

SAN MARCOS UNIFIED SCHOOL DISTRICT
CITIZENS' OVERSIGHT COMMITTEE (COC)
255 Pico Avenue, Suite 250
San Marcos, CA 92069

MINUTES
Meeting held at SMHS
January 12, 2012
6:00 p.m.

These minutes are prepared to reflect discussion or action taken by the Citizens' Oversight Committee. These minutes are posted on the District's website at www.smusd.org

1.0 CALL TO ORDER

Meeting called to order by Bill Effinger at 6:05 p.m.

2.0 ROLL CALL

COC Members present: Michael Brock, William Effinger, Darius Khayat, Anthony Martindale, Mike McDowell, Stephanie Nunez, Cecilia Aguirre, Gary Hamels and Kathy Tanner.

Alternate present: Joseph Potts

Absent: Tom Kumura (Alternate)

3.0 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Bill Effinger

4.0 Approval of January 12, 2012 Minutes

Bill –Comments would like to see the minutes 5 business days before the next meeting to be able to go through and prepare for the meeting. Second issue is all the meeting minutes I am used to reading and all the organizations I belong to, the comments, the people who make the comments are identified. This running everything runs together is very hard to follow. Who said what and I think it is extremely important to know that. So everyone that makes a statement whatever it is is identified with that statement. Page 3 there is a series of numbers that I am confused. Bottom of second page- It says we have a \$100 million budget and then it says we are over \$547,855, then it says we have a not to exceed \$136 million on construction, Gary will bring it down to \$180 million. Nothing of that makes sense to me. None of that makes any sense to me. How are you going to bring a \$136 million down to \$180 million. Then on the next page.

Kathy-We were looking at the budget that was given to you and it was showing \$180,547,855 million total, \$547,855 over that \$180 million budget. The construction agreement with Lusardi Construction had a guarantee maximum price of \$136 million. Gary was going to bring the next budget presentation down to the \$180 million.

Bill-Then on the next page it says it says new construction \$140,000,000.

Kathy-Yes that is because the \$4 million of portable building leasing costs were then added into that \$136 million. Again a better explanation. **Bill**-For the next meeting if we could clarify those two paragraphs.

Cecilia-I will do the minutes verbatim.

Bill-On the issue that I brought up about the contract having stated in the writing \$130 million and \$136 million in figures. Did you look into that issue? If you did I strongly advise if you haven't already that we have a new page drafted. **Gary**-In other words clarify. **Bill**-Yes absolutely. **Kathy**-We did an amendment to the contract and those numbers were clarified. **Bill**-I think so because it has been signed sealed and delivered. **Gary**-We will get you a copy.

Bill-That's all I have on the minutes. Anybody else? Can I hear a motion for approval? A motion subject to revision to approve the minutes with the necessary clarification and amendment by Anthony Martindale, Second by Mike Brock.

Bill-That motion was subject to revision right?

Gary-Yes.

5.0 **Public Comments**

Bill Effinger no public in attendance.

6.0 **Correspondence Received –Initiative Support**

• **Staff Reports**

Kathy-Kathy was happy to report that after careful planning and a diligent effort by the Lusardi Construction Company, that the new temporary SMHS campus was completed for the first day of school in January, 2012. She showed the committee members the before and after pictures of the site. Kathy highlighted all the classroom spaces and commented on the specialty rooms provided for our students and staff. She mentioned that the temporary woodshop was not fully completed, but she expected it to be ready soon. The committee was able to hold their meeting in one of the rooms used for ROP and potentially science classes. The classroom displayed technology that will be standard in the new campus.

Gary-The woodshop was constructed a little more elaborately than desired in order to receive DSA approvals.

Kathy mentioned that efforts were made to build the temporary campus as inexpensively, yet safe, as possible. An example is that the exterior light poles will be used in the new campus. All the buildings are leased and will be returned upon completion of the new campus. Most of the furniture was transferred over from the old campus. New furniture will be ordered later and installed at the new campus in a timely and efficient manner. The shade covers will be dismantled later and used at other campuses. The campus is also built in consideration of environmental precautions.

The Food Services Director has purchased Kiosks to speed up the sale and delivery of lunches. This speeds up the process to allow students more time to eat. The kiosks will be reused as well.

Kathy showed pictures of the demolition of the old school. She answered questions regarding air quality and disposal issues. The subject of the Twin Oaks Elementary parent concern over the recycling process was brought up and discussed. The end result was that more refuse was sent to the landfill.

The SMHS staff was thrilled with the new temporary site and the progress of the demolition. Students were present to watch the old gym come down (with cheers).

Kathy mentioned that the issues with the parking lot and the Indian tribes were negotiated and resolved. Details were explained to the committee. The area will contain a smaller version of a student parking lot.

