



Proposition O Citizens' Bond Oversight Committee July 9, 2014

TIME: 6:02 p.m.

PLACE: District Office
Board Conference Room
1130 Fifth Avenue
Chula Vista, CA 91911

UN-ADOPTED MINUTES

1. Roll Call:

Present: Kevin O'Neill (KO), David Butler (DB), Nick Marinovich (NM), Bob Strahl (BS), Edgar Guerrero (EG), Terrance McKearney (TM), Ditas Yamane (DY) Arrived @ 6:08pm,

Absent: R. Carriedo (RC), D. Yamane (DY)

Staff Present: Tom Calhoun, Paul Woods, Ceci Martinez

2. Pledge of Allegiance

3. Approval of Meeting Minutes: deferred until quorum is met

05/14/14 (Un-Adopted)* 2nd by D. Butler, passed unanimously with abstention from K. O'Neill, D. Yamane, E. Guerro, T. McKearney

06/11/14 (Un-Adopted)* 2nd by T. McKearney, passed unanimously with abstention from K. O'Neill, Ditas Yamane, B. Strahl

4. Election of Chair and Vice-Chair for 2014-15

Motion was made by Mr. McKearney; that CBOC defer election of new officers, Chair and Vice Chair until January, 2015 until new Elected School Board and a new Superintendent in place and BOC has had a chance to work with them for a while, and replace a couple of the members needed for committee. Seconded by Kevin O'Neill, motion passed unanimously, with RC & DY absent.

Guest: Dr. Tim Glover, Interim Superintendent, came in to introduce himself to CBOC and say hello, excited about the opportunity of being here, grew up here, went to CPH graduate, worked with the district 1986-2005, Principal Chula Vista, Last five years working at the SDCOE, working for the East County SELPA for Special Education, and currently Assistant Superintendent Student Services and Programs until Monday. Also thanked the Committee for the work that they do. Mentioned he also sat on a CBOC for Santee School District when his son attended that district.

(KO) addressed Dr. Glover that he comes highly recommended, attitude is refreshing, and mentioned if in great that he served on Santee CBOC and if he brings openness and straight talk he will be a breath of fresh air. **(DB)** also agreed with Mr. O'Neill; **(RC)** also congratulated Dr. Glover and mentioned he comes with a very strong and positive reputation. **(EG)** also congratulated Dr. Glover, **(TM)** also congratulated Dr. Glover.

(NM) recognized Ms. Cheers, who comes to a lot of our meeting, though not a member of committee but sort of is, she gives this committee a lot of information. A lot of information CBOC has found out over the months that they have been on committee has come from the public, they are a very important part of the committee to recognize her since she's been there thru the good and the bad as well.

Dr. Glover, added that he's hoping to be able to do is go slow to go fast, it's about relationships in this business and what we do together for the betterment of our students and communities, by each conversation and each action and each follow through, is plant those bricks of building a good solid relationship and same thing around restoring relationships.

(TC) commented also that Ms. Cheers sits on the MOH project advisory committee through-out it's remodeling. Also mentioned this is the first time a Superintendent comes to a CBOC meeting.

5. Public Comment

Ms. Cheers, commented we are on the verge of brand new beginning, five new board members, an interim superintendent which will do a good job. She intends on meeting with everyone running for the board. At MOH we used County Office of Education to do that project, we told them what we wanted, they brought in three different contractors, told them how much money we had to spend, had a list of what was wanted, they got above the line, and below line. Three contractors bidding for that project, and we did great things. Feels CBOC will be blown away with what was done. Recommended that the District have the County Office of Education do a presentation, since we will be doing another high schools, we get a architect and he draws plan, why can't the district look at the way the County Board of Education does it, additional why can the district hire the County to run the entire thing, and use district staff for maintenance, and other things, and save some money? Why not think outside of the box. Also the community was more than impressed that this BOC showed up to speak for the Mr. Marinovich and Mr. O'Neill and not changing the bylaws, additionally they were extremely upset that members of the staff the way it was presented to the public had recommended the bylaw changes, in their view staff working construction should work on construction, they should be providing you with information not undermining BOC. If there are bylaw changes she feels it should come from BOC or members of the public.

6. Report from CBOC Chair:

(NM) 1. Board of Trustees for the monthly report would like to receive written report to review and have the Chair available to answer questions, not have the report read to them. **2.** Mentioned the BOT was very comfortable re-appointed K. O'Neill and himself and they wouldn't have any part of changing the bylaws.

Also added on his other BOC life is working on Best Practices Guidelines for CaLBOC, once in a reviewable form he will share with CBOC, annual reports, performance audit this will relate to selection of committee members, the training of committee members and report requirements of the BOC.

