



**Proposition O Citizens' Bond Oversight Committee
Wednesday, August 19, 2015**

TIME: 5:30 p.m. Site Tour
6:00 p.m. Meeting

PLACE: Mar Vista High School - Library
505 Elm Street
Imperial Beach, CA 91932

UN-ADOPTED MINUTES

1. Call meeting to Order @ 5:30p.m. **(NM)** Chair-Marinovich, called meeting to order: with no quorum.
2. Tour
3. Reconvene: Roll Call & Pledge of Allegiance: R. Carriedo, R. Munoz, N. Marinovich, T. McKearney, D. Gutowski
Absent: K. O'Neill; D. Yamane & D. Butler
Staff Present: Paul Woods, Moisés Aguirre, Karl Bradley, Ceci Martinez
4. Public Comment: On items on the agenda ONLY:
Misc. Public members; Com. Hatfield, ROTC; M. Doyle & J. Soto addressed the following:
 - the pool, there is leak in the library, would like to see a functioning library & community center for their community
 - they also commented on the comparison of MVH to MOH, they would like to have site re-built, not just patch work
 - Infrastructure needs to be done, there is a world of difference to MOH and students deserve better.
 - Water fountains are deteriorated, rusted and in terrible shape, parents ask that the District consider their site in priority list update
5. Approval of Meeting Minutes: **Motion made by Chair to approve minutes from 5/20/15 and 6/17/15, 2nd by R. Carriedo, passed unanimously KO, DY, DB absent.**
 1. 05/20/15 - Approved, 2nd by R.Carriedo, pass unanimously
 2. 06/17/15 - Approved, 2nd by R.Carriedo, pass unanimously
 3. 07/22/15 - Deferred to next meeting
6. Old Business
 - Breakdown of Inspection Costs
(MA) commented that information has been posted on website, identifying testing cost and percentages) see handout, summary document will be created to help everyone to understand, process is being worked on)
(RM) Has provided summary, only thing, how do we know if these inspection costs align with industry standards?
(RC) Smaller projects percentages maybe out of sync, is there anything that sticks out as being unusual and if so was there a reason. (PW) asbestos removal and inspection, was an additional cost.
(KB) he's been a state certified state inspector when it was the office of the state Architect, while a class one can cover building anything, asbestos, abatement, lead paint, that entirely different, he went over various different issues that could cause inspection costs.

(NM) addressed that the BOC needs to talk more about this issue under the sub-committee level, more explanatory details are needed to ensure questions are answered.

Public Comments:

C. Cheers: addressed the following: testing inspection cost, CVM Cafeteria burnt down, the project cafeteria renovation (CVM had Insurance why is it showing from Prop O); Fire Alarm Upgrade; MOH Gymnasium seismic update; read notation: ("during construction it was discovered that actual construction did not match the asbuilt drawings" has concerns on that. MOH P2 needs to have completed projects; parking lot, lunch area, parent center etc.

(NM) these questions will be addressed at next meeting, asked Ms. Cheers for her notes so that he would make sure to include them in his questions.

- Data on Expenditures by School of Specific Projects/Functions (confirmation existing breakdown on data) **(MA)** mentioned at the last facilities sub-committee meeting, staff worked on a draft to identify projects according to bond measures, BB and Prop O, working on more complete set of maps, with more information, work going on.

(NM) asked basic questions, wanting to know how money has been spent by school by bond

Follow up question was: where was money spent and how much did each school project cost and what was done. District does not have this data at this point. CBOC is looking for more defined level of data per project per school. **(PW)** addressed these issue/questions.

(TM) Addressed; incremental payments, billing structure, delivery structure for projects being done is this being done effectively?

(PW) proceeded to show a typical line item breakdown schedule of values, which is back-up invoice back-up for an invoice, continued discussion to address Mr. McKearney's questions (See handout).

- Charter School Costs with Proposition O

(NM) asked and mentioned an information sheet regarding this issue.

(PW) addressed going back to three charter schools sponsored by district, MAAC Charter, two Stephen Hawking I/ Stephen Hawking II Charter @ CVH, then moved to CPM. Researching fire alarms had to be upgraded for entire school 700 building and one classroom, which were paid by Prop O funds.

(RC) asked if the money used \$1.4 million dollars at SOM, those were monies used for non-sweetwater students?

(PW) confirmed non-sweetwater high school students occupied those buildings at this time.

(RC) wants to know if the district obligated to use these funds to fix facilities that are for non-sweetwater district student's.

