

Irvine Unified School District
MEASURE E CITIZENS OVERSIGHT COMMITTEE (COC)
MEETING MINUTES
Monday, April 25, 2022

Meeting Location: University Park Elementary School (Design Lab)

Call to Order: The meeting of the Measure E Citizens Oversight Committee (Committee) was called to order.

Roll Call: Roll Call via Sign-In Sheet

Members Present: Adele Heuer, Barbara Belfield (Vice Chair), Daniel Tudo, Jeffrey Schmehr, Juneu Kim, Margie Wakeham, Nancy Reisinger, Patti Ragland (Chair), Ruby Lin, Ryan Larson, Sharad Gima, and Steve Morton

Members Absent: None

IUSD Staff: John Fogarty (Assistant Superintendent, Business Services), Kelvin Okino (Executive Director, Facilities & Construction), and Nicole Reynolds (Administrative Assistant, Facilities & Construction)

Next Meeting Date: Monday, July 25, 2022. Location to be determined

Measure E Citizens Oversight Committee Business

1. Call to Order; Roll Call

- A. Chair Patti Ragland called the meeting to order at 6:30 PM. Roll call was conducted via Sign In Sheet.

2. Tour of University Park ES Improvements

- A. Kelvin Okino conducted a tour of the four (4) improvement areas: new Villa Building, Building D, Building E, and site improvements. The new Villa Building includes eight (8) classrooms, student restrooms, a staff restroom, and a center area for collaboration. The collaboration area includes projectors and projection screens with flexible furniture (tables and chairs). The Committee sat in the various flexible chairs available for the students. Classroom Building D was originally grouped into three (3) pods with four (4) classrooms each (twelve total classrooms). As part of the renovation, in each pod, one (1) classroom was converted into a collaboration area accessible from each classroom. Windows were added to allow teachers to view into the collaboration areas from their classrooms. Accordion walls between the classrooms were removed and replaced with permanent walls. All nine (9) classrooms received upgrades which included state-of-the-art audio and visual systems, new carpet, paint, sinks and cabinets, and new lighting and ceilings. In addition, the student restrooms were renovated and upgraded to meet the American with Disabilities Act. Classroom Building E included new support offices, a Design Lab with a

video production room, an Innovation Lab, and upgrades to the library/media center. Site improvements included new play courts, removal of three (3) relocatable classrooms, and expanded asphalt areas to create outdoor learning areas.

3. Approval of January 31, 2022 Minutes

- A. Chair Patti Ragland opened the minutes for discussion. There were no items for discussion. Member Ruby Lin moved to approve the minutes and member Sharad Gima seconded. The January 31, 2022 minutes were approved.

4. Measure E Series Financial Reports (2016A-Series 1, 2018B-Series 2, 2021C-Series 3 and AFAP)

- A. John Fogarty reviewed the different fund sources for the projects and the different Series reports and added that the District wants to make sure the funds are being appropriately assigned and spent.
- B. Member Margie Wakeham asked if property values are going up will it affect the Bond funds coming in. John Fogarty responded that most of the growth in Irvine is in the new developments and Measure E is intended for older neighborhoods and schools in Irvine. If property values within the Measure E neighborhoods increase, then there may be an opportunity to increase the Bond funds. John Fogarty added that the District committed to keep the rate at \$29 per \$100,000 of assessed property value. John Fogarty mentioned that since we don't know what the economy will look like in the future, there is a desire to obtain funding of the \$319.0 million as soon as possible. As costs continue to increase, the value of the \$319.0 million will not go as far into the future.
- C. John Fogarty mentioned Series 2 budgets in yellow are post-bid budgets. Although Series 2 is over-budget, the surplus funds from Series 1 is being used to offset the overage.
- D. John Fogarty mentioned that Series 3 budgets highlighted in yellow are post-bid budgets.
- E. John Fogarty discussed the Augmented Funds to Accelerate Projects (AFAP). In November 2019, staff requested the Board of Education bring forward projects from Series 4 and Series 5 and fund these projects by using funds received through the State grants reserves. Using these funds for AFAP allowed schools sites in later series to move forward years ahead of the original plan. Once future State funds are received, the funds will go back into the State grants reserves.
- F. John Fogarty added that if there are questions or if anyone wants to view the source documents and background information, they can contact him directly or schedule an appointment through Nicole Reynolds.

