



CHULA VISTA ELEMENTARY SCHOOL DISTRICT

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MINUTES

CHULA VISTA ELEMENTARY SCHOOL DISTRICT INDEPENDENT CITIZENS OVERSIGHT COMMITTEE (PROPOSITION E AND MEASURE VV)

March 11, 2020 – 6 P.M.

Lowell J. Billings, Ed.D. Board Room
Education Service and Support Center

1. Call to Order

The meeting was called to order by Mr. Strayer on March 11, 2020 at 6:03 p.m.

2. Welcome and Introductions

Members Present

Martha Juarez
Nancy Kerwin
Ben Lien
Gloria McKearny
Floyd Strayer

Members Absent

Dr. Jolyn DePriest
Jason Hurtado-Prator

Others Present

Joe Dombrowski, Facilities Grounds/Maintenance and Safety Manager
Oscar Esquivel, Deputy Superintendent
John Heredia, Safety/Environmental and Maintenance Manager
Ann-Marie Pering, Manager, Purchasing, Warehouse, and Publications
Rudy Valdez-Romero, Director, Maintenance and Operations
Maria Theresa Villanueva, Director, Fiscal Services
Michelle Reiner, Balfour Beatty Construction
Carolyn Scholl, Strata-G.I.S. Solutions

3. Approve December 11, 2019, Minutes of the CVESD ICOC

Motion to approve the Minutes of the December 11, 2019, CVESD ICOC meeting, with the correction that Mr. Strayer's name was not listed on the Members Present/Absent listing. MSCU Lien/McKearny.

4. Report/Possible Approval: Proposition E Building Fund Audit as of June 30, 2019

Ms. Villanueva presented the June 30, 2019, Audit of the Proposition E Building Fund. She reported that the opinion on Page 3 of the Independent Auditor's report found the operations of the Proposition E Building Fund (21-39) were performed in conformity with generally accepted accounting principles, with no deficiencies, and that the District was in compliance in all respects. The auditor tested 80% of the expenditures, which accounted for \$22 million, and all expenditures were in compliance with Proposition E requirements. The report further stated the involvement of the ICOC is in order and there were no findings this year or last. Ms. Juarez questioned if the testing of the 80% (\$22million) was for the Summer 2019 Modernization. Mr. Esquivel stated that the testing was performed on the 2018 modernization sites, Harborside, Kellogg, and Montgomery. Ms. Juarez asked to be walked through the rent and other construction expenditures. Mr. Valdez-Romero stated the costs for rent were for the construction managers and inspectors trailer on all three sites. In addition, Ms. Juarez requested information regarding the construction expenditure of \$50,000. Ms. Villanueva will provide details of the capital outlay for the "other reimbursables" and details of the \$1.6 million for all other categories at the next ICOC meeting. Ms. Juarez questioned the definition of the Building Fund, pertaining to the section acquisition and construction. Mr. Esquivel explained that Building Fund 2139 was formed for both acquisition and construction, and that no funds were used for the acquisition of real property, all of the funds in this section were for the GO Bond funds and in our case were only used for modernization. Ms. Juarez asked if "acquisition" should be struck from this fund. Mr. Esquivel stated the Building Fund 2139 was specifically opened for Bond Monies and stated we would request the auditors to comment on how the fund was identified since this was their report. Ms. Juarez also requested a break down on the costs for the GO Bond and how those funds were spent. Mr. Strayer reiterated the information provided in the audit report on page 27, that the District complied accordingly.

Ms. Juarez noticed items B and D on Page 15 of the confirmation of Credit Risk section had identical text and just wanted to note that observation. Ms. Villanueva will check on this as It was stated that there was a comment for Custodial Credit Risk.

Ms. Juarez asked why there was a range for interest rates, was it market driven, and if not why is there a range? Mr. Esquivel stated that these were competitive rates shown to provide a total cost of interest. When you look at the tax range for the series of bonds, there is one column that shows the true interest cost and the issuance cost. Ms. Juarez, referring to Page 20, asked why there was varying maturity on the Bond

series? Mr. Esquivel stated that the Bond premium on Page 21 includes the true cost; versus Page 19 which shows the face value.

Hearing no further questions, Mr. Slayer asked if the Committee was comfortable with approving the audit report with the information and questions asked? Mr. Lien motioned to approve the Proposition E Building Fund Audit of June 30, 2019, subject to having staff provide the information requested, to the committee. Ms. Juarez seconded the motion, all approved.

5. Report: Summer 2020 Modernization of Mae L. Feaster Charter School and Sunnyside Elementary School Summer 2019 Modernization final costs.