(MA) mentioned that his understanding that prop o was approved and authorized to charge or not, at the time authorized for facilities that served in its' entirety students from our district, student that were in our grade span, request from charter school requested facilities under their education code, ada basis (average daily attendance) as long as they have this, they may make this request.

(NM) Hoover right decision, on authorized items approved and not in the bond language, that was not an authorized expenditure. Ballot language must be compared to actual expenditures.

Public Comments:

C. Cheers: pointed out the following:

1) when taxpayer voted on prop o, and she volunteered calling fellow tax payers, and ask them to pass this tax, No where in there was she asking them to pay for an elementary school charter. Mr. Woods stated no Prop O monies spent on L Street. Ms. Adato attempted to find out was monies they did use and has hit a brick wall.

2) CPM reused Prop BB monies to redo that campus for special education students, when then board decided to put Stephen Hawkins there, the special ed students were sent all over the district. The \$12,000 showing for CPM needs to be looked at again, and see how much BB money was spent there, it was a ton of money.

3) Looking at SOM school, \$1.4 million, look at this campus, look at MV Academy, BVH, there are many middle and high schools that were deserving of this money, and Stephen Hawkins was debacald by a corrupt superintendent and corrupt board.

- Legal Costs funded with Proposition O

(NM) mentioned, this was data requested by Mr. O'Neill, we had aggregated data by year.

(DG) asked staff, on Non Performing Contractor/dynamics regarding the HAR termination scenario;

(PW) explained; contractor repeatedly said it would be done in three weeks and after six month, we figured it was not going to be done, terminated contract which allowed us to bring in Sureity and get project finished with different contractors, from the remaining \$4million, contractor then turned around and sued us for \$17million dollars, and we have had to defend ourselves.

(RC) wanted to make sure on Prop O project total amount on Legal Cost has been \$1.888,572.00 dollars, **(PW)** with the exception of the getting rid of the security resident in the past at NCM **(NM)** concerned that this amount is low for this amount of bond amount, asked staff to double check.

Public Comments:

C. Cheers: asked a couple of questions;

- 1) are we still suing Seville, and what was going on with that issue? Is it falling under Prop O?
- 2) for future Title IX were paying for projects out of Prop O, are we going to be paying legal cost out of this as well.
- 3) question and addressed to Mr. Carriedo regarding the bond/sureity, legal costs

- CEQA Review for Projects
- Cost/Benefit Analysis is of Music/700 Building at Southwest Middle School
(PW) mentioned he cover this item verbally last meeting.
(KB) explained and How are decision made to demolish rather than to modernize and renovate, found documentation of design process 2008, which covered design process, 113 pages. (See handout for details).
 - General priorities, these were applied to all the Prop O projects, health safety & legal, infrastructure, plumbing, electrical
 - New construction for educational program, talking about classrooms generic but what is really needed is a science class,
 - Support spaces for educational program, looking at do we have adequate space for counselors, pull out programs, smaller spaces, office, outdoor spaces, this was a big deal on how do we create more open spaces in the schools, by knocking down building, and sometimes creating second stories
 - Athletic programs, important to a large sector of the community,
 - Used the incorrect term cost benefit process and the actual term is life cycle cost analysis which is when a conventional renovation approaches 75% of new construction cost, then it's considered is it isn't better to just knock the building down and build it new.

7. Bond Project Updates:

- a) Project Status Reports
(PW) Went over project reports (see handout for details) addressed information of DSA certifications on projects, solar completions. etc.
- b) Project Financial Summary
(PW) Went thru handout (see handout for details).
- c) Program Management Update
(PW) Went thru handout (see handout for details)

Public Comments:

M. Doyle: addressed the issue on reserved LEDD Parking spots; for Green Vehicles; Hybrids & electric vehicles, across the district they do have reserve parking for people who car pool or drive an electric or hybrid, and when she asked district she was told there was no need, but there are sites that have reserved parking right in front of those charging stations. She's ask this for many years, why Mar Vista High doesn't have those spots. Mr. Woods will look into this and report back.

C. Cheers: addressed MOH Gym Upgrade, district personnel wanted to level the old gym, she faught that and so they did seismic upgrades and that cost was \$150,000 in comparison to leveling the gym, which as asbestos and would cost in the millions. Recommended district make use of buildings at high school sites, and instead look into saving them instead of tearing them down.

R. Rodriguez: addressed and concerned on softball benches. Asked when 600 building, project at her school being complete, her school needs help. Asked to look around all over the school, it is really bad, restrooms, hall ways, it's so sad. Everyone is leaving MVH because it's so bad.

(NM) requested for next meeting, information tracing staff cost for Prop O, expenses relative to construction.

