

Irvine Unified School District
MEASURE E CITIZENS OVERSIGHT COMMITTEE (COC)
MEETING MINUTES
October 28, 2019

Meeting Location: Creekside High School - Construction Technology Building
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, Kristi Smemoe, Patti Ragland, Jeffrey Schmehr, Kenric Stone, Todd Cope, and Ryan Larson
Members Absent: Richard Knowland, Connie Stone, and Betty Jo Woollett
IUSD Staff: John Fogarty (Assistant Superintendent, Business Services), Kelvin Okino (Executive Director, Facilities & Construction), and Cathie Rain (Administrative Assistant, Facilities & Construction)
Guests: Rebecca Roberts (Director of Alternative Education)
Next Meeting Date: January 27, 2020 at 6:30 p.m. location to be determined

Measure E Citizens Oversight Committee Business

1. Call to Order; Roll Call

A. Chair Adele Heuer called the meeting to order at 6:32 p.m. Roll call conducted via sign-in sheet.

2. Tour of Creekside High School New Construction Buildings

A. Kelvin Okino introduced Rebecca Roberts, Director of Alternative Education and she provided an overview of the programs at Creekside High School.

i. Rebecca Roberts and Kelvin Okino toured the Committee through the following areas:

- Construction Technology classroom;
- Science classroom;
- Fitness classroom;
- Video Production classroom; and
- Site improvements.

3. Approval of July 22, 2019 Meeting Minutes

A. Chair Adele Heuer opened the minutes for discussion. There were no items for discussion. Member Kristi Smemoe noted that her name was misspelled on page five (5). Chair Adele Heuer moved to approve the July 22, 2019 meeting minutes, Member Kenric Stone approved and Member Kristi Smemoe seconded. The July 22, 2019 minutes were adopted.

4. Establishment of 2018/19 Committee Chair and Vice Chair

- A. Chair Adele Heuer opened up the nominations for Chair and Vice Chair. Kelvin Okino inquired if the Vice Chair should move into the Chair position. Member Kristi Smemoe asked what was involved being the Chair. It was discussed that the Chair leads the meetings and presents the Annual Report at a Board Meeting. Kelvin Okino added that he provides assistance with the presentation to the Board.
- B. Member Kristi Smemoe offered to be considered for Chair. Member Patty Ragland nominated Member Kristi Smemoe and Member Kenric Stone seconded the nomination. There were no objections or oppositions.
- C. Member Kristie Smemoe nominated Member Todd Cope for Vice Chair. Member Patty Ragland seconded the motion. There were no objections or oppositions.
- D. John Fogarty noted the Board approved the second slate of COC members at the September 3, 2019 Board Meeting. Members Todd Cope, Kristi Smemoe, Kenric Stone, and Betty Jo Woollett will serve their final term from September 13, 2019 through September 12, 2021.
- E. Kelvin Okino shared that Member Rosa Mansouri has stepped down from the Committee and her position will not be filled.

5. Approval of 2020 Meeting Calendar

- A. Chair Adele Heuer noted the meeting schedule and timeline for calendar years 2020-2021 was included within their packet.
- B. Member Kristi Smemoe motioned to approve the 2020-2021 calendar and the motion was seconded by Member Ryan Larson. There were no objections or oppositions.

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

- A. John Fogarty distributed the Budget Status Report (Report) for Series 1 and Series 2. The following was discussed.
 - i. John Fogarty explained on the Series 1 Report that all “closed” project budgets are highlighted in green. The remainder of the project budgets are still in progress. The Report shows a shortfall of approximately \$500K which is down from \$750K that was reported at the July 22, 2019 COC meeting.
 - ii. Kelvin Okino noted that the shortfall will continue to reduce as projects are completed.
 - iii. Member Kristi Smemoe asked why Brywood ES is not closed yet. Kelvin Okino noted that it usually takes between four (4) to five (5) months after a project is complete to finalize prime contractor costs and sometimes six (6) months with consultants.
 - iv. John Fogarty mentioned that the District is looking at the possibility of accelerating projects currently under Series 4 and 5. If projects can be brought forward and completed now, it would avoid construction cost escalation in future years. John Fogarty explained the District has funds available that could be used for these projects and then reimbursed when State

Grants funds are received at a later date. He added that staff is reviewing potential projects that could be accelerated and will present to the Board at the upcoming Study Session.

- v. John Fogarty distributed and discussed the detailed financial ledger (Fund 21). This report is being distributed to the Committee once a year. The report identifies all costs paid under fund 21 from the beginning of the program through September 12, 2019. The report categorizes costs by site and identifies the vendor, description, purchase order number, invoice date, fiscal year, check date and number, and transaction amount.
- vi. Member Ryan Larson inquired as to why the budget reports do not reflect the Initial Budget for each project and if there is a way to show the difference in the Final Budget. Kelvin Okino responded that he frequently tracks the project costs and once all costs are completed, the projects are “closed out” and the final budgets are determined. Typically, he does not compare the Initial Budget with the Final Budget. John Fogarty added that he would provide a report for the Committee that reflects the Initial Budget before the next COC meeting.
- vii. Member Patty Ragland inquired as to how overages occur. Kelvin Okino explained that when a project is developed, especially on older schools, the full extent of improvements is difficult to determine. Sometimes unforeseen issues arise that need to be addressed. He added that the ductwork replacement at Brywood ES is an example of an unforeseen condition that was not part of the budget.
- viii. John Fogarty noted that these additional costs are monitored to ensure that all Measure E projects can be completed as planned.
- ix. Member Kristi Smemoe inquired if these reports could reflect the projects that are over-budget versus under-budget and the reasons. Kelvin Okino responded that it is very difficult to identify specific reasons why the projects are over/under budget. John Fogarty added that the Committee’s role is to ensure Measure E funds are spent on projects that were approved by the voters. Additional funds have been made available to the program to ensure the Measure E projects are completed.
- x. Member Kenric Stone noted that the original costs developed for the Measure E projects were estimates and not fixed prices or bids. These costs were more of an opinion on how much it will cost to complete the work. When it is combined together into the overall program, it will reflect how well the projects were estimated. He added that it is nice that the Committee is told ahead of time where the budgets stand.
- xi. John Fogarty noted that if there is a significant amount of savings we could bring future projects forward. The goal is to maintain the commitments we have made to other sites. The budgets are set up based on the needs of the school versus what each school gets. It is also based on the age of the school while focusing on the oldest schools in the District.
- xii. Kelvin Okino explained that State Grant funds are expected shortly and will augment Measure E funds.
- xiii. Member Todd Cope asked if there was a rebate from IRWD. Kelvin Okino responded that the IRWD grant was available for Northwood HS field improvements but has since expired.

