

Irvine Unified School District
MEASURE E CITIZENS OVERSIGHT COMMITTEE (COC)
MEETING MINUTES
Monday, January 25, 2021

Meeting Location: Zoom Video Conference
Call to Order: The meeting of the Measure E Citizens Oversight Committee (Committee) was called to order.
Roll Call: Roll Call was conducted via Zoom Video Conference
Members Present: Todd Cope, Adele Heuer, Juneu Kim, Ryan Larson, Steve Morton, Patti Ragland, Jeffrey Schmehr, Connie Stone, and Kenric Stone
Members Absent: None
IUSD Staff: John Fogarty (Assistant Superintendent, Business Services), Kelvin Okino (Executive Director, Facilities & Construction), and Cathie Rain (Administrative Assistant, Facilities & Construction)
Next Meeting Date: April 26, 2021, Site To Be Determined

Measure E Citizens Oversight Committee Business

1. Call to Order; Roll Call

- A. Chair Todd Cope called the meeting to order at 6:32 p.m. Roll call conducted via Zoom Video Conference.
- B. Kelvin Okino introduced Member Juneu Kim as the new Senior Citizen representative; he replaces Member Betty Jo Woollett who recently moved out of the area. Member Juneu Kim gave a brief self-introduction sharing that he has lived in Irvine since 1979 with his wife. He has two adult children who have attended Irvine USD schools. Member Juneu Kim is a member of the Orange County Senior Citizens Advisory Council (Big C), the Orange County Housing and Transportation Committee (OCHC), and the Irvine Korean Evergreen Association (IKEA).
- C. Kelvin Okino explained although Member Kristi Smemoe resigned, her role as a Parent-Teacher Organization (PTO) representative will not be refilled at this time. The Citizen Oversight Committee By-Laws requires only one (1) PTO member and the Committee currently has more than one (1) PTO member.

2. Approval of November 2, 2020 Meeting Minutes

- A. Chair Todd Cope opened the minutes for discussion. There were no items for discussion. Member Adele Heuer moved to approve the minutes and Member Steve Morton seconded. The November 2, 2020 minutes were approved without corrections.

3. IUSD Building Fund (Measure E) Financial and Performance Audit for 2019-2020

- A. John Fogarty discussed the audits conducted by EideBailly for the period covering July 1, 2019 through June 30, 2020. The audits were included within the handouts.

- i. The financial and performance audits were presented to the Board of Education Meeting on January 19, 2021, accepted, and filed by the Board of Education.
- ii. John Fogarty directed the Committee to the following sections within the financial audit.
 - On page two (2), John Fogarty directed the Committee to look at the opinion statement. John Fogarty noted that the audit was clean with no recommendation.
- iii. John Fogarty directed the Committee to the following sections within the performance audit.
 - On page fourteen (14), John Fogarty noted that all of the Measure E expenditures align with what was approved by the taxpayers.
 - John Fogarty referred the Committee to look at page nineteen (19) that is blank. The blank page reflects no findings which results in a clean audit.

4. Annual Report July 1, 2029 through June 30, 2020 “Draft”

- A. Kelvin Okino presented the “draft” annual report included within the handouts. He briefly reviewed the ten sections within the annual report and explained that it is very similar to previous annual reports.
- B. Kelvin Okino mentioned the annual report will be presented to the Board of Education at the February 2, 2021 meeting and past Chair Kristi Smemoe will present the annual report. The meeting begins at 6:30pm and can be live streamed by visiting the District’s website under the Board of Education link. Any questions that come up can be answered by calling or emailing either Kelvin Okino or John Fogarty.
- C. Kelvin Okino noted that as part of the CARES funds from the COVID-19 relief package, the District has spent \$2 million dollars to make improvements at forty-two (42) sites.
- D. Member Adele Heuer asked if most of these projects were outdoor areas. Kelvin Okino explained that all of our schools received improvements from the CARES fund. Projects ranged from shade structures, outdoor collaborative spaces, and flexible furniture.