8. Election of Chair and Vice Chair of CBOC: Motion to nominate Nick Marinovich, passed unanimously. Nomination Vice Chair, Nick Marinovich nominated Mr. Dan Gutowski for Vice Chair, 2nd by Mr. Ralph Munoz, all passed unanimously.

9. Performance Audit Implementation Plan/Selection of Performance Auditor for FY 2014/15 Audit

(NM) two issues:

- 1) how do we keep track of hours spent on the bond program and charging it to the bond program;
- 2) we have an annual audit required, a performance audit (like a how we doing audit)

REMINDED EVERYONE:

- Moss Adams said we needed a better system of keeping track of staff costs

(MA) we did some research in guidance that are out there and SDCOE there are a number of methods and models, so we have been working to see what would make sense with us.

- Conversations with Moss Adams to see what their suggestions and run our ideas by them, Chair of CBOC, and also met with our partner employee association and share what our thoughts are.
- We are going for a model with a form that captures the percentage time on prop o, cfd's and other areas up to today, we have to conduct time certifications form for 2 weeks on a quarterly basis, so some concerns, we've heard but this is the method we are going to use, and have heard feedback points from CBOC and Moss Adams
- Today conversation with Moss Adams, and has a strong belief this should be on going and not quarterly, we will be speaking with staff and continue to review the method that will be used, we want to listen to all stakeholders.
- Conducted research with other districts, Grossmont they do a similar process as we are proposing, with quarterly recollection of data every couple of weeks, also in contact with Grossmont is a secondary district they are not a unified, which would have a different capacity in terms of staffing.

(RC) why and what is Moss Adams position on this

(MA) they are advocating for an ongoing time card keeping

(RC) why do they think that is necessary, and discuss that being a standard that is used?

(MA) that was not as clear, we did the research with the County Manuel developed by the State

(RC) is there a reason why it appears the District is taking the position of not adopting what Moss Adams standards that believe best practices?

(MA) we can do it, but reality is it will mean additional staffing time that over time accumulated and instead of working on projects, request for information, attending meetings would have to be devoted to doing this.

(TM) feel district should be moving in the direction of time sheets

(DG) would just like to see based on the past issues, the more we can detail things the better we can show the public how we're spending the funds.

(NM) nothing short of a time sheet filled out by project managers, by project, each week is less than adequate, for the project manager, 1) it's best practice in government for capital facilities programs, 2) send a message that district wants to be more transparent on how district is spending the money, keeping track by projects

Public Comments:

C. Cheers: addressed concerned with regards to:

- audited implementation plan, says complete
- Also addressed, Moss Adams an Auditor telling us, you need to do this in March, and it's August. Mentioned we are already involved in an audit with the IRS for "L" Street, do we really need another?
- Last, as a taxpayer she is looking to this district to spend the money wisely and to be able to account for the money, if the district can't do it; can't? Perhaps we should look at outsourcing the management of Prop O.

(RM) Agreed with Ms. Cheers about looking at Grossmont, not such a good idea, since they are going thru so much turmoil at the moment.

Public Comments:

Troy Johnson/CSEA Chapter 471- President; addressed time certification issue, this affects 8-10 members clerical staff, true district has approached them on doing this for two weeks every quarter, which they are incline with.

Ongoing would be a change of scope of representation which would be a change in the working conditions which would much be bargained, so this could not go forward, that implementation needs to go thru a bargaining process.

(DG) why is this an additional work load,

(TJ) yes it is an additional work load and has to be tracked every thirty minutes.

(DM) commented if any of those people went to work anywhere else, public agencies; government agencies, water district or private organizations, they would be filling out time sheets They would not be represented.

(TJ) but at the end they are

(DG) asked Mr. Johnson for his support on that, since we are trying to build public trust with this bond, and ultimately would present better transparency with the funds we were entrusted with.

(NM) commented that the membership wants better working conditions, if you can get on the train, work with us to restore the faith on the program, filling out the time sheets shouldn't be a big deal, the ultimate goal is to get a better bond program, well worth the effort.

(DG) the audit and finance sub-committee support the district's RFP recommendation for the performance audit and provided three things;

1. the RFP process should start in September;
2. A member of this board should be on the committee that drafts the RFP and rates each proposal
3. CBOC should be able to comment on the scope of the RFP before it is presented to the board.

(NM) additional received an email from Frances Martinez (District Auditor) that said finance people wanted to issue the RFP by September 19th, which is prior to our next schedule CBOC meeting.

