

**UNLIMITED
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ANAHEIM UNION HIGH SCHOOL DISTRICT

Measure H Construction Bond Program

Annual Report: March 2021 – February 2022



**Anaheim Union High School District
Citizens' Bond Oversight Committee**



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Executive Summary

The following is a summary of the Committee's activities from March 2021 through February 2022.

On March 4, 2021, we presented the Committee's Annual Report (March 2021 – February 2021) to the Board of Trustees in public session.

The Committee met four times during this period and made site visits to Dale Jr. High School, Magnolia High School and Western High School. The Committee met on the following dates:

- ❖ May 13, 2021
- ❖ September 23, 2021
- ❖ November 17, 2021
- ❖ February 16, 2022

General Meeting Topics

- We received design and construction project updates for various Measure H projects
- We received final cost reports for completed Measure H projects
- We received and reviewed project budgets
- We received and reviewed the list of upcoming Measure H projects and preliminary budgets
- We received and reviewed the expenditure reports related to the Anaheim Union High School District (Orange County, California) General Obligation Bond, Election of 2014 - Series 2015 (\$63.5M), Series 2018 (\$83M) and Series 2019 (\$102M)



Executive Summary

Specific Meeting Topics

➤ On May 13, 2021:

- We visited Dale Jr. High School to tour the completed modernized buildings and quad, with its new shade structures and landscape.
- We also observed the new 2-story building which was still in progress.

➤ On September 23, 2021

- We attended Dale Jr. High School's Grand Opening Ceremony to celebrate the completion of the project and to tour the new 2-story building.
- We also visited Western High School to tour the newly renovated Incubator Lab (iLab), library and study areas.

➤ On November 17, 2021

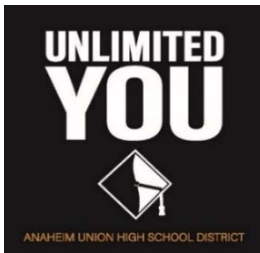
- We visited Magnolia High School to tour two projects that are under construction.
- Project 1 - Shower/Locker Room Project. We observed the gutted space, wall curbs, and underground utilities ready for concrete slabs.
- Project 2 - Site Improvement Project. We toured the nearly completed project with its new quad, shade and lunch shelters, new landscape, and site furnishings (CARES Act funds).
- We also visited the site planned for the future 2-story Cybersecurity Building, beginning construction in 2022.



Executive Summary

Specific Meeting Topics (continued)

- On February 16, 2022
 - We received a presentation and reviewed the “Draft” Financial and Performance Audits for the year ending June 30, 2021, that was prepared by Eide Bailly, the District’s auditing firm. The final audit reports are being presented to the Board of Trustees on March 3, 2022.
 - We received a presentation from LPA regarding the update to the District’s Facilities Master Plan (FMP), its process, preliminary findings and milestones. LPA is the architectural firm with expertise in educational facility planning, that is currently leading and facilitating the seven-month long Districtwide facilities master planning process. The FMP provides the District direction for future projects, and assists in developing a roadmap for short and long term facilities development.



Annual Report

Based on our review of the “Draft” Financial and Performance Audit Report dated June 30, 2021, project updates and site visits, we are confident the AUHSD is expending the bond proceeds only for the purposes as set forth in the Measure H Bond Program and not for other purposes. We are satisfied with efforts being made to complete all projects as planned and in a cost-effective manner, and will continue to diligently monitor those efforts.

The Anaheim Union High School District Board of Education established the Citizens’ Oversight Committee (COC) by Resolution No. 2014/15-B-02. The Committee is established under the guidelines of Measure H Bond election. Measure H was approved by the voters on November 4, 2014, and authorized the issuance of \$249,000,000 in general obligation bonds for capital improvement projects throughout the District.

Purpose

The purpose of the COC is to inform the public, at least annually in public session, concerning the expenditure of bond proceeds as approved by the voters on November 4, 2014. Bond proceeds may be expended only on capital improvement projects as defined by Exhibit B of Resolution No. 2014/15-B-02.



