

Chula Vista Elementary School District

**PROPOSITION E
INDEPENDENT CITIZENS OVERSIGHT COMMITTEE**

**Meeting Minutes
November 20, 2013 – 6 P.M.
Dr. Lowell J. Billings Board Room
Education Service and Support Center**

1. Call to Order

Chairperson Dr. Diane Gerken called the meeting to order at 6:06 P.M.

2. Roll Call

Members Present:

Ami Abbott
Dr. Diane Gerken
Mary I. Helvie
Karyn Koenig

Members Absent:

Marina Diaz
Sean R. Dunbar
Debbie Sanders

Others Present:

Oscar Esquivel, Asst. Supt. for Business Services and Support
Carolyn Scholl, Facilities Planning Manager
Rudy Valdez-Romero, Director of Maintenance and Operations
Chris Vickers, Principal, Rosebank Elementary School
Theresa Villanueva, Director of Fiscal Services
Angie Barton, Office Manager (Meeting Recorder)
Al Pierce, Community Member

3. Approve Minutes: September 18, 2013, Meeting

MSCU Abbott, Helvie that the minutes of the September 18, 2013, Independent Citizens Oversight Committee (ICOC) meeting be approved as presented.

4. Proposition E: Informational Presentation

Mr. Esquivel provided an informational presentation on Proposition E that addressed the following items. (Presentation identified as Exhibit "A" and made a part of these minutes.)

a. Duties of the Independent Citizens Oversight Committee.

Duties of the ICOC include informing the public about bond revenue expenditures, reviewing and reporting that taxpayer funds are used for school construction in accordance with Proposition 39, ensuring that bond funds are not used for teacher or administrative salaries, inspecting school facilities and grounds, and reviewing District efforts to maximize bond revenues by implementing cost-saving measures. The ICOC will also review copies of deferred maintenance plans that will be financed with bond proceeds and the District's annual independent financial and performance audits.

Mr. Esquivel added that the ICOC does not have the authority to approve contracts, change orders, expenditures, project plans, schedules, deferred maintenance plans, or bond sales. The authority to approve these items as well as the handling of all legal matters remains with the Board of Education and/or Superintendent.

b. Series A General Obligation Bond Sale

The Series A bonds in the amount of \$31,000,000 is the first issuance of Proposition E. The bonds were sold in June 2013 and resulted in the following funds for the Bond Building Fund and Debt Service Fund.

Par Amount	\$ 31,000,000.00
Less: Costs of Issuance (Financial Advisor, Bond Counsel, District Counsel, Standard & Poor's Credit Rating, Paying Agent, Publication and Printing Costs, Etc.)	(225,000.00)
Equals: Building Fund Amount	\$ 30,775,000.00
Plus: Debt Service Fund (Net Premium/Discount \$960,058.60 Less \$341,881.05)	618,177.55
TOTAL	\$ 31,393,177.55

Bond funds are held at the San Diego County Treasury and invested in liquid assets with very minimal interest. The Debt Service Fund cannot be used for construction projects and must be used to pay debt service on the bonds.

The estimated budget for the first six school sites is \$27,046,343. WiFi installation for the 31 sites in School Facilities Improvement District (SFID) No. 1 is estimated at \$1,738,800. This results in an estimated remaining Series A Building Fund balance of \$1,989,857.

The Series A bonds were competitively bid on June 5, 2013, and resulted in the receipt of five bids. The lowest bid was submitted by De La Rosa & Co. with a true interest cost (TIC) of 3.766627 percent. The repayment ratio for the Series A bonds will be \$1.57 for every dollar, which is below the state average of \$2.00 for every dollar.

c. Financial Update for First Three Schools: Rice, Castle Park, and Rosebank

Mr. Esquivel shared original budget estimates for Rice, Castle Park and Rosebank. The estimates include hard construction costs (e.g., lighting, flooring, electrical upgrades, etc.) and soft costs (e.g., architectural services, construction manager services, etc.). Work on these site budgets is ongoing and will result in revisions to the estimates provided at tonight's meeting.