(MA) shared a time line he was givin:

- CBOC Meeting September 23rd
- Draft RFP going out and meeting with our auditor to review scope following the CBOC meeting, and she has agreed to attend the next meeting
- Issuing the RFP out October 1st based on those conversations of scope
- Internal Audit, 1st Advertising 9th of October; 2nd Advertising 16th of October and last 26th of October, 2015, we have addressed
- Ms. Martinez will be here next meeting and if CBOC has questions for her.

(RC) asked in the past there were two members of the selection committee, just one Ms. Ditas, we would attempt to select someone if we were asked to be on committee again.

Public Comments (not sure how to word this)???

(C. Cheers) with Prop O being such a huge issue, why did the board.....??..... the district told them to go County Board of Ed, County Board of Ed said no we don't, why re-invent the wheel when this is the 1st performance audit that told the truth. The fact that the Internal Auditor based this decision on past practices, past practices are what we are trying to get away from. Feels the board should have this discussion before anything is done, this is her personal opinion.

10. Prolog and its Role in District Accounting for Expenditures: This item was deferred until the next meeting.

11. Architect Position Job Description

(MA) shared that the BOT did approve a position for a district architect, at this point. The description itself has been approved for the future point in time.

(NM) asked when is this expected to happen. The Adhoc committee's concern is that "how does this position fit in the overall grand scheme of the program"? What specific duties will this person be doing? Etc.

(TM) they were told the architect would have any prop o dealing?

(MA) this position will be funded with general funds, will have a role in any design work that we do, as we go thru the different delivery methods for construction, lease-lease back, design build, hard build, to avoid some of the issue we have with contractors.

(RC) commented to have an architect on staff, you would have to assume that prop o is going to be involved with prop o, there would be no reason to have an architect on staff, how much not sure, but feels CBOC should have some input on this issue.

(NM)

Motion made by Nick Marinovich/Chair, that the CBOC provided the opportunity to provide specific input on the job description for the architect position before it is advertised. Seconded by Robert Carriedo. Motion passed unanimously with 4 absent (EG, DY,DB, KO)

(DG) Audit & Finance Sub-Committee:

- 1) we want to encourage district to create an FF&E standardization list with bench marks so it can be applied across all projects,
- 2) said we'd get back to you about what our comfort level is, on accelerated purchases, this was the recommendation from sub-committee, if an asset is purchased before building is completed then it attached to the Prop O project, secondly no more than one year in advanced of the completion date can the item be purchased, we want to see that the item has warranty when it goes in that building, we don't want to see broken stuff going in. Hoping that this will allow district to repair and reuse existing inventory.

(NM) this recommendation will be forwarded by Chair

(DG) Audit & Finance:

The Audit and Sub-Committee would like to work with district to create more substantial monthly reports that support CBOC oversight mission, needs to be revised financial reporting systems for projects to include the following:

- Initial Project Budget
- Cost per square foot
- Estimated completion date
- Expenditures to date, including any revision to estimated completion, revisions and total expenditures

The committee recommends cash flow schedule that can track each budget over time.

(NM) Steering and planning committee the broad question is: what is the role of the CBOC how expansive is the role, the essence is, we should not have a limited role in looking at the bond program, limited in the sense of we should comment on expenditure and proposals before they are done. Or more traditional, the money spent and we check if it was spent correctly.

(RC) mentioned meeting CBOC has had in the past year, and Mr. Munoz visited a couple of schools, and he would like to make a recommendation as to not specific projects, but specific schools that we believe are at the top of the list that the BOT should consider where the money should go, future monies should go, there are certain schools that are in dire need and they should be on the top of the list and they are not on the 2007 list, as a Bond Oversight we should recommend the top of a list of schools.

(TM) Where is the facilities master plan again, we started another process, then got a new board, and that process stopped, we have to have this process restored.

(RM) new schools SYH, ORH 10 or 15 year age, there's got to be lessons learned and maintain and protect our assets, before spending big money. Sure there are needs to be improved and that will call for a lot of money.

(NM) last requested to Mr. Aguirre documentation of the furniture, fixtures and equipment purchases with Prop O Bond money and power purchase agreement, and findings in audit, would like more information and conversation on this with staff.

12. Board Items Report
13. Report from CBOC Chair
14. Committee Member Reports: Individual members of the CBOC may make announcements or raise issues to be addressed in the future.
15. Meeting Schedule/Format
 - a) Calendar site location for future regular CBOC Meetings
 - b) Calendar Additional Site Tours
 - c) Future Training Workshop

- d) Next CBOC Meetings: September 29, 2015 – Castle Park Middle
October 21, 2015 – Mar Vista Academy
November 10, 2015 – Eastlake High School

16. Staff Announcements

17. Adjourn at **8:29 p.m.**