

**Irvine Unified School District**  
**MEASURE E CITIZENS OVERSIGHT COMMITTEE**  
**MEETING MINUTES**  
*July 23, 2018*

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**Meeting Location:** Westpark Elementary School Multipurpose Room  
**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:** Adele Heuer, Patti Ragland, Jeffrey Schmeh, Kristi Smemoe, Connie Stone, Kenric Stone, and Betty Jo Woollett  
**Members Absent:** Todd Cope, Terri Elia, Ryan Larson, and Roza Mansouri  
**IUSD Staff:** John Fogarty (Assistant Superintendent, Business Services), Kelvin Okino (Executive Director, Facilities & Construction), and Cathie Rain (Administrative Assistant, Facilities & Construction)  
**Guests:** Deanna Rutter (Principal, Westpark Elementary School)  
**Next Meeting Date:** Monday, October 8, 2018 at 6:30 p.m. location to be determined

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***Measure E Citizens Oversight Committee Business***

**1. Call to Order; Roll Call**

A. Chair Kenric Stone called the meeting to order at 6:34 p.m., seconded by Member Patti Ragland.

**2. Tour of First Phase of Work (Westpark Elementary School)**

- A. Chair Kenric Stone introduced Deanna Rutter, Principal of Westpark Elementary School. He added that the tour has been moved to the first item of business so Principal Rutter could conduct the tour.
- B. Principal Rutter shared that her staff and students have embraced the construction process and have coined a phrase “Awesomeness in Progress”. Principal Rutter pointed-out the following during the tour:
- i. In four (4) weeks, modernization occurred in the following areas: library (including a new conference room and new offices), two (2) kindergarten classrooms, a transitional kindergarten classroom, administration offices, nurse’s office, staff workroom, and staff lounge. In addition, temporary classroom buildings were placed, new basketball courts were constructed, and a new kindergarten play structure was installed.
  - ii. Construction began on the nutrition services expansion and modernization began in the new Innovation Lab, Design Lab, classrooms, and collaboration areas.
- C. Member Betty Jo Woollett inquired about the kindergarten play area and noted that it is near the street and open. Principal Rutter explained there is constant and ample supervision during playtime and have never had any concerns or issues with students leaving campus.
- D. Chair Kenric Stone noted how well the school has done with the ongoing construction.

### 3. Approval of April 23, 2018 Meeting Minutes

- A. Chair Kenric Stone moved to approve the April 23, 2018 meeting minutes and opened the minutes for discussion.
- i. Kelvin Okino explained that one of the purposes of reviewing and discussing the minutes is to have an open dialogue. He reiterated his commitment to send the minutes out shortly after the meeting.
  - ii. John Fogarty noted the first group of bids came in within their budgets. As the bids continued to come in, several bids exceeded their budgets. He explained that the cost of construction continues to increase and contractors are in demand. As a result, this effected our bids.
  - iii. John Fogarty explained that in March 2018, the bids and budgets were presented to the School Facilities Improvement Measure (SFIM) committee. At this meeting, it was discussed and considered whether the Music Classroom Buildings and existing Woodbridge High School Theater Renovation would be incorporated into the bids or possibly deferred. He explained that ‘deferred’ means the projects will still move forward but only when funds are available. At the time of the SFIM meeting, there was no certainty of when funds would be available for these projects.
  - iv. John Fogarty mentioned that prior to the April 23, 2018 COC Committee Meeting, he had been working with District’s financial consultant to determine if the next bond series could be issued sooner. Based on an evaluation of the Assessed Valuations of the properties in the School Facilities Improvement District (SFID), the District’s financial consultant determined that the District could move a portion of the next bond series forward from 2021 to 2018 and increase the overall funding from \$250 million to \$272 million. This information was presented to the Board of Education at the Measure E Study Session held on June 5, 2018.
  - v. Member Kristi Smemoe inquired how communities are informed about project-related issues and decisions. Kelvin Okino explained that information pertaining to a specific school is distributed by the principal to students’ parents, often by email. Currently, there is not a method to inform other communities. Kelvin Okino will review to determine if there is a method to inform communities of project-related issues and decisions.
  - vi. Member Connie Stone explained how the Brywood Elementary School community was upset because they felt the projects were being deferred without their knowledge. Kelvin Okino mentioned that at the Measure E Study Session, staff provided updated information which helped clarify concerns raised by the community.
  - vii. John Fogarty noted that even though the District communicated well to the community, a better job could have been done explaining specific details of the modernization work at each school.
  - viii. Member Jeff Schmehrs shared that the way the April 23, 2018 minutes were written, there was a definitive decision that the District had deferred the projects. He did not recall specific statements being made during the PowerPoint presentation specifically addressing deferral of the Music Classroom Buildings.
  - ix. Chair Kenric Stone suggested the following amendments to the April 23, 2018 minutes.
    - Item Four (4), Article B, Section xii should read: Kelvin Okino noted four (4) projects that were originally planned for Series 1 may need to be deferred. These projects would move forward once additional funding is available.

- Item Four (4), Article B, Section xiii should read: John Fogarty noted that when the District looked at which projects might need to be deferred, the projects being considered were at sites currently receiving significant work under Series 1.
- x. The April 23, 2018 minutes were adopted as discussed amended.