Mr. Esquivel reviewed the timeline and stated that all bid packages were approved at the December 2019 Board meeting with the exception of Bid packages 3 and 6 which were rebid and awarded at the February 12, 2020, Board of Education meeting. Mr. Valdez-Romero stated that District staff, construction management, and architect team have been reviewing material submittals over the past month in preparation of the Summer 2020 Modernization project. Mr. Esquivel stated that construction will begin on June 4, 2020, and students will return on September 8, 2020. Mr. Valdez-Romero reviewed the 14 bid packages. Ms. Juarez stated some concerns she observed with the Sunnyside project, specifically, the asphalt, and wondered how it was determined where to lay new asphalt or just do overlay? Mr. Valdez-Romero explained the District looks at the whole project, for instance wherever trenching took place new asphalt was laid, but the entire project is reviewed along with budget. Ms. Reiner further explained we were dealing with varying elevations and as a result some areas could only be overlaid and others required replacement. Mr. Valdez-Romero continued with an overview of the rebid packages and explained how Bid Packages 10-Finishes; and Bid Package 11-Specialties were awarded as a combination to one vendor. Ms. Reiner explained how the combination awards are determined and how there was a savings in awarding the packages as a combination as opposed to real time individual bids.

Ms. Juarez asked what elements were involved to drive the price over. Mr. Heredia commented using bid package 10 as a reference, that there are not enough contractors to competitively bid this project were it to have gone back out to bid. Ms. Juarez asked what components, or pieces, were so far above? Mr. Valdez-Romero stated that the scope of work and ability to handle the number of contractors involved in the project. Ms. Juarez asked if the engineers estimate was granular enough? Ms. Reiner explained that on these types of projects, the overtime rates as a result of labor shortages means you have more people working longer hours to compensate for the lack of work force, which drives up labor costs on projects such these due to the timeframes in which the contractors are given to complete the project. Mr. Valdez-Romero shared that bid package 6 was rebid and still came in over, but the overage was less than the original bid.

Ms. Juarez asked if there were any impact on the numbers from trade issues, ie, Tariffs? Ms. Reiner stated no, that the materials used on these projects are not

coming from China. Mr. Smyth asked if our Bid specifications identify brand “X” or equal? Mr. Valdez-Romero stated the bid specifications identifies standards through ASTM which identifies material requirements that the contractors are required to comply with, which is further confirmed through submittal meetings with contractors. Ms. Reiner further explained that there are products that have Tariff issues, but not on the grand scale of the required products. Mr. Lien asked if there were any supply chain issues due to the Corona Virus (COVID-19). Ms. Reiner stated that as of now there are not any issues, but they are discussing different scenarios and preparing as best they can for what may come.

Mr. Esquivel continued with the slide showing bid results and identified a 16% savings over the architect’s estimate. The overall results came in 12% under the architect’s estimates. Ms. Juarez asked why the concrete bid came in so high compared to other modernized sites. Mr. Valdez-Romero stated that the scope of work involved more concrete and gave the example of the concrete ramps for the portables. Ms. Juarez asked why we were replacing the 5 rooms at Feaster. Mr. Valdez-Romero stated that the Relocatable buildings were old, and it was more cost effective to replace than refurbish. The building also includes a restroom section and electrical room. Other than the replacement of the relocatable buildings, there are not any new structures other than the electrical and storage pop-outs that will be added to the end of the buildings. Ms. Juarez asked if the new relocatable building would be going in the same location. Mr. Valdez-Romero replied yes, and the units will be placed on concrete.

Ms. Juarez asked about the charter aspect of Feaster Charter and why if they are a charter are the funds being used for this site. Mr. Esquivel responded that Feaster Charter School is District property and we own everything. Ms. Juarez asked why the bond is paying for the charter school modernization. Mr. Esquivel replied we are only replacing like and kind. If the Charter asks for upgrade above and beyond what the District provides, they will have to pay. Ms. Juarez asked if we have promised the FF&E to them? Mr. Esquivel stated we would have to check the MOU regarding furniture. Ms. Juarez wanted to know how the District would continue to inventory new FF&E. Mr. Esquivel stated Feaster is not organized as a 501(c)(3), so they are not a separate entity. They use our Tax ID, just like the other 5 charter schools. He further stated that we have 3 independent charters Leonardo DaVinci (LDV), The Learning Choice Academy, and Howard Gardner School, that are 501(c)(3) organizations. In the case of LDV’s modernization, a grant was applied for and awarded, which provided funds for the modernization of the site. Mr. Esquivel further stated Feaster Charter was included in the ballot language for the Measure VV Bond.

Mr. Esquivel shared the slide identifying the \$90 million dollar A, B, and C Series disbursements and the sites modernized and their associated costs. The remaining Proposition E funds were completely used at Sunnyside.

Mr. Esquivel discussed the Proposition VV \$150 million GO Bond final issuance, and that portions have been used to complete Sunnyside’s modernization, LED Lighting Retrofits, and Chula Vista Hills and EastLake Elementary Schools Fire Alarm

Systems, and the Feaster Charter modernization project. The remaining \$25 million will be determined based on the identified Proposition VV projects, which will be reviewed and prioritized. The District has 3 years to spend the funds. Mr. Valdez Romero stated that he anticipates projects will begin by Fall 2020. Mr. Esquivel will provide more information on the remaining projects at the Board meeting once they have been determined.

