



## Proposition O Citizens' Bond Oversight Committee Wednesday, June 11, 2014

**TIME:** 6:07 p.m.

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

### MINUTES

1. Call to Order/Roll Call:

**Present:** Nick Marinovich (NM), Edgar Guerrero (EG), Robert Carriedo (RC)  
No quorum at 6:00p.m. Terry McKearney (TM)

**Absent:** Ditas Yamane (DY), Bob Strahl (BS), Kevin O'Neill (KO)

**Staff Present:** Tom Calhoun, Paul Woods, Ceci Martinez

2. Pledge of Allegiance

3. Approval of Meeting Minutes

- a. 04/09/14 (Un-Adopted) Approved: 2<sup>nd</sup> by, RC, DY, KO, BS Absent
- b. 04/16/14 (Un-Adopted) Approved: 2<sup>nd</sup> by, RC, DY, KO, BS Absent

4. Public Comment

**Ms. Cheers**, attended a Special Meeting (Board Workshop) discussion that the BOT was presented with a retroactive 2% Mello Increase and 2% Mello Increase for next year, her question is with those large amounts of monies with they be used for improvements on the east side, so that Prop O monies will be primarily on the west side, how is this going to affect the Prop O dollars.

**(TC)** CFD's non prop o issue, last year the CFO opted not to do it, wait for the need, need analysis shows we needed it and continue to need it. There is a list projects developed by Mr. Woods has developed, we need a new middle and high school, potentially a new middle by its self if we don't build accommodation school as well as another high school on top of the new high school. The amount of money needed to be generate from CFDs is well beyond what we have in cash or are projected without having the 2% increase, and with the 2% until there are more CFDs established to generate more revenue there will still not be enough unless there is a state match, and the new bond if it makes it to the ballot, still in committee at senate level. One of the items is a change in how the program generates grant money for match, so they may not at the level "50/50" that it used to be it would be 70/30 program.

**(NM)** commented, his understanding is for the most part the CFD money doesn't relate to what goes on with Prop O?

**(TC)** It is our Capital Program, Prop O is the largest portion of our capital program \$644 million, CFD is second and the State Match is the third, those are the three largest chunks of cash we have.

**(NM)** questioned why reason for not having one last year? **(TC)** Dr. Alt was not convinced of the need, Paul and Tom laid out projects, but he had only been on the job three months, when this was due to be heard, he was not comfortable and would delay it until the following year. Increase not done last year, this year studies have been done, we are going to provide the opportunity for the board to do that. It was not done due to assessing and evaluating the cost and where they should be allocated, but the overall need is still there.

**(PW)** informed that there was a master prop o list that includes Eastside schools, that has not changed and is up to the future board with future bond sales, to implement that list and make changes that they decide to. Not aware of any proposal to change the Prop O funding in the future of the eastside schools.

**(NM)** also added if for the next meeting it could be discussed, on money by school and were the enrollment has changed, where the monies been spent verses whether the enrollment has changed amongst the schools during the same time period.

#### Public Comment

**Ms. Cheers**, increase to Mello, those monies and CFD's can be spent other than existing school improvements, can be spent on a variety of other things. It can be

**(TC)** clarified for public and the rest of the committee, CFD funds are specifically spelled on each rate and method of apportionment, agreement, we have 18 different CFD's some limited to just building classrooms and maintaining classrooms in good conditions, some allow for district support facilities via district office, corporate yard type spaces, other items that are not necessarily specifically for a school. Depends on CFD, that was the study was done Mr. Knott started, later Dr. Alt worked with the Attorney and now Ms. Michels' finishing up to allocate on a spreadsheet basis on what is could and couldn't be used for, CFD by CFD.

5. Report from CBOC Chair: **(NM)** not much to report, except there was AB1971 that would allow value based procurement for school construction. This bill had a lot of opposition by taxpayer groups and was amended to have a pilot program to have La County to try it. This was a movement in the direction of getting away from low bid contracts. **(TC)** AB971 does not have anything to do with schools, it's for schools who already have a value base selections process, design build, lease, lease back, noted his understanding was that it is for other public agencies to use the design build process.

