

Irvine Unified School District
MEASURE E CITIZENS OVERSIGHT COMMITTEE (COC)
MEETING MINUTES
April 27, 2020

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: Adele Heuer, Betty Jo Woollett, Connie Stone, Jeffrey Schmehr, Kenric Stone, Kristi Smemoe, Patti Ragland, Richard Knowland, Todd Cope, and Ryan Larson
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: July 27, 2020 at 6:30 p.m. Site To Be Determined

Measure E Citizens Oversight Committee Business

1. Call to Order; Roll Call

A. Chair Kristi Smemoe called the meeting to order at 6:37 p.m. Roll call conducted via Zoom Video Conference.

2. Approval of January 27, 2020 Meeting Minutes

A. Chair Kristi Smemoe opened the minutes for discussion. There were no items for discussion. Chair Kristi Smemoe moved to approve the January 27, 2020 meeting minutes and Member Adele Heuer seconded. The January 27, 2020 minutes were adopted.

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

A. John Fogarty discussed the Budget Status Report for Series 1 and Series 2. The following was discussed.

- i. John Fogarty reiterated the Series 1 Final Budgets are highlighted in green. The remainder of the project budgets are still in progress. Under Fund 21, \$109.0 million has been committed and shows a negative escalation of \$1.3 million. This amount currently exceeds the funds authorized, however, the negative escalation will reduce as projects are complete and Final Budgets are recorded.
- ii. Member Richard Knowland asked where the developer fees (Fund 25) come from. John Fogarty responded that developer fees are collected from FivePoints, Irvine Company, developments within the Irvine Business Complex (IBC), and certain developments within the Portola Springs communities.

- iii. Chair Kristi Smemoe asked if the developer fees go toward schools in the area. John Fogarty noted that Community Facilities District (CFD) funds can only go towards schools within the CFD areas.
- iv. John Fogarty added that Fund 40 is the District's special reserve funds and are used for Measure E projects. A large portion of these monies were from the sale of old school sites (Vista Verde School and Alderwood ES). These funds can only be used for facilities improvements.
- v. John Fogarty reminded the Committee that the Board of Education authorized \$66.0 million in District funds (Fund 25, Fund 40, and CFD 86-1) to augment the Bond funds. These funds have been staggered over the Bond series. Kelvin Okino added there are funds still available after Series 1 and Series 2.
- vi. John Fogarty mentioned that during the COVID-19 stay at home order other districts experienced vandalism to their facilities. While the District has had minimal vandalism, funds have been set aside to make safety improvements at our sites including security cameras and building access control devices.
- vii. John Fogarty noted in the Series 2 funds of \$41.0 million, \$13.1 million was moved to Series 1 to fund additional projects. Currently, Series 2 has a negative escalation of \$1.3 million which exceeds the funds authorized, however, there may be a positive benefit from greater bidder competition on upcoming projects and potentially lower bid prices.
- viii. John Fogarty noted University Park ES is the oldest school in the District and there are systemic issues with the site requiring modifications that will affect the project budget. Kelvin Okino elaborated that University Park ES has a unique type of construction and upgrading the building has created challenges.
- ix. Member Connie Stone asked if this will affect other schools. Kelvin Okino responded there may be construction challenges at Irvine HS and Rancho San Joaquin MS due to the age and type of construction of the schools.
- x. Member Ryan Larson asked if there was a sense of how the construction market is going. Kelvin Okino noted he recently read the construction industry is down roughly 11,000 jobs but it is primarily in residential construction. Public Works construction is still strong and proceeding forward. Kelvin Okino noted our construction projects have seen more workers due to the COVID-19 shutdown since other construction sectors have shutdown projects.
- xi. Member Adele Heuer asked how is the economic environment affecting our Bond. John Fogarty explained that it doesn't affect our current Bond funds but can affect future Bond prices. John Fogarty mentioned there are two (2) types of economic recessions: a graph showing a "U" shaped recession which is temporary and a graph showing an "L" shape recession similar to the 2008 recession which spikes downward and stays down. Our ability to issue future bond series is based on the assessed value of our properties, which is driven by growth. This could delay our next series if we are in the "L" shaped recession but it is too early to predict.

