

Irvine Unified School District Minutes

Special Meeting of the Board of Education

June 02, 2020 3:30 PM

IRVINE UNIFIED SCHOOL DISTRICT

Administrative Center

5050 Barranca Parkway

Irvine, CA 92604

3:30 p.m. Special Meeting

Attendance Taken at 3:33 PM:

Present:

Paul Bokota
Lauren Brooks
Betty Carroll
Ira Glasky
Sharon Wallin

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE / ROLL CALL

Minutes:

President Carroll convened the meeting at 3:33 PM.

The Pledge of Allegiance to the Flag of the United States of America was led by Member Wallin.

Members Present:

Paul Bokota (attended via teleconference)
Lauren Brooks
Betty Carroll
Ira Glasky
Sharon Wallin

Staff Present:

Terry L. Walker, Superintendent of Schools
John Fogarty, Assistant Superintendent, Business Services
Raianna Chavez, Executive Assistant to the Superintendent

2. ADOPTION OF AGENDA

Motion Passed: Adopt the agenda, as presented.

Passed with a motion by Sharon Wallin and a second by Ira Glasky.

Yes Paul Bokota
Yes Lauren Brooks
Yes Betty Carroll
Yes Ira Glasky
Yes Sharon Wallin

3. * MEASURE E STUDY SESSION

Minutes:

Kelvin Okino, Executive Director of Facilities, introduced the Facilities, Planning, Construction Services and Measure E staff members, and made note of the Citizen Oversight Committee (COC) members.

Financing/Funding

Kelvin reviewed the history of the Measure E bond financing noting the original bond capacity estimates were based on an annual assessment valuation growth within the School Facilities Improvement District (SFID) of 3% yielding a projected project funding and initial budget of \$250.8 million, issued in four series and paid back over 30 years. The maximum growth in assessed valuation is 4.5%, which would yield the maximum bond funding of \$319 million. The SFID assessed valuation is reviewed annually to determine growth and potential impacts to the bond capacity. Based on growth within the SFID, the District's financial advisors recommend increasing the anticipated annual assessed valuation growth to 3.5%, yielding a projected project funding and budget of \$272.3 million. Given that increase, staff suggest increasing the number and frequency of the bond series from four to five. Additionally, the cost of borrowing is currently at a historic low; however, staff will remain cautious as assessed values may be unclear based on the current economy.

To date, Series 1 bonds were issued and funds received on October 26, 2016, in the amount of \$95 million. Series 2 bonds were issued and funds received on September 13, 2018, in the amount of \$41 million. Initially, staff had proposed Series 3 bonds be issued in 2025; however, with the increase in assessed valuation growth and low cost of borrowing staff now suggest Series 3 bonds be issued in 2021 in the amount of \$30.8 million. Additional bond issuances are proposed with Series 4 in 2024 totaling \$39.8 million and the final bond issuance, Series 5, in 2028 totaling \$65.7 million. The original plan called for the final bond series to be issued in 2029; therefore, while adding an additional issuance, the revised bonding issuance plan, will still fully issue the bonds even before the original plan.

With these modifications, staff propose a total Measure E overall project budget of \$372.6 million with the addition of \$65 million of District funds from Facilities Fund 35 and 40 and CFD improvement funds from CFD 86-1. Additionally, the budget includes \$30 million for Augmented Funds to Accelerate Projects (AFAP); of which those funds were provided by the District and are to be replenished to the District by the anticipated \$36.2 million in Prop 51 State funding generated from Measure E Series 1 projects, which are anticipated in 2023.

Kelvin reviewed the design/build and accompanying budget process pointing out the different points in a project where cost and budget estimates are used to identify bid alternates and potential work to defer until funding is available if cost estimates or bids exceed budgets. A summary of 13 projects including the post-bid budget, final budget and variance was shared. Of the 13 projects shared totaling a final budget of \$40.7 million, there was a savings of more than \$2 million from the original post-bid budget. Overall, from Series 1, there is more than \$4 million in surplus funds from completed projects that will be used in Series 2, to eliminate the \$1.3 million planned deficit. Overall, projects are staying on budget, there has been less than 1% in change orders for all of the 21 projects in Series 1. Additionally, all 28 schools in the SFID are planned to be enhanced, at least partially, by summer 2022 in part to the additional funds provided by the AFAP.

