

Manhattan Beach Unified School District
Measure M Bond Oversight Committee Report
August 18, 2004

Introduction

The Measure M Bond Oversight Committee (BOC) was reconvened in November 2003 by the present Manhattan Beach Unified School District (District) Board of Trustees (Board) to investigate cost overruns on Mira Costa High School (MCHS) construction projects. The BOC met ten times in public meetings and posted agendas, meeting minutes and supporting information via the District’s public notice email distribution list and on the District’s Web Site: www.mbusd.org/staff/bond/index.html.

While the BOC’s focus was on Measure M, project costs at the elementary and middle school sites and the District’s use of alternate funding sources were examined as to their impact on MCHS overruns. This report summarizes the committee’s findings.

The BOC is an all-volunteer committee of Manhattan Beach citizens. No funds were expended by the committee. At the BOC’s request, District staff provided copies of records and prepared financial spreadsheets. Committee meetings were often attended by MCHS and District administrators, Board members and other interested parties. Anyone who expressed interest was invited to join the BOC’s email distribution list and to attend its meetings.

Members attending six or more committee meetings in 2003-2004 included: LeRoy Nelson (Chairman), Gary Stabile (Vice Chairman), Duane Hove (Secretary), Walt Dougher, Russ Lesser, Howard Sofen and Erika White.

Frequent guests included Bill Cooper, Sandra Hardy, Herb Hinsche, Lynn McCormack, Steve McMahon, and David Wachtfogel.

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A copy of this report and copies of the documents mentioned in this report are posted on the BOC’s page on the District web site:

<http://www.mbusd.org/staff/bond/index.html>

What Went Wrong and Why

Measure A Projects

The original plan for the modernization of all District schools and the construction of a new middle school was developed over several years with the help of HMC Architects. Site-based facilities committees submitted proposals to the Facilities Steering Committee, which incorporated them into District-wide project lists. HMC filled in the gaps and provided time and cost estimates for all of the projects. The total estimated cost of the proposed projects was \$87 million. Election consultants surveyed the community to determine the kinds and total cost of projects the voters were willing to fund with a bond measure. The consultants determined that voters were willing to fund about half of the total cost.

A Community Relations Advisory Committee was formed to prioritize the projects and to develop a proposal that the Board and community would approve. That committee's report to the Board is posted on the BOC page on the District web site. The recommended \$51.3 million budget was approved by the Board on June 15, 1995. It called for the immediate approval of \$10 million in Certificates of Participation (COP) to start several time-critical modernization projects prior to the approval and funding of a \$47.3 million bond measure (Measure A). The budget summary page produced by HMC, the Board meeting minutes, the bond resolution, and the ballot measure were included in the School Services of California (SSC) Report as Appendices A-D (available on the web site).

COP #1

The COP was issued in August 1995, and Measure A was approved by the voters on November 7, 1995. The Measure A bonds were scheduled to be issued in three series: Series A in 1996, Series B in 2001 and Series C in 2006. Each series was to be repaid from additional property taxes over a period of 25 years. Also, half of a projected \$20 million from the Special Reserve Fund (proceeds from previous sales of property, including Aviation High School) was to be spent on the construction of a new middle school.

A COP is a lease financing agreement in the form of tax-exempt securities similar to bonds, but without the requirement of a vote of citizens. A COP is a method of borrowing against the value of the District's assets in order to finance other assets. The leased assets are held by a trustee corporation (with the same Board members) for the benefit of the COP investors.

The COP was to be a bridge loan, which was to be retired with proceeds from the Series B and Series C bonds. The COP was used to fund time-critical modernization projects that were included in the original \$51.3 million budget. There was no separate budget for COP projects in the original plan, but a 1999 COP Report does show which projects were funded by the COP. When the Measure A projects were completed, the District would have six modernized elementary schools (including the former Manhattan Beach Intermediate (MBI) site, which was actually only partially modernized), a new middle school, a modernized high school, \$10 million in the Special Reserve Fund, and no debt other than the bonds.

General Fund Augmentation

The original financial plan for Measure A also included a provision to siphon off \$800,000 per year for ten years from interest and reserves to augment the General Fund. This provision was proposed to maintain programs that had been supported by interest on the Special Reserve Fund. Of the \$8 million allocated for this purpose, \$2 million was expected to come from interest on bond funds (float), and \$6 million was expected to be withdrawn from reserves, which were also to be replenished from the proceeds of the sale of Series C bonds in 2006.

Since bond funds cannot be used for General Fund expenditures, one might ask whether this \$6 million replenishment of the Special Reserve Fund from the bond fund was legal. It was legal, because the bond funds were technically replenishing part of the \$10 million of reserves used to build the new middle

school. The District planned to spend \$10 million of reserves on the middle school in 1997-1999, of which \$6 million were to be repaid from Series C bond funds in 2006. Therefore, the planned net construction spending from the Special Reserve Fund was really \$4 million, not \$10 million. The other \$6 million of reserves was to be transferred from the Special Reserve Fund to the General Fund. The Board actually approved transferring \$3.5 million from the Special Reserve Fund to the State Modernization Fund on March 8, 2002, and reserves were not replenished from bond funds, so the net result was pretty close to the original plan of \$4 million of reserves spent on construction.

Robinson Scope Increases

The biggest project funded by the COP was the modernization of Robinson. The reopening of Robinson required establishing an attendance boundary that was closer to Pacific than to Robinson. Some of the prospective Robinson parents protested the boundary. In order to placate these parents, the District Superintendent and Board attempted to make Robinson more attractive by adding many enhancements to the Robinson modernization plan. Conspicuous examples included new cabinetry, large-screen TVs and VCRs in every classroom. Since Robinson was relatively small, the cost of these scope increases was a small percentage of the total budget, although they contributed to a 43% increase over the original Robinson budget. However, since Robinson was the first school modernized, it became the development model and the financial baseline for all of the others. Costs escalated along with expectations for each successive modernization project.

Class Size Reduction

Class size reduction (CSR) was another budget buster. CSR was adopted by the State in 1996, the year after Measure A was approved. Implementing CSR for grades K-3 required 28 additional classrooms. The state eventually provided funding to support a portion of the costs of adding CSR classrooms. CSR also greatly increased the demand for classroom portables and for classroom renovation and construction statewide, which resulted in unexpected cost increases for all subsequent new construction and modernization projects.

