

IRVINE UNIFIED SCHOOL DISTRICT

Measure E Citizens Oversight Committee

October 24, 2016

Call to Order:	The meeting of the Measure E Citizens Oversight Committee was called to order
Roll Call:	Roll Call was conducted via sign-in sheet
Members Present:	Todd Cope, Terri Elia, Adele Heuer, Ryan Larson, Roza Mansouri, Patti Ragland, Jeffrey Schmehr, Kristi Smemoe, Connie Stone, Kenric Stone, Betty Jo Woollett
Members Absent:	
IUSD Staff:	Kelvin Okino, Executive Director, Facilities & Construction Services, John Fogarty, Asst. Supt. Business Services/CFO, Jennifer Payton, Confidential Secretary
Guests:	Bradley Neal, Sherry McGrew
Next Meeting Date:	Monday, January 9, 2017

Measure E Citizens Oversight Committee Business

1. Call to Order; Roll Call

- Assistant Superintendent John Fogarty called the meeting to order at 6:31 p.m.
- Self-introductions by Committee Members and IUSD Staff Members

2. Establishment of Committee Chair

- Member Betty Jo Woollett moved with Member Patti Ragland seconding the appointment of Terri Elia as the Citizens Oversight Committee Chair.
- Member Jeffrey Schmehr moved with Member Betty Jo Woollett seconding the appointment of Connie Stone as the Citizens Oversight Committee Vice Chair.

3. 2016-2017 COC Meeting Schedule

- Member Adele Heuer moved with Member Kristi Smemoe seconding the approval of the Measure E Citizens Oversight Committee Meeting Schedule and Timeline for Calendar Years 2016 and 2017

4. Measure E Implementation Plan Presentation

- Presented by Kelvin Okino, Executive Director of Facilities & Construction Services and John Fogarty, Assistant Superintendent of Business Services/CFO
- School Facilities Improvement District (SFID)
 - SFID created to focus on older areas of the school district
 - Impacts 28 schools within the district
 - CFD 86-1 expires in 2020. Schools within 86-1 are in need of modernization. This is the only CFD that was included in the SFID.
- Bonds to be issued in four series with four years between beginning in 2016.
 - IRS requires there to be a reasonable expectation for bond funds to be used within 3 years from date of issuance.
- Funding
 - IUSD received strong credit ratings from both Moody's (Aa1) and S&P (AA)
 - Initial Bond Issuance Series 2016A scheduled to close October 25, 2016.
 - \$95.0 M
 - Bonds purchased by Stifel, Nicolaus and Company, Inc.
 - Cost to property owners is \$29 per \$100,000 of assessed value.
 - 3% annual growth in assessed evaluations is a conservative projection. Budget based on 3% annual growth the bond value will be \$250.8 M.
 - An additional \$65 M will be funded through Fund 25, Fund 40, and CFD 86-1 to augment Measure E project costs.