#### **4. Measure E Series 2016A Financial Reports**

- A. Presented by John Fogarty. A copy of the financial report was distributed and discussed.
- B. John Fogarty reminded the Committee while there are four (4) fund sources, the Committee should focus on fund 21 – Building Fund which pertains to the Series 1 funds.
- C. Kelvin Okino added that the meaning of the yellow highlighted lines have changed. The three (3) lines highlighted in yellow now represent budgets that are Initial Budgets. All other budgets are Post-Bid Budgets meaning that the budgets have been updated to reflect the most recent bids.

#### **5. Measure E Project Updates**

- A. Presented by Kelvin Okino. A PowerPoint was presented and a copy of the presentation was distributed.
- B. Project Costs
  - i. Kelvin Okino reviewed the Current Program Costs and Series 1 funds. The slides illustrated step-by-step adjustments to the program costs and a summary of the current project costs. Currently, there is an overall shortfall of \$715,495 which does not include the estimated costs for the deferred projects (Music Classroom Buildings and existing Woodbridge High School Theater Renovation). In order to cover the current shortfall and move forward with the deferred projects, additional funds of \$13,115,495 would be required.
  - ii. Kelvin Okino reviewed how Project Costs are separated into ‘Soft Costs’ and ‘Hard Costs’.
    - Soft Costs are non-construction related costs and typically include the architect, engineers, consultants, agency fees, and furniture.
    - Hard Costs are construction related costs and typically include the construction contracts, other costs required to construct or modernize a facility, and construction manager.
    - The current Project Cost for Series 1 is \$138,208,290.
- C. Adjustments to Funds
  - i. Kelvin Okino explained that Budget Adjustments require multiple steps before information is shared with the Committee. Facilities Planning and Construction Services staff prepares cost information and then presents the information to the Assistant Superintendent, Business Services. Once accepted, the information is presented to the SFIM Committee and subsequently, to the Board of Education. At each step, the cost information is reviewed, discussed, refined, and accepted.
  - ii. Kelvin Okino reviewed the Budget Timeline illustration and explained that during the Baseline Budget and Post-Bid Budget development, Bid Alternates and potential project deferments are identified.
- D. Affects of Market Conditions
  - i. Kelvin Okino reiterated that since 2016, there has been over \$32.0 billion in school bonds. Many school districts are in the same position as IUSD regarding the demand and competition for contractors. There are also other market conditions affecting the bids such as

tariffs on imported goods, on-going natural disasters (e.g. wild fires, hurricanes), and oversaturation of construction work which has resulted in labor shortages.

#### E. Modernization of Elementary Schools

- i. Kelvin Okino presented information on the Modernization of Elementary Schools.
  - Brywood, Meadow Park, and Springbrook Elementary Schools are temporarily relocated because of the extensive and disruptive work occurring at the schools. In addition, the work involved at these schools cannot occur over a summer break.
  - Westpark Elementary School is a phased construction project. The two (2) interim campus sites cannot accommodate the Westpark Elementary School student enrollment. Since Westpark Elementary School is on a year-round calendar, more disruptive work can occur during the breaks.
  - The scope of work at the four (4) elementary school was presented.

#### F. Measure E Financing

- i. John Fogarty elaborated further on the Measure E financing. Based on growth within the SFID, the annual Assessed Valuation growth is 3.5%. As a result, the overall bond funding have increased \$21.5 million from \$250.8 million to \$272.3 million and the number of bond series and frequency increased from four (4) to five (5) series. This will allow the District to sell bonds in 2018 (\$41.0 million) and 2021 (\$30.8 million).
- ii. John Fogarty explained that at the June 5, 2018 Measure E Study Session, staff recommended a portion of the \$41.0 million be used to cover the current shortfall and fund the three (3) Music Classroom Buildings and existing Woodbridge High School Theater Renovation. The Board of Education approved the recommendation. Approximately \$13.1 million of the \$41.0 million will be used to fund these deferred projects.

#### G. State Funding

- i. Kelvin Okino presented State Funding for the Measure E Series 1 projects. Currently, the state has approved and will fund \$349,000 for Career Technical Education work. In addition, approximately \$24.0 million has been submitted to the State for Measure E projects and an additional \$10.0 million will be submitted. The total of \$34.0 million for Series 1 is more than initially anticipated.

#### H. Project Update

- i. Kelvin Okino provided an update on the project schedule for Series 1.

#### I. Completed Projects (9)

- i. Enclosed Classrooms (Bonita Canyon ES, College Park ES, Culverdale ES, Greentree ES, Santiago Hills ES, Stone Creek ES)
- ii. Expansion (Stone Creek ES)
- iii. Interim Campuses (El Camino School and Westwood Basics School)

#### J. Projects Under Construction (13)

- i. High School Modernization (Irvine HS and University HS)
- ii. Expansions (Eastshore ES and Creekside HS)
- iii. Middle School Science Classrooms (Lakeside MS, Rancho San Joaquin MS, Sierra Vista MS, South Lake MS, and Venado MS)
- iv. Elementary School Modernization (Brywood ES, Meadow Park ES, Springbrook ES, and Westpark ES)

- v. Synthetic Track and Field (Northwood HS)
- K. Projects in Preconstruction
  - i. Music Classroom Buildings (Brywood ES, Meadow Park ES, and Springbrook ES)
  - ii. Theater Renovation (Woodbridge HS)
- L. Questions
  - i. There were no further questions or comments.

**6. Adjournment**

- A. Chair Kenric Stone motioned to adjourn the meeting at 8:58 p.m., seconded by Member Betty Jo Woollett.