Additional Revenues

At a Board meeting on January 26, 1999, the Board directed District staff to include alternative funding sources for modernization. On March 24, 1999, District staff produced a Bond/COP Report that showed potential revenues of \$77.3 million, which was \$26 million larger than the original budget of \$51.3 million. The \$26 million increase had three components. (1) The \$10 million COP, which was listed as a *separate funding source* from the bond proceeds for the first time. (2) \$6 million of additional bond proceeds, which were listed as \$47.3 million instead of the planned \$41.3 million. (3) An initial \$10 million estimate for State School Modernization Funds (discussed later in this report). As noted previously, \$16 million of the \$47.3 million bond proceeds were originally intended to pay off the \$10 million COP and to replenish \$6 million of reserves, not as separate sources of modernization funding. Treating these amounts as independent funding sources had the same financial impact as drawing down reserves. On May 17, 1999, the District Superintendent sent a memo to the Board proposing to refinance rather than pay off the COP; this alternative proposal was quietly supported by a majority of Board members but not discussed publicly until after Measure M was approved. It is not known whether the \$6 million shift was deliberate or accidental. Adding that \$6 million to the construction budget would have made sense if the Board had not transferred \$6.7 million from the Special Reserve Fund to the General Fund between 1999 and 2004.

When the Series B and Series C bonds were sold much earlier than planned because of rapidly increasing property tax income, the District did not use the proceeds to pay off the COP, it did not restore reserves as planned, and it did not adjust expenditures to match revenues. Instead, the District took advantage of

favorable interest rates to refinance COP #1 in 2001, which added a little over \$4 million to construction funding by increasing indebtedness. The increased debt service for the refinanced COP #1 consumes the income that the District receives each year from Developer Fees. Thus, Developer Fees are fully committed to modernization through 2020. As of June 30, 2004, \$5.3 million of Developer Fees have been spent on modernization.

Cost Increases

The 1999 Bond/COP Report showed that actual plus expected/projected expenses for Measure A projects had expanded to consume the extra \$26 million of potential revenues. The magnitude of this growth was not obvious to the Board, however, because the report did not show the original budget amount. One Board member produced a modified version of this report in April 1999 that included a column for the project budgets. An updated version of this report is included as Exhibit A, Measure A Summary.

Some of the cost increases reflected the general construction cost increases that resulted from the increased demand for school contractor services statewide. However, most of the increases were scope increases beyond the original budget, such as those discussed previously for Robinson. Many of these scope increases involved projects included in the original site proposals, but not included in the recommended project list. In other words, the Board ultimately approved many of the lower-priority projects requested by the school principals and site facilities committees, even though they were not included in the approved plans, and even though adequate funding was not available.

Some of the cost increases were due to unforeseen conditions discovered during construction. The original budget included a 5% contingency allowance, but this was exceeded for almost every project. The contingency allowance should have been several times larger for all school modernization projects and even larger for the older schools—Grandview and Pacific—where serious termite damage and rat infestation problems were uncovered during construction. The March 1999 Bond/COP Report included an additional 10% contingency allowance for the remaining K-8 costs.

Middle School Construction Cost Increases

The cost of building Manhattan Beach Middle School (MBMS) increased an estimated \$2 million when the Board decided to resolve the threat of litigation by residents north of the campus by moving the school approximately 100 yards to the south. This decision was made just before the bid packages were submitted to contractors. Half of the cost increase was due to the lateness of the change of plans. Additional costs were incurred at MBMS after the prime steel contractor defaulted, causing serious delays in the construction schedule. In order to maintain the completion date in the face of these challenges, the District negotiated with the subcontractors to accelerate the remaining work. The District attempted to recover the additional costs through litigation, but the legal fees ended up greatly exceeding the amount recovered.

State School Modernization Matching Funds

The District's modernization budget received substantial relief in the form of State matching funds, which were initially approved by State voters in November 1998, three years after Measure A was approved. For projects submitted before September 15, 2001, the State matched district funds 4 to 1 for modernization (80% match) and 1 to 1 for new construction (50% match), with limits based on school enrollment. The District created School Modernization Fund 82 on April 28, 1999.

The District was not able to take advantage of State matching funds for Robinson or MBMS because of timing issues, but applications for State matching funds were submitted for each of the other five schools as their modernization plans were approved. Each project was approved for the maximum amount of State matching funds based on school enrollment, and the District transferred its required contributions from bond funds to the School Modernization Fund. All of the District contributions to the School

Modernization Fund should have come from Measure A, but more than half (\$1.9 million) was actually transferred from Measure M. Amended applications were submitted to take advantage of any enrollment growth after the completion of each modernization project. Because of the large backlog of approved projects, receipt of matching funds was sometimes delayed for years, until additional bond measures were approved by the voters. A total of \$13.0 million (80% of the \$16.2 million total) in State matching funds was approved, compared to the March 1999 estimate of \$10.0 million. An additional \$1.5 million of State matching funds for MCHS enrollment growth has not yet been received.

Although State matching funds were allocated to each school site, they were never allocated to specific projects at those sites. The existence of these additional funds was used to justify Board approval of many incremental scope increases in addition to covering some of the increases in the costs of the originally budgeted projects.

Routine Restricted Maintenance Account (RRMA)

Districts receiving State matching funds after November 1998 are required to contribute at least 3% of their General Fund budget to an RRMA fund for the next 20 years. The State matches up to ½% of this contribution under the State School Deferred Maintenance Program. The District is required to contribute about \$1.4 million each year to RRMA. Since 1995, the District has transferred interest on the Special Reserve Fund to the RRMA, and the balance has been paid from the General Fund. The total RRMA contribution could be considered a cost of modernization, since the requirement resulted from accepting State matching funds. However, the RRMA contribution could also be considered a prudent operating expense regardless of modernization.

MCHS Modernization

The amount allocated to MCHS modernization in the District's March 24, 1999 Bond/COP Report was arrived at by deducting the projected costs of all other modernization projects from the projected revenues. The balance available for MCHS modernization was 126% more than the original budget. Although this allocation may have appeared ample to most observers, there were several reasons to believe that this amount would not be sufficient. First, bids received a few months previously for the Meadows modernization project were much higher than expected – projected costs to completion were 176% over the budget. Even greater cost increases were predicted for Pennekamp, the next school to be modernized. Second, MCHS modernization was not expected to start for one year, and was expected to take several years, so additional cost increases were likely to occur because of cost inflation due to the later start. Third, modernization costs have consistently exceeded estimates (even revised estimates) by significant amounts (Exhibit A. Measure A Summary). The K-8 modernization costs grew from the 1995 budget of \$41.0 million to the 1999 estimate of \$53.9 million (32% increase) to the 2004 estimate of \$64.1 million (56% increase over budget). The MCHS modernization costs grew from the 1995 budget of \$10.3 million to the 1999 estimate of \$23.4 million (126% increase) to the 2004 estimate of \$27.1 million (163% increase over budget).