5. Measure E Series (2016A – Series 1, 2018B – Series 2, and AFAP) Financial Reports

- A. John Fogarty presented the Series 1, Series 2, and Augmented Funds to Accelerate Projects (AFAP) Reports that were included within the handouts and discussed the following:
 - i. Under the Series 1 report, schools highlighted in green represent Final Budgets for the projects. Currently, there is a surplus of funds under Series 1 and these funds will move into Series 2.
 - ii. Under the Series 2 report, schools highlighted in yellow represent Post-Bid Budgets for the projects. Those not highlighted are Initial Budgets. .
 - iii. Under the AFAP report, schools are Initial Budgets.
 - iv. John Fogarty noted that Fund 21 is the most important line item to look at.
 - v. Member Patti Ragland asked if the budget were \$1.3 million over budget now, would it continue to increase. John Fogarty noted the building fund is over budget and the District

looks at other funds to bring forward. John Fogarty also noted that unexpected expenses could arise during construction.

6. Measure E Updates

A. Kelvin Okino presented a PowerPoint presentation on Measure E. The presentation was separated into four categories: budget, state funding, schedule, and project updates.

B. The following Measure E Budget items were presented:

i. Kelvin Okino explained that at the annual Fall Study Session held on December 1, 2020, Facilities staff include an update on Measure E including:

- An update on the 28 school sites within Measure E
- Financial update on Series 1, Series 2, and AFAP.
- A recommendation to bring District funds forward to offset a deficit for Series 2.

ii. Kelvin Okino discussed the ten slides presented at the study session:

- Status of the 28 school sites.
- Program funds as of 12/1/2020.
- Funding Timeline as of 12/1/2020.
- Program funds as of 12/1/2020.
- Forecasted funds as of 12/1/2020 reflected a \$2.0 million deficit in Series 2 and \$1.9 million deficit in Series 3.
- Status of Series 1 as of 12/1/2020 with a \$3.5 million surplus.
- Status of Series 2 as of 12/1/2020 with a \$2.0 million deficit resulting from cost additional improvements and unanticipated improvements at University Park ES and Northwood ES. In addition, cost overages caused by higher than expected bids on Bonita Canyon ES and Turtle Rock ES.
- Status of Series 3 as of 12/1/2020 with a \$1.9 million deficit.
- Status of Series 4 and Series 5 with forecasted surplus, \$39.80 million and \$65.70 million respectively.
- Recommendation for Series 2 shortfall which moves \$3.0 million of District funds from Series 3 to Series 2 and defers the modernization of Woodbridge HS from Series 3 to Series 5 while performing only necessary mechanical upgrades to two (2) buildings at Woodbridge HS.
- Program funds as of 12/1/2020 based on recommendation.

iii. John Fogarty reviewed the Measure E funding explaining Series 1 and Series 2 have been sold. If the Assessed Valuation continues to grow, the District will review potentially selling Series 3 later this year.

- Kelvin Okino presented an updated funding timeline with the recommendations and mentioned that State Grant reimbursements were received.

iv. Kelvin Okino discussed the following funding related topics:

- Budget Process. Illustration showed the four stages of a budget. AFAP are in the Initial Budget phase; several Series 2 projects are in the Post-Bid Budget phase, and Series 1 and several Series 2 projects are in the Final Budget phase.
- Post-Bid Budget versus Final Budget. The difference between the post-bid budgets and final budgets for completed projects.
- Series 1 Projects. The adjustments to the Series 1 funding and comparison to the current committed costs. A \$3.6 million surplus currently shown.
 - a. Project Budget of Groupings. The school sites were grouped into projects and the project budgets were shown for the groupings.
 - b. Construction Change Orders. Final change order percentage for twenty-four (24) projects is 1.00% based on \$91.1 million in construction costs. Westpark ES, Brywood ES, Meadow Park ES, Springbrook ES, and Woodbridge HS will have final construction costs shortly.
- Series 2 Projects. Summary of the funds available which include the initial Series 2 Bond sale, Series 1 surplus and District funds brought forward from Series 3.
- Augmented Funds to Accelerate Projects. Summary of funds.
- Member Adele Heuer asked how a surplus in the budgets can be forecasted so far in the future. John Fogarty noted that every budget for each project is a projection in the planning phase. Projections can change in one of two things: 1) An increase in the assessed evaluations or 2) low borrowing costs.
- Member Jeff Schmehr asked if the assessed values would support more money for the projects. John Fogarty noted that schools within the SFID boundaries are older areas and capped at 2%. Assessed evaluations are now at 3.4%.
- John Fogarty noted that the sale of the Series 3 bond is likely to be moved forward from October to May 2021 and will not require the District to bring forward as many funds as anticipated.
- Member Ryan Larson asked how the District decides to spend the remaining money. John Fogarty responded that the projects have already been planned and vetted. Future conversations will happen if funds are available and how the money will be spent within those projects.

- C. Kelvin Okino reviewed the Measure E State Funding and discussed the following:
- i. The three steps to the State Grant funding process were presented.
 - Step 1a “Acknowledged” List are projects submitted and beyond Proposition 51 available funds. Series 1 has three projects totaling \$837,166 on the list and require a future State bond sale.
 - Step 1b “Workload” List are projects submitted and under review by the State. Funds are anticipated to be received under Proposition 51. Series 1 has 20 projects totaling \$34.9 million on this list.
 - Step 2 “Unfunded” List are projects submitted and waiting for a future Proposition 51 State bond sale. Series 1 has zero projects on this list.
 - Step 3 “Apportioned” List are projects submitted, approved, and waiting for Proposition 51 State funds. Series 1 has zero projects on this list.
- D. Kelvin Okino reviewed the Measure E Schedule and discussed the following:
- i. Series 1 projects are almost wrapped up.
 - ii. Bids were received on October 22, 2020 for Bonita Canyon ES and Turtle Rock ES continue under construction and University Park ES started construction. Northwood ES construction is scheduled to start in June 2021.
 - iii. South Lake MS and Woodbridge HS: approved by Division of the State Architect (DSA) and will begin construction once Series 3 Bond funds are received.
 - iv. Canyon View ES, Deerfield ES, Oak Creek ES, and Plaza Vista School are in the Division of the State Architect for approval. Construction is anticipated to start in the summer 2021 and complete summer 2022.
 - v. Irvine HS is in design and will be submitted to DSA for approval. Construction expected to begin once Series 3 Bond funds are received.
- E. Kelvin Okino reviewed the Series 1 Project updates and discussed the following:
- i. Progress photos and updates were presented for Bonita Canyon ES New Multipurpose Building, Turtle Rock ES New Music Classroom Building, and University Park ES New Classroom Building and Renovations.
 - ii. Member Kenric Stone noted that Bonita Canyon ES innovation lab looks great.
- F. Kelvin Okino reviewed the Series 2 Projects updates and discussed the following:
- i. Renderings and updates were presented for Northwood ES New Classroom Building.
- G. Kelvin Okino reviewed the AFAP Project updates and discussed the following:
- i. Renderings and updates were provided for Canyon View ES Music Classroom Expansion and Innovation/Design Labs, Deerfield ES New Music Classroom Building, Oak Creek ES

New Music Classroom Building, and Plaza Vista School New Music Classroom Building and Kindergarten Renovation.

- ii. Renderings and updates were provided for Irvine HS Performing Arts Complex (planning and design only).

H. Upcoming Events

- i. Kelvin Okino mentioned the next Committee Meeting is scheduled for April 26, 2021. Depending on COVID-19, once again, he hopes to hold the meeting at the Woodbridge HS Performing Arts Complex.

I. Comments / Questions

- i. There were no further questions.

7. Adjournment

- A. Chair Todd Cope motioned to adjourn the meeting, seconded by Kenric Stone. The meeting adjourned the meeting at 7:59 p.m.