- xii. Member Patty Ragland noted we are using a 3% assessed value and our goal is a 4.5% assessed value, however, what would be the impact if we did not meet these percentages? John Fogarty responded there would be a delay in sale of the next Bond series, ultimately slowing the start of construction of some projects. As an option, there would be an opportunity to use existing facility funds and reimburse these funds when State grants are received.
- xiii. Member Kenric Stone noted there could be some advantages to a slowdown in work such as more competitive bid prices.
- xiv. John Fogarty noted it would be in the District's best interest to move up any projects that we can. Kelvin Okino mentioned that he continues to keep a pulse on the project budgets and expects there will be a surplus of funds at the completion of all Series 1 projects.
- xv. Bids for Turtle Rock ES and Bonita Canyon ES are due in May and there will be a chance for lower bids. However, he added there will be challenges with prequalified contractors who are not familiar with Public Works construction.
- xvi. Member Patty Ragland asked if we had seen any savings from schools being closed due to COVID-19. John Fogarty responded there may be some savings but only in general operations and the District's general fund.
- xvii. Member Patty Ragland asked if busing will be less because we stopped mid-year. John Fogarty noted that we will likely see some savings but Durham staff will still need to be paid and make sure they are able to come back when we re-open.

4. Measure E Updates

A. Kelvin Okino presented an update of the Measure E projects and distributed a copy of the presentation.

B. Budget

i. Kelvin Okino reviewed and discussed the following:

- Current Bond fund for Series 1 and Series 2 is \$136.0 million. The total of the Bond and District funds for Series 1 and Series 2 is \$212.8 million.
- The project budgets for Series 1 is \$150.8 million.
- The Construction Change Orders for Series 1 is less 0.86%. This percentage is based on \$76.7 million in construction costs. Member Kenric Stone complimented the District on an amazing job keeping change orders less than 1%.
- A comparison of the Post-Bid Budgets versus Final Budgets for the first thirteen (13) completed projects. The total of the Final Budgets came in below Post-Bid Budgets at \$333,225.
- Summary of Series 2 Initial Budgets.
- Funding timeline for all five (5) Bond series.

C. State Funding

- i. Kelvin Okino reviewed and discussed the following:
 - Under Proposition 51, \$36.0 million of Measure E projects are in the queue to receive State grant funds.
 - Proposition 13 did not pass. Currently, there are no future State bonds after Proposition 51 is exhausted.

D. Schedule

- i. Kelvin Okino reviewed and discussed the following:
 - Impacts on the projects due to the COVID-19 pandemic.
 - Current project schedule for the schools.
 - Year-by-year listing of the school sites completed.
- ii. Member Betty Joe asked why we have a fence around the new track and field at Woodbridge HS. Kelvin Okino responded for safety purposes (athletes and spectators), all of our high schools have a fence around the track.
- iii. Member Betty Jo Woollett asked why the track is not available for the community to use at this time. Kelvin Okino responded the current Executive Order does not allow for large gatherings. As a result, the District has placed locks on the gates and will remove once the order is lifted.
- iv. Chair Kristi Smemoe asked if Bonita Canyon ES and Turtle Rock ES will remain on campus during construction. Kelvin Okino replied they will remain on campus due to the nature and type of construction. There will be minimal impact to the school site.
- v. Member Richard Knowland inquired if there is an advantage to move forward with construction while the school is not on-site. Kelvin Okino responded current projects are in for approval with the Division of State Architect (DSA). Once approved, the project will be release for bids. Unfortunately, the timing of the approval process will not allow construction to start any sooner.
- vi. Member Adele Heuer asked if we would be able to tour Springbrook ES. Kelvin Okino noted the July Committee meeting is planned for Woodbridge HS Performing Arts Center and possibly have the October Committee meeting at Springbrook ES.

B. Series 1 Project Updates

- i. Kelvin Okino provided updates and photos on the four (4) projects under construction: Woodbridge HS Performing Arts Complex, Woodbridge HS Field Improvements, Springbrook ES Modernization, and Springbrook ES Music Classroom Building.

C. Series 2 Project Updates

- i. Kelvin Okino provided updates and architectural renderings for the four (4) projects under Series 2 (Bonita Canyon ES, Northwood ES, Turtle Rock ES, and University ES). South

Lake MS (planning) and Woodbridge HS Modernization (planning) have been approved by DSA and are awaiting Series 3 Bond funds to begin construction.

D. AFAP Update

- i. Kelvin Okino presented updates and several architectural renderings and provided updates on the five (5) projects under Augmented Funds to Accelerate Projects (Canyon View ES, Deerfield ES, Oak Creek ES, and Plaza Vista School) Irvine HS (planning) will be designed under AFAP and begin construction once Series 3 Bond funds are available.

E. Upcoming Events

- i. Kelvin Okino mentioned the Measure E Study Session scheduled for June 2, 2020 and the next Committee Meeting scheduled for July 27, 2020.

F. Questions

- i. There were no further questions or comments. Member Betty Joe Woollett added that teachers have had a challenging time during this pandemic. Everyone acknowledged and agreed.

2. Adjournment

- A. Chair Kristi Smemoe motioned to adjourn the meeting, seconded by Patty Ragland. Chair Kristi Smemoe adjourned the meeting at 8:09 p.m.