

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
MEASURE F CITIZENS OVERSIGHT COMMITTEE**

**MINUTES AND REPORT OF THE MEETING OF
June 25, 2012**

The Citizens' Oversight Committee met on Monday, June 25, 2012, at the Roderick H. MacMillian Board Room, Education Center, 2985 A Bear Street, Costa Mesa, CA 92626

Members Present:

Tristan Aley, At-Large Representative
Judy Berry, At-Large Representative (Bona Fide Taxpayer's Organization – active member)
Sharon Comer, Board Appointee (Business Organization – active member)
Suzanne Gauntlett, Harbor Council Parent Teachers Association (HCPTA)
Paul Krikorian, Costa Mesa High School Zone
Guy Olguin, Newport Mesa Administrators Association (NMAA)
Eleanor Rebard, Classified, California School Employees Association (CSEA)
Tod Ridgeway, At-Large Representative (Business Organization – active member)
David Stiller, Board Appointee (Senior Citizens Organization – active member)

Members Absent:

Cynthia Blackwell, Newport-Mesa Federation of Teachers (NMFT)
Cindy Brahs, Corona del Mar High School Zone
Ben Koontz, Newport Harbor High School Zone
Judy Mader, At-Large Representative
Vicki Snell, Harbor Council Parent Teachers Association (HCPTA)
Mitch Vance, Corona del Mar High School Zone

Also Present:

Paul Reed, Deputy Superintendent and Chief Business Official
Patty Dreher, Executive Assistant
Tim Marsh, Administrative Director - Facilities, Maintenance and Operations
Jim Lamond – Director Facilities Development, Planning and Development

Project Management Team:

Bonnie Martin, Project Director
Craig Scaringi, Project Manager, CMHS
Bill Gray, Project Manager, CDHS

Handouts: Measure F Expenditures-to date Report
Measure F Budget Allocation Summary Report
Measure F – Citizens Oversight Committee Members and Representation List
Timeline graph for Corona del Mar High School and Costa Mesa High School Projects

WELCOME AND INTRODUCTION

Deputy Superintendent and Chief Business Official Paul Reed indicated that there was a Quorum and Member Guy Olguin opened the meeting at 7:01 p.m. Mr. Olguin welcomed the committee and self-introductions were done for the benefit of the new members in attendance.

Mr. Reed reviewed the legal requirements of the organization under Proposition 39, which allows for a 55 percent voter approval for a general obligation bond program.

The following legal requirements are stated in CA Code 15282: (a) the citizens' oversight committee shall consist of at least seven members to serve for a term of two years without compensation and for no more than two consecutive terms. While consisting of a minimum of at least seven members, the citizens' oversight committee shall be comprised, as follows:

- (1) One member shall be active in a business organization representing the business community located within the district.
- (2) One member shall be active in a senior citizens' organization.
- (3) One member shall be active in a bona fide taxpayers' organization.
- (4) For a school district, one member shall be the parent or guardian of a child enrolled in the district.
- (5) For a school district, one member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teach organization, such as the PTA or school site council.

Mr. Reed referenced the color coded committee member and representation list handed out in the meeting that indicates the legal requirements for the seven members are represented. If the committee does not have the seven legally required positions, the Board of Education then has to fill the positions by appointing committee members. An example was given that an At-Large member may be considered the legal requirement if the member is an active member in a Senior Citizens Organization.

ADOPTION OF THE AGENDA AND APPROVAL OF MINUTES

Agenda for June 25, 2012 meeting was adopted as presented and the minutes from the March 6, 2012 meeting, with the date correction, was approved.

DISTRICT REPORT

Mr. Reed provided background information for the purpose of two committees for Measure F.

The Equity Committee, drawn from parent representatives at the schools and evenly balanced among Newport-Mesa's four zones, is charged with reviewing the plan the Superintendent advances for each bond to be sold and determining whether the projects to be planned or constructed with the bond money is equitable across the District. Only if this group feels there is "equity" does the plan advance to the School Board for adoption. Mr. Reed suggested that the Equity Committee was like a "Gatekeeper" for the Measure F program. The Equity Committee is also charged with the responsibility to review that the District is maintaining its Measure A pledge to expend 4% of its total annual expenditures on facilities maintenance, so that facilities built with bond money are not allowed to deteriorate due to tight budgets.

The Citizens Oversight Committee (COC) is the body which is required by law to provide periodic reviews of the manner in which the District is implementing Measure F, thereby

ensuring that the bond dollars are being used for the purposes the voters approved. Mr. Reed also stated that another condition in the law for a Proposition 39 bond is to have an annual performance and financial audit on the use of bond proceeds reported to the oversight committee. The District uses Vavrinek, Trine & Day for auditing and reporting and the District's audits are very clean.

At the COC meetings District officials and the Measure F Project Manager, the McCarthy Building Companies, present reports on the physical and fiscal progress of the Measure F projects. The COC committee meets three times a year and it is established ahead of time if there is a quorum of two-thirds the number appointed.

Both groups are advisory and report to the School Board and to the community.

Mr. Reed noted that two of the four projects have come out of DSA (Division of State Architects); one project at Costa Mesa High School and one project and Corona del Mar High School. Construction is starting this summer.

PROJECT MANAGER REPORT

Mr. Scaringi introduced the McCarthy Team project managers for the theaters and enclaves projects at Corona del Mar and Costa Mesa High Schools. Mr. Scaringi is the project manager for Costa Mesa High School and Bill Gray is the project manager for Corona del Mar High School. Project managers' responsibilities to the District include the following:

- work with architects on each project
- set the timelines for each project
- work with the District's purchasing department to set up bid dates, award bids, help with board documents, draw up and process the pre-qualification documents and to draw the most talented and financially stable companies
- oversee the contractors at the project sites

Mr. Scaringi presented an overview of the projects at Costa Mesa High School. Demolition was done during the summer of 2011 and the site was made ready for construction while waiting for the approval of plans by the Department of Architects (DSA).

