

Irvine Unified School District
MEASURE E CITIZENS OVERSIGHT COMMITTEE
MEETING MINUTES
January 22, 2018

Meeting Location: College Park Elementary School, Innovation Lab Classroom
Call to Order: The meeting of the Measure E Citizens Oversight Committee (Committee) was called to order
Roll Call: Roll Call was conducted via sign-in sheet
Members Present: Todd Cope, Terri Elia, Adele Heuer (Vice Chair), Ryan Larson, Patti Ragland, Jeffrey Schmeh, Kristi Smemoe, Connie Stone, and Kenric Stone (Chair)
Members Absent: Roza Mansouri, and Betty Jo Woollett
IUSD Staff: John Fogarty (Assistant Superintendent, Business Services), Kelvin Okino (Executive Director, Facilities & Construction Services), and Cathie Rain (Administrative Assistant, Facilities & Construction Services)
Guests: None
Next Meeting Date: Monday, April 23, 2018 at 6:30 p.m. at Stone Creek Elementary School

Measure E Citizens Oversight Committee Business

1. Call to Order; Roll Call

A. Chair Kenric Stone called the meeting to order at 6:35 p.m.

2. Approval of the October 9, 2017 Meeting Minutes

A. Chair Kenric Stone moved to approve the October 9, 2017 meeting minutes. The following comments were discussed:

- i. Member Patti Ragland noted her suggested revisions were not incorporated.
- ii. Member Adele Heuer noted her nomination and selection as 2018 Vice Chair was not included.

B. Kelvin Okino will revise the October 9, 2017 meeting minutes and re-issue to the Committee for approval.

C. Kelvin Okino will strive to issue the meeting minutes within two (2) weeks after each meeting.

3. IUSD Building Fund (Measure E) Financial and Performance Audit for 2016-2017

A. Presented by John Fogarty. A copy of the audits was distributed and discussed.

B. In accordance with Proposition 39 (2000), an annual independent financial audit and performance audit was conducted. The audits were performed using standard audit practices. Two (2) pages of the financial audit were emphasized and discussed: on page 3, there is an opinion that the financial statements were presented fairly, and page 17, there was a statement that there were no findings reported. John Fogarty noted that these are positive statements and findings.

- C. If necessary, the auditors are available to attend the next committee meeting to discuss the audits in further detail.
- D. The audits will be presented to the Board at the January 23, 2018 Board of Education Meeting.

4. Annual Report 2016-17 Draft

- A. Presented by Kelvin Okino. A 'draft' copy of the Annual Report was distributed and discussed.
- B. The Committee offered the following suggestions and comments:
 - i. Member Connie Stone noted that Members Todd Cope, Ryan Larson, Kristi Smemoe, and Connie Stone should be Parent Teacher Association members versus members of a Parent Teacher Organization.
 - ii. Member Kenric Stone commented that the Committee's charge is to oversee the expenditures and not to plan the scope of work.
 - iii. Member Kristi Smemoe noted that she responded to a community comment on the Nextdoor app. She clarified that the Measure E funds are being spent on projects that were approved by the voters.
 - iv. Member Connie Stone suggested that a comment be added that the role of the Committee is to support the Facilities Master Plan. She added that no technology (devices) are purchased from Measure E funds.
- C. The Annual Report will be presented the February 13, 2018 Board of Education Meeting. Member Terri Elia (past Chair) will present the Annual Report. Kelvin Okino will provide an outline to Member Terri Elia prior to the meeting.

5. Measure E Series 2016A Financial Reports

- A. Presented by Kelvin Okino. A copy of the Financial Report was distributed and discussed.
- B. Kelvin Okino noted the reports include Measure E building funds (fund 21) and other District funds. The first page is a summary of all the site budgets and expenditures. In addition, detailed reports are included for each school site on the following pages.
- C. Member Patti Ragland asked if the escalation number is the overage amount. At this time, the current projections indicate that budget is trending about 1% over budget; however, the Board is committed to staying within the budget.
- D. Additive bid alternates have been identified for several of the projects. If the budget(s) permits, some of these bid alternates will be incorporated into the specific project. Member Kenric Stone added that bid alternates have different functions; some are 'must haves' versus 'nice to have' but may not be an integral part of the project. The bid alternatives are typically work items that can be deferred to later date.
- E. Kelvin Okino gave the example of Irvine HS where bids were received within the base construction budget but accepting the additive bid alternates would cause the project to be over budget. As a result, the additive bid alternates were not accepted.
- F. Kelvin Okino reported that by April 2018, the majority of construction bids would be received. The actual bids will provide more certainty on the budgets.
- G. Member Kenric Stone added that the construction market is hot and there is a lot of construction activity, which may affect the bids.

- H. John Fogarty noted there is a \$319 million maximum capacity based on the bond measure and currently, the projects have been programmed at \$250 million. Within the next year, the District will review and determine when the second bond series can be sold. Based on the timing of the bond sale, there may be an advantage to lock in low rates sooner.
- I. Kelvin Okino added that the District has begun submitting State funding applications for several of the projects.
- J. Member Kristi Smemoe inquired on the yellow highlighted lines. Kelvin Okino explained that these are post-bid budgets where bids have been received on these projects. The budgets have gone from an initial budget to a post-bid budget.
- K. Member Ryan Larson inquired on the difference between hard costs and soft costs. Kelvin Okino explained that the project budget consists of 75-80% for construction costs (“hard cost”) and 20-25% for consultants, fees, and other costs (“soft costs”).
- L. Kelvin Okino noted that the first six (6) schools are almost complete. College Park ES has a second phase that will complete over the 2018 summer and Stone Creek ES has an expansion currently under construction. The final budget for these projects will be updated once the work is complete.
- M. Member Kristi Smemoe commented there have been discussions with concerned residents that think there will not be enough money to complete all the projects and phases. John Fogarty responded that the District would not jeopardize the future phases. District staff is working diligently with the available Series 1 Bond funds to stay within the overall budget. John Fogarty added that the District would like to accelerate funding to begin planning and design for Series 2 projects. Based on the Facilities Master Plan, the District’s current facilities improvements need is \$800 million.
- N. Member Ryan Larson asked what the interest rates were in the first series. The interest rate for the first series is in the 2.8% range.

