxpayer Association
Parent with Child Enrolled in LBUSD
Community-at-Large
Business Organization
Community-at-Large*

Respectfully,

A handwritten signature in black ink, appearing to read "Karen Hilburn", with a long horizontal flourish extending to the right.

Karen Hilburn, Chair