

**ARENA UNION ELEMENTARY SCHOOL DISTRICT**  
**Measure E, 2008 Bond Oversight Committee Annual Report**  
*January 1, 2008- December 31, 2008*

<b>Beginning cash balance</b> (01/01/08)	<b>3,764,699</b>
<b>Interest</b>	<b>201,094</b>
<b>Total Revenue</b>	<b>3,965,793</b>
<b>Expenditures</b>	
Audit fees	<b>8,000</b>
Bank Fees	<b>1,500</b>
Coastal Commission Use Permit	<b>123,010</b>
Arena Campus Planning/Arena Bond administration.	<b>3,226</b>
Repayment to OPSC for Gualala School Planning Grant	<b>82,301</b>
<b>Total Expenditures</b>	<b>218,037</b>
<b>Cash in Fund</b> 12/31/08	<b>3,747,756</b>

In summary, the original proceeds from the sale of Measure E Bonds was **\$3,674,148**. As 2008 ended the Measure E Bond Fund has \$3,747,756. During this last year Board authorized a total of \$218,037 in expenditures with 94% of these expenditures (\$205,000) on the Gualala School project, 4% (\$9,500) for Bank and Audit Fees and just under 2% (\$3,226) for Arena Campus planning.

**Future Expenditure Consideration by the District:**

**Gualala School:** In November of 2008, the School Board received conditional approval for the Gualala School from the California Coastal Commission (CCC). A conservative estimate to fully comply with the CCC conditions is \$900,000 (not-including sever cost). Recently compiled estimate (without contingency reserve or sewer hook up) to partially complete phase 1 of the Gualala School (site work, 4 classrooms, engineering, architect, consultants) is \$2.75 Million. No actual estimate for the sewer cost is available at this time, however the original estimate for the sewer was \$250K which is very conservative given other construction cost. Thus, a very conservative anticipated total cost for a partial school in Gualala is \$3,900,000.

**Arena Middle School Improvements:** The School Board has already accomplished a large number of the items from Measure E, for the Arena School using grants and other funding sources. These include up grading: electrical, communications, fire alarm, heating, roofing, playgrounds and painting. The School Board, thru the District Facilities Committee, has identified three critical remaining needs from the approved Measure E Bond List.

1. Library/Media Facility that meets state and federal requirements and is age appropriate for Middle School Students.

2. A Middle School Science Instructional Lab to provide Science Instruction which is in compliance with current State adopted Curriculum Standards and requirements.
3. Food Service/Student Commons Facility to provide minimum/required food service and dining which can not be accomplished currently because of the extremely heavy use of the Multi-Use Room for a variety of daily instructional activities.

If the School Board takes action to defer the construction of the Gualala School to a future date (due to the serious financial considerations), it would not be feasible to convert existing Arena classrooms (as all are currently fully utilized to house the pre-k to 8<sup>th</sup> grade population). Therefore construction of additional buildings will be necessary. Once constructed these completed buildings will allow for a seamless transition to a full middle school, with the completion of the k-5 Gualala School.

The anticipated total cost to meet these three critical unmet Measure E needs is \$1,880,648

### **COMMITTEE RECOMMENDATION**

The Bond Oversight Committee recognizes the above clearly unmet needs for the Arena Middle School. At the same time we strongly recommend continued support for the Gualala School in a tangible manner. Toward this end we recommend that the School Board allocate 1 million dollars in Bond funding to pursue the completion of the sewer, as this is the first necessary step toward the completion of the Gualala School.

At the same time we recommend the allocation of \$1.88 million in bond funds for completion of the three unmet needs (conversion of the Science Lab and the construction of a new Library Media building and a Food Service/Student Commons Building). This will leave approximately \$ 800,000 in unallocated Bond Funds.

We feel it is critical that the Board act swiftly to implement these projects, as this is a unique time of economic opportunity.

*Approved January 21, 2009*