

**NEWPORT-MESA UNIFIED SCHOOL DISTRICT
MEASURE F CITIZENS OVERSIGHT COMMITTEE
MINUTES AND REPORT OF THE MEETING OF
May 10, 2021**

The Citizens Oversight Committee met via teleconference on Monday, May 10, 2021.

MEMBERS PRESENT

Julio Zunzunegui, Mariners Parent (Chairman)
Mitch Vance, TGV Partners
Laura Ursini Marroquin, Community Relations, Newport/Naples Rib Company
Richard Rutledge, Estancia Parent & PTA Member
Lee Ramos, City of Costa Mesa Senior Commission
Suzanne Gauntlett, Member at Large
Robert Ooten, Member at Large

MEMBERS ABSENT

None

ALSO PRESENT

Tim Holcomb, Assistant Superintendent, Chief Operating Officer, NMUSD
Jeff Trader, Executive Director, Chief Financial Officer, NMUSD
Ara Zareczny, Administrative Director, Facilities Development, Planning and Design, NMUSD
Lori Horrell, Administrative Assistant to Ara Zareczny, NMUSD

HANDOUTS (Via Email)

Meeting Agenda for May 10, 2021
Minutes of February 22, 2021 – Unadopted
Estancia Theater Expenditure Report – As of 5/10/21
Estancia Theater Timeline
Estancia Theater Vendor List

WELCOME AND INTRODUCTION

Committee Chair, Mr. Julio Zunzunegui, opened the meeting at 6:11 pm

ADOPTION OF THE AGENDA

Agenda for the May 10, 2021 meeting was adopted.

ADOPTION OF THE MINUTES

Minutes from February 22, 2021 meeting were adopted.

FISCAL REPORT

Mr. Trader reported on the financial activity since the February 22nd meeting regarding the Estancia Theater.

Ms. Zareczny explained the description detail on the financial report. She explained the Vendor List and Object Code attachments previously sent to the COC members, and spoke on each vendor and their role in the Theater project. In addition, she talked about the Object Codes used for each purchase order determining the type of work being performed. These codes comply with the State codes used by the Office of Public School Construction (OPSC). The codes need to match up with OPSC so we will always be eligible for funding. This is done for all of our major construction projects.

Ms. Gauntlett asked that based on the report, are all expenditures to date for work done in 2020? Ms. Zareczny confirmed that expenditures in 2021 are being processed and will be on the report for the 9/20/21 meeting. Those expenditures will include: design for the foundation system; architectural for completing construction documents; California geological services for the amendment of the foundation system; advertising for bid for construction management services; DSA inspection during construction; and material testing and geological services during construction.

Upcoming expenditures will not be significant by the 9/20/21 meeting with the exception of the architectural fees. Once they have DSA approval, they can invoice us for 100% of the phase fee.

Mr. Rutledge asked if there is an estimated completion date for DSA approval? Ms. Zareczny stated that we are anticipating approval before summer and will be bidding over the summer.

PROJECT REPORT

Ms. Zareczny reported on the status of the Estancia Theater project as follows:

The EHS Theater timeline was presented to the members and each point was reviewed. There was a programming phase, an extensive phase where Theater sites were evaluated. After the site was established we entered the schematic design phase. The next phase was design/development. In each of those phases we assessed the cost of the project, including value engineering, and evaluate revising, changing and/or eliminating scope, changing materials based on cost, and pandemic challenges.

Construction documents were provided to DSA in November 2020, and DSA provided comments to the architect for their review/changes. We intend to have the documents approved and ready to bid this summer. Construction will be started at the end of 2021 with completion in 2023.

Mr. Rutledge asked if there is any concern about construction costs due to the current economic situation. Ms. Zareczny reported that we are keeping a close eye on the costs, keeping our estimates in line. We have two independent contracts for estimating, in addition to the estimator that the architect uses. The challenge is that the estimates could be right on the mark but depending on time, availability and the bonding capacity of a contractor, you may still get a premium on your project. A part of the responsibility of our Construction Management firm is to keep us up-to-date on this so we make sure we're bidding at the right time, and contractors that are prequalified for this project are available.

Mr. Ooten had a previous conflict and had to leave the meeting, but thanked the district for their thoroughness on this project.

Mr. Holcomb spoke on the costs to make sure that we're doing the best job we can of managing and predicting costs all through the process—this means having more than one estimator. The best people in the field are looking at things like steel and lumber prices and meet regularly to reconcile the costs. If we overestimate prices, we can potentially cut scope that we don't want to cut unfairly. At the same time, if we don't anticipate the costs properly, we won't have the right amount of money lined up. We believe we have a great project and are closely monitoring everything to make sure this project gets done.

OTHER

The COC presentation to the school board meeting is scheduled for May 18, 2021. Mr. Zunzunegui will be presenting.

Mr. Zunzunegui mentioned the current litigation with the City of Costa Mesa on the Theater project regarding lack of environmental review prior to project commencement. Ms. Gauntlett asked for an update on the situation in respect to the legal fees. Will these fees be charged to the bond, how much are the fees, and if the lawsuit moves forward and the City gets what they want, what will happen? (I don't think these questions were ever answered in the meeting?)

Ms. Zareczny explained that the schedule that was presented is the schedule that we are adhering to until told otherwise. We have not been directed to change course of action due to the litigation.

Mr. Rutledge wanted to go on record to express that he disagrees with the district's CEQA strategy and has concerns about its impact on the project schedule and costs. Members of the Committee expressed similar sentiments regarding the impact of litigation on the project schedule and costs.

Mr. Vance asked to go over the role of the Citizens Oversight Committee. Our duties are listed on the website by law:

1. to ensure expenditures are consistent with the voter-approved authorization;
2. to review the annual, independent financial audit

3. to review the annual, independent performance audit d) to review the planning, scheduling, and budgeting of the projects funded by the Bond proceeds
4. to represent the interests of the community through participation and advice

He stated the duties to make sure we are staying within the bounds of what we're tasked by law to do.

Mr. Zunzunegui challenged the committee and District to hold ourselves to the highest standards for the greater good.

Next meeting will be held September 20, 2021.

ADJOURNMENT

Meeting was adjourned at 6:08 pm.