5. Selection Timeline for New Term Committee Members

- A. Kelvin Okino stated that the second group of COC members (four (4) members) will term out and the next meeting in July will be their last meeting.

6. Measure E Updates

- A. Kelvin Okino presented a PowerPoint on Measure E. The presentation was separated into four (4) categories: Budget, State Funding, Schedule, and Project Updates.
- B. The following Measure E Budget items were discussed:

- i. John Fogarty mentioned the Irvine voters approved Measure E for \$319.0 million. The assessed property values within the Schools Facility Improvement District (SFID) are within a 3.0% to 4.5 % growth rate. The District could issue a maximum of \$319.0 million as long as the rate does not exceed \$29 per \$100,000 of assessed property value. A higher growth rate allowed the District to sell a second Bond series higher than initially plan. Based on growth within the SFID, assumptions increased to annual Assessed Valuation growth of 3.5%. Next Bond issuance is anticipated in 2024, although the projected dollar amount might change.
 - John Fogarty mentioned that we have not accounted for State funding reimbursements in the overall budgets due to the uncertainty of the timing and availability of these funds.
 - Member Ryan Larson mentioned the District has have done a fantastic job managing funds and asked about the 2028/2029 series if there is a contractual timeframe on the Bond sales and can all the funds be brought forward to take advantage of current market conditions. John Fogarty responded that this is possible, however, we cannot exceed the \$29 per \$100,000 of assessed property value or the \$319 million.
 - Chair Patti Ragland asked if we can issue another Bond even though we have projects currently underway. John Fogarty responded that another Bond can be issued but the District must show an intent to expend the Bond funds within three (3) years. Since these are tax exempt Bonds, the District does not pay taxes on interest earnings.
 - Member Ryan Larson asked if the bonds are well secured. John Fogarty responded that the bonds are AA rated, which is near the highest rating.
- C. Kelvin Okino presented the Funding Timeline and Fund Sources.
 - i. Kelvin Okino presented an updated funding timeline illustrating the most recent changes in the Bond sales and State funds.
- D. Kelvin Okino presented the Budget Versions.
 - i. Kelvin Okino discussed the time frame for the different stages.
- E. Kelvin Okino presented the Budget Summary.
 - i. Kelvin Okino presented a table showing the available funds and budgeted project expenditures. Overall, currently there is an anticipated surplus.
 - John Fogarty reiterated the Board of Education allowed the use of State grant reserve funds to work on the AFAP improvements.
 - ii. Post-Bid Budget versus Initial Budget. Kelvin Okino presented a comparison of the budgets and cost variance for completed projects. Presently, the sum of the final budgets is below the sum of the post-bid budget which indicates that the projects are finishing under budget.
 - iii. Kelvin Okino discussed the Implementation Plan for Series 1, 2, 3, 4, 5, and AFAP projects.
- F. Kelvin Okino presented the Construction Change Orders Percentages.
 - i. Summary of construction change orders for each project.
 - Series 1: Final change order percentage for the twenty-five (25) projects is 0.22% based on \$113.6 million in construction costs.

- Series 2: After two (2) complete projects, the change order percentage is currently <2.45%> for Bonita Canyon ES and Turtle Rock ES.
- Member Steve Morton asked about reimbursements from the State. John Fogarty responded that State funds received from Measure E grants will go back into the Measure E and not the District’s general fund. The challenge with relying on State funds is there is no guarantee of when the District will receive funds or if the District will receive the amounts requested.