Ms. Juarez asked why the fire alarms were specific to EastLake and Chula Vista Hills. Mr. Valdez-Romero said the systems were installed in 1987. Ms. Juarez asked if this was a systemic 80's design and were no good? Mr. Valdez-Romero stated yes, and there are no other sites with this type of system in our District.

Mr. Esquivel explained the final notices of completion for Sunnyside's modernization were approved at the January 2020 Board meeting. Change orders had a deductive result of \$145,000. Ms. Juarez asked why there was an increase to soft costs? Mr. Valdez-Romero stated this was a result of the canopy (covered walkway), DSA design, and closeout costs. Ms. Juarez asked for a detailed listing of the soft cost increases.

Mr. Valdez Romero explained that the covered walkway was being replaced outside of the Proposition VV funds. Mr. Valdez-Romero stated that the bid opening for the covered walkway took place on 3/11/2020 and that the amounts submitted came in close to the estimates and the District plans to take the award of this contract to the Board in April. The demolition and replacement of the covered walkway will be done during the summer break. Ms. Juarez asked how this was being funded if it wasn't through proposition VV. Mr. Esquivel said it would be paid through redevelopment funds.

Ms. Juarez brought up post construction issues at Sunnyside and wondered why there was no grass field as of yet. Mr. Dombrowski explained the issues surrounding the fields condition and why students haven't been able to play on the fields to date and stated the field should be available to students after spring break.

Ms. Juarez also stated there were roof leaks and discolored tiles and wondered if there was any type of warranty. Mr. Heredia stated the roofing issues were corrected and he will revisit the site to ensure ceiling tiles have been replaced. Ms. Juarez asked if these issues would cost us more and is there any type of warranty? Mr. Lien asked if the monies were appropriate? Mr. Dombrowski stated the contractor is not getting any more money from the District, because they hadn't completed their portion of the work and due to the impact of the students at the site. Ms. Juarez asked when this would be resolved? Mr. Dombrowski replied Spring Break.

Ms. Juarez stated that there are lots of puddles on the black top around the storm drain and asked why some areas received new and others just an overlay; since we have change orders to remedy the situations should they be addressed.

Mr. Valdez Romero stated that it is hard to create elevations with existing asphalt areas. A lot of things come into play. Ms. Juarez wonders if the Bond monies are being spent in the most conscientious way, shouldn't there be some type of warranty for the drainage if the site was not graded properly? Ms. Reiner stated if the drain isn't draining then yes, there would be warranty, with this site there was no grading that took place because we were dealing with existing infrastructure. Concessions were made to address these items, and how much we can get for the budget we have to work with. Mr. Esquivel stated with each modernization we look at areas with which to improve upon.

6. Measure M General Obligation Bond

Mr. Esquivel provided information on the current status of Proposition M. As of 5 p.m. on March 11, 2020, the measure has only a 53.6% passing percentage. Mr. Smyth asked what this means. Mr. Esquivel stated that we needed 55% to pass, and if it doesn't pass then the District may go back out to vote in November due to the need. Ms. Juarez asked if Proposition 13 had passed what would this mean to the District. Mr. Esquivel said that matching modernization funds and monies for new construction would be provided.

7. Proposition E Annual Report to CVESD Board of Education on June 17, 2020

Mr. Esquivel presented the ICOC with a copy of the annual 2019 ICOC Board Report presentation and stated that they could use it as a template for this year's presentation. A draft of the 2020 Board Report will be brought to the May ICOC meeting for review, and that the annual report will need to be presented to the Board on June 17, 2020, at 6 p.m. Mr. Esquivel will make sure that Mr. Hurtado-Prater receives a copy

8. Form 700, Statement of Economic Interests (Handout)

Mr. Esquivel directed the ICOC members to the Form 700 provided with their agenda and told them to contact Lisa Brannen if they had any questions. If you don't have any questions, Mr. Esquivel said to turn the forms into Ms. Villanueva.

9. Remaining Approved Meeting Dates:

Mr. Esquivel reminded ICOC members of the site walk at Feaster Charter School on May 13, 2020, at 9:00 a.m. Committee members are to meet at the District Office for the regular May ICOC Meeting, and the group will go to Feaster Charter from there.

10. Other Items / Open Discussion

Mr. Lien asked who was overseeing the PLA. Mr. Esquivel explained The Solis Group is the PLA coordinator and provided the ICOC with a breakdown of the Sunnyside Modernization labor hours: SD county 82.95%; CV Residents 38.66%. Mr. Lien asked if the goals were met on the re-bid packages. Mr. Esquivel stated certified

payroll is tracked, but the rebids are not part of the PLA, so this is not part of Solis' tracking. CVESD will see if Solis can provide a percentage.

Ms. Juarez asked if District budget cuts will have any impact on work being done this summer? Mr. Esquivel explained that it would have no impact. Any follow up work at sites would be funded by maintenance.

Ms. Juarez asked if cuts would impact moving costs. Mr. Esquivel stated those are one-time costs and the Districts reserves can accommodate the cost.

11. Adjournment

Mr. Slayer, hearing no further questions, adjourned the meeting at 7:47 p.m.