



MINUTES
ORANGE UNIFIED SCHOOL DISTRICT
Measure S
Citizen's Oversight Committee

District Office – 6:00 p.m.
CONFERENCE ROOM B
April 25, 2018
Meeting No. 5

I. CALL TO ORDER

Chair Fascenelli called the meeting to order at 6:00p.m.

II. PLEDGE OF ALLIGIANCE

Chair Fascenelli invited the audience to join her in the Pledge of Allegiance.

III. ESTABLISH QUORUM

Committee members present: Carolyn Cavecche, Diana Fascenelli, Trevor O'Neil, Jennifer Schuerger, Mrunal Shah, Bill Utter. Bill Campbell (arrived at 6:05 P.M.)

IV. PUBLIC COMMENTS

There were no comments from the floor.

V. APPROVAL OF AGENDA

Action

Ms. Shah moved to approve the minutes; Second by Mr. Utter.

Motion: Passed: 6-0-1

VI. APPROVAL OF THE MINUTES

Action

Committee members agreed by mutual consent to accept and approve both the January 24, 2018 minutes and the February 5, 2018 minutes. Ms. Shah did not attend the February 5, 2018 meeting and therefore abstained from minute approval.

Motion: Passed 6-0-1 Minutes - January 24, 2018

Motion: Passed 5-0-1-1 Minutes – February 5, 2018

VII. RESPONSE TO COC MEMBER QUESTIONS (February 5, 2018)

Information

1. Source and payment of Measure S Bond underwriting fees and Bond issuance costs.

Assistant Superintendent, Ron Lebs, responded with 100 % certainty the District is not paying for any cost of issuance of the Bond out of the Bond proceeds. All bond proceeds will be available for bond projects. Payment of underwriting fees and bond issuance costs will be paid with other District funding sources.

Discussion:

Vice-Chair O'Neil questioned if there may be a future fees repayment from the Bond proceeds. Mr. Lebs reiterated that no fees payment will come from Bond proceeds.

Ms. Carolyn Cavecche asked if the District put aside additional money. Mr. Lebs responded the District planned on two issuances, setting aside approximately \$800,000 (\$400,000 per issuance).

Ms. Shah asked if the District has targeted an issuance date. Mr. Lebs responded that the District was moving toward the first issuance of \$188,000,000 now and \$100,000,000 for the second issuance with a June 2020 target date. It was confirmed by Mr. Lebs, that interest will commence upon issuance and bond proceeds will be invested in the county treasury. The District is adhering to all Federal IRS rules regarding tax free bond issuances. The reasonable expectation is that the District will spend the bond proceeds within the next 2-3 years. It was observed by a Committee Member that interest rates were starting to climb.

2. Amounts/percentages spent on architects and engineers in comparison to overall project cost and costs/percentage spent by other districts.

Mr. Chuck Wren stated that Cumming Construction has a variety of construction contracts with the Los Angeles Unified School District (LAUSD) and the surrounding areas. The Office of Public School Construction (OPSC) recommends a sliding scale of 5 to 9 percent of estimated new construction project costs and recommends 8 to 12 percent of the estimated construction costs for modernization projects. Modernization projects tend to experience higher design fees per construction costs. For Measure S projects, design fees are ranging from 3.7 to 4.1 percent of construction. While projects are considered new construction, as buildings are additions to existing campuses. Comparatively, LAUSD projects were found to range from 8 to 10 percent of modernization and new construction costs combined. Anaheim Union costs were 4 to 10 percent, Long Beach USD were 6 to 10 percent, Glendale USD 4 to 10 percent, and Los Angeles City College District were 8 to 10 percent.

Discussion:

No further discussion by committee members.

VIII. MEASURE S PROGRAM UPDATE

Information

Mr. Lebs provided two handouts to the Committee members:

1. Monthly Progress Report (ending March 31, 2018)
2. Program Highlights Summary

Mr. Lebs and Mr. Wren reviewed the information provided to the COC members in the handouts. Department of State Architect (DSA) is currently reviewing all project plans with final plan submission scheduled by May 22, 2018. The ground-breaking ceremony for the Orange High School Science Center will be held on June 8th, with specific information to follow.

Discussion:

Ms. Cavecche requested a copy of the 2017-18 Assessed Valuation Report, but it was decided information is on Measure S webpage. Mr. Lebs commented the Report is based on 2017-18 information and an updated report to be received July/August 2018. It was further mentioned, the assessed valuation was included in the April 12 presentation to the board. All Measure S presentations and information may be found at <https://www.orangeusd.org/measure-s>.

IX. FINANCIAL UPDATE

Information

Mr. Lebs and Mr. Wren reviewed the detailed Budget vs Actuals – Program Detail, by Budget Category, Project Budget Estimate – Schematic Design Phase.

Mr. Wren mentioned as the projects move forward to the bid phase, the figures move from estimates to true figures. Second phase planning discussions are starting.

Mr. Lebs assured the COC members that staff will work toward submitting applications for state matching funds.

X. COC BYLAWS REVIEW AND DISCUSSION

Discussion

Mr. Lebs re-introduced the topic of the COC Committee operating by formalized bylaws.

Discussion:

Committee members discussed and agreed to move the topic to the next agenda in order to give staff time to consult with Bond Counsel regarding the committee operating solely under the California Education Code. It was mentioned in discussion that the Education Code ultimately governs Bond Oversight Committees.

XI. COMMENTS FROM COMMITTEE MEMBERS

Discussion

Committee members will receive a formal ground-breaking invitation to attend Orange H.S. ceremony held on Friday, June 8th.

Mr. Bill Campbell mentioned it was very exciting news and inquired whether staff was reaching out to the community at large, Parent Teacher Associations, Rotary Clubs, or other community based organization informing them of exciting progress.

XII. ADJOURNMENT

Chair Fascenelli adjourned the meeting at 6:54 P.M.

NEXT COC MEETING DATES FOR 2018

Wednesday, October 17