Committee Membership

- ❖ **Alan Walker** (Chairperson)
Member Active in a Business Organization
- ❖ **Blanca Jauregui**
Member Active in a Senior Citizens' Organization
- ❖ **Grantt Rowan**
Parent
- ❖ **Peggy Kruse-Stodghill,**
Parent and PTA Member
- ❖ ***Vacant***
Member Active in a Bonafide Taxpayer Organization
- ❖ **Patricia Rich**
Member At-Large
- ❖ **Robert Nelson**
Member At-Large

New appointments will be brought to the Board of Trustees no later than June 2022.



Committee Duties

The COC actively reviews Measure H expenditures, annual financial and performance audits, financial statements, and staff reports regarding Bond sales, use of the proceeds, and progress of various capital projects that are funded by Measure H proceeds.

The specific activities of the COC includes the following:

1. Review, revisions and approval of the Committee Bylaws
2. Review of current projects in the Facilities Master Plan, including updates
3. Visits to construction sites
4. Attend regular meetings as a committee
5. Review of various reports and information including:
 - Annual performance and financial audits
 - Quarterly expenditure reports
 - Construction project updates
 - Planning status of future construction projects utilizing Measure H Bond funds
 - Various staff reports



Committee Duties

Committee Activities (continued)

6. Review of bond series issuance details
7. Review of efforts of the District to maximize bond revenues by accessing state matching funds and implementing cost-savings measures
8. Adherence to the Brown Act requirements of publicized and open meetings



The Measure H Plan

The Measure H Plan

- \$249M Bond Measure approved by voters in November 2014
- Bonds issued in multiple series over time rather than all at once after the election

Why?

- Issuing bonds too soon before the funds are needed causes higher interest cost, because interest accrues on borrowed funds from the moment of borrowing until repayment
- Issuing bonds over time prevents taxpayers from having to pay more interest costs than necessary
- Going to the bond market at limited times saves on fixed costs involved with the sale of bonds
- With issuing tax-exempt bonds, the District must comply with a federal requirement to plan to spend the bond funds within three years



Three (3) Measure H Bond Series

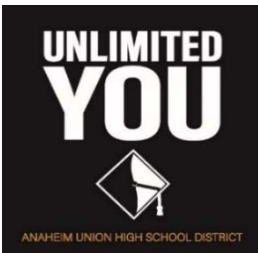
Given all these facts regarding the timing and amount of bonds, the District found that issuing the bonds in three series over time:

- Satisfied the federal limit of three years
- Gave the opportunity to refine the plan based on the roll out of the Facilities' projects each year
- Reduced the interest costs that taxpayers have to pay



The Measure H Bond Series

➤ Bond Series 2015:	\$63,455,000
	+
➤ Bond Series 2018:	\$83,000,000
	+
➤ Bond Series 2019:	<u>\$102,545,000</u>
	=
	\$249,000,000



2015 Bond Series

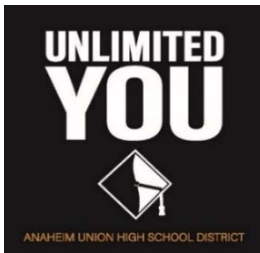
June 2015 – January 2022 Measure H Expenditure Summary

Bond Series 2015 Proceeds	\$ 63,455,000.00
Other Local Revenue	\$ 5,038.74
Interest	\$ 1,002,676.51
Leases and Rentals	\$ 11.00
Total Proceeds	\$ 64,462,726.25
Expenditures as of January 31, 2022	(\$ 64,462,694.66)
Balance Bond Series 2015	\$ 31.59

The following is the detail summary of the Measure H Expenditures as of January 31, 2022

A. PPM, Design, Inspection, and Testing	\$9,452,443.05
A1. Construction	\$26,510,532.31
A2. District Project Management	\$ 576,488.62
B. 21 st Century Furniture	\$7,489,320.12
C. 2012 Certificate of Participation Payoff	\$19,883,505.98
D. Bond Administration Costs and Interest Expense	\$550,404.58

