

Meeting Minutes

Planning and Operations
 1130 Fifth Avenue
 Chula Vista, CA 91911

Project # 572-8100.00
 Tel: Fax:

SUHSD Program Management\SGI

Bond Oversight Committee Meeting 29

Date	Start	End	Next Meeting	Next Time	Prepared By	Company
1/18/2012	05:45 PM	07:18 PM	2/11/2012	09:00 AM	Alina Cruz	Sweetwater Union High School District

Location	Next Location	General Notes
SUHSD Board Room	Southwest High School	

Attended By	Non-Attendees
Citizens' Bond Oversight Committee - Lourdes Valdez	SUHSD Program Management\SGI - Jeff Scogin
Sweetwater Union High School District - Paul Woods	Citizens' Bond Oversight Committee - Debra Discar-Espe
Citizens' Bond Oversight Committee - Bernardo Vasquez	SUHSD Program Management\SGI - Monica McGovern
Citizens' Bond Oversight Committee - David Butler	SUHSD Program Management\SGI - Bradley Johnson
Citizens' Bond Oversight Committee - Guillermo Camarena	SUHSD Program Management\SGI - Bryan Ehm
Sweetwater Union High School District - Dianne Russo	SUHSD Program Management\SGI - Devonna Almagro
Sweetwater Union High School District - Lillian Leopold	SUHSD Program Management\SGI - Jaime Ortiz
	SUHSD Program Management\SGI - Justin Devers
	SUHSD Program Management\SGI - Rafael Parra
	Citizens' Bond Oversight Committee - Dency Souval
	Citizens' Bond Oversight Committee - Maria Arroya

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1. Call to Order

Call to Order							
003-001		Meeting called to order at 5:46 pm Roll Call					
		Attendance: David Butler - Present Guillermo Camarena - Present Debra Discar-Espe - Absent Dency Souval - Absent Lourdes Valdez - Present Bernardo Vasquez - Present					
		Maria Arroyo has resigned	Bernardo Vasquez (CBOC)				No

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2. Approval of Meeting Minutes

Minutes							
003-003		Approval of Meeting Minutes - Withdrawn	Bernardo Vasquez				No

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			(CBOC)				

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3. Public Comment

Public comments

003-006 Kathleen Cheers (KC) and Stewart Payne (SP) addressed Proposition O issues.

KC asked the committee to demand that the Prop O audit be a forensic audit.

SP expressed concern over fees paid to SGI. He asked for the difference between construction management and program management and why did we not contract for these services. He also requested that the committee be more aggressive in finding out why we have spent so much money from the first bond sale, but have not seen the construction to go with it.

Bernardo Vasquez (BV) thanked both speakers and invited them to apply for the committee as there are three spots that are opening up on the committee. He asked Paul Woods (PW) to verify that there is one PTA Parent opening and two At-Large openings.

Bernardo Vasquez (CBOC) No

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4. Report from CBOC Chair

Report from the CBOC Chair

003-008 BV asked for an update on whether the performance audit would be ready at the end of the month. PW affirmed that the scheduled due date was at the end of January, but as Mr. Randolph had a previous relationship with SGI, this has caused some delay. The intention is to have the audit ready for the February Board meeting, however even that will be close.

BV asked about Mr. Randolph's relationship with SGI and PW explained that while he did work with SGI on a school district project, it was up in the Bay area and he did not work on any SUHSD projects.

BV asked whether the meeting notice had been posted to the website. PW affirmed that the legal 24-hour notice had been met but that we did not have full access to the Prop O website yet, so we had trouble getting it on there this time. The Grants and Communications Office has taken over the new Prop O website which SGI was working on, and should have it up and running in approximately two weeks.

BV asked the committee to again consider an expense review sub-committee and will be asking for a formal vote on this at the next meeting. By mutual consent this meeting replaced the scheduled January 26, 2012 meeting and that meeting is cancelled. The next meeting will be on February 11, 2012.

BV asked that the November 9th minutes be uploaded to the district website and requested that staff present a staffing plan for completing the bond projects. Dianne Russo (DR) informed the committee that we are bringing in two extra project managers from the County and that there is a district employee who is providing additional administrative support. If we still need further support, the County Office of Ed will help us. Prolog, the construction project management software that is being used for Prop O projects, was discussed. The timeline for completing the projects is approximately another 1-1/2 years.

David Butler (DB) expressed concerns about existing district employees who are now assigned to Prop O being paid with Prop O funds and still doing some of their non-Prop O duties. PW explained that

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	district Project Managers are actually doing more Prop O work now that SGI is not here, but their funding, which was divided between Prop O & General Fund, is not being changed. The County Project Managers will be working solely on Prop O projects. DB asked why we did not just use District staff for Prop O projects from the beginning. DR explained that the SD Taxpayers Association required that we use project management in order to support Prop O. DB expressed concern over the administration of funds by the District and wanted to know who would be overseeing the District in all of this. He asked if the District had given any thought to contracting with another company like Gafcon, who had worked on Prop BB, to help finish the projects. DR responded that we did receive inquiries from several companies but that we believe that we are far enough along in the projects that it would be much less expensive to go ahead and finish it ourselves.					
	BV asked that we keep this as a recurring agenda item.	Bernardo Vasquez (CBOC)				No

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5. Other Issues and Information

Report on State Matching Funds

003-012 PW presented the list of projects previously presented to the Board of Trustees: SUH Field Architect Selection; SUH ORG Relocatable Removal; CVM Renovation; MOM still working on GNP. All prior projects are still moving forward. We have received 57 million in State funds, but some has already been expended: 4.4 million on CTE projects at SUH & CVH; and some of the funds have already been allocated for current ongoing projects.