7. Review of GASB 34 requirements - Deferred Maintenance Plan:

(KO) The accounting practice that would have in the negative column any deferred maintenance on a year round year, if you didn't tip-seal your parking lots and on a five year schedule, and if you put it off in the fifth and sixth year the value of that would then show up in the minus column, the advantage of this is when the elected show something better, people can look at it and see whether or not your falling behind and at what rate, generally you need to make sure you are putting enough money away to re-do these roofs when they come due. Back two meetings ago handed out an article on this from ENR page from 2001 and this impacted him to bring this issue up (continued discussion within BOC members).

(TC) explained that the law was pretty clear and that maintenance, seal coating, waxing floors, maintenance and operation expenses cannot be using bond funds, major maintenance and repair, replacement and repair, HVAC, overhaul, painting, tetramat overlay this is repair work that can use bond funds, and we do use bond funds, agrees with Mr. Strahl, but his tag line is "building don't come to board meeting". People always come and protect their programs, School Districts are notorious, Airforce & Navy are notorious, build the weapon systems forget the main rep of the buildings it's like that everyone he's ever been, the core mission gets the first crack at the operational dollars, after that facilities fend for themselves, we need to recognize that our inventory four million sq.ft. value building at \$200 a foot, but worth it's probably worth more like \$300 replacement value, that's \$1.2 billion dollars on a capitalized fifty year basis that is 2% re-investment that we need to make every year which equals \$24 million dollars, he gets \$8 million dollars for maintenance which is a third of what he needs to do maintenance repair (continued discussion within BOC members).

(RS) concerned if children are still using a building, fire alarms working, or will they walk into a pit. **(TC)** clarified, we wouldn't paint it, do new flooring, wouldn't put in new systems, we would maintain systems there and make sure roof didn't leak, we are not going to do major re-investment if building is going down in 3-5 years (continued discussion within BOC members).

(NM) commented, this is why the master plan, and data developed is so critical in helping CBOC to do our job in the future and as a committee feels that we need to tell the new, interim etc. BOT not to fall in the trap of \$50million bond what can we do.....????.....? There is a temptation when the maximum of amount of money all at once and wanting to spend all at once. Really need to look at this master plan and look campus by campus and determine what have we not spent money on and really figure out we get down to the deferred maintenance.

(DB) addressed Mr. Calhoun, when district goes to float a general obligation bond, other than prop o, do you present it so it can get it and get it rated, and see what interest rate you're going to have, do you currently present all of the deferred maintenance as potential liability out there?

(TC) when he this for a living at before, he did when he was at SD Unified, that's why it was built in the MRR portion, did that recognizing that we would never get Deferred Maintenance money, because buildings don't come to the board meeting, people do, we knew we needed to protect our assets and didn't want to run them to failure, 48/50 year old buildings you have to maintain them, when 20/30 if you're not maintaining then, they will run out of speed real fast.

Public Comment

Ms. Cheers, commented 1) this information is not on the website, 2) in reference to deferred maintenance, new buildings MOH the P2 did a walk thru on Monday, what came up was staff who where going to maintain these buildings, it was mentioned that custodial position where frozen, feels that district needs to look staff at the different schools. Reason, in the science room in the new building, it was pointed out by one of the people heading up the project pointed to the floor and said this floor will need to be kept up, because if it isn't it going to look like crap/terrible very shortly. How often are the floors done? When they are allowed to was the answer. Maybe BOC could help with the deferred maintenance and taking a look at this. Also the P1 at MOH just completed in 2010 which had a new classroom building the tile in that brand new building is already showing signs of wear, because it's not being maintained and not that the janitorial staff is isn't a good staff, but there are only so many hours.

(TC) added that three custodial positions were added, we are in the process of restoration, our budget has been cut for so many years, that we've lived on bone and bare essentials, we have new allocation and MOH was one on the list. Normal maintenance on floors like that are stripped and clean at least four times a year, quarterly, during breaks and summer, some sites get directed by their supervisor which is not our department, it's the site administrators to do other things other than what their general maintenance and operations duties are supposed to be. Also mentioned the Capital Facilities Plan that is on the front of the website for everyone's information.

8. Status of Vacant Positions, **(NM)** two were re-appointed, met with Sandra Huezo of HR to go over interview process is. He asked was the requirements where for the Senior position, she mentioned that the all you need to do is be member of a Senior Organization; you don't have to be a resident of the district. There is an excellent candidate for Community Member at Large ranked by the evaluation committee, and she had no problem taking the Senior position and her taking the at large with her. HR has not received any senior candidate.