TOTAL EXPENSES: \$64,462,694.66



2018 Bond Series

April 2018 – January 2022 Measure H Expenditure Summary

Bond Series 2018 Proceeds	\$83,000,000.00
Other Local Revenue	\$ 242,244.96
Interest	<u>\$ 3,189,158.52</u>
Total Proceeds	\$ 86,431,403.48
Expenditures as of January 31, 2022	<u>(\$86,389,535.87)</u>
Balance Bond Series 2018	\$ 41,867.61

The following is the detail summary of the Measure H Expenditures as of January 31, 2022

A. PPM, Design, Inspection, and Testing	\$10,653,934.05
A1. Construction	\$72,387,788.87
A2. District Project Management	\$839,046.90
B. 21 st Century Furniture	\$1,420,988.54
B1. Equipment — FFE	\$147,141.72
B2. Graphic Arts	\$1,515.00
C. 2012 Certificate of Participation Payoff	\$0.00
D. Bond Administration Costs and Interest Expense	\$939,120.79

TOTAL EXPENSES: \$86,389,535.87



2019 Bond Series

November 2019 – January 2022 Measure H Expenditure Summary

Bond Series 2019 Proceeds	\$102,545,000.00
Other Local Revenue	\$ 0.00
Interest	<u>\$ 2,226,719.06</u>
Total Proceeds	\$ 104,771,719.06
Expenditures as of January 31, 2022	<u>(\$ 23,265,794.51)</u>
Balance Bond Series 2019	\$ 81,505,924.55

The following is the detail summary of the Measure H Expenditures as of January 31, 2022

A. PPM, Design, Inspection, and Testing	\$3,712,216.30
A1. Construction	\$18,062,981.85
A2. District Project Management	\$273,076.70
B. 21 st Century Furniture	\$477,221.58
B1. Equipment — FFE	\$94,660.55
B2. Graphic Arts	\$0.00
C. 2012 Certificate of Participation Payoff	\$0.00
D. Bond Administration Costs and Interest Expense	\$645,637.53