The proposed wireless infrastructure will bring schools up to current standards and allow students to take the Common Core State Standards (CCSS) assessments online. Proposition E funds will not be used to purchase short-term mobile devices such as iPads and laptops but will be used to provide the infrastructure so that students and staff can use this equipment wirelessly.

d. Preliminary Preconstruction Schedule, Summer 2014

On December 2, 2013, the District will commence bidding on trades for the first three schools. Bids from trade contractors will be due January 15, 2014, with award of the bids tentatively scheduled for March 12, 2014. Modernization will take place within an 86-day period from June 10 to August 28, 2014. This will require a September 2014 to June 2015 modified school calendar at Rice, Castle Park, and Rosebank. These schools will return to the Common Calendar (July to June schedule) in the 2015-16 school year.

In response to questions from the ICOC, Mr. Esquivel stated that the District is currently negotiating with both the Chula Vista Educators (teachers bargaining unit) and Chula Vista Classified Employees Organization (classified employees bargaining unit) on the 2014-15 school calendar for Rice, Castle Park, and Rosebank. Specific calendar dates are being determined. There is also a payment issue that requires an employee to work at least one day in a month in order to receive a paycheck that month, and the September to June schedule can change how an employee would be paid.

District staff has met with parents at Rice and will work with Castle Park and Rosebank to hold similar meetings at the two sites. A "Questions and Answers" document will be prepared and will provide information for parents who are not able to attend these meetings. The District may also relay information by use of SchoolMessenger, websites, and/or social media.

e. Committee Visit(s) to School Site(s)

The ICOC will visit Rice, Castle Park, and Rosebank in February 2014 to view these schools prior to modernization. Angie Barton will work with Committee members to coordinate calendars and schedule the visits. Rudy

Valdez-Romero will be available at the sites to address questions from ICOC members.

(NOTE: Because Committee business will be discussed, the site visits will be posted as a Special Meeting of the ICOC.)

During his presentation, Mr. Esquivel reviewed the key points of Proposition E. The Board of Education approved 31 school sites for modernization to prioritize key health and safety concerns. Projects will share items such as architect and engineering services, planning, program training and management, and contingencies. The District is not eligible for state funds on these projects. Some of the projects listed may be delayed or may not be completed.

5. Annual Report to Board of Education

On an annual basis, the ICOC is required to present a report to the Board of Education that will provide a summary of the Committee's proceedings and activities for the preceding year. The report could also incorporate results of the two audits, bid results, and construction costs. The June 2014 Board meeting was suggested as the date for the presentation. District staff will work with the ICOC to develop the report.

6. Remaining Tentative Meeting Dates for 2013-14

February 26, 2014

May 14, 2014

ICOC members agreed to hold Committee regular meetings on February 26 and May 14, 2014.

(NOTE: At its February 20, 2014, Special Meeting, the ICOC approved a change in meeting date from February 26, 2014, to March 19, 2014.)

7. Other Items/Open Discussion

Photos will be taken of Rice, Castle Park, and Rosebank before, during, and after modernization. These progress photos will be shared with the ICOC.

8. Adjournment

Chairperson Dr. Gerken adjourned the meeting at 6:36 P.M.

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**Exhibit "A" to
ICOC Minutes of
November 20, 2013**

Proposition E Independent Citizens Oversight Committee

November 20, 2013

Duties of the ICOC

- Inform the public about bond revenue expenditures.**
- Review and report taxpayer funds used for school construction in accordance with Proposition 39.**
- Ensure no funds are used for teacher or administrative salaries.**
- Receive and review copies of the annual independent performance and financial audits.**

(Continued . . .)

Duties of the ICOC

(Continued)

- Inspect school facilities and grounds to ensure that revenues are spent in compliance with Proposition 39.
 - Receive and review copies of deferred maintenance plans to be financed with bond proceeds.
 - Review District efforts to maximize bond revenues by implementing cost-saving measures.
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Duties of the Board and/or Superintendent

The Board and/or the Superintendent have the following powers reserved to them. The ICOC does not have jurisdiction over the following types of activities.