6. Measure E Project Updates

- A. Presented by Kelvin Okino. A copy of the PowerPoint presentation was distributed.
- B. Financial Update
 - i. A “Construction Project Costs-To-Date” was discussed. Construction contracts for eight (8) schools have been awarded: Bonita Canyon ES, College Park ES, Culverdale ES, Greentree ES, Santiago Hills ES, Stone Creek ES, Irvine HS, and University HS.
 - ii. Audits
 - As previously discussed, an Independent Financial Audit and Independent Performance Audit was performed by Vavrinek, Trine, Day & Co., LLP.
 - The audits will be presented by Vavrinek, Trine, Day & Co., LLP at the Board of Education Meeting on January 23, 2018.
 - iii. Annual Report
 - As previously discussed, the COC Annual Report will be presented at the February 13, 2018 Board of Education Meeting.
- C. Measure E District Staff Update
 - i. Staff is located at Jeffrey Trail MS next to Facilities Planning and Construction Services Office.

- Three (3) full-time District staff, including two (2) Supervisors and one (1) Construction Technician. Each supervisor is assigned specific school sites and projects.
- D. Communications Update
- i. Measure E website continues to be updated.
 - ii. Measure E newsletter published in July 2017.
 - iii. Continue to meet with Homeowner Associations and the city of Irvine.
 - iv. Continue to conduct Project Information Meetings (for each site), and Bond-related meetings.
- E. Schedule Update
- i. Four (4) schools were completed by August 2017.
 - ii. Two (2) schools continue being under construction and will be completed by August 2018.
 - iii. Two (2) schools will be will start construction and complete by August 2019.
 - iv. One (1) school to start construction spring 2018.
 - v. Eleven (11) schools to start construction summer 2018.
 - vi. One (1) school to start construction summer 2019.
 - vii. Graphic illustration of the anticipated timeline for each school site.
- F. Completed Projects Update
- i. June through October 2017
 - College Park ES (Phase 1), Bonita Canyon ES, Culverdale ES, Greentree ES, Santiago Hills ES, and Stone Creek ES.
- G. Projects Under Construction Update
- i. Winter 2017/18
 - Stone Creek ES Expansion project.
 - Irvine HS and University HS relocatable projects.
- H. Upcoming Projects Update
- i. Winter 2017/18 - Modernizations
 - Irvine HS and University HS modernization projects.
 - ii. Spring 2018 - Expansions
 - Creekside HS and Eastshore ES expansion projects.
 - iii. Summer 2018 - Theater
 - Woodbridge HS new theater project.
 - iv. Summer 2018 – Science Classrooms
 - Lakeside MS, Rancho San Joaquin MS, Sierra Vista MS, South Lake MS, and Venado MS science classroom projects.
 - v. Summer 2018 – Athletic Field
 - Northwood HS new synthetic track and field.
 - vi. Fall 2017 – Interim Housing at Campus
 - El Camino Real School temporary housing for Meadow Park ES (2018/19) and Springbrook ES (2019/20).
 - Westwood Basics temporary housing for Brywood ES (2018/19)

7. Questions

- i. Member Connie Stone asked how the Measure E employees were paid and what will happen when Measure E is over. Kelvin Okino responded that Measure E staff is working on Measure E projects full time and they are funded through Measure E. He explained that an analysis was done to determine the cost savings if the District hired full time staff versus consultants. He added that based on his experience from numerous bond programs he had managed; there is a different commitment level from District employees versus consultants. Once Measure E is over, there is a possibility that Measure E staff might move into the Facilities and Construction Services departments.
- B. Member Kristi Smemoe asked if teachers were on the Schools Facilities Improvement Measure (SFIM) Committee. John Fogarty responded that no teachers were on the SFIM Committee since it consists of District leadership.
- C. Member Connie Stone asked to receive a list of the upcoming community meetings to help spread the word to the community through school PTA members and meetings.
- D. Member Kristi Smemoe asked what needed to be done to fix up El Camino and Westwood Basics for Brywood ES and Meadow Park ES to move in. Kelvin Okino explained that we are making the school functional for the next two-year period. John Fogarty explained that we want the schools to be adequate equipment but do not want to use significant bond money to fix it long term.

8. Site Tour of Brywood Elementary School

- A. Kelvin Okino led a tour of the following areas that will be modernized over the summer 2018:
 - i. Enclose classrooms with new doors
 - ii. New Innovation Lab
 - iii. New Design Lab
 - iv. New collaboration spaces between classrooms
 - v. Modify Multipurpose Room
 - vi. Enlarge nutrition services
 - vii. Combine student services offices and functions
 - viii. Modernize Classrooms, including new HVAC units, low voltage electrical systems, ceiling, new lighting, new carpet, new tack panel, new paint, and new glass partition wall.
- B. Member Kristi Smemoe asked when the District is conducting upgrades to the facilities, do they take security into account, specifically the glass doors and glass windows. Kelvin Okino explained that these materials are taken into consideration when doing designing the modernizations and improvements.
- C. Kelvin Okino added that there would not be any modernization work in the administrative areas.

9. Adjournment

- A. Chair Kenric Stone motioned to adjourn the meeting at 8:30 p.m., seconded by Member Connie Stone.