Board Member Wallin asked if any work or scope had not been completed to stay within budget. Kelvin responded that in most cases the scope had been increased and that savings have mainly been from the contingency while managing contractors and watching change orders.

State Funding

Dana Grudem, Facilities and Planning Supervisor, reviewed the status of the State Funding/Reimbursement. She noted, all projects starting with Series 2 will be on the Acknowledged List, as there is a lack of state funding currently available; the projects will be waiting for a future State Bond possibly in 2020 or 2022. Series 1 has three projects totaling nearly \$1 million on the Acknowledge List and 21 projects totaling more than \$35 million on the Workload List, which are waiting staff review and funding under Prop 51. Series 1 has two projects totaling more than \$1 million on the Unfunded List, which has been reviewed but is waiting for the State bond sale in the fall or spring and there are no projects on the Apportioned list.

Master Schedule

Joe Chapin, Director of Construction, reviewed the master schedule for Series 1, 2 and AFAP projects, showing the projects will be complete by summer of 2022 with the exception of Series 2 projects at South Lake Middle School and Woodbridge High School and the AFAP Irvine High School project which will be DSA approved but waiting on the Series 3 bond sale for commencement of construction.

Member Glasky asked if COVID-19 has caused any delays by DSA. Joe responded that the DSA has been flexible allowing for meetings via Zoom so there are no delays in their approvals.

Kelvin reviewed the projects in design with thanks to the Augmented Funds to Accelerate Projects (AFAP) escalation, showcasing architect renderings and floor plans. Projects include:

AFAP In Design:

- Canyon View Elementary
 - Innovation and Design Labs
 - Music Classroom Expansion
- Oak Creek Elementary
 - New Music Classroom Expansion
- Irvine High School
 - New Performing Arts Center Building
 - Parking Lot Expansion
- Deerfield Elementary
 - New Music Classroom Building
 - Cafeteria Modifications
- Plaza Vista School
 - New Music Classroom Building
 - Expansion of Kinder Area

Series 2 In Design:

- University Park Elementary
 - New Classroom Building
 - Renovation of Classroom Buildings to add Collaboration Spaces
- Northwood Elementary
 - Campus Improvements
 - Expand Nutrition Services
 - New Music Classroom Building

Projects Under Construction

Christa DeBoer, Facilities and Construction Supervisor, reviewed the projects under construction. Series 2 projects including Bonita Canyon Elementary which will be receiving a new Multipurpose Building and Design Lab, with a plan to refurbish the old design lab building. Turtle Rock Elementary will be receiving a new Music Classroom Building. Series 1 nearly completed projects include the modernization and new Music Classroom Building at Springbrook Elementary and the Performing Art Complex at Woodbridge High School. The Track and Field at Woodbridge High School is now complete however, due to COVID-19 restrictions, the gates remain locked.

4. *NON-MEASURE E IMPROVEMENTS UPDATE

Minutes:

Joe Chapin, Director of Construction, reviewed the Learning Environment Enhancement Projects (LEEP), where approximately \$2 million has been set aside from the facilities budget to provide various improvements over the summer of 2020. Improvements are scheduled to start in early June and be complete by late August. Types of improvements include creating outdoor learning areas and collaboration areas with shade structures, enhanced outdoor courtyard learning areas, indoor collaboration areas within commons, improvements to multipurpose rooms, enhanced learning support spaces, incorporating flexible furniture and creating learning gardens. Examples of LEEP projects at Cypress Village Elementary, Turtle Rock Elementary, Alderwood Elementary, and Vista Verde School were shared.

Board members thanked staff for their hard work and efforts.

5. ADJOURNMENT

Motion Passed: Meeting adjourned at 5:13 PM.

Passed with a motion by Ira Glasky and a second by Lauren Brooks.

Yes Paul Bokota
Yes Lauren Brooks
Yes Betty Carroll
Yes Ira Glasky
Yes Sharon Wallin