- Approval of contracts.
 - Approval of change orders.
 - Expenditure of bond funds.
 - Handling of all legal matters.
 - Approval of project plans and schedules.
 - Approval of all deferred maintenance plans.
 - Approval of the sale of bonds.
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Proposition 39

Smaller Classes, Safer Schools, and Financial Accountability Act

- Passed by voters in November 2000.
- Allows 55% vote on general obligation bond as alternative to 2/3 vote subject to additional requirements.



39 SCHOOL FACILITIES, 55% LOCAL VOTE, BONDS, TAXES, ACCOUNTABILITY REQUIREMENTS.

SCHOOL FACILITIES, 55% LOCAL VOTE, BONDS, TAXES, ACCOUNTABILITY REQUIREMENTS.

INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.

SUMMARY:

Authorizes bonds for repair, construction or replacement of school facilities, classrooms, if approved by 55% local vote. Local districts: increased bond debt for many school districts. Long-term costs generally much less in the hundreds of millions of dollars annually. Ensuring long-term state savings to the extent school districts exercise greater responsibility for funding school facilities.

WHAT YOUR VOTE MEANS:

YES:

A YES vote on this measure means: Local school bonds could be approved by a 55 percent vote rather than a two-thirds vote of the local electorate.

NO:

A NO vote on this measure means: Local school bonds would continue to require approval by a two-thirds vote of the local electorate.

ARGUMENTS:

PRO:

Parents, business, teachers and taxpayers say: Yes on 39 to fix our classrooms and fix the two schools spend money. The California State PTA says 39 helps reduce class size and protects teachers and honorariums. It restores a long 55% vote for bonds and prohibits spending on administration or businesses.

CON:

Proposition 39 violates 121 year Constitutional Protection requiring two-thirds vote to approve local bonds. 39 has no property tax limits. 39 could lead to further actions which double property taxes, returning to pre 1975 levels. Bonds create homestead taxes. Regional Propositions can be changed anytime without voter approval.

FOR ADDITIONAL INFORMATION:

FOR:

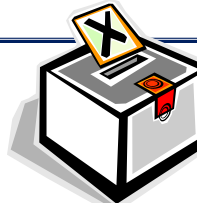
Expenses for Responsibility & Better Schools
1211 L Street, Suite 401
San Diego, CA 92101
(619) 541-1009
info@responsibilityandbetterschools.org
www.cborama39.org

AGAINST:

San Coastal
New Our United Committee, Vote No on Proposition 39
811 Riverwalk Street, Suite 1201
San Diego, CA 92101
(619) 541-1009
info@no39.com
www.no39.com

Ballot Proposition

“To repair, renovate, construct, and upgrade classrooms and school facilities; increase student access to computers and modern technology; replace temporary classrooms; upgrade heating systems; and make energy cost-saving improvements, shall School Facilities Improvement District No. 1 of the Chula Vista Elementary School District be authorized to issue \$90 million of bonds with legal interest rates, annual audits, independent citizens’ oversight, and all funds spent locally and no money used for administrative salaries or taken by the State and spent elsewhere?”



Key Points in Ballot Proposition

- Board approved 31 sites for modernization and to prioritize key health and safety concerns.**
 - Projects share:**
 - Architect and Engineering.
 - Planning.
 - Program Training and Management.
 - Contingencies and Escalation.
 - Etc.
 - Absent state funds, CVESD may not complete some of the projects listed.**
 - Budget is an estimate and will change depending on final costs. This may cause project delays, or certain projects may not be completed.**
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Project List Description

General Scope (not limited to the following):