Measure A Projects - The Bottom Line

The total costs of Measure A projects grew from the 1995 budget of \$51.3 million to the 1999 estimate of \$77.3 million (51% increase) to the 2004 estimate of \$91.2 million (136% increase over budget). Even after expanding the funds available by refinancing the COP and by adding developer fees and donations subsequent to the 1999 report, the project costs continued to grow faster than the available funds. Our best estimate is that the total costs of Measure A projects exceeded all available funds other than Measure M and the remaining reserves by \$13.2 million dollars (Exhibit A. Measure A Summary). The impact on Measure M is discussed in a later section.

Measure M Projects

On August 4, 2000, the Board authorized placing a \$26 million bond on the ballot; the Board's resolution is included in the SSC Report. Measure M was approved by the voters on November 7, 2000. The bond proceeds were to be used for the construction of five new two-story buildings at MCHS.

The Measure M campaign in 2000 advertised that all Measure A projects were "on time and on budget." The "on time" claim was substantially correct, although schedules were frequently maintained by using emergency declarations (to avoid the time-consuming competitive public bidding process) and costly accelerated work schedules. However, the "on budget" claim was only true if one retroactively included the \$26 million of additional revenues identified in the March 1999 report in the budget. That is not what an average citizen would understand as "on budget", but it was an effective campaign slogan.

Bond Oversight Committee

The Board passed a resolution on July 5, 2000 which stated, "In the event that a statewide ballot proposition is approved on November 7, 2000 lowering the required voter approval level from its current two-thirds, it is the intent of the District to have it's election governed by the provisions of such statewide proposition if otherwise permitted by law." Proposition 39 was approved. It required districts to form a Citizens' Oversight Committee with specific duties and membership requirements. The primary requirement is ensuring that bond revenues are expended only for the purposes described in Article XIII A, Section 1(b) (3) of the California Constitution:

Bonded indebtedness incurred by a school district ,, for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities ... , approved by 55 percent of the voters of the district ... , voting on the proposition on or after the effective date of the measure adding this paragraph. This paragraph shall apply only if the proposition approved by the voters and resulting in the bonded indebtedness includes all of the following accountability requirements:

(A) A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b) (3), and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

(B) A list of the specific school facilities projects to be funded and certification that the school district board ... has evaluated safety, class size reduction, and information technology needs in developing that list.

Applications for the Bond Oversight Committee (BOC) were accepted in December and members were appointed by the Board in January, 2001. The BOC met of five times during 2001 and once in 2002: 01/31/01, 03/14/01, 04/25/01, 08/21/01, 10/26/01 and 05/21/02. At the April 25, 2001 meeting, State modernization matching funds for MCHS were estimated at \$7.7 million. The architect presented exterior design concepts for the two-story classroom building and for the student services building. Timelines were slipping for all construction projects. The next meeting was to be scheduled when the preliminary plans for both buildings were available. On August 21, 2001, the architect presented interior design concepts for both buildings. On October 26, 2001, at a joint meeting with the MCHS facilities committee, the architect presented schematics of the exterior design for both buildings. The Deputy Superintendent stated that it was too early to tell if the MCHS projects were on budget. "We are OK for now. ... We will know more when the bids come in..." According to an email status report on January 24, 2002, the plans for both buildings were submitted to the Division of State Architect (DSA). BOC was not given an opportunity to review the plans. The Deputy Superintendent reported, "I am not concerned about the budget (yet), but want to be sure that we stay within budget on the first two buildings." At the final meeting on May 21, 2002, it was reported that plans had been received from DSA the previous day. Bids were scheduled in July, with start of construction in September. The committee reviewed an updated site plan and building models. The Deputy Superintendent's final email status report to the BOC on October 15, 2002 indicated problems with structural steel for the two-story classroom building and problems with DSA approval of plans for the student services building. There was no mention of any shortfall of construction funding.

Measure M Accounting

The District's accounting staff has been very thin for many years because of many rounds of cost reductions to balance operating budgets. District staff was able to produce two spreadsheets that reconciled the sources of funds and ending balances with the actual expenditures by site and by project (Exhibit B. Sources of Construction Funds and Exhibit C. Construction Expenditures by Site and Project). District staff also produced several versions of a spreadsheet that summarized budgets and expenditures by site and by project, but this report included several discrepancies. SSC included a simplified version of this spreadsheet in their revised report of April 2004, but their spreadsheet also contains many discrepancies. Resolving the remaining discrepancies would take resources that are currently not available to the BOC.

Although all Measure M funds were spent on projects at MCHS as promised, it appears that \$13.2 million of Measure M funds were spent on MCHS modernization (\$1.9 million on the District's share of the State School Modernization matching fund and \$11.3 million on scope increases for MCHS modernization projects). The total cost of MCHS modernization was \$27.1 million, 163% over the original \$10.3 million budget. Thus, more than half of the \$26 million Measure M funds were spent on MCHS modernization instead of on new construction, as planned. **Measure M funds diverted to MCHS modernization equaled 91% of the original budgets of the library and performing arts buildings.**

Constructability Review and Value Engineering

At the December 17, 2003 BOC meeting, a number of local construction industry professionals provided information about construction management, project management and inspection services. There was consensus among these experts that pre-construction planning and design reviews are necessary to project success. These reviews should take place early in the design phase, well before construction bids are solicited.

A constructability review involves an analysis of essential construction needs, desired project features and budget. This review should determine whether the essential elements of the project could be constructed within the target budget and the extent to which desired elements can be included. The cost of essential plus desired elements generally exceeds the projected budget, requiring decisions and design changes to match the project's features with available funding. Value engineering involves an analysis of how to get the most value out of each budget dollar. This also involves tradeoffs between what is desired and what is economically feasible. Implementation of constructability review and value engineering early in the design phase of the project enhances the likelihood of achieving desired construction results within budget and minimizing the need for expensive change orders at later stages of construction.

Design reviews are most effective when conducted by expert individuals or organizations that (1) are on board at the earliest stages of the project, (2) do not have an economic incentive to increase the scope and cost of the project, and (3) do not have a relationship with the architect or general contractors that would undermine their independence and objectivity. The architect and general contractor typically have economic interests in expansive design and construction, which conflict with the goals of design reviews. A construction manager could possibly perform these functions. A "construction client advocate" is most likely to meet all of these criteria, but would probably add 3% to project soft costs.