BV requested that staff present a report on how the state funding is allocated to projects; this will include a county treasurer's report on actual cash in the funds. He would like to see what fund the money is kept in as it comes from the State; who manages that fund; and what the fund it called, etc.

DR explained that the money from the State goes in the County School Facilities Fund, where it is required to be deposited. The County School Facilities fund accounts for State money and the Building fund accounts for bond money. So the two funds together will show all the expenditures for any of the projects.

BV stressed that the committee wants to make sure that the bond money is not being used for operational expenses of the district per the commitment made by Dr. Brand and the trustees.

KC and SP addressed this issue. KC expressed concerns that for the district employees working on Prop O, 100% of their salaries were being paid by Prop O funds. She also asked about the interest monies from Prop O funds. Previous board docs showed that a percentage of these monies have been spent, after they had been told that the interest would not be touched. She stressed the importance of a forensic audit again.

DR answered that the report that will be provided at the next meeting will show two small allocations of the interest monies; 1) MAAC Kitchen; 2) Smart Boards. She will also bring a County Treasurer's Report that show balances of County School Facilities fund and Building fund, so that all monies will be accounted for.

SP spoke about the BVH athletic facilities and safety hazards. He asked the committee to spend some of the Prop O funds to fix the fields at BVH. He also asked the committee to take a serious stance with the Board.

Paul Woods
(SUHSD) No

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6. Status of Prop O

Construction Update

008-010 PW presented the most recent bi-weekly update on construction projects. The highlights included restarting the SOH project with Soltek Pacific, with a July 2nd completion date on target; and the expected restarting of SOM with Gem Industrial Electric, with a definite completion date of the beginning of next school year and possible completion by Spring break. The third project that is almost complete is MOH, with a February 10th opening ceremony. Also noted were the removal of 20 portables at SUH and the design of a much needed parking lot to replace these portables. Architectural interviews for SUH Field

BV asked about the MOM project and the GMP negotiation. PW affirmed that we are still in negotiations and will be meeting with the architect in a week to strategize on how to reconcile the differences in value engineering. This is a lease-leaseback contract. If unable to negotiate, we might try going out to hard bid or recommend increasing the budget, which is not likely. Ultimately it is the Board's decision.

BV asked about BVH. PW said that it was scheduled for bond sale 3 or 4, so because of the inability to issue more bonds due to the economy, the timeline on this project has been delayed. However, the Maintenance Department has been out there. Over the break, the bleachers were inspected, the planks replaced and painted. Also re-seeding is being considered over sod to do some deferred maintenance in the interim.

DB talked about overruns coming out of contingencies and that SGI's reports would show nothing spent out of contingencies even when there had been overruns. He asked staff for a report that would show clear accounting of expenditures and where the monies were coming from.

BV asked about how the projects are prioritized and where safety issues fall within this as opposed to a kitchen for MAAC. PW spoke about Prop 39 and the obligation to provide funding to charter schools, so we used \$250,000 from the interest.

Paul Woods (SUHSD) No

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8. Other Business

Discussion of Recent Media Coverage

019-001 BV commented on the coverage and asked that the discussion be limited to the role of the CBOC in regards to the coverage. He asked for a commitment from the members to be at every meeting, as with all of the events going on, the role of CBOC becomes more important than ever.

David Walden (DW) asked for clarification about the audit of SGI. He was concerned about the fact that the auditor was a former SGI employee. He asked for the audit completion date and for a breakdown of the cost and how the firm was chosen. BV asked staff to provide this. There were additional questions about the RFP which were answered by staff. DW also wanted to know what SGI was actually awarded. BV asked staff for a detailed review of money expended with SGI with bottom line amounts in a format different than the monthly budget updates, to be made available on the Prop O website.

SP stated that there would be more media coverage if BVH athletic fields and facilities were not repaired. He also commented on the choice of SGI as a Program Management firm.

KC expressed her faith that David Randolph would be a fair auditor. However, she felt that the audit should be a forensic audit.

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	DB reminded everyone that the media coverage was partially about things that happened before the Prop O Program Management contract was awarded, where the committee had no control. He asked that the committee now act independently in order to not be played by those in power. He encouraged the speakers to apply for committee positions					
	BV also invited the speakers to come be a part of the solution and join the committee. SP was willing to join if the committee had more power. KC commented that she would not be able to join due to lack of time and she also felt that the committee did not have enough power.					
		CBOC Members				No

Review Role of CBOC

016-003 PW and BV reviewed the role of the CBOC as a review committee, not an advisory committee. Therefore, it looks at expenses rather than looking at prospective plans.

DB asked what, if any, type of study was done to prove that the District would be able to save money by completing the Prop O projects without going to an outside contractor. PW indicated that although there was no specific report or study, the staff compared hourly costs of district employees versus those of consultants and consultants usually have 3 to 3-1/2 times factor on top of salary to cover overhead & profit. Therefore, on a one-for-one basis, the district employee would cost less than any consultant. DB asked for next meeting a report showing projection of what the district expects to pay employees versus what it would cost with an outside consultant.

SP suggested that as a committee, they review the legal requirements and responsibilities in order to have a strong role in monitoring what projects the Board approves.

Paul Woods
(SUHSD);
Bernardo
Vasquez
(CBOC)

No

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9. Meeting Adjourned

Adjourned

024-001 Adjourned at 7:18 pm

Next Meeting February 11, 2012, at SOH

Bernardo
Vasquez
(CBOC)

No

Cc:	Company Name	Contact Name	Copies	Notes
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End Comments

The minutes written above represent our understanding of all items discussed in the meeting. These minutes shall stand as the correct and complete record of the meeting unless corrections, discrepancies or additional items are brought to the attention of the writer within 48 hours of receiving these minutes.