- Upgrade computer labs/classrooms, wireless technology.
 - Enhance technology infrastructure and cost-saving energy systems.
 - Improve student safety: lighting, fencing, security equipment.
 - Repair and modernize aging schools and/or replace old relocatable buildings.
 - Improve heating, ventilating, and air-conditioning (HVAC).
 - Upgrade playground safety fall zones.
 - Upgrades for ADA compliance for panic hardware.
 - Upgrade restroom and classroom lighting.
 - Upgrade electrical systems and energy efficient window systems.
 - Upgrade food service facilities.
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SFID No. 1 General Obligation Bond

- \$90 million authorization.
- Required: 55% voter approval.
Received: 68.82% voter approval.
- Three financings: 2013, 2015, and 2018.
- 25-year amortization.
- No Capital Appreciation Bonds (CABs).
- Approximately \$29 per \$100,000 of assessed valuation per year.
- No funds will be used for salaries or pensions.

Bond Sale: Series A

Summary of June 20, 2013, Series A Issue

Par Amount	\$ 31,000,000.00
Plus: Original Issue Premium	960,058.60
Less: Underwriter's Discount	(341,881.05)
Less: Costs of Issuance Account	(225,000.00)
TOTAL PROCEEDS	\$ 31,393,177.55

Bond Sale: Series A

Building Fund and Debt Service Fund

Par Amount	\$ 31,000,000.00
Less: Costs of Issuance (Financial Advisor, Bond Counsel, District Counsel, Standard & Poor's Credit Rating, Paying Agent, Publication and Printing Costs, Etc.)	(225,000.00)
Equals: Building Fund Amount	\$ 30,775,000.00
Plus: Debt Service Fund (Net Premium/Discount \$960,058.60 Less \$341,881.05)	618,177.55
TOTAL	\$ 31,393,177.55

Bond Sales: Series A

Summary of Series A Building Fund

Building Fund (\$31,000,000 Par Amount Less \$225,000 Costs of Issuance)	\$ 30,775,000
Less: Estimated Budget for First Six SFID No. 1 Sites	(27,046,343)
Less: Estimated WiFi Installation Budget for 31 SFID No. 1 Sites	(1,738,800)
Equals: Remaining Series A Building Fund	\$ 1,989,857

Bond Sale: Series A

Bids Received on Competitive Sale

- ❑ 25-year bond.
- ❑ Repayment Ratio: \$1.57 for every dollar.
- ❑ State Average Ratio: \$2.00 for every dollar.

Bidder Name	True Interest Cost (TIC)
De La Rosa & Co.	3.766627%
Morgan Stanley & Co., LLC	3.787802%
Citigroup Global Markets, Inc.	3.831440%
Raymond James & Associates, Inc.	4.032933%
Hutchinson, Shockey, Erley & Co.	4.390007%

Major Categories for Improvement

- ❑ **Infrastructure Improvements**
(electrical, sewer, water and storm drains, roofs, fire alarms, electrical closets, and structural).
- ❑ **Energy Enhancements/Other Areas** (HVAC, window replacements, energy efficient site lighting, classroom upgrades, ADA compliance, and other upgrades).
- ❑ **Wireless Technology Upgrades**
(wireless hardware, network cabling, and equipment).



Allen Elementary School

SFID No. 1 Facilities By Year Constructed, Year Modernized, and Estimated Costs

	School	Year Constructed	Year Modernized	SFID GO Bond Estimated Improvement Cost
2014	RICE ELEMENTARY SCHOOL	1938	1996	\$ 5,903,031
	CASTLE PARK ELEMENTARY SCHOOL	1952	1996	\$ 5,052,767
	ROSEBANK ELEMENTARY SCHOOL	1952	1996	\$ 4,241,000
2015	VISTA SQUARE ELEMENTARY SCHOOL	1953	1996	\$ 3,892,330
	HILLTOP DRIVE ELEMENTARY SCHOOL	1943	1997	\$ 4,167,007
	ALLEN ELEMENTARY SCHOOL	1947	1997	\$ 4,140,208
2016	FEASTER CHARTER SCHOOL	1950	1997	\$ 5,377,678
	MONTGOMERY ELEMENTARY SCHOOL	1950	1997	\$ 3,034,323
	HARBORSIDE ELEMENTARY SCHOOL	1953	1997	\$ 4,633,558
	KELLOGG ELEMENTARY SCHOOL	1958	1997	\$ 4,301,308
	SUNNYSIDE ELEMENTARY SCHOOL	1959	1997	\$ 3,392,582
	COOK ELEMENTARY SCHOOL	1954	1999	\$ 2,388,962
	PALOMAR ELEMENTARY SCHOOL	1959	1999	\$ 1,063,663
	HALECREST ELEMENTARY SCHOOL	1961	1999	\$ 1,295,723
	MUELLER CHARTER SCHOOL	1955	2000	\$ 3,359,170
	LAUDERBACH ELEMENTARY SCHOOL	1956	2000	\$ 3,541,449