G. Kelvin Okino presented Budget Update by Series.

- i. Kelvin Okino discussed budget updates and fund sources for Series 1, Series, 2, Series 3, and AFAP and a current anticipated surplus.

H. Kelvin Okino presented the State Funding.

- i. Kelvin Okino explained the three (3) steps to the State grant funding process and elaborated on the following.
 - \$31.6 million in State grant funds have been received through Proposition 51.
 - Step 1a “Acknowledged” which list projects there were submitted and beyond the Proposition 51 available funds. Currently, there are nine (9) projects totaling \$10.9 million.
 - Step 1b “Workload” which list projects submitted and under review by the State. Currently, there are zero (0) projects.
 - Step 2 “Unfunded” which list projects submitted and waiting for funds to be approved under Proposition 51. Currently, there are six (6) projects totaling \$12.2 million.
 - Step 3 “Apportioned”. List the projects submitted, approved, and waiting for Proposition 51 State funds. Currently, there are zero (0) projects.

I. Kelvin Okino presented the Schedule.

- i. Kelvin Okino reviewed an infographic that illustrates the life of a project explaining the various phases of a project.
- ii. Kelvin Okino provided an updated schedule of the current projects.
 - Construction continues at Northwood ES, Canyon View ES, Deerfield ES, Oak Creek ES, Plaza Vista School, and South Lake MS.
 - John Fogarty discussed new COVID-19 procedures explaining that the District changed out the filters to the Merv-8 filters in all the HVAC systems. In addition, individual air purifiers have been added to every classroom and office spaces.
 - Member Margie Wakeham asked about enrollment decline. John Fogarty responded that the District is noticing a decline in enrollment and it appears almost 600 students were lost due to COVID-19. The District is starting to see a return of students and an increase for the 2022/2023 school year, primarily due to the new Universal TK program, the District anticipates a slight increase in the enrollment. John Fogarty further elaborated that, hopefully, there will be more of a flatline in the enrollment projections.

iii. Kelvin Okino presented the Series 2 Projects.

- Northwood ES: Construction of the new music classroom building continued.
- iv. Kelvin Okino presented the Series 3 Projects.
- South Lake MS: Phased modernization of the building continued and construction continued on the music class expansion.
 - Woodbridge HS: The scope of work includes heating, ventilation, and air conditioning upgrades scheduled to start in the summer 2023.
 - Kelvin Okino presented renderings for Culverdale ES, Greentree ES, and Santiago Hills ES new Multipurpose Buildings with plans to convert existing Multipurpose Buildings to various other student spaces.
 - Irvine High School: Kelvin Okino discussed the parking lot expansion to help regain lost spaces due to the new Performing Arts Center. Construction is anticipated to start in the summer 2022 on the new Performing Arts Center.
- J. Kelvin Okino presented the AFAP Projects.
- i. Canyon View ES: Construction continued on the Music Classroom Expansion.
 - ii. Oak Creek ES: Construction continued on the new Music Classroom Building.
 - iii. Deerfield ES: Construction continued on the new Music Classroom Building. Kelvin Okino showed a proposed floor plan for a Nutrition Services renovation with a covered walkway.
 - iv. Plaza Vista School: Construction continued on the new Music Classroom Building and kindergarten renovation.

7. Questions

- A. Member Ruby Lin inquired about the new music classrooms and wanted to know where music was held before. Member Barbara Belfield mentioned music classes were often held in the Multipurpose Room which didn't provide adequate soundproofing. John Fogarty added that the District did a priority study with each school site in the SFID and music was the top priority of many of school sites.
- B. The next Committee Meeting is scheduled for Monday, July 25, 2022. Tentative meeting location is Northwood Elementary School.

8. Adjournment

- A. Chair Patti Ragland asked for a motion to adjourn the meeting. Motion was made by member Adele Heuer and member Ruby Lin seconded the motion. The meeting was adjourned at 8:09 PM.