**(NM)** mentioned he gave a chair report at the last board meeting, there were four board members there, it was unlike other chair report, basically introduced the program, what is bond oversight committee do, and he made a pitch to getting re-appointed for Kevin and himself. Most significant thing as it relates to this committee was that Susan Harley, made sure that when they form the agenda it's her and John McCann together forming the agenda for the board meeting and oppose to the past.

6. Election of Chair and Vice-Chair for 2014-15: Trailed until next meeting, due to quorum.
7. Review of GASB 34 requirements – Deferred Maintenance Plan: Trailed until next meeting, due to Mr. O'Neill and Mr. Strahl absent.
8. Status of Vacant Positions: **(TC)** HR has put out flyers, uploaded on web, they have called different organizations for the Senior Position and they are recruiting. **(TM)** asked Chair if applying for those two community members? **(NM)** the two community member at large positions are up, and open after June 30<sup>th</sup>, Kevin and himself applied for re-appointment, and the district advertised the Senior and Community Member at Large, there is only one applicant for Community Member at Large and none for the Senior.

#### Public Comment

**Ms. Cheers**, asked to define Senior. **(TC)** Needs to be an active member of a Senior Organization (RSVP (Retired Senior Volunteer Program), PAL (Police Athletic League) etc.

9. Bond Project Updates
- a. Board Items Report
  - b. Project Status Reports
  - c. Project Financial Summary
  - d. Program Management Update – *Long Range Facilities Master Plan*

**(PW)** went thru everything, (see handouts for details)

- Draft items, project close outs (BVH HVAC, NCM P1, projects DSA certified)
- 17 Consultant Items, 4 new contracts, 9 new amendments, 13 of them pertain to Prop O, all three change orders, pertain to Prop O.
- Contract Fordyce Construction for the BVM Modernization as a ratification
- As recommended by the Prop O Performance Audit, we are adding a small amendment language to the Facilities Master Plan, Policy to recommend that it be updated, being put in writing that it should be updated every five years
- Bylaws are back on, tentatively scheduled to be heard by the BOT in January

**(NM)** asked Bylaws are back as what? Who decided that? **(TC)** the group that sat down with the superintendent, vice president and president of the board approved the agenda review it, only one minor change that the chair submit Chair Report in writing as well as in person. Residency requirement is still in there.

**(NM)** so what he is hearing is that there will be a recommendation before the BOT to adopt bylaws that would require residency for community members at large and that there will be appointees by geographic area for the BOT.

**(TC/PW)** no appointees for geographical area for the BOC, that is not in there, and that you'll be prohibited from being a BOC member if you are a member or a body of another elected body.

**(TC)** only if you are a member of another elected body

**(PW)** if you are an elected official you can't be on committee. These items have been pending for several months.

**(TM)** requested an updated copy of the bylaws for review.

**(EG)** asked about their recommendation submitted against all this.

**(PW)** the cover sheet includes that fact that the CBOC opposes adoption of the bylaws.

**(TC)** clarified that all comments were incorporated in the report, made two of the requested changes, regarding the areas, was accepted, the one regarding appointments was accepted, added later the chair report in writing in advance to the board..

**(NM)** asked if when agenda is formed is it a unanimous consensus or if either one wants to have it on the agenda, either one can put on agenda?

**(TC)** not prevue to meeting or know how they operate when they meet with the Superintendent to set the agenda.

**Continued discussion on bylaws.....**

**(NM)** staff had an opportunity based on CBOC input to make a case if chosen to do so, not to have the residency requirement, didn't? or did and it was over ruled.

**(TC)** we heard the input from BOC, took it under advisement and made the changes that we felt were appropriate. **(NM)** so staff did not recommend that you back off from the position for there be residency. **(TC)** no they did not.

Long Range Facilities Master Plan: **(TC)** started up summer with touring the schools and doing facilities condition assessments, the project managers have gone out with maintenance technicians grading all the different systems, intensive walk thru of every building and every space and every systems, with the work load of summer which use to be 12 weeks now 6 weeks.

Public Comment

**Ms. Cheers**, had questions for staff:

- the word we, she would like the definition of who "we" are.
- 2) the word they, she would like the definition of who "they" are, wants name of who "they", what public forum before the tax payers was this discussed, she goes to all board meeting, is she to infer that this was this an item discussed in close session?
- 3) why are the four of you (BOC) just hearing about this, is this in your packet this evening. **(PW)** on website on Friday.

