

This is an interim report of the Measure Q Citizens' Oversight Committee (CBOC) regarding information since the first annual report was issued for bond activity as of June 30 2018. The term "Committee" will be used to refer to the CBOC in the following report.

30 June 2018 Audit The 1st annual report to the citizens included the independent audit report for the fiscal year ending June 20, 2017. The financial and performance audits for the 2017-18 fiscal year were briefed at the March 2019 Committee meeting.

Financial Audit: The financial audit provides an opinion, with reasonable assurance, on the accuracy of the financial records audited.

Performance Audit: The scope of a performance audit may include any and all aspects of the matter being audited, in this case the Measure Q bond funds. The scope of the audit determines the audit time and cost of the audit. As stated in the Auditor's Report on Measure Q Bond Performance, "The object of the examination of compliance applicable to the District is to determine with reasonable assurance that: The proceeds of the sale of the 2016 Measure Q bonds were only used for the purposes set forth in the ballot language and not for any other purpose." The Committee is also required by law to "actively review and report on the proper expenditure of taxpayers' money for school construction".

Project Budget Changes: The revised budget for the renovation of the Dixon Middle School (DMS) has increased from \$15M (million) to \$19.9M due to unbudgeted roof repairs, kitchen upgrades and windows replacement, unknown termite damage and asbestos removal, unforeseen conditions, escalating construction and associated architectural costs for the unbudgeted items. Savings from the Silveyville projects have been allocated to assist with the DMS budget overrun as well as additional grant funding applied through the State of California.

New Bond Issue & State Grant: The District applied for and obtained approval of a grant of \$3.4M from the State of California for increased costs of the DMS renovation. However, the grant funds will not be available until the year 2022. A new bond issue for Measure Q including the remaining balance of \$11,170,000 of the \$30.4M Measure Q bond approved in November 2016 was approved by the Governance Board at the April 18, 2019 meeting to cover the increase in renovation costs. This second and final Measure Q Series B General Obligation Bonds were issued by the District on May 30, 2019.

Project Timeline Update: The construction contract for the DMS project was approved for BRCO Constructors, Inc. at the May 2, 2019 meeting of the School Board at the bid cost of \$10.9M. This was a competitively bid contract; however, BRCO was the only bidder. Change orders and additional scope of work for reroofing, kitchen upgrades, and windows replacement have resulted in a revised contract cost of \$13.5M as of November 7, 2019. The construction contract requires a completion date in time for the 2020-21 school year. Silveyville and Gretchen Higgins projects have been completed. The Tremont Administration Renovation is currently under design and expected to be completed by Fall/Winter 2020. Anderson Elementary School Modernization requires the Boards' approval for project and process and is expected to be completed by Fall 2022.

New Contracts: A purchase order in the amount of \$362,390 was issued to School Site Solutions (SSS) on March 14, 2019 and approved by the School Board meeting consent calendar on April 18, 2019. SSS will provide construction management, budget and financial reporting services for the DMS project and other District projects.

Bond Parcel Tax Rate: After a request by the Solano Taxpayers Assn., the Solano County Auditor-Controller has acknowledged that the property tax assessments for Measure Q and Measure J (New High School) should, and will be listed separately on property tax statements for the 2019-20 fiscal year. Both assessments were combined on the 2017-18 and the 2018-19 tax statements. As reported in the 2018 Committee report the rate of \$36.75 per \$100K (thousand) assessed value as estimated in the Measure Q information was actually \$49.81. The new assessment rate for the Measure Q (Series A) in 2019-2020 fiscal year is \$23.91 per \$100K assessed value. The Measure J (2003 New High School) assessment

rate is \$48.86 in 2019-2020 fiscal year. The separation of assessments for each bond measure will provide transparency for the property owners regarding the true cost of each bond measure assessment.

Meeting Recording Change A more user friendly system is now being used to record meetings of the Committee. The Granicus System is used to record the DUSD Board meeting as well as the Dixon City Council.

Website Update: The School District IT Department has taken responsibility for the Committee website. The website was previously the responsibility of Cooperative Strategies, a contractor and financial advisor for the Measure Q bond. The Committee website, dixonmeasureq.com, provides meetings, documents and other information.