The District's construction manager provided a constructability review on June 14, 2002 and two lists of value engineering suggestions for the MCHS Student Services and Administration Building: \$566,000 on June 14, 2002 and \$177,500 more on September 9, 2002. The total amount of the value engineering suggestions represented only 15% of the original project budget (\$4.9 million). The constructability review estimated construction costs at \$6.0 million, which was 24% over the original project budget, and this estimate did not include any allowance for subsequent change orders, scope increases or soft costs.

The total cost of this building is now projected to reach \$9.7 million, 100% over the original budget. The value engineering suggestions were hopelessly insufficient to keep the project on budget. Moreover, the bid packages for this building were approved by the Board on October 23, 2002, so the design reviews were performed far too late for serious consideration or beneficial effect. All of the value engineering suggestions were rejected by the MCHS facilities committee, and the Board approved none of them.

MCHS Building Cost Increases

The MCHS facilities committee, like facilities committees at other school sites, worked with the architects to refine and enhance the construction plans without evaluating the cost implications of the proposed enhancements. The Board approved these enhanced plans without evaluating the cost implications.

Harry Ford provided an interesting analysis of changes in MCHS building sizes and costs based on documents provided by

District staff. His figures have been updated in the table below based on recent data. Each of these buildings ended up costing about three times the architect's \$160 per square foot original estimate and nearly twice the \$189 per square foot average cost of new high school construction published by the California Office of Public School Construction on October 23, 2002.

		Finish	Total Cost	Sq. Ft.	Cost/SF
Two-story Classroom Building	Budget	Aug. 2001	\$1,632,000	10,200	\$160
	Actual	Mar. 2003	\$4,767,943	13,683	\$348
	Increase	19 Months	192%	34%	118%
Student Services Building	Budget	Apr. 2002	\$2,824,000	17,650	\$160
	Actual	Dec. 2003	9,730,080	26,987	\$361
	Increase	20 Months	245%	53%	125%

When the low bids for construction of these two new buildings at MCHS came in around twice their original budgets, it should have become painfully obvious to the Board and District administration that the construction budget at MCHS was in trouble. Original budgets were not discussed when the construction bids were brought to the Board for approval. However, the Superintendent and Deputy Superintendent began looking once again for additional sources of funds. Preliminary studies indicated that the unused hillside north of Ladera could generate as much as \$20 million in additional revenues that could be used for construction. This information was not shared with the public, and it was apparently not shared with the entire Board at that time either. In a February 23, 2003 letter to residents of Manhattan Beach regarding the proposed \$7.5 million parcel tax, the Superintendent stated, "We have no more land for sale."

Financial Crisis

The Board was confronted by several problems in recent years that distracted it from closely monitoring the construction budget: rapid uncontrolled growth of operating deficits, the Measure E parcel tax campaign to alleviate them, and the development of rivalries and animosities between Board members.

The financial situation reached a crisis early in 2003, when the District was forced to deal with a \$4 million deficit created by uncontrolled expenditure growth and unexpected midyear State budget cuts. Well-attended public Board meetings were held at MBMS on February 5 and 19, 2003, where the discussion of personnel cuts brought forth passionate pleas from constituents to save jobs and programs. A majority of Board members favored spending reserves to avoid making staff reductions in the current year. One Board member wanted to set a limit on the amount of the withdrawal, and the motion failed when no limit was proposed. However, the Board subsequently failed to make enough staff reductions to eliminate the budget deficit, so the District was required by law to transfer funds from the Special Reserve Fund to the General Fund to balance the budget. In effect, the Board decided to spend the reserves by default.

The Board voted on March 5, 2003 to place a \$7.5 million parcel tax on the ballot. The statements made by the District in support of Measure E touting the success of modernization and construction projects were even less accurate and less credible than the claims made in support of Measure M. Measure E failed on June 3, 2003.

Parent organizations responded to the operating budget financial crisis with the Vital Programs fundraising campaign. In spite of their heroic fundraising efforts, \$2.75 million had to be transferred from the Special Reserve Fund to the General Fund in 2002-03 and another \$2.34 million was transferred in 2003-04.

The full magnitude of the construction funding shortfall reportedly first came to the attention of the Superintendent and Board members in July 2003. A summary of expenditures versus income for all construction projects was compiled in a spreadsheet by District staff and updated by the Board President, published in a local newspaper, and presented at a public Board meeting in August 2003. The community was outraged. SSC was hired in October 2003 to audit the construction projects. Financial mismanagement became a major issue in the November 2003 Board election; both of the incumbent candidates were defeated.

The BOC was reconvened in November 2003 after not meeting since May 2002. SSC issued a report in January 2004 and then issued an addendum in April 2004 to answer some of the questions that the first report failed to address. The BOC did not consider the answers in either version of the SSC Report to be satisfactory, so the three BOC officers undertook the arduous task of writing this new report.

A law firm specializing in construction law and an owner's construction advocate were hired in 2004 to evaluate the District's recovery options. Bids for a forensic audit of the last two construction projects (the MCHS Student Services Building and the Education Center) were received in August 2004. Based on past experience, the BOC expects that all of these efforts will enable the District to recover \$100,000 or less after deducting recovery costs.

Education Center

The Education Center is not discussed in this report because it is self-funding. Debt service on the \$5 million COP #2 plus the loss of interest on the \$0.75 million transferred from the Special Reserve Fund to pay for the Education Center are less than the rent the District projected that it would have to pay at the previous District Office. After 20 years of interest and debt payments less than projected rents, the District will own the building.

Conclusion

The District spent two to three times the original budget on modernization projects at five of the seven school sites as well as on the two new construction projects at MCHS. Only three major projects experienced less than 50% growth from the original budget: Robinson, MBMS and the Education Center. Although every project increased significantly in scope, the District received tangible value for every additional expenditure. Even the estimated \$1 million spent on acceleration charges at MBMS, because of the late decision to move the buildings and because of the defaulting contractor, provided a tangible value. Finishing MBMS on time enabled the District to save over \$1 million by not adding enough portables at MBI to accommodate all of the 6th graders. The results obtained reflect the high quality of facilities that the vast majority of community members requested for our children.

The three authors of this report did not have sufficient resources to answer all of the questions that have been asked, but we have attempted to understand and explain what when wrong and why in sufficient detail to enable us to develop the following findings and recommendations, which we hope will permit the District to avoid repeating past mistakes.

Findings and Recommendations

Finding 1: The Measure M Bond Oversight Committee (BOC) was never empowered to perform its advertised function and it did not do so.