- Additional bonding series scheduled for 2021, 2025, and 2029
 - Implementation Process
 - School Facilities Improvement Measure (SFIM) Steering Committee and Facilities staff worked closely with representatives from each of the impacted school sites within the SFID. After a thorough collaboration process, the SFIM prioritized projects; the Facilities staff communicated changes to the impacted sites and presented the Draft Project Implementation Plan to the Board in August 2016.
 - 24 of the 28 school sites will be worked on within the first 6 years
 - Priorities
 - ❖ Address Safety and Security
 - i. Enclose open classrooms with doors
 - ❖ Modernize facilities over 25 years of age
 - i. District will leverage bond funds with state matching funds through Proposition 51 if it passes
 - ii. Currently \$255 M worth of pending applications for state matching funds have been submitted for IUSD
 - 1. Of these funds approximately \$158 M goes to IUSD and \$97 M reimburses developers
 - ❖ Construct Projects at High Schools
 - ❖ Upgrade/New Science Labs at Middle Schools
 - Proposition 51 to be placed on the ballot in November 2016.
 - First opportunity for schools to receive matching funds from the state since 2010
 - These funds will match costs for modernization projects for sites that are 25 years of age or older.
 - Currently polling near 60%
 - There are 10 school districts in the surrounding area with bond measures on the November 2016 ballot with a cumulative total of \$2.5 Billion. This creates an unknown factor for polling results.
- Implementation Plan
 - Bond Series 1 2016A
 - 21 schools; 11 ES, 5 MS, 5 HS are included in the Series 1 project list
 - Bond Series 2
 - 7 schools; 4 ES, 1 MS, 2 HS
 - Bond Series 3
 - 8 schools; 4 ES/K8, 2 MS, 2 HS
 - Bond Series 4
 - 15 schools; 12 ES, 2 MS, 1 HS
- Current progress and next steps
 - 15 architects have been identified as a pool
 - Architects hired for expansion work at Eastshore ES and Venado MS
 - Architects hired to enclose classrooms
 - Interviewing for architects for Woodbridge theatre on October 25, 2016
 - Working to establish a pool of construction management firms

5. IUSD Independent Citizens' Bond Oversight Committee Bylaws

- Discussion on Bylaws led by Bradley Neal, of Stradling Yocca Carlson & Rauth, bond counsel
- The Citizens Oversight Committee was established and the Bylaws were adopted by the Board of Education on August 23, 2016
- Changes can be made to the COC Bylaws; however amendments must be approved by the Board of Education
- Section 5. Membership
 - 5.4 Term: Except as otherwise provided herein, each member shall serve a term of two (2) years, commencing as of the date of appointment by the Board. No member may serve more than three (3) consecutive terms. **At the Committee's first meeting, members will draw lots or otherwise**

select a minimum of two members to serve for an initial one (1) year term and the remaining members for an initial two (2) year term. Members whose terms have expired may continue to serve on the Committee until a successor has been appointed. Terms commence on the date or number is appointed to the Committee by the Board of Education.

- Staggering of the board:
 - ❖ Names were randomly drawn to reduce first term to one year
 - ❖ Members serving an initial 1-year term from 9/13/2016 to 9/12/2017:
 - i. Todd Cope
 - ii. Roza Mansouri
 - iii. Kristi Smemoe
 - iv. Kenric Stone
 - v. Betty Jo Woollett
 - ❖ Members serving an initial 2-year term from 9/13/2016 to 9/12/2018:
 - i. Terri Elia
 - ii. Adele Heuer
 - iii. Ryan Larson
 - iv. Patti Ragland
 - v. Jeffrey Schmeh
 - vi. Connie Stone
- Members are eligible to serve for up to three consecutive terms if they are interested in continuing and if the Board appoints that member to continue to serve.
- Qualification Requirements
 - Members are required to notify the District in the event of a change to any of the following qualification requirements:
 - Each position fulfills a criteria requirement. If the member's status changes, another member must be appointed to fill that position.
 - Each member must live within the SFID boundary. If the member moves outside the boundary, another member must be appointed to fill that position.
 - Measure E COC members may not be employees, vendors, or consultants of IUSD.
 - Measure E COC meetings are public meetings. Notification posted and adhere to Brown Act laws
 - Spending and performance audits will be provided to the COC
 - Annual audit reports provided to the COC between January and March
 - Role of the COC is to provide fiscal oversight of how the Measure E bond proceeds are being spent.
 - Committee is entitled to inspect District facilities and grounds where Measure E bond proceeds have been or will be spent.

6. Adjournment

- COC Chair Terri Elia motioned to adjourn the meeting at 8:12 p.m., seconded by Kristi Smemoe.

Action Items/Follow-Up

- The next Measure E Citizens Oversight Committee Meeting is scheduled for Monday, January 9, 2017.
- Jennifer Payton to provide agenda item for establishing pool of architectural firms to COC Members.