7. Measure E Updates

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

B. Budget

- i. Kelvin Okino re-reviewed the budget process and noted that many of Series 1 projects are in the Final Budget phase.
- ii. Kelvin Okino explained the seven budget groups within a project budget:
 - A – Site costs which are for survey, geotechnical, other site related.
 - B – Planning costs which are for legal, architect, agency fees, site investigation.
 - C – Construction costs which are for the construction manager, prime contractors, movers, labor compliance, temporary facilities, builder’s risk insurance, interim campus transportation, staff assigned to Measure E.
 - D – Testing costs which are for geotechnical testing, materials testing, and special inspections.
 - E – Inspection costs which are for DSA inspection.
 - F – Furniture and Equipment costs which are for desks, chairs, equipment, etc.
 - G – Contingency costs which are available for the entire project.
- iii. Kelvin Okino explained and listed several of the reasons for project overages and surpluses.
- iv. Kelvin Okino explained there is a total of \$136M committed for the two (2) bond series: Series 1 (\$95M) and Series 2 (\$41M). In addition, there are other fund sources that have increased the overall funding to \$179M for series 1 and 2. John Fogarty explained how funds were brought forward. Member Kristi Smemoe asked what the difference is between all of the fund sources. John Fogarty noted Fund 35 are funds the District has accumulated for state match. Fund 40 are funds from properties sold by the District. Fund 86-1 are the oldest CFD funds and only used on schools that qualify for 86-1. Local Area Network (LAN) funds are funds from the Information Technology Department for LAN projects that were incorporated into the Measure E work.
- v. Kelvin Okino reviewed costs for the current projects within Series 1. The costs are grouped by the type of projects.
- vi. Kelvin Okino presented the change order percentages for 13 completed school sites. The change order percentage is currently <0.42%>.

C. Financing

- i. Kelvin Okino reviewed the Bond Issuance diagram explaining bond and District funds for the program. Currently, projected available funds for the program is \$339.5M.

D. State Funding

- i. Kelvin Okino discussed the Measure E projects currently on the State Grant funding list. Currently, there are 23 projects (\$36M) in the queue and 10 projects (\$15M) in future submittals.
- ii. John Fogarty discussed Assembly Bill (AB) 48 that will be on the March 3, 2020 ballot. AB 48 will be different from Proposition 51 that was funded through a first come first serve basis. The new bill will be a priority list for districts that can show low income, foster care and English learners. John Fogarty also noted that we do not have a lot of information yet but it does not look great for the District. In addition, developer fees will be eliminated within two (2) miles of a transit system that can affect the District with development around the Spectrum.
- iii. Member Ryan Larson asked about the District's capacity in terms of projects and if the District can do more work now. John Fogarty noted while interest rates are low, the District needs to evaluate the assessed evaluation of the properties. The District needs to ensure that the bonds issued do not exceed what was promised to the community. In addition, if the District brings bond funds forward, the District needs to be careful not to overextend the funds and resources. Kelvin Okino added that with Series 1 winding down, District staff has capacity to oversee the projects.

E. Series 1 and 2 Projects: Schedule

- i. Kelvin Okino reviewed a graphic illustration of the current projects.

F. Project Updates – Series 1

- i. Kelvin Okino reviewed the projects that are completed, occupied, under construction, and in planning highlighting the following:
 - Nineteen schools have been completed.
 - Brywood ES modernization and construction of the new music classroom building were completed. Staff and students returned for the 2019/20 school year.
 - Meadow Park ES modernization and new music classroom building were completed. Staff and students returned for the 2019/20 school year.
 - Venado MS construction completed for the 2019/20 school year.
 - Creekside HS construction completed for the 2019/20 school year.
 - Woodbridge HS Performing Arts Center scheduled to complete in spring 2020.
 - Woodbridge HS Field Improvements scheduled to complete in spring 2020.
 - Springbrook ES Modernization and Music Building scheduled to complete by 2020/21 school year.

G. Project Updates – Series 2

i. Kelvin Okino reviewed the following:

- Bonita Canyon ES design continued on new Multipurpose Room.
- Northwood ES design continued on new Music Classroom Building and kitchen renovation/expansion.
- Turtle Rock ES design continued on new Music Classroom Building.
- University ES design continued on new classroom building.
- Woodbridge HS design continued on modernization of two classroom buildings.
- South Lake MS design continued on school wide modernization.

H. Questions

- ### i. There were no further questions or comments.

8. Adjournment

- ### A. The meeting was adjourn by Chair Adele Heuer at 8:26 p.m.