



**Proposition O Citizens' Bond Oversight Committee
SPECIAL MEETING
Tuesday, April 01, 2014**

TIME: 6:00 p.m.

PLACE: Professional Development Ctr
680 "L" Street, Ste "C"
Chula Vista, CA 91911

MINUTES

1. Meeting called to order by Nick Marinovich at 6:00pm.

Roll Call: Present: Nick Marinovich (NM), Robert Carriedo (RC), Robert Strahl (BS), David Butler (DB), Terrance McKearney (TM), Kevin O'Neill (KO)

Absent: Ditas Yamane & Edgar Guerrero

Staff Present: Tom Calhoun, Paul Woods, Ceci Martinez
& Mayor, Cheryl Cox, Allison Sampite-Montecalvo, UT Reporter

2. Pledge of Allegiance

(NM) 1. Informed committee that he went thru some ground rules, will try to get done within two hours or less, which means meeting should be over by 8:00pm. 2. Appreciated staff for arranging special meeting, set-up so everyone can look at screen for presentations, three objectives for this meeting:

1. What have we accomplished
2. What do we have to do
3. As a committee where are we moving forward in this coming year

(NM) presented his hand out "Why is Bond Oversight Important" Informed that there is \$9.6 billion dollars, worth of bonds that have been issued to date, \$6.9 local schools and \$2.7 for community colleges, 32 BOC Programs, if you take total debt issued per student K-12 divide by ADA it's almost \$13,406 per student in this county.

We are we supposed to be doing as this committee, we to inform the public concerning the proper expenditures of bond revenues, we tell the public, thru media, district website, reports. Actively question how monies are spent, what BOC does not do is approve expenditures priors of contracts, that is the job of the BOT job, but we can influence what's been done (*see chair handout for detail*). He also commented that the committee would like to continue doing the site tours.

3. Review of Proposition O bond program accomplishments and status of projects

(PW) went thru Prop O - Accomplishments to Date – Summary, in detail (*see handout for complete detail per site*).

(NM) thanked Paul who took ballot language and list of projects and made bullet statements, pictures for each item, thanked Mr. Woods for the excellent presentation.

Public Comment

Ms. Cheers, her school is MOH, and feels that the Modernization/revamping had done a good job, looks like a very nice campus. Her grandson goes to BVH and this school was built before MOH and looks at money spent and projects done at BVH, her question is why not more. She also attended the LRFMP at SOH and ORH, parents of BVH want to know what's going on, and why they haven't gotten a bigger piece of the pie. Mrs. Cheers recommends that every campus should have a Prop O Committee, consisting of committee members, parents, staff, administration and district administration, feels it takes all parties to be able to address the needs of the campus. Also asked of her to say it doesn't seem that much has been done, there's a lot of money out there but why isn't it being spent.

(TC) totally agreed with Ms. Cheers that we need grass root support structure at the site level, each school knows it's needs more than the district, we had limited resources for the first sale of Prop O bonds \$180 million, about 28% of the total authorization, we have 72% of the money \$464 million dollars left plus whatever the state

matches. Commented that funds were available to do MOH and NCM projects, which mean the next bond sales \$37 million will come right off the top to pay off those bond anticipation notes, we have great numbers 1. We are beating inflation and making money for tax payer by doing that work sooner, plus the kids get the facilities sooner. Continued explanation of bonds and assessed evaluation, Long Range Facilities Master Plan, Deferred Maintenance, BANs.

(RC) questioned if realistically the selling of bonds is not happening, there will not be new money for about two years? What is the amount available at this moment? **(TC)** amount available that's not committed, we have contingency, which is not at 5%, we would like to have 5% contingency, since we never know what's going to happen with unforeseen conditions, so everything we have is in the projects that you have seen.

(RC) if no new money for two years, the public asking these questions on why isn't more being done, there is going to be a long period of time before big active projects are going to take effect.

(TM) addressed Ms. Cheers, why do you have the involvement at your school, how can we get this at others.

Public Comment

(MS. Cheers) Stayed active, educated herself, involved with BB, then with the first phase of Prop O, asked by administration, BVH parents asked the same question, when she asked schools, they answered NO, why not, because the district does.

(PW) clarified to committee and answered questions mentioned by Ms. Cheers, here are the 10 projects that were funded, they all had Prop O Design Committees, BVH, CPH, HM, Adult Schools, BVM, RDR, ORH, Prop O Committees where only established at the first projects that had monies assigned to them, in terms of the prospective, the rest of the \$464 million that remains that has been allocated (*SEE handout for details*). **(TM)** Feels we need to have a more formal structure for these committees and look at lessons learned.