Modernization in 1996 and 1997 was minimal scope and excluded the following major items: Underground Utilities, Window Replacements, Asphalt Resurfacing, HVAC Replacements, Irrigation Upgrades, Interior Finishes, and Cafeteria/Food Services. Estimates are subject to change.

SFID No. 1 Facilities By Year Constructed, Year Modernized, and Estimated Costs

	School	Year Constructed	Year Modernized	SFID GO Bond Estimated Improvement Cost	
2018	JUAREZ-LINCOLN ELEMENTARY SCHOOL	1970	2000	\$ 2,102,422	
	FINNEY ELEMENTARY SCHOOL	1961	2001	\$ 3,043,887	
	VALLE LINDO ELEMENTARY SCHOOL	1967	2002	\$ 1,229,493	
	SILVER WING ELEMENTARY SCHOOL	1968	2002	\$ 2,059,944	
	VALLEY VISTA ELEMENTARY SCHOOL	1969	2002	\$ 1,152,128	
	PARKVIEW ELEMENTARY SCHOOL	1970	2002	\$ 1,405,804	
	LOS ALTOS ELEMENTARY SCHOOL	1971	2002	\$ 2,489,021	
	ROGERS ELEMENTARY SCHOOL	1962	2003	\$ 1,532,474	
	LOMA VERDE ELEMENTARY SCHOOL	1964	2004	\$ 2,829,665	
	ROHR ELEMENTARY SCHOOL	1965	2004	\$ 3,089,122	
	OTAY ELEMENTARY SCHOOL	1975	2005	\$ 1,246,342	
	TIFFANY ELEMENTARY SCHOOL	1975	2005	\$ 1,029,693	
	CHULA VISTA HILLS ELEMENTARY SCHOOL	1989	--	\$ 1,580,768	
	CHULA VISTA LEARNING COMMUNITY CHARTER SCHOOL	2001	--	\$ 3,111,466	
	CLEAR VIEW ELEMENTARY SCHOOL	1991	--	\$ 1,526,053	
		TOTAL (All 31 Sites)			\$89,213,041

Modernization from 1999 through 2005 was from 1998 Proposition JJ funds but excluded the following major items: Asphalt, Concrete, Partial Window Replacements, HVAC Replacements, and Cafeteria/Food Services. Estimates are subject to change.

Rice: Original Budget Estimate

Areas	Hard Costs	TOTALS
Site Exterior (paving, painting, play surfaces)	\$ 761,575	
Classrooms (HVAC, lighting, tiles)	1,153,200	
Library (HVAC)	55,600	
Multipurpose Room (HVAC, lighting)	57,550	
Computer Labs (HVAC, lighting)	50,080	
Kindergarten Classrooms (HVAC, lighting)	131,850	
Administration (HVAC, lighting)	75,200	
Staff Restrooms (fixtures)	5,200	
Student Restrooms (full modernization)	787,500	
Relocatable Buildings (carpet)	188,400	
Sewer, Water, Gas Site Utilities	410,039	
Site Electrical (conduit distribution, fire alarm, signal room)	708,000	
Electrical Upgrades (network cabling, equipment, intercom)	399,600	
Construction Costs		\$4,783,794
Soft Costs (architect, construction manager, etc.)		\$1,119,238
ESTIMATED TOTAL COST		\$5,903,032