**Ms. Cheers**, If she researched it she would get what you received this evening, why did Mr. McKearney have to ask for this, why were you not shown the respect of being given this, this evening, extremely disturbed, feels this is a clear move to get rid of Nick Marinovich and she is extremely disappointed in Mr. Woods, Mr. Calhoun that you did not do the right thing in eliminating that you need to be a resident in order to be a member of this committee. SD Tax Payer Association does not agree with that, you are supposed to be accountable to the taxpayers, so if we have trust if someone simply because they hold your feet to the fire, is not a reason to go along with Dr. Ed Brand and get rid of them. And please would like these questions answered.

**(NM)** commented that he was looking every other day on boardocs for agenda and wasn't there. Feels this is being slipped under the radar, hopefully it can be done real quick and we've got your comments on it, but you (staff) did not make the argument in front of Ed. Brand or whoever else makes decisions around here, that the residency requirement, that the committee feels strongly it's not needed, it's hard to get positions, there was one applicant for two positions on this committee, which falls into the argument, you (staff) took the opportunity not to make the argument, or you (staff) were over ruled by Ed Brand. Did you recommend to Ed Brand that now have the residency requirement, wants it on the record, wants to know who support BOC and who wants to get rid of somebody who is active and pay attention to what's going on.

**(TC)** clarified back in November as provided input to you by previous board members, the discussion came up as to residency requirements, the discussion he had with Mr. Woods was that we felt it appropriate the input we got from the board, residency requirement, that people that paid the taxes on the bond should be the ones overseeing the expenditures, that's when we had discussion at the time, the County was looking at residency requirements and area trustee requirements, that's why we added that in as potential change of Bylaws. We heard your input, we made that change and presented just area reps residency requirements and that's where it fell and where it stayed. Given the lack of candidates, there is a challenge getting people that are residents of the district to participate in the program. Ms. Huezo is doing her best job, she has one person now, and perhaps we can find others.

**(TM)** reiterated that his organization (SD Tax Payer Association) does not agree with the notion of having district based representation on BOC, logic and reason looking at legislation should be people who qualify regardless of their residency. Understands, and from his perspective wants people who can participate on the board based on their capability, not based on residency. And would like to get a copy of the updated copy. Feels this new board which is made of appointed people and probably don't even live in the district, not elected by the public, this board would be well advised to not be making policies they don't have to, they are care taker board not a real board. We can make another motion that asks the board not to vote on this until December.

**A motion was made by Mr. McKearney that the board again defer voting on the changes of the bylaws until an elected board is in place, seconded by R. Carriedo, motion passed unanimously, with KO, DY & BS absent.**

- b. Project Status Reports: **(PW)** continued and went thru updates (see handouts for details)
- c. Project Financials Summary: **(PW)** went thru financials, Prop O District staff compared to SGI
- d. Program Management Updates-LRFMP:

**(TM)** he's read comments about these new board members, would like to know more information.

**(TC)** there are bio's on all of them on our website, which we took from County information, all four are SDCOE. President Susan Hartley, Vice President Mark Anderson, Sharon Jones and Dr. Neylon is our representative for the South Bay, those four of the five board members are on our board. Ms. Hartley is Vice President of our board and President of the County Board. When they act here, when they meet here they board members here, and when at the county they are board members there, therefore the Brown Act potential conflict do not present themselves.

## Public Comment

**Ms. Cheers**, questions:

- 1) has been informed that allegedly, the District/ or Mr. Calhoun has hired some group, that goes around and checks air conditioning and re-adjust the time for the air conditioning and ice machines, etc., several schools are having problems with their HVAC systems, and this is creating massive problems, so has a company been hired and what is the name of the company?
- 2) new block wall at BVH, how was that paid for?
- 3) if she wanted a copy of the solar contact, how can she get it, from Ms. Vicedo or Mr. Calhoun?
- 4) BCA were heavy finance contributors of our previous board members.