(MS. Cheers) clarified briefly, since she was involved with BB & first phase Prop O, as this committee, had two meetings asked people what they wanted, then on after committee and school decided what we wanted, Dr. Gandara Red Lined it, she received a call from sources from the school and said "we need your mouth". This is why she why she came forward. And still involved now because County Office of Education and Mr. Nicholls believe was that there would be a group of stakeholders, 20 men/women group, and feel that's the way to do it, and keep people involved.

(TC) when we re-engage the public community at the LRFMP, in September, have people to sign up there, maybe a thought leader at each site, a community member, and get that person to be the lead person, so when they get to the board and they come forward provide it to the board, they can be the advocate for that school, once projects are funded they can be the group that begins the process of the stakeholder group.

(KO) would like to have the board to have real conversation with the ranking of these projects across the board, and feels that we have to first decide how we will spend this money and what's important to us.

(RS) attended that LRFMP at ORH, very impressed with responses, hopes that the district reaches out to more community than just to those parents in a school centered environment, but also to reach out to community as a whole, e.g. Business Organization, Chamber Commerce 3rd Ave. Business Association, service group, rotary Kiwanis, elected leaders state and local, student leaders, teachers by school, thru their union, Classified Employee both with collar and blue collar, school district that feed into our district, planning commission, etc., these all are in some way paying for this and hoping district reaches out as to what their vision is.

(RC) agreed with speakers, and of the visits BOC had in the past year, he was most impressed MOM, MOH those school put a lot of funds into classroom, even the gymnasium has classroom. Feels in regards to SUH, money should have been put into knocking down the 200,300 bldgs. as opposed to things that show well, front and back. He also attended the ELM/ELH sub-committee meetings, and they were interested in classroom, classrooms that could be adaptive to new technology, and feels that should be a priority with the monies remaining, not so much athletic fields, classrooms will be there for a long time.

(DB) feels that we hitting all around one big fact, would like to see, the engagement of the BOT, you can have staff do all you want, but we've got to have a BOT that wants to utilize the information that they have available and actually is concerned and less with what their next political position is going to be. Would like to see the boat set up something like the city has, Asset Management, with staff members, a well-rounded members of the community sit as committee, not as oversight but to advise them how community, staff what's to do it prior the decisions being made, this would be an important step to take, this would make things more transparent.

(TC) as we collect the LRFMP data, facilities conditions where the dollars are put dollars to the need, to then take that information and engage a larger stakeholder group as described by RS and DB.

(NM) asked if anyone has been out to the Largest Municipal Project in history of San Diego County, it's the County Operations Center Redevelopment Project. Feels that their really starts with the Cultural of the organization, we know what SUHSD has been, the culture there of doing things a certain way, which is not the right way, you need to communicate internally with each other, be transparent with public and forward thinking and encourage debate amongst your selves. What is the strategic plan/thinking from the district for the coming years as part of this master plan. Open and Closed boundaries etc., (Continued discussion).

(RS) upset on continuing to use SUH and there has a field, would appreciate moving to another site other than SUH, like why does MOH have a gym.

(NM) the Grand Jury was critical on BB for spending money on things that weren't listed as highest priority, BB begat O to fix those items not completed.

(KO) if we go to area elections, there will be a parochial aspect and that each board member may be prone to try to bring the bacon to their area as oppose to what the best is, this list is 4/5 years old, and everything is driven by the board, we're oversight, but is all dependent with the board makeup and their willingness.

(TM) also commented that committee has revised bylaws for committee that have been proposed that do the same thing, in terms of regionalization and doesn't think that's a good move.

Public Comment

Ms. Cheers, regarding moving forward and making mistake in the future that were made in the past, would like to bring attention to BVH what are we looking to spend money on, the field, has anyone walked the campus at BVH, and recommend you do so, they need new classrooms.

(NM) asked staff what is if it exist the priority setting process for projects. A rigid numerical ranking based upon criteria each year?

(TC) commented he has done this for lots of district around the state, one of the things that is looked at is: Condition of the buildings, physical plan, what is the shape of the physical plan, poring good money after bad is not a good thing, and that's why we did an Educational Assessment based on our Educational Spec's and development educational specifications internally on what our educators need to deliver curriculum in different types of facilities, look at conditions of those and given a number, if the number is low that 100% is a brand new bldg. that totally conforms and a 0 would be the bldg. is crumbling down and not develop for educational purpose at all. Everything will be somewhere in between, the older facilities generally happen to be the ones aren't as educationally adequate, so they will have lower numbers like at the GJ's, BVH, CPH's, HM's those will be priority sites to go to (Continued discussion).

