

Mill Valley School District



Measure G Citizens' Bond Oversight Committee

Fiscal Year 2024 Annual Report



Introduction

Mill Valley voters approved Measure G in June 2022, authorizing the issuance of up to \$194 million of general obligation bonds for the purpose of funding the modernization of Mill Valley School District (MVSD, or the District) facilities. In compliance with the California Education Code, the Measure G ballot language provided for the creation of an independent citizens' oversight committee to inform the public concerning the expenditure of Measure G bond proceeds.¹ The MVSD Board of Trustees established the Measure G Citizens' Bond Oversight Committee (CBOC) in October 2022. The CBOC is governed by bylaws established by the MVSD Board of Trustees. Information regarding the CBOC meetings and reports is posted on the MVSD website.²

The CBOC is charged with informing the public through its meetings as well as annual reports on how Mill Valley taxpayers' Measure G dollars are being spent. This includes reviewing Measure G expenditures in order to verify that bond money is used for purposes authorized by the ballot measure, verifying that proceeds are not used for salaries or other operating expenses of the school district, reviewing plans to address deferred maintenance and reviewing cost-saving measures implemented by the district.³

The CBOC's first annual report was published for Fiscal Year 2023 (the year ending June 30, 2023), at which time no Measure G bond proceeds had been spent. This report is the second annual report and addresses expenditures for Fiscal Year 2024.

CBOC Members

As of the publication of this report, the CBOC is composed of 10 community members with one vacancy.

¹ 68.4% of the 11,475 votes cast were in favor of Measure G. The full text of Measure G is available at: <https://www.mvschools.org/Page/8939>

² MVSD CBOC webpage: <https://www.mvschools.org/Page/8951>

³ [California Education Code, Section 15278](#)

CBOC Members	
Michael Fleishman, Chair	Parent of Child in the District
Melissa Yakel McClatchy, Vice Chair	Parent of Child in District & Active in PTA
Shen Chiou	Parent of Child in the District
Jane Czech	Member of the Community at Large
Jason Johnson	Business Community Member
Joy Koo	Parent of Child in the District
Todd May	Member of Senior Citizen Organization
Tom Messervy	Parent of Child in District & Active in PTA
Phillip Mickelson	Parent of Child in the District
John Wetzler	Member of the Community at Large
Vacant	Member of Bona Fide Taxpayer Organization

The following community members were voting members on the CBOC during Fiscal Year 2024 and contributed to the CBOC’s work during the year: Roger Peters, Gabriel Burczyk, Susanne Podell and Tyler Will.

CBOC Activities

CBOC meetings are subject to the Brown Act, and are held at the MVSD office and open to the public. Pursuant to the CBOC bylaws, committee meetings are limited to a quarterly frequency. During Fiscal Year 2024, CBOC meeting agendas included the following topics

- Meeting of August 31, 2023
 - Measure G update; bond finance update; additional sources of funding
- Meeting of December 14, 2023
 - Measure G update, committee protocols

- Meeting of February 29, 2024
 - Scope of Measure G ballot language, Measure G facilities update, election of CBOC officers
- Meeting of June 17, 2024
 - Mill Valley Middle School (MVMS) site determination, design and schedule; elementary schools design and schedule;

Measure G Bond Background

Measure G bond proceeds are generated through the sale of general obligation bonds, which are secured solely by ad valorem property taxes levied on all property subject to taxation by the District. During Fiscal Year 2024, MVSD issued \$22.6 million of 2022 Election, Series A general obligation bonds (“Series A”) which, net of costs of issuance, generated a \$22.3 million deposit to the Building Fund.⁴ The Series A bond issue has a fixed interest rate through the 2053 final maturity date and an overall cost of borrowing (true interest cost or “TIC”) of 4.1%. The Series A bonds are eligible to be redeemed with no redemption premium beginning on August 1, 2032. As required by law, unspent bond proceeds are invested with the Marin County Treasurer. For calendar year 2024, the annualized yield of the Marin County Treasury Pool was in excess of the TIC of the MVSD bond issuances.⁵

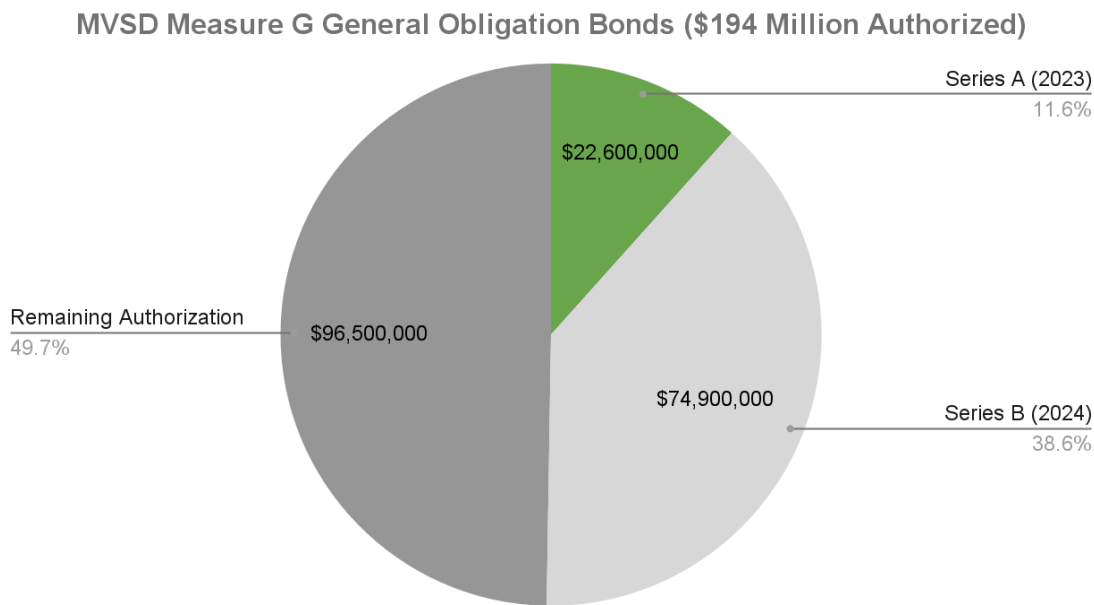
It is worth noting that after Fiscal Year 2024 concluded MVSD issued \$74.9 million of 2022 Election, Series B bonds in October 2024 (“Series B”). This second series generated a second deposit of \$74.5 million to the Building Fund and has a fixed interest rate through the 2054 final maturity date.⁶ The Series B bonds are eligible to be redeemed with no redemption premium beginning on August 1, 2032. The TIC for this issue is 3.9%.