**(TC)** answered questions #1 from Ms. Cheers: the District hired Cenergistic, Inc. contract was vetted by him and Mr. Alt, and went before the board back in August board meeting 2013. Yes, we are trying to save/reduce the energy, push to start, the teachers hit the thermostat it goes for three hours, and if you don't hit it again it goes off, this can save up to 25% of our energy bill. We do unplugged all refrigerators that are emptied, working with Food Services people, working with the sites, not all facilities are on EMCS (Energy Management Control System) about 50% of the units are and those have to be manually reset, so that is done, we have two energy specialist, Rigoberto Garcia and Alex Kovalick they work tirelessly evening and weekends and their jobs is to work with the schools and make sure if there is a problem. He has told Mr. Rodrigo at Montgomery High numerous times, that district policy for energy is 74° since he's been here it's just enforcing it. Cooling it's 74° and heat it's 68°.

**(TC)** answered questions #3: Sun Power, public record contracts, power purchase agreement, we have those. Put a request into Ms. Vicedo and copy him and he'll provide documents for her, just need to track for costs purposes, that's what PRA request is, cost of staff time, pull copies, makes copies.

**(TC)** answered questions #2: **(PW)** that wall has been there forever, ASB probably just got a paint job.

10. 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
11. CBOC Information Request Log: None (K.O'Neills item)
12. Committee Member Reports: *Individual members of the CBOC may make announcements or raise issues to be addressed in the future.*

**(TM)** commented on a community forum by Mayor Cox, talking about education within the Sweetwater District, during her state of city voiced her concern about Sweetwater District at the time. Outcome of the meeting was a list of qualities that the group of citizens, board members of other municipal municipalities, but within the district were present. Discussion to pick a group of attributes that the community felt appropriate and desirable for candidates in the upcoming election of the new board members. There will be another meeting to look at these again, also discussed was how within this group, present these to the public. Mayor Cox reiterated that she is not a candidate, also she has this issue going she has the community going so she is pulling back as mayor, doing it because she is a leader of the community. The Mayor of National City was there, David Alvarez of SD City Council voiced his support but was not there but had representation. Kevin there, Nick at the end of meeting, mostly people expressed lots thoughts about issues relevant to the district, moderated by the Mayor Cox and managed in an even way. (continued discussion on report of forum and upcoming candidates, the outcome was a positive product).

**(TC)** asked if that would be something that the Tax Payer association would host? **(TM)** answered probably NO, taxpayers job is to look at issues from a fiscal perspective and make comments on fiscal. Basically felt this would weaken their focus.

**(NM)** commented that he was contacted by West Contra Costa County School District to speak before their BOC, concerning Sweetwater experience with SGI. SGI is their program manager and they have issued multiple school bond measures, it's a repeat of Sweetwater with heavy political contributions historically over board members, their BOC that does not operate like this one, and has a lot of people who are controlled by the district.

13. Review Draft Chair Report on Fire Alarms: Trailed until next meeting.

**(NM)** there is a district draft chair report, and a district response to the chair report, everyone should have received it. Will be resending it, everyone needs to look at the district response is. Would also like to get a sub-committee of four people, himself and three more people with a clear mind can look at this. Would like to put this issue to bed in July, even if he's not here is willing to come and work with whomever is assigned that task, he put in a lot of time into this, and gets into the heart of BOC which is to hold the district accountable for their actions.

Public Comment

**Ms. Cheers**, questions: as a member of the public, if appropriate for her as a taxpayer to ask that either all of you or those of you agree, that the residency should not be included in the bylaws and submitted and recommend Chair not give chair report, but Mr. Butler to do so since it involves chair. Since it was the old board that brought this one, she will be speaking, she was asked buy one of the new board members why I thought so much of CBOC and he will be praising all of BOC and all that BOC has done for the community.

14. Meeting Schedule/Format

- a. Calendar Additional Site Tours: Suggested to tour Castle Park Middle, Castle Park High.

**(PW)** MOH is wrapping up but furniture still needs to be filled out, a mess still in July, maybe by August. **(NM)** maybe sites with recent improvement but schools still needs further improvements but not money yet. **(TC)**, SUH, NCM has been toured; GJ, CPM and CPH have barely been touched.

15. Staff Announcements – Next CBOC Meeting July 9, 2014

16. Adjourn at 7:46 p.m.