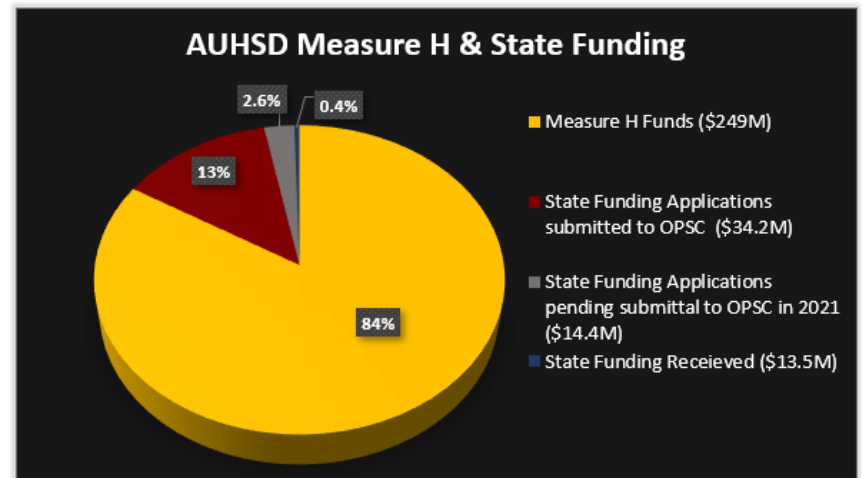
TOTAL EXPENSES: \$23,265,794.51



State Funding Applications

No.	Project Name	Pending Funding	Funding Received
Modernization/New Construction			
1	AHS Aquatic Center - Modernization		\$6,254,813
2	AHS Fire Alarm Upgrade (*)	\$800,000	
3	Ball JHS Parking Lot Ph 1 (*)	\$1,019,316	
4	Ball JHS Site Imp. and Modernization Ph 2 (*)	\$1,057,030	
5	Cypress HS Site Improvements		\$3,795,221
6	Dale JHS New Construction	\$1,386,513	
7	Dale JHS Modernization	\$2,561,413	
8	Katella HS Site Improvements		\$7,690,502
9	Kennedy HS Site Improvements	\$3,848,949	
10	Magnolia HS Site Improvements (*)	\$5,000,000	
11	Magnolia HS Shower / Locker Modernization (*)	\$1,513,024	
12	Oxford Academy New Construction	\$1,673,514	
13	Oxford Academy Modernization	\$2,419,923	
14	Polaris Modernization	\$3,621,798	
15	Savanna HS Site Improvements (Inc. 1 & 2)	\$4,068,788	
16	Sycamore JHS Site Imp. and Modernization (*)	\$5,010,855	
17	Western HS Parking Lot	\$2,300,000	
CTE Grants			
18	Magnolia HS CTE	\$1,137,053	
19	Katella HS CTE Culinary Arts	\$1,139,295	
20	Oxford Academy CTE		\$1,302,330
Facility Hardship Grant			
21	AHS Aquatic Center (Hardship)		\$2,531,711
DROPS Grant			
22	Katella HS DROPS Site Improvement		\$2,000,000
Total Pending & Received State Funding		\$38,557,472	\$23,574,577
Total State Funding		\$62,132,049	

To augment Measure H Funds, the District applies for State Funding to support projects within the District. The listed projects have either received or are in line to receive State Funding. Values shown on the pending funding column represent the minimum expected State Funding.

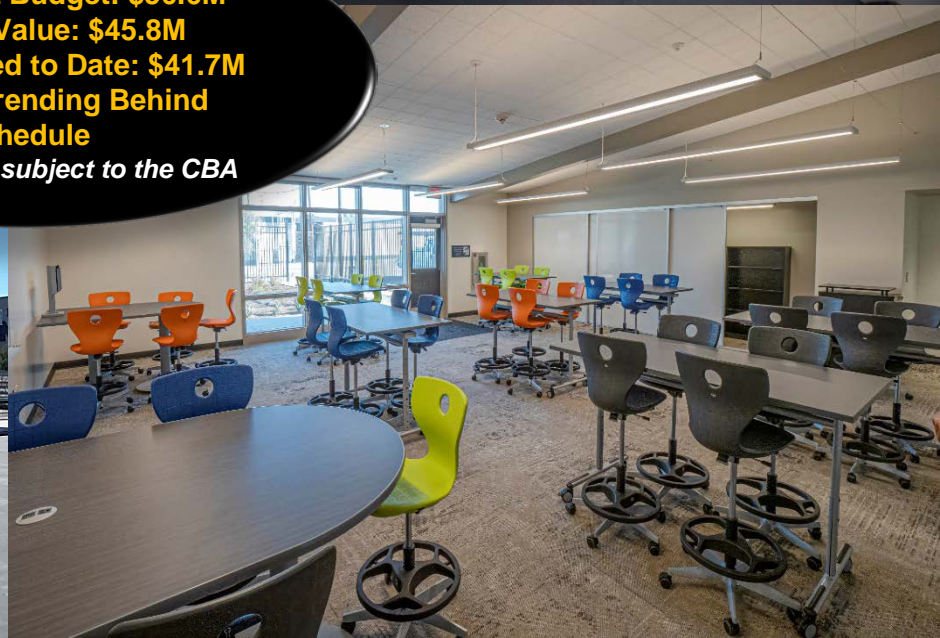


(*) Soon to be submitted through School Facilities Program

Dale JHS Modernization and New Construction Project



Within Budget ✓
Total Project Budget: \$56.6M
Contract Value: \$45.8M
Total Expended to Date: \$41.7M
Closeout Trending Behind Schedule
This project is subject to the CBA