(BS) disagrees; we have 25% of this committee made up of people who don't live in this community, feels that any further people on this community should live in this committee, we have 300 hundred thousand people in the South Bay here, sees no reason why this committee can't be filled by somebody from the community. Clarified he would be oppose to any more members of this community being not citizens of this community that we're the tax payers.

(KO) commented a business man could live in another community but have a significant investment in the community, **(RS)** if they are paying taxes, that is fine if monies from that business is coming into support our schools than he is fine with that.

(DB) ultimately not CBOC decision, but if it only takes one of us to jump over to that position to get that on board. Mentioned perhaps this can be brought up to Personnel/ HR and go with it.

(NM) mentioned this person lives in Chula Vista, is an internal auditor, ranked 1st by evaluation committee.

(TM) a bit disturb not having a Senior Member being from a Senior Organization, all though realizes the issue, would prefer it be a Senior from and Organization.

(DY)

(KO) we did a review of the GASB 34, would it be appropriate to make a recommendation to the BOT that they adopt as **????** principles?

(TC) only concern is that we would probably want engage Ms. Michel, CFO prior to making that, so she may access would implications there would be in the budget process, it's not generally done in California schools, it's not part of the accounting manual, it's not part of the budget that is required by the County, it could be recognition of unfunded liability in facilities.

(RS) doesn't see the BOT acting on this.

(KO) they may or may not like it, Ms. Michel's may not like it, but would like to put it out there for consideration, recommendation to the BOT that is as a protection for the money we're investing in those two Prop O funds, this would be school wide.

(TC) not having second round of community meetings until after the break in December, and LRFMP is when it will be really wrapped up, and we will be making a workshop with the new BOT which gets seated with an organizational meeting in December 2014, but workshop sometime in January or February, 2015 to lay out the LRGMP findings and that would probably be an appropriate time to have a joint meeting or joint workshop.

(DB) likes the idea about setting up a meeting/joint workshop and discussing it with the BOT first.

(RS) wanted more discussion on this issue

(TC) will ask CFO to come to our next meeting.

Public Comment

Ms. Cheers, wanted the BOC bylaws, wondering if they could be put on website, Tom mentioned that they are on the website, he will locate them for her.

9. Bond Project Updates: **(TC)** went over project see handouts for details)

- a. Board Items Report ✓
- b. Project Status Reports ✓
- c. Project Financial Summary ✓
- d. Program Management Update - Long Range Facilities Master Plan

One of the components of the LRFMP is the Educational Adequacy Piece, it was done by MGT sub-consultant to Jacobs, they looked at entire curriculum looked at spaces they were in, rated them, based on their expertise, they are all educators and whether that space meet the curricular needs or not, whether it was a new building or not. Our desire is to put facility condition index together physical and then educational adequacy the form and function together, then we can rate our buildings holistically and to which one can be triaged to save and which ones to demolish.

(TM) commented he chairs CTE at SD Unified, and the new API (Academic Performance Indicator) being established for the objective measure for school success. Up to now it has been based on Standardized Test Scores, California Standards test, revision includes Career Technical as part of the evaluation of the schools, no longer will it be just classroom learning but how that school addresses career technical education. At SD Unified 2/3rd of the HS students are taking one CTE Course or another at one time. The goal within his group is to try have every kid that graduates from SD Unified have been through some career technical program, some level of CTE as part of the graduation requirement.

(RS) commented he hopes that buildings are being built to teach students a career, the need of welder is big, and feels this is very critical.

(TC) Dr. Del Rosario, new Curriculum Director, he was the former principal at SUH, he's been thru the wars in So. Central Los Angeles, he's seen the critical needs, they have pathway now to get to the Career Technical Education, not just looking at A-G requirements (continued discussion within committee).

(TM) E43 questioned this item consulting fees. **(TC)** district was sued by HAR for \$17 million, more than the two projects combined, for lost future projects, etc., we had to pay for defense and lot of his lawsuit was based on timing and timing issues, so we had to show a fragment, portion of a schedule, individual activity levels to show what he was trying to say in mediation as false or it was mitigated by other things that he could have done. Worked with Mr. Moot's law firm to do the defense work for district. Also have a Forensic Consultant CPA which has found interesting issues regarding his finance, and how he moved money around between projects, which were not fully funded to get projects done. These are the things we need to show to defend and counter suit and try to recover attorney's fees and this is being done as a contingency basis.

(NM) asked staff question that there are NO Proposition O funds related to the district office, (TC) no bond funds period and no unrestricted general funds only special reserve fund 40 which is our special reserve funds for capital funds, which exactly what is was set up for, around "L" Street.

Public Comment

Ms. Cheers, wanted clarification because at couple of these meetings it was stated that because a new server was needed for the district, that Harold Place, that Prop O funds could be used. She wants for the record to show, are we spending any Prop O money for anything going into that building, walked through that door or built. (TC) NO.