Public Comment

Mayor Cox, wondering as District looks forward in prioritizing what comes next, the two years of delay and probably being able to sell bonds efficiently, might not be perceived as a gift but could be the gift to allow you as not only this board, but school board to look at the priorities, safety is a priority, maybe athletic fields are a priority academic classrooms, presence of art classrooms, so if there are schools that don't have science labs, being able to come up a grid that is too complex to determine what those criteria are and what the needs might be at different schools, I would think this group and bot and those in the community may be really active , and work to the benefit of the school district of the future.

(TM) remarked, so if we are at a strategic pause, do we take the plan that we've got now or does it need to be re-looked?

(TC) explained, that the LRFMP is being developed as we speak, we're about half way thru the process, we stared in November, and we've gone thru the educational adequacy, we developed the Ed spec's, we had the first round of community meetings, will start next month in May and going thru doing the facilities condition assessment of all the physical areas, by August will have that done, and again engage the public again and develop a strategy to do that better, will work with Manny Rubio in Grants & Communications and other groups outside the district to get more people involved and participate in that process, find what the gap is between what we need and where we are at as far as funding, Believes form follows function, has to hear from the educators, they need to let him know what they need, in common core, we have to make it flexible enough, it does have to be a classroom, and space with IT and it has to have the ability to change over the next fifty years.

(NM) addressed Mr. Calhoun, what the likelihood at some point not this year but maybe next year, the district will come forward with an additional bond? **(TC)** he does not do that on his own, the only five people that can tell be to do that is the Board of Education, he can provide information, recommendation, options.

(TM) not being contrary, feels we should not be talking about a bond until we're done, get a process down.

(RC) asked Mr. Calhoun, if he has an opinion, for advice as to what sort of things this committee could do or how we could make recommendations in what manner to have some effect on the district office.

(TC) what committee is doing tonight, he's inspired by, a fresh look. Feels this is the process, the LRFMP is a great vehicle that has support from the Superintendent, Board Members they voted for it, they wanted it. Again though the Board composition is going to change, the Superintendents' leaving us the end of September, so by the time it gets done and it starts to be vetted by the new Board and Superintendent, that's an opportunity and avenue for this committee to move forward with it and make those changes, support or comments.

(DB) commented having been on committee for the longest time, this committee needs you (Mr. Calhoun and Staff) to be our new advocate before the new Superintendent and the new BOT that we are not adversarial body, feels that been the problem, they think we're trying to undermine them, that is not our purpose, we would really like to work with them up front, and so they want staff advocating for them, letting them know they could make could use of this committee and they can benefit this district.

(TC) commented, maybe when the new board is elected, we can start off with a board workshop.

(TM) questioned when this LRFMP, what will be the CBOC role in terms of review, participation in the approval of that plan by the BOT.

(TC) Going back to the California Constitutional Amendment that was made with Prop 39, you're an oversight group that basically opines on expenditures, but you can recommendations.

(RS) commented the judicial process and elector process will present us with a wonderful opportunity in the near future, to establish a new and non-adversarial relationship with new BOT and Superintendent and would like to see committee look to that and position themselves and take advantage of that.

(DB) as much as this board has been praised, felt compliment where needed to the Public, would have had the information to pursue if we didn't have Cathleen and the other parents that are overlooking and digging deep and coming to committee and saying what about this. We have to compliment them, it's not just because we have a board that knows what's going on, it's the public too, and appreciates that.

Public Comment

Ms. Cheers, thanked Mr. Butler for his comments, mentioned Mr. Butler is one of the members how's been here the longest and knows of her involvement, and the fellow CBOC members where not the current people she respected. She came to BOC with legitimate questions, and facts for example:

- 1) LRFMP, we have had in the past, May of 2006 – Jun 2007, \$187,000 dollars, 10 school where money was supposed to be spent, schools have been left to deteriorate, this has been going on for a very long time, as tax payers have put a lot of money into this district, and have not really seen them manage our money right and that's been a concern.
- 2) Has been coming to CBOC meeting for five years, and only seen only one Board Member attend, at that is Bertha Lopez, that to her as the public concerns her. Will have a question for BOT running in the future will be, "Do you think going to a monthly meeting is you doing your diligence", she does not, we all need to be on the same page and trust each other, she does not trust our board members and definitely does not trust our superintendent, but she does trust this board and that all BOC committees in the future will continue do What you guys are doing.