When the enclaves are finished and before the demolition of the photography building and the Lyceum can take place, modernization of some of the existing buildings will be done. Along with the new parking lot a new clock tower will also be built on site. Grading of the parking lot at Costa Mesa High School was broken out to take advantage of school not being in session for the summer and since the District has a good relationship with the OC Fair, parking and fair traffic will not be an issue.

The Costa Mesa High School enclave will go out to bid on July 10, 2012. Mr. Reed explained that on a campus comprised of 7-12 graders the 7-8 graders will have an enclave (or sheltering space) which provides for their core classes in one location with their own lunch area and lockers. Students are still able to take other classes elsewhere on the campus such as advanced placement classes.

An overview of Corona del Mar High School was also presented by Mr. Scaringi and Mr. Gray. The earthwork completed last summer (2011) for both the theater and enclave included sewer lines being moved, demolition of buildings, re-routing utilities, installing temporary classrooms and re-establishing utility services to all buildings before the 2011/2012 school session. During the summer of 2012, improvements to the north (pool) parking and new bus drop-off zone were constructed. The bus drop-off lane requires further modification to allow for the District's largest owned buses access. Currently, the drop-off lane limits the bus use to a 35 foot bus.

Construction of the new weight-room building is in progress and will be followed by construction of the theater, middle school enclave and relocation of the kilns at the 500 building. Once the Middle School Enclave is completed and occupied, the modernization of the 300 building, rehabilitation of the lunch shelter, new campus entry and administration parking lot improvements, including a new trash enclosure, will be constructed.

Slides were shown of the progress to the weight room which will house the weight room, restrooms and storage areas. It was noted that the restrooms will have access from the field area without entering the rest of the building. The weight room is projected to be completed in late September.

Ms. Martin's response to the question regarding the stability of cement blocks versus tilt ups was that both products are earthquake rated for a seismic 4 earthquakes and have the same compacted strength. School districts and hospitals are held to a higher DSA approved standard with buildings designed by structural engineers versus civil engineers.

Mr. Reed responded to the question regarding using a brick veneer versus plaster on the exterior of the weight room that the brick veneer ties into the existing buildings and the new structure. And as the weight room building is visible to the surrounding neighborhoods, tie in with the existing buildings was necessary.

Designs are solidified by value engineering (VE) to ensure that the project is within budget.

Ms. Martin provided an overview of the Measure F bond dollars to date: of the \$282 million the voters passed, two bonds have been sold, \$70 million in 2006 and \$95 million in 2011.

<u>Total Bond Dollars</u>	<u>Hardship Dollars from the State</u>	<u>Interest from Bond Dollars</u>	<u>Total Expenditures to Date</u>
\$70 million			
\$95 million	\$14.9 million	\$5.351 million	\$91,289 million

The 2006 Bond under Phase I included Newport Harbor High School Robin/Loats, Estancia Stadium, TeWinkle Gym and the science projects at the elementary sites. The 2011 Bond under Phase II includes the Theaters and Enclaves at Costa Mesa High School and Corona del Mar High School. Under Phase II the Equity Advisory Committee (EAC) also approved Davidson Field at Newport Harbor High School if sufficient funding is available in the current bond.

Ms. Martin described the various steps to move project budgets in and out of contingency. She explained that the bid value of a project remains in the contingency line until bidding is completed at which time the budget is moved from contingency into the project account lines to account for expenditures which pertain to the project. Ms. Martin pointed out that incomplete budgets show that the architect(s) need to certify all documents and report back to Department of Architects (DSA) for certification and closing of all documentation. It is the architect's responsibility to answer all final questions from DSA for final certification of the projects. DSA is now insisting that all projects be certified before new projects can be started.

Ms. Martin went on to explain that until a project receives State Certification from DSA a small percentage of the contract is held back from the architect to keep the project open on the architect's books. McCarthy works with the architects to complete outstanding projects until DSA certification is attained thereby closing the budget.

Mr. Reed's response to the question regarding other capital improvement projects was that those capital improvement projects are not a part of the Measure F projects and therefore not included in these reports. The District has some building efforts outside of Measure F. Mr. Reed further explained that when there is the potential to sell a bond, the Superintendent identifies what capital improvement projects should move forward and that recommendation will advance to the equity committee for approval. \$85 million will be spent on the two theaters and enclaves and the District is hopeful that there will be sufficient funds remaining in this bond to enable the District to advance to Davidson Field at Newport Harbor High School.

Mr. Scaringi reported on the quarterly budget and expenditure reports for the current projects. It was explained that remaining dollars in each of the budgets are dollars that have been encumbered but no payments have been made yet. Total dollars remaining committed for projects now is \$12 million and the budget is about \$82 million. Designs have been solidified and value engineering process was done – Measure F is on budget.

Mr. Reed explained that in "Value Engineering" McCarthy does an estimate of the project to compare to the architect's estimate of the project. Architects and the District then come together and projects are re-defined with cost in mind. When this process is completed the designs have been solidified and the projects are entered into the budget

PEOPLE'S CHOICE

Next meeting will be October 2, 2012 at the Roderick H. MacMillian Board Room, Education Center, 2985-A Bear Street, Costa Mesa, CA 92626.

ADJOURNMENT

Member Olguin adjourned the meeting at 7:59 p.m.

These minutes are distributed to the members of the Measure F Citizens Oversight Committee and the community organizations represented in the District.