Gary mentioned that the staff auctioned off as much of the old campus as possible. Cabinets, seats and portable buildings were sold to other agencies (ie. School Districts). There wasn't a great deal of money received but less was spent on removal and disposal costs. Plus, the life of the items sold were extended to good use. We have kept 5 portables (one restroom) for future use. Two will be installed at La Costa Meadows in April.

Mike asked about the building or completion schedules. He asked if we could keep the Community informed on the progress. Gary said we can use the website to accomplish this, maybe a thermometer type indicator.

Kathy said we are aiming to have the buildings completed by Spring 2014, the gym and building "B" by 2013.

Mike asked about kids using other athletic and auditorium facilities around the community. Will there a cost?

Gary said no cost to site and the District will help with transportation costs.

Gary brought up the fact that the budget format was reworked by Kathy and finance staff. He presented it that night. He mentioned that we will adjust the format as we go along to meet the committees needs.

Bill asked about the percentage of completion and if Lusardi was giving those number to us. Kathy said we can put the percent complete on the budget document.

Gary mentioned that staff was proceeding with the next phase of bond sales. This should take place in late Spring for about \$55-60 million. The first phase was for \$142 million.

Bill brought up the desire to put in a mission statement. The committee created and approved one to include on the website and annual report to the Board.

Kathy and Gary said they will look for other information items to put on the website like project pictures and power point presentations.

Bill brought up the need to create an annual report to the Board. We decided this should be in February or March. The following year there will be the first annual audit to include. The committee discussed what to put into the report. A second meeting was scheduled in February to discuss what to include in the report.

Mike circulated a list of topics to discuss relating to recent events at other school districts. The issues related to school Board members and contract selection and approvals. The concern is the "pay to play" accusations at Sweetwater and Southwestern College.

Bill mentioned that he brought this up at the last meeting about negotiated contracts with contractors. He was concerned about the perception, the public may start a rumor or concern about the nexus of the bond election and the contractors chosen for the work. He stated that the committee is responsible to look out for this possibility.

Mike pointed out that if the District abides by the four items listed on the agenda, there shouldn't be any problem. Mike just wanted to make sure the District is covering itself against any potential problems (perception issues).

Bill highlighted the fact that newspapers are looking for sensationalism to report. Bad news sells not good news.

Stephanie asked if any of the points brought up by Make are issues here?

There was some discussion on the perceived practices in question at the two Southbay School Districts.

Gary mentioned that all construction work of \$15,000 is bid out or negotiated as a Lease-Lease Back contract.

Bill asked for an explanation.

Gary stated that specialty services such as legal, audit or architecture are not required to be sent out for bid. We seek proposals and follow up on contractors like an employee applying for a job. A selection of the vendor is then made by staff and approved by the Board. In addition, this RFP process is required for receipt of State funds for associated projects. With regard to construction contractors, staff has tried several methods of contracting for these services. The first is to have the drawings completed and bid out the project. The contractor comes in late and does not have cost input into the design of the project. SMUSD has done this process for many projects. It tends to have a higher level of change orders presented during the project. The second is the CM at Risk. We hire a contractor to manage the project. Then staff and the contractor bid out the individual sub-contracts. This process can bring the contractor in early to work with the architect firm during the planning development phase of the project (prior to drawings). Staff has tried this process on one elementary site. It worked reasonably well, with some problematic issues. The last method is Lease-Lease Back. The process has the District lease the site for a dollar to a selected contractor and the contractor builds the school getting reimbursed for the costs. When completed the site is returned to the District. This process can include working with the Architect during the planning and drawing phase. Staff prefers this process so that the contractor can point out difficulties and potential costs of ideas before they are approved and put into drawings. The process also allows for bidding out the individual contracts to pre-approved sub-contractors. This helps to assure that sub-contractors are reliable, qualified and adhere (based on experience) to the bid amounts. Staff has used this process of construction for over two decades and has been very happy with the results. The District has experienced a better working relationship and easier warranty-follow through with the contractor. In the case of CM at-Risk or Lease-Lease Back the interest firms put in a proposal; they are reviewed by a panel and then qualified for District use.

The committee also discussed the next meeting dates and Bill cautioned members about the rules on communication and the Brown Act. The attorney will be at the next meeting and may answer questions about the Brown Act.

9.0 Next Meeting:

Meeting to prepare report to the Board is scheduled for February 9, 2012 at 6:00 p.m. at San Marcos Unified School District, Business Services Room, 255 Pico Ave., Ste. 250, San Marcos, CA 90269

The next meeting of the Citizens' Oversight Committee will take place on Thursday, April 19, 2012 at 6:00 p.m. at San Marcos Unified School District, Business Services Room, 255 Pico Ave., Ste. 250, San Marcos, CA 90269

9.0 Comments from Committee Members

12.0 ADJOURNMENT

Motion by Anthony Martindale and seconded by Joe Potts to adjourn the meeting at 7:24 p.m. Motion carried.

Date Minutes of January 12, 2012 Adopted:

Signature of Assistant Superintendent
Business Services

4/19/12
