

Date: June 1, 2022
To: PACIFIC GROVE UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION
From: CITIZENS' BOND OVERSIGHT COMMITTEE ("CBOC")
MEASURES A AND D
Subject: CBOC FY 2022 ANNUAL REPORT TO THE BOARD OF EDUCATION

As required under California state law, the Pacific Grove Unified School District Measures A and D Citizens' Bond Oversight Committee ("CBOC") delivers this Annual Report to the Pacific Grove Unified School District Board of Education for the fiscal year 2022.

CBOC OVERVIEW

As set forth under California state law:

- The CBOC is responsible for reviewing the District's expenditures of bond proceeds.
- The CBOC is subject to the Ralph M. Brown Public Meetings Act of the State of California.

It should be noted that the expenditure of District funds on regular and deferred maintenance projects and the use of funds generated from sources other than the bond measures fall *outside* the scope of the Committee's review.

REPORT TO THE BOARD/SUMMARY OF ACTIVITIES/COMPLIANCE

Regarding the CBOC's proceedings and activities for the fiscal year 2022, the following information is provided:

1. **Annual Report.** The CBOC is required to present an annual report to the Board of Education, which shall include a statement indicating whether the District complies with the requirements of Article XIII A, Section 1(b)(3) of the California State Constitution, as follows:
 - a. The bond proceeds from the sale of a Prop 39 bond are to be used only for the purposes specified and not for any other purpose, including teacher and administrator salaries and other school operating expenses;
 - b. A list of the specific school facilities projects to be funded, and certification that the district has evaluated safety, class size reduction, and information technology needs in developing that list;
 - c. The district board shall conduct an annual independent performance audit to ensure that the funds have been expended only on the specific projects listed; and
 - d. The district shall conduct an annual independent financial audit of the proceeds from the sale of the bonds until all proceeds have been expended for the projects.

Finding: **COMPLIANT.** The CBOC hereby states that it finds the District to comply with the requirements of Article XIII A, Section 1(b)(3) of the California State Constitution.

2. **Review of Expenditures.** It is the duty of the CBOC to provide oversight of bond expenditures, including the review of specific reports produced by the District, in order to ensure that bond proceeds are being expended only for the purposes outlined in the ballot measures and that no bond proceeds are used for teacher or administrative salaries or district operating expenses.

Finding: **COMPLIANT.** Activity successfully completed by CBOC.

3. **Review of Financial and Performance Audit.** The CBOC has reviewed the Pacific Grove Unified School District Measures A and D Financial and Performance Audits.

Finding: **COMPLIANT.** One material finding: bidding procedures material weakness.

Bidding Procedures: During the audit, it was determined that Pacific Grove Unified School District could not locate documentation to substantiate compliance with regulations governing contracts awarded by Districts.

Recommendation: The District should implement procedures to ensure that bidding documents are filed in a place that is clearly identified so in the event of possible turnover, the documents could still be located by staff.

Corrective Action Plan and Views of Responsible Officials:

1. Invitation for Bids/Request for Proposal solicitation document
2. Solicitation responses from all respondents.
3. All response evaluations and rationale for resulting the award.

The documents above, along with all other documents involved with our solicitations above bid threshold, will be kept electronically on the District's network google drive, and in hard-copy form in the Business office.

Fiscal Impact: None

4. **Inform the Public.** The CBOC is to provide information to the public concerning the District's expenditure of bond proceeds.

Finding: **COMPLIANT/ONGOING ATTENTION REQUIRED.** Project update for November 2022 is currently available to the public on the pgusd.org website. Information from the CBOC needs to be more accessible to the public; this includes adding CBOC members, agenda items and minutes to a specific CBOC page.

Regular Meetings. The CBOC is required to hold at least one annual meeting but meets no more frequently than quarterly. All meetings are to be open to the public under the Ralph M. Brown Act.

Finding: **COMPLIANT.** Annual meeting was successfully held. The CBOC held a meeting on April 25, 2022. Minutes for this meeting need to be made available on the website.

5. **CBOC Membership.** The CBOC membership is to consist of seven members appointed by the Board. The table below reviews the status of the required positions, as specified under Proposition 39 and CBOC bylaws:

Finding: **COMPLIANT/ONGOING ATTENTION REQUIRED.** Efforts are required on the part of the District to fill vacant positions.

COMMITTEE MEMBERSHIP

Under state law, a member's term is limited to two years. Members may serve up to two consecutive terms. Information regarding the terms of the current members is shown below.

Member	Position	Term Number	Current Term Ends
Alex Lorca	Parent and Volunteer	1	2024
Stephanie Atigh	Member of a Senior Citizens' Organization	1	2024
Laurel Peiffer	At-large Community Member	2	2024
Maria Fonferek	Parent and Volunteer	2	2024
Vacant	Member of a Taxpayers Association	N/A	2024
Jessica Thompson	Parent, Volunteer & Member of the School Site Council	2	2024
Travis Long	Business Representative Organization	2	2024

Respectfully submitted,

Alex Lorca
Chairperson
Pacific Grove Unified School District Citizens' Bond Oversight Committee