(KO) commented in regards with Ms. Cheers comments, with \$13,406 per student regionally is the debt, and that's a significant investment, maintaining older buildings in functional way, so if we're putting this much money into new facilities there should be some metric by which we can say if we are getting a return on this investment, high scores, some way of determining this, a better student, product? If putting money into a program, we should be able to determine if we are on the right track, etc. This will be a good conversation to have with the new board.

(NM) commented and feels that when the performance audit was, where the internal controls in this district? The most recent financial audit that was done not by Christi White, but other firm, pointed out numerous instances where it was obvious that this district didn't have internal controls on how they operate with asset inventory, who's working at the schools, checking ID's. Under Dianne Russo allowed us to spend over \$30 million dollars in bond money in program management expenditures. How does this happen?

(DB) answered it's the culture, that was the culture, it was not one specific person, it was the super and the BOT washed their hands of everything and said SGI you're in charged we trust you and that's basically what happened, there was not oversight by the district on what was happening over there, it was Culture.

(TC) commented for members of the public and press, the internal management program that Mr. Woods are meeting now 25% of what SGI was charging, he has very professional highly qualified licensed architects, engineers, construction managers that are district employees, and are doing the program for ¼ of what the outside consultant where.

(RS) would like the committee to learn from the past, live in the present, plan for the future!

(KO) agrees and looking primarily forward, Paul and his crew has done an extraordinary job on the cheapen cost but not in quality and diligence.

(DB) in moving forward, would like to see the committee do since we set-up all these sub-committee and really did not do anything with them, we ended up spinning our wheels on a lot of our meeting after two hours, we didn't have anything to report and pass it on, Mr. McKearney commented that they all need to commit to sub-committee plan that they set out at beginning of year and a half ago, set up time aside for sub-committee meeting before the overall bond committee meeting.

(NM) feels there should be a chair for the sub-committees, doesn't feel he can do it all.

(KO) feels that sub-committee should meet half hour before the regular meeting, and should do most of the work that they can thru email or conference call. Since they are sub-committee it doesn't have to be in public, get the work done, before meeting.

(NM) Agreed with Mr. O'Neill, this is your opportunity in coming up with issues, can talk about them in full committees, put on thinking caps and issues in your area to talk about. Also commented that it would be a good idea, and try to get another meeting with BOT. **(RS)** recommended that this be delayed, since it is a very fluid situation in regards to BOT.

Public Comment

Ms. Cheers, Mr. O'Neill, in reference to the state coming out of BVH, are the greatest to the district, thanks to staff, teachers, parents & students. Mr. Strahl mentioned moving forward, she still has several board members who have been indicted and still have a superintendent who was the subject to a grand jury investigation, not sure what the perception is, but as long as we have this onus around our neck it hard to for us to just putting it drive without stopping.

(NM) in summary what we talked about:

- Getting Community involvement in getting specific groups involved in priority setting process
- Developing more specific criteria for setting projects
- Priority with classrooms
- Getting a more input engagement from the Board of Trustee
- Maybe having a formal advisory group at each campus, of people saying what priorities should be
- Maybe getting the Chamber of Commerce, Real Estate group that Kevin is involved with in setting projects
- Do more strategic thinking while the two year hiatus on assessed value
- Continuing committee and a non-adversarial role, if the district is transparent and straight with the committee
- Try to get BOT involvement with the CBOC in a positive way

(RS) mentioned he has read performance audit and reading thru it for the second time, reference to the recommendations that are made, does the district respond in any way? **(TC)** yes we did. **(RS)** Asked if committee could see those responses? **(TC)** informed committee that he would have them for the committee for the next meeting.

Public Comment

Mayor Cox, mentioned that the April 9th is the same meeting as the County Board of Education, and will have to approve the districts final maps (since next CBOC meeting falls on the same date).

(DB) made a final comment to staff, asked if staff could advocate for this board, when we get the new board of trustees, to advocate before the existing board members to keep Kevin and Nick on, three of them can approve it, if the two of them go off, it decimates the BOC again, and we are starting from scratch again. Hopes that staff thinks they are useful and would advocate and approve them to stay.

Public Comment

Ms. Cheers, from the public's perspective, they are looking to see what board members are going to do, if they choose not to reinstate, the public would see this as punitive.

4. Review of future Proposition O bond program as currently approved
5. Committee Discussion: Guiding Principles for the future
6. Adjourn at 8:43 p.m.