Background: Measure M was passed in the same election as Proposition 39, which requires an independent Citizens' Oversight Committee with specific membership and duties. Measure M passed with a 2/3 vote, and it was not required to meet the requirements of Proposition 39. However, the Board resolved to treat the BOC as if it was so empowered. This did not occur. BOC meetings were called by the Deputy Superintendent at his discretion and with his agendas. Eventually, meetings were not called at all, and individual BOC member's requests for information were not answered.

Recommendation: Oversight committees should elect their own officers, call meetings at their own discretion, set their own agendas, and receive unqualified support from the Board, District administration and contractor officials. If requested support is not forthcoming, the Committees should make this known to the public at Board meetings and through the local media.

Finding 2: A unified project budget and expenditure accounting was and is lacking.

Background: A project budget showing funding sources and actual plus projected expenditure accounting did not exist when the BOC was convened in 2001 or when it was reconvened in 2003. Subsequent efforts by School Services of California (SSC) and by District staff to account for expenditures produced conflicting results. Complete and credible accounting of the sources of funds (Exhibit B. Sources of Construction Funds) and actual expenditures (Exhibit C. Construction Expenditures by Site and Project) was recently completed by school site, but is still not available for all of the Mira Costa High School (MCHS) projects enumerated in the next finding.

Recommendation: A project budget should be prepared showing the expected costs and specific sources of funds for each project prior to initiating construction. All project expenditures should be tracked against budgets and funding sources in a spreadsheet format. The spreadsheet should be kept current, reviewed regularly by the BOC and Board, published on the District web site, and made available to the print media.

Finding 3: While the Measure M Bond proceeds were expended at MCHS, they were not all used for the purposes outlined in the MCHS Facilities Committee's September 21, 2000 public communication just prior to the Measure M vote and in the District's budget published on April 25, 2001- five months after the bond's approval.

Background: Measure M voters were promised that the following projects would be completed at MCHS at a cost of \$26 million:

- Phase 1.** Campus renovations already complete and paid for by \$12 million of Measure A funds [Finished]
- Phase 2.** General Classroom Building [Finished] and Maintenance and Operations/Field House Building [Canceled]
- Phase 3.** Student Services Building [Finished]
- Phase 4.** Library/Media Arts Building [Unfinished]

Phase 5. General Classroom Building with a 250-seat lecture hall [Unfinished]

Although more than \$12 million of Measure A and related modernization funds were spent on MCHS Phase 1 modernization projects as advertised, that amount was not sufficient to complete the campus renovations. \$13.2 million of Measure M funds were used to pay for part of Phase 1. Because Measure M funds were diverted to cover MCHS modernization cost overruns, insufficient Measure M funds remain for the Maintenance & Operations/Field House Building, the Library/Media Arts Building and the second General Classroom Building. The latter two buildings are now referred to as the Library and Performing Arts Buildings, respectively.

Recommendation: Bond funds raised for specific purposes should be allocated to those purposes. Funds should not be diverted to alternate uses/projects.

Finding 4: The MCHS building projects (and others) did not utilize independent constructability reviews and value engineering studies to achieve cost-effective use of Measure M funds.

Background: Constructability review analyzes and reconciles essential construction needs, desired but nonessential construction needs, and budgets. Value engineering studies analyze how to optimize available funding to achieve the desired results. To be effective, constructability reviews and value engineering studies must be implemented early in the design phase by experienced professionals with the appropriate incentives to reduce costs. The constructability reviews and value engineering studies conducted for the MCHS projects were conducted too late and were not sufficiently comprehensive to keep the costs of the projects within the original budgets. None of the suggestions were approved.

Recommendation: Construction projects should utilize the expertise of independent contractors to perform constructability reviews and value engineering studies early in the design phase. Results of these analyses should be reviewed by District staff, the BOC and the Board before the architect proceeds to final design. The reasons for not accepting cost saving recommendations should be disclosed publicly.

Finding 5: MCHS project cost growth was largely due to added work and soft costs. Change orders contributed little to cost overruns. Significant cost growth resulted from differences between planned building concepts and designs included in bid packages.

Background: The Measure M bond had specific project designs in mind with accompanying cost estimates. While soft costs (architects, construction manager, legal) were supposed to have been included, it is not at all clear that they were appropriately accounted for. Often the scope of projects enlarged to incorporate items not budgeted and soft costs either were not escalated or were not included at all.

An accounting prepared by District staff after the fact, with the assistance of interested parties, revealed that change orders, often blamed for increased costs, averaged 3 percent of planned costs. Added work averaged 26 percent and soft costs averaged 32 percent of planned costs. Cost growth between concept and bid design for the General Classroom Building was 48 percent and for the Student Services Building was 100 percent. Total project costs averaged 58 percent over planned costs.

Recommendation: Scope changes and added work should not be undertaken unless specific funding is available and committed. Change orders are to be expected and budgeted for. Strict adherence to these principles is the duty of the Board and should be implemented by the District staff. Monthly fiscal reports should be made available to a properly empowered BOC and to the public.

Finding 6: District administrators and Board members concealed past and impending project overruns, which avoided public scrutiny and ultimately led to the inability to complete major portions of promised construction at MCHS.

Background: The citizens of the District were first informed of project budget shortfalls when print media revealed massive overruns in District projects across the board - overruns which ultimately proved serious enough to eliminate major planned MCHS facilities. Subsequent investigations, including recovered email text and statements by former Board members, revealed that District administrators and Board members were aware of these overruns long before informing the public. Indeed, the Board authorized the overrun expenditures piecemeal.

Recommendation: District administrators and Board members should immediately inform the BOC and the public when financing shortfalls threaten the completion of promised construction projects. Debate on alternatives should be made public early and often.

Finding 7: The Board yielded to demands from staff and parents for excessive spending on individual school site projects.

Background: Board members and the public were not formally notified that available funds were insufficient to complete planned district-wide projects promised in bond measure advocacy literature. However, Board members were aware of substantial individual project overruns. Cumulative impacts, starting at the elementary level and proceeding through MBMS, combined with project growth at MCHS, contributed to an over \$20,000,000 shortfall. Excessive spending at Robinson started a chain reaction of demands for at least equal improvements at other elementary schools, each adding to the cumulative deficit. Unbudgeted special projects exacerbated financial difficulties. Measure M funds intended for new construction were used for MCHS modernization. Therefore, MCHS new construction projects, having been scheduled last, bore the ultimate consequences -- the loss of three buildings promised during the Measure M campaign. The Board is responsible for insuring that all of the projects are completed on time and on budget as promised. Lack of knowledge and ongoing public disclosure are inexcusable.

