MEMORANDUM

DT: June 20, 2005

TO: Prop A 2003 Citizen’s Bond Oversight Committee
Patricia Crawford, Nick Driver, Shirley Herndon, Georgia Lee, Nan McGuire,
Hydra Mendoza, Jim Quadra, Wade Randlett

FM: Leonard Tom
Bond Program Manager


I have enclosed for your review and comment a copy of the financial report for the Prop A 2003 Bond Program, effective for April 30, 2005. This month’s report contains several changes of note as there has been an increase in potential program revenues and some project budgets have been modified.

The basic program budget has been increased from $335.179 million to $335.941 million. The $0.762 million increase is due to the recognition of interest earned on unspent Bond funds and higher than expected assumptions about State Bond funding for the projects at Bryant and Bret Harte elementary schools. As of March 31, 2005, the Program had earned $408,334 in interest since the bonds were originally sold in late October 2004. The State funding applied for at Bret Harte is $1,185,222 (a net increase of $155,341 from the original budgeted amount). The State funding applied for at Bryant is $999,414 (a net increase of $198,138). The increases at both sites will be retained and added to those project budgets.

A programwide contingency fund (see Programwide Expenses) has been created within the Bond Program. Despite our best efforts and those of our architects, it is anticipated that some projects will end up costing more than their original budgets just to complete the minimum amount of accessibility and life/safety upgrades required at those schools. Another reason for the programwide contingency is that State construction funds are awarded on a first come/first served basis. The District is competing statewide for those funds. The $40.179 million of State funding assumed in the original program budget is not guaranteed. The loss of state funding at any of the 18 schools in the program that qualify could be devastating for that project. It is prudent to create a reserve for that purpose. We will know better where we stand with State funding by early 2006.

Initially, the programwide contingency will be funded from interest earned and any surpluses that might become available from higher than expected State construction bond revenues. There may also be situations where some portion of the original scope of work at a particular school may prove to be unnecessary. For example, replacement of a modular building was included in the original scope of work at Gloria Davis Middle School. Subsequent, detailed investigation by our architects revealed the replacement was not really needed, saving $758,501 from the project budget.

On April 30, 2005, the Prop A 2003 program had expended a total of $4,648,331. The amount spent during the month of April was about $0.991 million. A majority of the expense has gone toward architectural design fees, surveying and permit approvals, plus the District’s programwide staffing and Primary Executive Architect costs. Thus far, $3.075 million of the expenses-to-date (63%) has occurred at the 12 projects in the first round of the program.
April Financial Report
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Please call me at (415) 241-6151 with any questions that you may have about this report.

Enclosure

cc: David Goldin, Joe Grazioli, Genevieve Hahn, Josie Cruz, Myong Leigh
    Bruce Hart, Jeff Stahl

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