

**Pasadena Unified School District's Citizens' Oversight Committee
Report to the School Board and Community**

I. Background and Purpose

On November 4, 2008, the voters of Altadena, Pasadena and Sierra Madre approved Measure TT, which authorized the Pasadena Unified School District (the "District") to sell up to \$350,000,000 in bonds to finance certain specific school facilities projects listed as part of the ballot measure. As required by State law, on March 11, 2009, the District's Board of Trustees (the "Board") established an independent Citizens' Oversight Committee (the "Committee") including representatives from certain specified organizations and constituencies. The Committee members are listed in Appendix A. Service on the Committee is voluntary and Committee members do not receive any compensation for their service.

The purpose of the Committee is to inform the public concerning the expenditure of bond revenues generated from Measure TT. To carry out this purpose, state law requires the Committee to: (1) actively review and report on the proper expenditure of taxpayers' money for school construction; (2) advise the public as to whether the school district is in compliance with the statutory requirements related to the use of the bond funds; and (3) issue a report at least once a year. In addition, the Committee's By-Laws require it to report to the Board not less than semi-annually.

II. Activities of the Citizens' Oversight Committee

The Committee meets once a month at a District facility, usually the Education Center. Meetings are open to the public and subject to the Brown Act. Agendas, meeting minutes, and all documents received by the Committee will be available on the Committee's web site.

The Committee meetings are typically attended by a Board member designated as the Board's liaison to the Committee. Further, two Committee members are liaisons to the Board's Facilities Sub-Committee, to which all capital and facilities issues are directed for initial Board review. This cross-connection helps ensure that each body is kept aware of any concerns or issues raised by the other.

To foster communication with the community, the Committee has established an Outreach Sub-Committee, tasked with ensuring that information about the Committee and its meetings is disseminated broadly and with ensuring that community members can easily and effectively provide input to the Committee.

III. The District's Progress to Date with the Bond Funds

No bonds have been sold yet, but the District is planning to sell the first \$125 million of bonds in late September. Additional bonds will be sold at later dates as proceeds from the initial sale are expended. The District's 2009-10 tax rate for the bonds will be \$38.83 per \$100,000 of assessed property value, which is below the \$40.33 projection made to voters in the Measure TT ballot statement.

While waiting for the bond sales, the District moved ahead with several projects (listed in Appendix B), by borrowing money from existing District capital accounts. Once the initial Measure TT bonds are sold, those accounts will be repaid for the funds expended for Measure TT projects.

The projects that will be funded by Measure TT are outlined in the District's Facilities Master Plan.¹ This document is the result of extensive input from the community, School Site Councils, principals, and District staff, as well as external architectural/technical reviews and public hearings at the Board level. Projects are being prioritized to support academic needs, start projects at schools that did not receive substantial support from the District's previous facilities bond and reduce District operating costs; scheduling constraints and other logistical issues at individual sites are also considered.

As projects are scheduled, detailed costs estimates are obtained, and the Board's Facilities Subcommittee authorizes bid packages. District staff reviews the sealed bids and recommends the lowest, responsive, responsible bidder. Depending upon the cost, the bid is approved by either the Superintendent or the Board. In general, projects that do not exceed \$15,000 are not required to be bid.

Once a bid is approved, the District's Facilities Construction group oversees the project. Currently, the District has two "Owner's Representatives" who act as hands-on project managers, overseeing the interface between the successful bidder and District personnel, as well as implementing quality assurance/quality control measures and enforcing District standards.

Appendix B lists the major projects that are in progress or are out to bid as of August 20, 2009. Most of these projects are at or near completion. The largest single project deals with a variety of energy saving measures at 15 different sites, designed to reduce the District's operating costs. This list of projects is updated monthly, and updated versions will be available on the Committee web site.

¹ Not all of the projects included in the Facilities Master Plan will be funded by Measure TT funds.

IV. The Committee's Observations and Recommendations

Planning and policies

The District has completed a very thorough assessment (consisting of two outside assessments and input from the District's maintenance and operations division and school site administrators) to develop a list of facilities needs. Further, the District is working with school site councils, PTAs and PTSAs to get input regarding how to prioritize projects at individual school sites and further refine the initial facilities program for each site. At least two meetings have been held at each site with architects and District Staff.

The District has made certain decisions intended to control costs (e.g., creating an owner's representative model and using internal District staff for certain facilities projects such as first story painting, demolitions, remodeling, and fields upgrades). The Committee looks forward to receiving more substantive information and analysis as more projects are completed to determine whether these decisions are having the intended impact.

The District began spending bond funds prior to finalizing decisions regarding school closures. The Committee understands that the Superintendent has established an Asset Management Committee to look at this issue and that decisions are expected to be made by the end of this year. Further, the District has already, as part of the grade configuration changes approved in December 2008, distinguished between Phase I sites, where usage will not change, and Phase II sites, where usage may change. It has been noted that the District will have to provide some maintenance at all sites regardless of whether they will be used as school sites in the future.

Infrastructure

The District has purchased the Account-Ability software program to track bond expenditures and provide timely and accurate reports on the status of each facilities project. This software will not be fully operational until late this year. The Committee recommends that the Board ensure that this expenditure tracking program is fully operational and utilized as soon as possible.

The District's Facilities group currently has three full-time employees and four temporary consultants, two of which are owner's representatives, with four additional unfilled positions, to manage a Facilities Master Plan that will spend an estimated \$465 million over the next several years. The Committee is concerned as to whether the internal resources are sufficient to manage a construction program of this size effectively. The Committee recommends that the Board support staff efforts to quickly fill the vacant positions.