Recommendation: Bond funds approved by taxpayers for specific purposes should be allocated to project budgets as the campaign literature described. Total expenses cannot be allowed to exceed the total funding available. Spending for a particular project should not be allowed to exceed its budget unless spending for other projects are reduced below their budgets by enough to make up the difference or unless other funding sources are available and committed. Doing so without public approval is irresponsible.

Finding 8: The construction manager's contract terms were not conducive to cost savings.

Background: The Construction Manager was paid a percentage of project funds, including change orders and extra work. Therefore, there was little incentive for the Construction Manager to minimize costs. The crucial period where the Construction Manager's expertise is most cost effective is between concept and final design. The scope of the two MCHS buildings was allowed to increase dramatically during the design phase. Several value-engineering recommendations by the Construction Manager came too late in the projects and were too limited in scope to restore the projects to their original budgets.

Recommendation: Contract terms should be negotiated in a manner that provides an incentive for the Construction Manager to maximize quality at the lowest cost. Alternatively, a Construction Advocate should be hired whose sole purpose is to represent the District's best interests. District staff should seek and implement project value engineering recommendations early in the design phase.

Exhibit A. Measure A Summary (\$ Million)

Manhattan Beach Unified School District Bond Oversight Committee

Excludes Measure M Buildings, New Track, Education Center

Revenue Source	Original Budget	Projected Revenue	Percent of Budget	Used Revenue	Percent of Budget
As of date	06/15/95	03/24/99	03/24/99	04/14/04	04/14/04
COP #1	0.0	10.0		14.9	
Measure A	41.3	47.3		41.3	
Special Reserves	10.0	10.0		3.5	
Modernization	0.0	10.0		13.0	
Developer Fees	0.0	0.0		5.3	
Measure M	0.0	0.0		13.2	
Revenue Totals	51.3	77.3	151%	91.2	178%

School or Project	Plan Year	Bids Approved	Original Budget	Expended	Cost to Complete	Projected Cost	Percent of Budget	Total Cost	Percent of Budget
As of date			06/15/95	01/08/99	03/24/99	03/24/99	03/24/99	04/14/04	04/14/04
Robinson	1996	03/27/96	2.6	3.5	0.0	3.5	136%	3.7	143%
MBMS	1997	05/28/97	19.2	20.1	1.5	21.6	113%	22.5	117%
MBI Conversion	1996	06/24/98	4.7	2.6	1.5	4.1	52%	2.5	54%
Meadows	2001	12/09/98	1.7	1.2	3.5	4.7	276%	5.4	314%
Pennekamp	2000	10/13/99	1.8	1.5	3.8	5.3	291%	6.1	333%
Portables	1996	07/19/00	3.2					2.3	72%
Grand View	1997	12/11/00	3.6	1.8	4.2	6.0	168%	8.4	236%
Pacific	1999	07/18/01	3.0	1.7	4.5	6.2	204%	10.5	346%
Other	1996		1.2	0.4	0.0	0.4	36%	2.7	230%
Contingency			(5% included)		2.0	2.0			
K-8 Subtotals			41.0	32.9	21.0	53.9	132%	64.1	156%
MCHS	1997		10.3	5.8	17.6	23.4	226%	27.1	263%
Pool	1996	01/31/96							
Infrastructure		05/24/00							
Phase 1A&IB		05/02/01							
Phase 1C		06/18/02							
Phase 1D		05/17/03							
Cost Totals			51.3	38.7	38.6	77.3	151%	91.2	178%

Exhibit B. Sources of Construction Funds

Manhattan Beach Unified School District
Business Services Division
Bond Oversight Committee

Capital Accounts and Other Funding Sources	Starting Balance 6/30/95	Income		Expenditures & Transfers							9 years		
		Revenues	Interest & Refinance Income	Construction/Modernization Expenditures	State Modernization Match	Refinance costs / Debt Service	Non-Construction Expenses	Deferred Maintenance Match	Property Purchase	General Fund Bailout	Ending Balance 06/30/04		
COP #1 (Modernization)	-	10,272,115	4,783,732	14,931,415			48,102	-	-	-	-	76,330	
Measure A	-	46,714,405	3,611,295	40,032,601	1,311,758	8,249,976	-	-	-	-	-	731,365	
Special Reserves	10,000,000		-	3,500,000			-	-	-	-	-	6,500,000	
State Modernization	-	16,229,087	-	16,229,087			-	-	-	-	-	-	
Developer Fees	9,098	7,706,406	227,412	5,288,036		317,214	2,284,994	-	-	-	-	52,672	
Modernization Donations	-	41,302	-	41,302								-	
Modernization Total	10,009,098	80,963,314	8,622,439	80,022,441	1,311,758	8,567,190	2,333,096	-	-	-	-	7,360,367	
Measure M	-	26,001,631	933,473	22,267,166	1,933,401	824,430	-	-	-	-	-	1,910,106	
Special Reserves	8,986,714		5,337,203	750,000				5,160,488	1,526,240	6,693,314		193,875	
MCHS Track Donations	-	266,500	-	266,500								-	
COP #2 (Ed Center)	-	4,609,330	81,364	4,643,534			34,237	-	-	-	-	12,923	
TOTAL	18,995,812	111,840,775	14,974,479	107,949,641	3,245,159	9,391,620	2,367,333	5,160,488	1,526,240	6,693,314	9,477,272		

Donations/Grants

Body Glove	45,000	Mira Costa Pool	COP Interest	670,703
Chevron	20,000	Robinson	Refinanced COP	4,068,529
FEMA	21,302	Robinson		4,739,232
	41,302			

Modernization

MBAF	150,000	Mira Costa Track
Waste Grant	100,000	Mira Costa Track
MBAF	16,500	Mira Costa Track
MCHS Track	266,500	
TOTAL	307,802	

Projected Costs

2004-05 General Fund Reserves	(1,329,974)
2004-05 Debt Service	(917,125)
Final Ed Center costs	(570,179)
Final 1d costs	(208,879)
Final SSB costs	(671,990)
	<u>(3,698,147)</u>

Projected Revenues

2004-05 Developer Fees	900,000
Projected Balance 6/30/05	6,679,125

Notes to “Sources Of Construction Funds” Report of 7/22/2004

Income

1. Donations: All donations that were recognized within the construction accounts were recorded. Other donations that were used for construction purposes were not historically recorded within the district construction accounts. Identifying those donations and determining what they were used for, back to 1995 is very difficult given many changes to the accounting software providers during the time period.
2. State Modernization: This account contains of the District’s 20% contributions (the State Modernization Match Expenditure) plus the State’s 80% contributions.