⁴ Series A Official Statement (public bond offering document):
<https://emma.msrb.org/P21716596-P21319643-P21752464.pdf>

⁵ Source: [Marin County Investment Pool](#)

⁶ Series B Official Statement: <https://emma.msrb.org/P21852610-P21418717-P21862089.pdf>

Following the Series B issuance, MVSD has \$96.5 million of remaining Measure G bond authorization.



MVSD has maintained a “AAA” rating from Standard and Poor’s (S&P), which means the Series A and Series B bond issues are among the highest-rated school district bonds in California. S&P’s most recent credit rating publication in September 2024 cites MVSD’s generally balanced operations supported by local revenues, the strength of the local economy and a significant reserve balance as factors supporting the “AAA” rating.

Use of Measure G Funds

In Fiscal Year 2023 MVSD began contracting for services required to support the facilities modernization and construction process, and in some cases executed related contracts for these projects. However, no Measure G funds were disbursed during Fiscal Year 2023 for these purposes. Accordingly no financial or performance audit for Fiscal Year 2023 was undertaken with respect to Measure G expenditures.

Measure G expenditures for Fiscal Year 2024 have been audited by the Stephen Roatch Accountancy Corporation, an independent auditor engaged to complete a financial audit and performance audit for the Measure G Building Fund. These audits were received by the CBOC on January 30, 2025.⁷ The auditor issued an unqualified opinion that all Measure G expenditures complied with the specific projects approved by the voters, and were consistent with the California Constitution.

For Fiscal Year 2024, Measure G expenditures totaled \$4,081,597 and are detailed below. Actual expenditures are compared with a budget that was established at the time of the passage of Measure G.

Revenues	Budget	Actual
Bond Proceeds	\$22,600,000	\$22,600,000
Interest	787,535	1,124,637
Total Revenues	\$23,387,535	\$23,724,637
Expenditures	Budget	Actual
Services, Other Operating		
Bond Issuance Costs	\$235,940	\$235,940
Professional / Consulting Services	13,736	13,372
Advertising	5,490	5,415
Audit Fees	5,000	5,000
Legal Service	193,459	261,726
Capital Outlay		
Construction Management Fees - Land Improvement	851,824	851,823
Architect / Engineering Fees	8,777,125	1,064,079
Preliminary Tests	129,212	37,520

⁷ See: [January 30, 2025 CBOC meeting materials](#)

Other Costs - Planning	386,400	283,444
Inspections	42,750	42,750
Environmental Remediation	72,796	48,510
Testing Costs	39,900	-
Other Costs - Construction	10,908,801	10,391
Construction Management Fees	1,325,102	1,221,627
Total Expenditures	\$22,987,535	\$4,081,597
Change in Fund Balance	\$400,000	\$19,643,040

The balance of the Measure G Building Fund as of the end of Fiscal Year 2024 was \$19,643,040. Following the second issuance of Measure G general obligation bonds in October 2024, and as a result of slower than budgeted expenditures of bond proceeds, as of January 2025 the Measure G Building Fund balance was approximately \$71.1 million.

In 2022 MVSD adopted its Facility Master Plan, which defines the projects to be funded by Measure G along with priority rankings of project priorities at each campus.⁸ Priority 1 projects include improvements at each of the five elementary schools along with the full modernization of MVMS (which totaled 85% of the Priority 1 costs at that time).

Findings of the CBOC

The CBOC finds that for Fiscal Year 2024 Measure G bond proceeds were expended only for the purposes set forth in Measure G, and no bond proceeds have been used for teacher or administrative salaries or other operating expenses.

The CBOC finds that MVSD is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.

Overall expenditures in Fiscal Year 2024 were limited to \$4.1 million (18% of budget), which reflects that Measure G projects remained in their early stages. Certain Measure

⁸ Facility Master Plan: <https://www.mvschools.org/Page/8962>

G projects, including the MVMS modernization, have been delayed from their original schedules due to a variety of factors during a period of significant construction cost escalation. As a result, it is possible that stakeholders in the MVSD modernization process will have to make difficult decisions on the scope of improvements to MVSD's facilities in order to maximize the impact of limited Measure G bond revenues. This can only take place once project costs and funding sources are finalized. The CBOC's efforts to review efforts to maximize bond proceeds through cost-savings measures will continue.

Conclusion

The 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.

In parallel with the first Measure G expenditures in Fiscal Year 2024, MVSD has shown a commitment to frequent and detailed reporting of Measure G expenditures to the CBOC and Mill Valley taxpayers. These efforts have supported the CBOC's work this year and are appreciated.

The CBOC's activities and reporting are expected to continue to ramp-up as future expenditures become known and MVSD breaks ground on the important Measure G projects.