Castle Park: Original Budget Estimate

Areas	Hard Costs	TOTALS
Site Exterior (paving, painting, play surfaces)	\$ 458,684	
Classrooms (HVAC, windows, lighting, tiles)	1,165,860	
Library (HVAC, windows)	59,664	
Multipurpose Room (HVAC, windows, lighting)	128,080	
Computer Labs (HVAC, windows, lighting)	79,105	
Kindergarten Classrooms (HVAC, windows, lighting)	---	
Administration (HVAC, windows, lighting)	116,315	
Staff Restrooms (fixtures)	17,676	
Student Restrooms (full modernization)	453,000	
Relocatable Buildings (carpet)	113,040	
Sewer, Water, Gas Site Utilities	328,165	
Site Electrical (conduit distribution, fire alarm, signal room)	623,000	
Electrical Upgrades (network cabling, equipment, intercom)	286,000	
Construction Costs		\$3,828,589
Soft Costs (architect, construction manager, etc.)		\$1,224,178
ESTIMATED TOTAL COST		\$5,052,767

Rosebank : Original Budget Estimate

Areas	Hard Costs	TOTALS
Site Exterior (paving, painting, play surfaces)	\$ 504,500	
Classrooms (HVAC, windows, lighting, tiles)	1,001,280	
Library (HVAC, windows)	60,600	
Multipurpose Room (HVAC, windows, lighting)	91,500	
Computer Labs (HVAC, windows, lighting)	40,700	
Kindergarten Classrooms (HVAC, windows, lighting)	151,000	
Administration (HVAC, windows, lighting)	54,000	
Staff Restrooms (fixtures)	45,000	
Student Restrooms (full modernization)	120,000	
Relocatable Buildings (carpet)	175,840	
Sewer, Water, Gas Site Utilities	270,414	
Site Electrical (conduit distribution, fire alarm, signal room)	640,000	
Electrical Upgrades (network cabling, equipment, intercom)	282,800	
Construction Costs		\$3,437,634
Soft Costs (architect, construction manager, etc.)		\$ 803,366
ESTIMATED TOTAL COST		\$4,241,000

Proposed Wireless Infrastructure

- Wireless technology, including new high-speed data cabling and access points.
- Hardwired Internet access allows incorporation of a variety of mobile devices: laptops, tablets, readers, etc.
- Short-term mobile devices, equipment, and fixtures will not be purchased with bond funds.
- Will provide access for new online state testing.
- WiFi installation costs at the remaining 28 SFID No. 1 schools is approximately \$1.7 million.



Preliminary Preconstruction Schedule

Summer 2014 Modernization Projects Rice, Castle Park, and Rosebank

Activity	Date
Issue Proposition E, Series A, Bonds	June 2013
Site Evaluations, Preconstruction Meetings, Finalize Design Criteria	Ongoing
Site Budget Estimates and Revisions	Ongoing
Design Submittals to Division of the State Architect (DSA) for Rice, Castle Park, and Rosebank Elementary Schools	September – October 2013
Commence Bidding on Trades	December 2, 2013
Trade Contractor Bid Dates	January 15, 2014
Award Bids	March 12, 2014
Modernization Construction Period	June 10 – August 28, 2014

ICOC Visit to Site

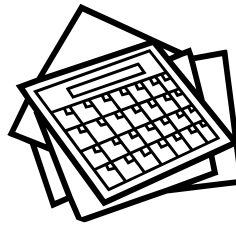
Discussion: Site Visit Options.

- As part of February 2014 meeting?



Modified 2014-15 School Calendar

- ❑ Requires September 2014 – June 2015 modified school calendar at Rice, Castle Park, and Rosebank to complete modernization within 86-day period.
- ❑ Specific September start dates are being determined.
- ❑ Schools will return to the Common Calendar in the 2015-16 school year.



Questions and Comments