10. Enrollment Data by School and Proposition O Expenditures: Added at the last minutes, Paul Woods item, not able to attend meeting.

(NM) issue that Chair embraced, to have some information and data that would show over time what the enrollment has been by school and compare it to expended prop o expenditures by schools and see if we're spending money on schools that increasing or decreasing enrollment, how that is considered in the planning process.

(TC) responded in his expertise, it's not how many kids go the school it's the age and conditions of the facilities which puts the need on. It's a bit different in this district than most district, in districts with high growth without CFD's you would use a lot of bond funds to be building new schools and new additions. Because we have an eastern growing area that is growing and we have CFD's that are built and developed by developers that want to get in and what to get schools in, they support the school and support the continued use of the older schools, the real need of Prop O funds and Deferred Maintenance funds is really in the western part of the district where enrollment has been slow. It's difficult to match up dollars to students.

(KO) commented that he didn't think we could make any sort of a decision, the previous Superintendent unilaterally dropped all the boundaries, so you don't know whose going where now, doesn't think that you could benefit from any of this, would wait to until the new board comes in, it's very likely they will boundaries to the extent of the law.

(RS) clarification from staff, his understanding that if a student from Mar Vista High and has a way to get to East Lake High he could go?

(TM) commented it depends the district office can make policies in what school has to be filled in what order by local students and then approve local inner zone transfers, there ways you can move this around but in general we're supposed to have school CHOICE. (KO) there is a board policy that requires the Superintendent to take before the board for an open conversation with the public any adjustments to any schools boundary (continued discussion within committee).

(TC) recommend highly that Mr. Woods who's one of the best demographer's (expert on demographics) he's ever worked with, he came within ten students last year, the first ten days, it settles down. Has also data on school of CHOICE, there aren't that many students in the net migrating from west to east, very small, students coming, most choice of the changes come north and south (ORH going to OLH, OLH going to ELH, CPH going to CVH). Paul has a great GS Software and if you let him show you the demographics, you'll get a better idea of all this information, survival rates, etc.

Public Comment

Ms. Cheers, concerned, comment about east vs west and tax rate, the people on the eastside pay the majority of the taxes on Prop O, people on the eastside are not getting the majority of the money for Prop O, ELH is a pit, ELH is impacted, doesn't want to hear 85% when you have 60 kids in a classroom it's impacted, west side school principals, spoken to 90% of them and will tell you that they are not impacted, meaning they've lost students to the east side. Very view kids come from east side to the west side, very few. Also added BVH considered to be a east side school, technically is a west side school. Dr. Brand went on records saying that all our schools were impacted and he had the demographics to prove it. We are also doing our own demographics and the City of Chula Vista collects data. Hopes that when the new BOT they will take a look at a lot of these issues. We just have room for improvement, east side schools are being severely impacted by west side students.

11. CBOC Sub-Committee Update
 - a. **2013-14 Annual Report** (N. Marinovich, D. Butler)
 - b. **Best Practices** (E. Guerrero, T. McKearney)
 - c. **Finance** (D. Butler, T. McKearney)
 - d. **Audit** (N. Marinovich, D. Butler, T. McKearney)
 - e. **Asset Management** (N. Marinovich, K. O'Neill, Bob Strahl)
 - f. Sub-Committee Formation/Membership
12. CBOC Information Request Log
13. Committee Member Reports: *Individual members of the CBOC may make announcements or raise issues to be addressed in the future.*
14. Review Draft Chair Report on Fire Alarms: **(NM)** spent a lot of time searching, documenting and not really interested in this anymore for now, will lay it to rest. Did want to raise an issue with BOC to think about for the next month. We have a new **reign** here, new BOT, new Superintendent and our role as a committee is about accountability, we look at the decisions that are made up to this point on the district, and report on them and hold the district staff, system accountable.
15. Meeting Schedule/Format
 - a. Calendar Additional Site Tour:

(TC) will be scheduling a grand opening at MOH, new classroom and administration building sometime in August, and you will be invited to that event.

(TM) commented he still would like to have meetings at different schools, since as a volunteer he doesn't have the time to do that on his own.

(TC) suggested that CPM and CPH, these two schools need work, CBOC agreed.

(KO) commented that we need to have proper signage for public to find meeting.

(TC) CPH cafeteria would be a great place, plenty of parking space, etc.
16. Staff Announcements – Next CBOC Meeting August 13, 2014

(TM) commented that next Wednesday Mayor Cox is having her next meeting on the future of this district, seconds of the meeting is a very good set of qualifications, or policy desires for the next board, feels in participation of this is valuable for anyone interested in this district.
17. Adjourn at 8:09 p.m.