Dale JHS Modernization and New Construction Project



Dale JHS Modernization and New Construction Project



Dale JHS Modernization and New Construction Project



Dale JHS Modernization and New Construction Project



Dale JHS Modernization and New Construction Project



Dale JHS Modernization and New Construction Project



Dale JHS Modernization and New Construction Project

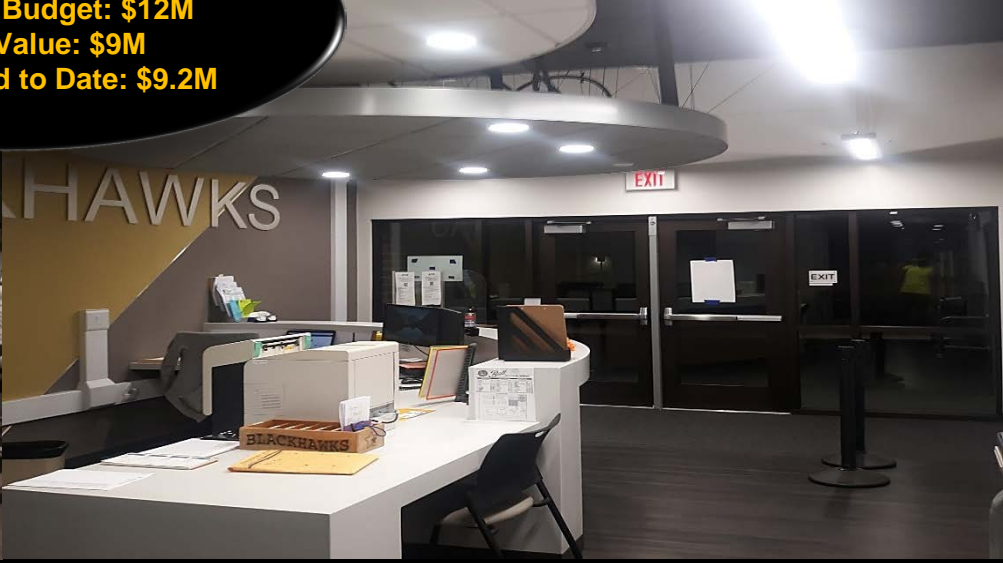


Ball JHS Modernization & Site Improvement Project – Phase 2



COMPLETED

**Within Budget ✓
On Schedule ✓
Total Project Budget: \$12M
Contract Value: \$9M
Total Expended to Date: \$9.2M**



Ball JHS Modernization & Site Improvement Project – Phase 2



Ball JHS Modernization & Site Improvement Project – Phase 2



Ball JHS Modernization & Site Improvement Project – Phase 2



Ball JHS Modernization & Site Improvement Project – Phase 2



Magnolia HS Site Improvement Project



Within Budget ✓
Total Project Budget: \$13.5M
Contract Value: \$10.6M
Total Expended to Date: \$10.3M
Trending 4 Months Behind Schedule



Magnolia HS Site Improvement Project



Magnolia HS Site Improvement Project



Magnolia HS Site Improvement Project



Magnolia HS Site Improvement Project



Western High School Incubator Lab (iLab) Project



**Within Budget ✓
On Schedule ✓
Total Project Budget: \$1.4M
Contract Value: \$1.1M
Total Expended to Date: \$1.14M
Anticipated Project Savings:
\$188K**



Western High School Incubator Lab (iLab) Project



Western High School Incubator Lab (iLab) Project



Western High School Incubator Lab (iLab) Project



Western High School Incubator Lab (iLab) Project



Sycamore JHS Modernization & Site Improvement Project



Within Budget ✓
On Schedule ✓
Total Project Budget: \$17M
Contract Value: \$12.5M
Total Expended to Date: \$10.9M



