

Measure G Citizens' Bond Oversight Committee

Report for 2022-23 Fiscal Year

Introduction

The Mill Valley School District (MVSD) Measure G Citizens' Bond Oversight Committee (Measure G CBOC or CBOC) was established in October 2022 by the MVSD Board of Trustees, as required by voter approval of Measure G on June 7, 2022. Measure G authorized issuance of \$194M maximum principal amount of general obligation bonds for the purpose of financing acquisition, construction, and modernization of MVSD facilities. In compliance with State law, Measure G required the creation of an independent oversight committee to oversee the expenditure of funds collected pursuant to Measure G to ensure that the funds raised under Measure G are spent only for the purposes described in Measure G, and specifically are not spent on teacher or administrative salaries or other school operating expenses. The Measure G CBOC is responsible for providing to reports on these expenditures. This is the first of those reports.

Background on Measure G Funds

The MVSD operates on a fiscal year (FY) that runs from July 1 – June 30. During FY 22-23 (July 1, 2022 to June 30, 2023) no Measure G funds were generated from the public sale of MVSD general obligation bonds. The first issuance of Measure G bonds occurred on July 20, 2023 and the funds became available on _____

In 2023 the MVSD began contracting for services required to support the facilities modernization and construction process, and in some cases executed contracts for that purpose. However, no Measure G funds were dispersed during FY 22-23 for Measure G purposes. Accordingly no financial or performance audit for FY 22-23 was undertaken with respect to Measure G expenditures made from Measure G funds. All work and services performed were invoiced for payment from Measure G funds once they became available in FY 23-24 (July 1, 2023 to June 30, 2024).

Measure G CBOC Operations in FY 22-23

The activities of the Measure G CBOC were modest during FY22-23, and generally consistent with normal start-up efforts associated with bond committee oversight of a school facilities construction program. The CBOC met twice in FY22-23: December 8,

2022, and March 23, 2023. The CBOC received and reviewed presentations, including on CBOC member responsibilities, Measure C program updates, the process for and selection of the construction management firm AECOM and other contracting/consulting firms, and the planned first issuance of Measure G bonds. No Measure G fund spending reports were available at this point.

Review of FY 2023-24 Measure G Use of Funds

The FY 23-24 financial and performance audit for the MVSD, as performed by an independent auditor, is currently underway. That work will include review of the use of Measure G funds. The audit work is expected to be concluded by the end of December 2024. The Measure G CBOC will review the audit work with the auditor and use that audit report along with other MVSD records as deemed appropriate in its judgment, to confirm and ensure that the Measure G funds have been spent in FY 23-24 (including for work that was undertaken in FY22-23) only for the purposes described in Measure G, and not for unpermitted purposes. The Measure G CBOC report covering the FY 23-24 expenditures and use of Measure G funds is expected to be released in the first quarter of 2025.

Conclusion and Recommendations

During MVSD's FY 2022-23 no Measure G funds were spent or available to be spent on teacher or administrative salaries, or other school operating expenses.

The Measure G CBOC continues to monitor the MVSD's efforts to acquire, construct and modernize District facilities consistent with Measure G. Measure G funds are available and being expended as project activities continue to ramp up. The Measure G project activities for FY 2023-24 are subject to ongoing review by the Measure G CBOC, will be evaluated by a financial and performance audit conducted by an independent auditor, and will be the subject of a subsequent report.

In connection with its oversight of the ongoing expenditure of Measure G funds, the Measure G CBOC will include in its subsequent report a review of efforts by the MVSD to maximize bond revenues by implementing cost-savings measures. No recommendations have been identified with respect to use of such measures as applied to FY 2022-23 Measure G project activities.

Respectfully Submitted,

Measure G Citizens' Bond Oversight Committee

September 19, 2024