The Board began allocating bond funds before having its internal facilities team fully staffed and before the Account-Ability software is fully operational. The Committee understands that the Board has compelling reasons to move forward expeditiously, including: the needs at school sites, the competitive contractor bid environment, the time of the school year, and the opportunity to realize water and utility cost savings. Nonetheless, to minimize risk, the Committee encourages the Board to prioritize filling out the Facilities group infrastructure.

Project execution

While it is too early to draw broad conclusions, many projects near completion are coming in on time and at a lower cost than allocated in the Facilities Master Plan.

Transparency and accountability

One of the primary duties of the Committee is to review and report on the proper expenditure of bond funds. All of the projects initiated to date are appropriate because the projects were all included in the bond ballot measure. The Committee also believes that no bond funds have been allocated for improper types of expenditures, but the Committee has not yet been provided or reviewed a report of allocated funds by type of expenditure.

The Committee supports the steps taken to create transparency around the use of the bond funds. Specifically, the Committee recognizes the Board's efforts to publicize and encourage public attendance at both the Facilities Sub-Committee and Oversight Committee meetings, and the Committee intends to promote public awareness and facilitate public input for its meetings.

The minutes and all materials reviewed by the Committee will be posted on the Measure TT website maintained by the Board. The redesign of the District web site and the design and establishment of a separate web site for the Committee has led to some delays in posting the materials, but the Committee believes that those issues are being resolved and that all required materials will be easily available to the public. The Committee's web site address is www.measurett.org, and is up and running as of October 1.

Oversight Committee

The Committee has also reflected on its own process, progress and performance. Members of the Committee have expressed a lack of clarity regarding the scope of the Committee's responsibility and its role as to certain issues. The Committee intends to focus on more clearly establishing and articulating its scope of responsibility and role as to these types of issues. The Committee welcomes input from the Board and the community in this effort.

The Committee also intends to make it a practice to visit school sites where projects are on-going or have been completed.

Dated: September 17, 2009

Appendix A

Oversight Committee members

Arthur Aviles

Gregory Barna

Joanna Bauer

Charles Bryant

Carolyn Carlburg

Carolyn Ellner, Chair, Community Outreach Sub-Committee

George Fatheree

Jon Fuhrman, Vice Chair

Kenneth Hargreaves

Paul Hunt

Lee Johnson

James Kossler

Joel Sheldon

Sid Tyler, Chair

Appendix B

Facilities project list
(presented at the Oversight Committee's August 20, 2009 meeting)

SCHOOL	PROJECT	FUNDING	FMP ALLOCATION*	STAFF ESTIMATE	LATEST ESTIMATE	ESTIMATED START DATE	ESTIMATED COMPLETION DATE/%
Audubon	Windows & Paint	Deferred Maintenance	\$930,000	\$930,000	\$930,000	5-20-09	8/28/09 – 99%
Willard	Windows & Paint	Measure TT	\$1,909,443	\$720,000	\$720,000	3/30/09	8/28/09 – 99%
Wilson	Windows & Paint	Deferred Maintenance Measure TT	\$560,000 DM, Part of \$3,853,210 Modernization, part of \$2,000,000	\$1,210,000	\$1,210,000	4/13/09	8/28/09 – 97%
Muir HS	Track & Field	Tire Grant/Measure TT/Water Conservation Grant/Outside Funding	\$2,000,000	\$1,957,250	\$1,967,250	5/05/09	8/28/09 – 95%
PHS	Track & Field	Tire Grant/Measure TT/Water Conservation Grant/Outside Funding	\$2,000,000	\$2,055,450	\$2,075,450	5/5/09	8/28/09 – 95%
Loma Alta	Fire Sprinkler Enclosure/Pre-K Conversion, etc.	Measure TT LAUP Grant	\$735,858	\$420,000	\$430,000	6/19/09	8/28/09 – 90%
DSC/Muir	Fencing	Measure TT	Part of \$2 Million District-wide	\$98,900	\$98,900	7/06/09	8/28/09 – 100%

SCHOOL	PROJECT	FUNDING	FMP ALLOCATION*	STAFF ESTIMATE	LATEST ESTIMATE	ESTIMATED START DATE	ESTIMATED COMPLETION DATE
Aveson (re-bid)/Rose City	Canopy/MPR roofing	Deferred Maintenance	\$225,000	\$195,000	\$195,000	7/06/09	8/28/09 – 50%
San Rafael and Altadena	Ceiling Tiles	Williams	\$297,000	\$208,000	\$208,000	7/06/09	8/28/09 – 95%
Willard	Grass Field	Measure TT	Part of \$997,208	\$160,000	\$160,000	7/06/09	8/28/09 – 100%
Willard	New Multi-use Modular	Measure TT	Part of \$997,208	\$446,000	\$456,000	6/01/09	8/28/09 – 95%
San Rafael	Exterior Painting Etc.	Deferred Maintenance	\$335,000	\$307,000	\$310,000	6/19/09	8/28/09 – 93%
15 sites	Energy Savings Measures	Measure TT and SCE/PWP	Part of \$5,000,000**	Part of \$3,477,000**	\$3,477,000**	6/19/09	10/07/09 – 15%
27 sites	Bogen Clock Speaker System	Measure TT	\$2,638,521	\$1,452,500	\$1,452,500	7/08/09	9/07/09 – 70%
Linda Vista, Wilson, Aveson	Interior Clean-up/Demolition	Measure TT	Part of \$1,000,000 District-wide	\$110,000	\$110,000	7/23/09	8/28/09 -70%
TOTALS			\$16,963,930	\$13,747,100	\$13,790,100		

*Facilities Master Plan allocation - includes grant portion, if applicable

**Prior to rebate of \$400,000

DM = Deferred Maintenance