Sycamore JHS Modernization & Site Improvement Project



Sycamore JHS Modernization & Site Improvement Project



Sycamore JHS Modernization & Site Improvement Project



Magnolia HS Shower/Locker Room Project



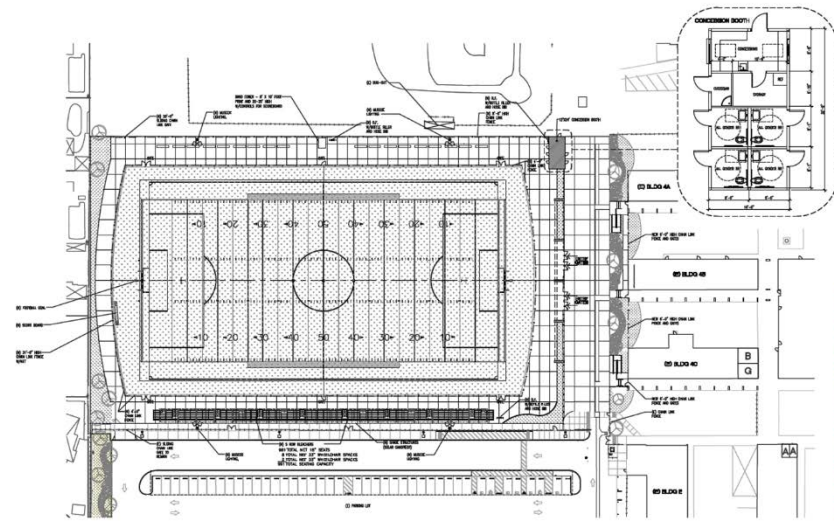
Within Budget ✓
On Schedule ✓
Total Project Budget: \$8.5M
Contract Value: \$4.8M
Total Expended to Date: \$789K





Upcoming Projects

- ❑ Magnolia HS New Construction of Cybersecurity Building and Modernization of Band Building Project
- ❑ Western HS Practice Field Project
- ❑ Western HS Site Improvement Project
- ❑ Orangeview JHS Site Improvement Project
- ❑ Gilbert HS Site Improvement Project



ANAHEIM UNION HIGH SCHOOL DISTRICT - WESTERN HIGH SCHOOL - FOOTBALL/SOCCER FIELDS



Upcoming Projects





Upcoming Projects





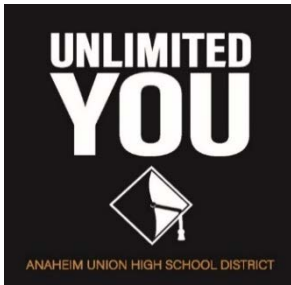




Upcoming Projects







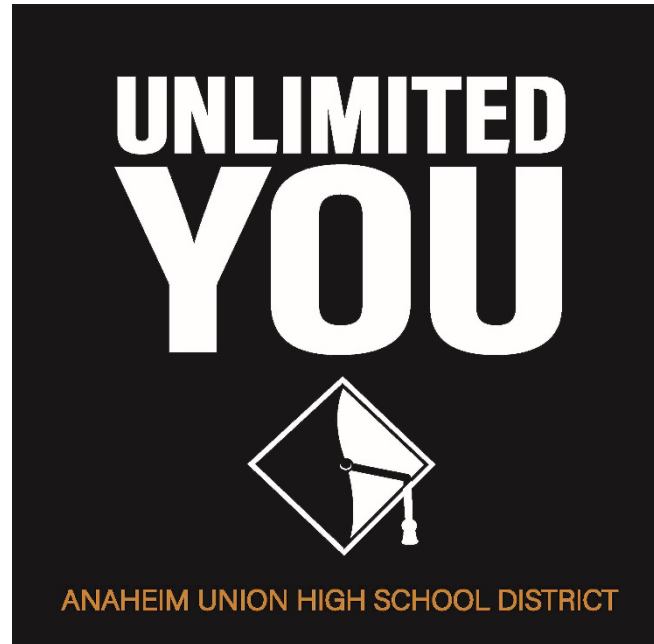
Annual Report

Conclusion

Based on the listed activities, the COC advises the public that the Anaheim Union High School District is in compliance with Education Code Sections 15100 *et seq.*, 15264 *et seq.*, Government Code Section 53506, and Article XIII A, Section 1(b)(3) of the California Constitution. Bond proceeds have been expended on projects set forth in the ballot measure. No bond proceeds have been used for teachers or administrative salaries or other school operating expenditures. Audits have been performed as prescribed by law.

Attachments

Meeting minutes, program reports, bylaws, audits, and additional Information can be found on the District's website: www.auhsdblueprint.us (Citizens' Oversight Committee tab).



Thank You!

Comments and Questions