Expenditures

3. State Modernization Match: This column shows the District’s 20% contributions to the State Modernization account. The “match” amounts were transferred from the District’s bond funds to the State Modernization account, where it was matched by the State’s 80% contributions.
4. Refinance Costs/Debt Service: the costs of the COP refinancing and debt service were paid from bond funds.
5. Deferred Maintenance Match: Minimally the District matches the State allocation for Deferred Maintenance up to one-half of 1% of the district annual General Fund budget. Because the district needs were so great during the time period reported, the district contributed and spent, more than the minimum amount required to achieve full funding.
6. Property purchases: As reported, the amount shown reflects the net proceeds and use of property purchases and sales during the time period reflected.

Exhibit C. Construction Expenditures
by Site and Project

Manhattan Beach Unified School District
Business Services Division
Bond Oversight Committee

Construction Costs							
SITE	Planning Estimates 1995	Yr of Construc.	Construction Estimates	Bid Amounts	Change Orders	% Change Orders	Total Constr. Costs
Meadows	\$ 2,699,023	98-99	\$ 3,482,703	\$ 3,028,437	\$ 272,372	8.99%	\$ 3,300,809
Pennekamp	\$ 3,026,253	99-00	\$ 1,874,200	\$ 3,000,355	\$ 341,138	11.37%	\$ 3,341,493
Grand View	\$ 4,977,458	00-01	\$ 4,540,910	\$ 4,464,900	\$ 267,318	5.99%	\$ 4,732,218
Pacific	\$ 5,309,959	01-02	\$ 5,676,078	\$ 5,237,343	\$ 918,465	17.54%	\$ 6,155,808
Robinson	\$ 2,558,300	95-96	\$ 2,560,000	\$ 1,960,325	\$ 305,378	15.58%	\$ 2,265,703
MBI	\$ 3,198,790	95-98		\$ 2,067,150			\$ 2,067,150
Ladera							
MBMS	\$ 19,160,200	97-98		\$ 18,555,212	\$ (1,161,537)	-6.26%	\$ 17,393,675
CDC							
Old District Office							
Technology							
Portables							
SUBTOTAL	\$ 40,929,983		\$ 18,133,891	\$ 38,313,722	\$ 943,134	2.46%	\$ 39,256,856
Mira Costa High School							
Pacific Shores		95					
Portables							
Various MCHS	\$ 4,711,110						
Pool	\$ 1,100,000	96-97					
Science Classes		99		\$ 370,008	\$ 20,410	5.52%	\$ 390,418
Marine Sci Lab		99		\$ 389,633	\$ 10,669	2.74%	\$ 400,302
Broadcast Studio		99		\$ 478,000	\$ 53,807	11.26%	\$ 531,807
Auditorium	\$ 2,229,000	Sum 00		\$ 546,829	\$ (30,000)	-5.49%	\$ 516,829
Utility Upgrade	\$ 2,038,390	99-00	\$ 5,000,000	\$ 4,338,217	\$ 27,242	0.63%	\$ 4,365,459
Phase 1A & 1B	\$ 5,497,970	Sum 01	\$ 3,062,350	\$ 2,312,247	\$ 88,627	3.83%	\$ 2,400,874
Phase 1C	\$ 2,425,262	Sum02	\$ 2,839,125	\$ 2,677,496	\$ 73,542	2.75%	\$ 2,751,038
Phase 1D *	\$ 2,361,325	Sum03	\$ 2,062,500	\$ 1,692,117	\$ 3,358	0.20%	\$ 1,695,475
Two Story	\$ 2,360,125	02-03	\$ 3,505,490	\$ 3,238,721	\$ 231,339	7.14%	\$ 3,470,060
Student Services *	\$ 3,025,500	02-03	\$ 6,025,823	\$ 6,668,628	\$ 467,183	7.01%	\$ 7,135,811
Track	\$ 380,000	03		\$ 594,000	\$ 29,699	5.00%	\$ 623,699
Sub Total MCHS	\$ 26,128,682		\$ 22,495,288	\$ 23,305,896	\$ 975,876	4.19%	\$ 24,281,772
Debt Service	\$ -		\$ -	\$ -	\$ -		\$ -
TOTAL COMPLETED	\$ 67,058,665		\$ 40,629,179	\$ 61,619,618	\$ 1,919,010	3.11%	\$ 63,538,628
MCHS Perform. Arts	\$ 5,726,000	???					
MCHS Library	\$ 3,971,000	???					
MBI Modernization	\$ 7,812,403	???					
Education Center	\$ 5,000,000	02-03	\$ 4,996,592	\$ 4,790,879	\$ 141,674	2.96%	\$ 4,932,553
GRAND TOTAL	\$ 89,568,068		\$ 45,625,771	\$ 66,410,497	\$ 2,060,684	3.10%	\$ 68,471,181

* includes bills not yet received

Exhibit C. Construction Expenditures
by Site and Project

Manhattan Beach Unified School District
Business Services Division
Bond Oversight Committee

SITE	Added Work							Total Added Work
	Windows	Special Projects	Roofing	Demolition, Security, Move	Parking, Paving	Furn, Elect, Heat, Fence, Paint, Misc.		
Meadows	\$ 215,147	\$ 283,554	\$ 347,594			\$ 45,504	\$ 891,799	
Pennekamp	\$ 297,793	\$ 255,892	\$ 330,402		\$ 444,583	\$ 33,164	\$ 1,361,834	
Grand View		\$ 836,680	\$ 287,684		\$ 332,378	\$ 275,294	\$ 1,732,036	
Pacific		\$ 1,966,834	\$ 202,459			\$ 372,226	\$ 2,541,519	
Robinson		\$ 5,718	\$ 366,458	\$ 65,637	\$ 135,134	\$ 184,128	\$ 757,075	
MBI	\$ 15,850					\$ 29,395	\$ 45,245	
Ladera		\$ 294,874					\$ 294,874	
MBMS						\$ 478,968	\$ 478,968	
CDC		\$ 80,631					\$ 80,631	
Old District Office		\$ 76,521					\$ 76,521	
Technology		\$ 2,176,457					\$ 2,176,457	
Portables		\$ 2,126,104		\$ 154,771			\$ 2,280,875	
SUBTOTAL	\$ 528,790	\$ 8,103,265	\$ 1,534,597	\$ 220,408	\$ 912,095	\$ 1,418,679	\$ 12,717,834	
Mira Costa High School								
Pacific Shores		\$ 91,500					\$ 91,500	
Portables		\$ 2,266,874		\$ 167,668			\$ 2,434,542	
Various MCHS	\$ 758,603	\$ 782,058	\$ 910,662	\$ 178,149	\$ 359,653	\$ 1,037,126	\$ 4,026,251	
Pool		\$ 1,369,910					\$ 1,369,910	
Science Classes								
Marine Sci Lab								
Broadcast Studio								
Auditorium								
Utility Upgrade		\$ 402,960					\$ 402,960	
Phase 1A & 1B								
Phase 1C						\$ 7,310	\$ 7,310	
Phase 1D *				\$ 23,505			\$ 23,505	
Two Story		\$ 29,491		\$ 27,622			\$ 57,113	
Student Services *				\$ 13,434			\$ 13,434	
Track							\$ -	
Sub Total MCHS	\$ 758,603	\$ 4,942,793	\$ 910,662	\$ 410,378	\$ 359,653	\$ 1,044,436	\$ 8,426,525	
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL COMPLETED	\$ 1,287,393	\$ 13,046,058	\$ 2,445,259	\$ 630,786	\$ 1,271,748	\$ 2,463,115	\$ 21,144,359	
MCHS Perform. Arts								
MCHS Library								
MBI Modernization								
Education Center		\$ 225,000					\$ 225,000	
GRAND TOTAL	\$ 1,287,393	\$ 13,271,058	\$ 2,445,259	\$ 630,786	\$ 1,271,748	\$ 2,463,115	\$ 21,369,359	

* includes bills not yet received

Exhibit C. Construction Expenditures by Site and Project

Manhattan Beach Unified School District
Business Services Division
Bond Oversight Committee

SITE	Other Costs (Soft Costs)							Grand Total
	Architect, Eng, Testing	PCM3	Inspector	Asbestos	Legal, EIR, Refinance	Furn, Equip, Supplies	Total Other Costs	
Meadows	\$ 536,695	\$ 378,060	\$ 55,000		\$ 61,188	\$ 178,229	\$ 1,209,172	\$ 5,401,780
Pennekamp	\$ 646,018	\$ 392,773	\$ 75,622		\$ 80,856	\$ 216,253	\$ 1,411,522	\$ 6,114,849
Grand View	\$ 780,846	\$ 607,672	\$ 76,793	\$ 157,174	\$ 93,148	\$ 227,537	\$ 1,943,170	\$ 8,407,424
Pacific	\$ 563,673	\$ 708,947	\$ 68,280		\$ 110,771	\$ 339,710	\$ 1,791,381	\$ 10,488,708
Robinson	\$ 288,135			\$ 46,829	\$ 37,411	\$ 263,288	\$ 635,663	\$ 3,658,441
MBI	\$ 352,067				\$ 68,990	\$ 15,339	\$ 436,396	\$ 2,548,791
Ladera						\$ -	\$ -	\$ 294,874
MBMS	\$ 2,030,814	\$ 955,286	\$ 98,000	\$ 68,647	\$ 889,646	\$ 593,170	\$ 4,635,563	\$ 22,508,206
CDC						\$ 16,080	\$ 16,080	\$ 96,711
Old District Office						\$ 57,065	\$ 57,065	\$ 133,586
Technology						\$ -	\$ -	\$ 2,176,457
Portables	\$ 28,180					\$ 28,180	\$ 28,180	\$ 2,309,055
SUBTOTAL	\$ 5,226,428	\$ 3,042,738	\$ 373,695	\$ 272,650	\$ 1,342,010	\$ 1,906,671	\$ 12,164,192	\$ 64,138,882
Mira Costa High School								
Pacific Shores						\$ -	\$ -	\$ 91,500
Portables	\$ 30,528					\$ 30,528	\$ 30,528	\$ 2,465,070
Various MCHS	\$ 955,814			\$ 27,410	\$ 546,366	\$ 816,114	\$ 2,345,704	\$ 6,371,955
Pool						\$ -	\$ -	\$ 1,369,910
Science Classes	\$ 44,261		\$ 5,000	\$ 32,792		\$ 82,053	\$ 82,053	\$ 472,471
Marine Sci Lab		\$ 37,015	\$ 4,740	\$ 32,792		\$ 74,547	\$ 74,547	\$ 474,849
Broadcast Studio	\$ 70,749					\$ 70,749	\$ 70,749	\$ 602,556
Auditorium	\$ 74,630			\$ 32,792		\$ 107,422	\$ 107,422	\$ 624,251
Utility Upgrade	\$ 618,080		\$ 24,985			\$ 643,065	\$ 643,065	\$ 5,411,484
Phase 1A & 1B	\$ 297,419	\$ 329,216	\$ 38,675			\$ 665,310	\$ 665,310	\$ 3,066,184
Phase 1C	\$ 460,283	\$ 378,741	\$ 14,020	\$ 79,500		\$ 932,544	\$ 932,544	\$ 3,690,892
Phase 1D *	\$ 389,381	\$ 235,936	\$ 67,500	\$ 44,800		\$ 737,617	\$ 737,617	\$ 2,456,597
Two Story	\$ 712,668	\$ 428,629	\$ 95,890		\$ 3,583	\$ 1,240,770	\$ 1,240,770	\$ 4,767,943
Student Services *	\$ 1,038,618	\$ 761,036	\$ 106,540		\$ 2,651	\$ 1,908,845	\$ 1,908,845	\$ 9,058,090
Track	\$ 63,851	\$ 94,570				\$ 158,421	\$ 158,421	\$ 782,120
Sub Total MCHS	\$ 4,756,282	\$ 2,265,143	\$ 357,350	\$ 250,086	\$ 552,600	\$ 816,114	\$ 8,997,575	\$ 41,705,872
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 4,915,652	\$ -	\$ 4,915,652	\$ 4,915,652
TOTAL COMPLETED	\$ 9,982,710	\$ 5,307,881	\$ 731,045	\$ 522,736	\$ 6,810,262	\$ 2,722,785	\$ 26,077,419	\$ 110,760,406
MCHS Perform. Arts	\$ 51,749	\$ 180,000				\$ 231,749	\$ 231,749	\$ 231,749
MCHS Library	\$ 250,620	\$ 76,500				\$ 327,120	\$ 327,120	\$ 327,120
MBI Modernization								
Education Center	\$ 450,839	\$ 544,590	\$ 132,541	\$ 37,265	\$ 181,119	\$ -	\$ 1,346,354	\$ 6,503,907
GRAND TOTAL	\$ 10,735,918	\$ 6,108,971	\$ 863,586	\$ 560,001	\$ 6,991,381	\$ 2,831,494	\$ 28,091,351	\$ 117,931,891

* includes bills not yet received

Costs.xls - update
Prepared by: Robin D. Page, Accountant
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