

FACILITIES SUBCOMMITTEE MEETING

Gilroy Unified School District – Via Webex teleconference

Friday, Oct. 2, 2020

PRESENT

BC Doyle

Anna O'Connor

Alvaro Meza

Debbie Flores

Paul Nadeau

Aurelio Rodriguez

Linda Piceno

Dan McAuliffe

Randy Merritt

Alexzis Fuke

Jon Isom

MEETING CALLED TO ORDER: 9 a.m.

APPROVAL OF MINUTES FROM SEPT. 11, 2020:

- Dr. Flores made the motion to approve the minutes, Linda seconded.
- All approve.

TIME CERTAIN**MEASURE E FINANCING UPDATE – RAYMOND JAMES PUBLIC FINANCE AND ISOM ADVISORS**

- Presenter Randy Merritt of Raymond James Public Finance. Also in attendance: Alexis Fuke of Raymond James and Jon Isom of Isom Advisors.
- Financial advisors and Alvaro met to discuss need for financing update for FSC and board. RJ recommended a looking at the financial review in the light of launching the South Valley MS. This project is expected to be completed in three years, which is also when we would expect to use the remaining funds in Measure E. We have \$96M left in Measure E, which we will draw for South Valley MS. We do not want a phased withdrawal because the full \$96M is needed for South Valley MS.
- We have a hurdle to clear because to draw the full amount, the district has to the state board for approval. That process has certain steps and that's what Randy and team will explain today.
- The district has two primary types of debt: certificates of participation (COP) and general obligation bonds (GO bonds).
 - COP bonds: The district last refinanced the 2008 COP bonds in 2016 to save the district money. The refinancing resulted in \$9M savings over life of bonds. The current annual payments are about \$1.75M.
 - GO bonds: The outstanding paramount for the GO bonds is \$274M, over several series. District voters have approved three GO bonds, totaling \$389M. The bond that has remaining funds, or authorization, is Measure E, with \$94.68M remaining. Limitations to authorization of bonds include \$60 maximum per \$100,000 in property value.
 - In the past, the district has taken opportunities to save tax payers by refinancing its GO bonds.
- The district's tax base and growth over time is a factor in bond funds. GUSD has strong valuation growth. The higher the tax base, the more opportunities the district has to access bond proceeds. The district has

remained at or below maximum tax rate of \$60 since 2012, except 2019 when the tax rate was \$15.40. That year, the district decided not to issue bonds so it didn't levy the higher tax that year.

- In addition to each bond having a limitation of \$60 per \$100,000, the state has a limitation of how debt a district can have outstanding. That limit is 2.5% of current assessed value.
- Every time the district wants to issue bonds, it has to apply a test: The gross bonding capacity is 2.5% of the district's assessed valuation. The gross bonding capacity minus the outstanding GO bonds equals the net bonding capacity, or how much the district can borrow. For GUSD: The district's assessed valuation is \$11.9B. The gross bonding capacity is 2.5% of that or \$299.6M. The district has about \$274M in outstanding general obligation bonds. That means: The *gross bonding capacity* (\$371.5M) minus the *outstanding GO bonds* (\$274M) equals the *net bonding capacity* of \$24.9M. It's less than what is needed for South Valley MS project.
- Raymond James will propose a waiver to get the amount needed by asking for a higher bonding capacity from the California Department of Education. The request will increase the 2.5% to 3.10%. The other option is to wait for the calculation to change as the principal is paid down through property taxes or as the assessed valuation grows. If the district were to wait, RJ's prediction is that the \$90M wouldn't be available until 2024. Also, if the district authorized the \$24.9M it can now and continue to do similar authorizations in a series, the district will pay more over time in interest rates and borrowing costs over time. Plus, the full \$90M is needed for the South Valley MS before 2024.
- RJ doesn't anticipate any thing in the request that could risk denial. GUSD has all of the elements in place that have allowed other districts to get the same waiver in the past.
- Does this prevent the district from taking another bond to voters for a while? The district could but it would require another waiver to increase its bonding capacity or propose smaller bonds based on what the outstanding principal and/or the increased valuation at the time.
- This would be the first time GUSD has asked for this waiver.
- A waiver submission requires summary of key issues, district request/rationale, public hearing/board approval, consultation with unions and advisory committees. The request normally takes about 10-12 weeks to analyze and process. If it was approved, it is in effect immediately; the 10-12 weeks is to prepare for the request.
- The State Board of Education (SBE) meets every two months. Upcoming meetings are in November, January and March. The RJ team is aiming for Jan. 13, 2021, meeting. This would provide a cushion that this could go the March meeting, if the board agenda was too full in January.
- The target is to sell bonds in late spring.
- The request will be to increase the debt capacity to 3.10% to be able to issue \$96.8M in bonds. The request is not high – other districts have asked to increase capacity to 5%.
- Other upcoming steps:
 - The RJ team would speak to COC at Oct. 7 meeting.
 - Will go the board as information item at the Oct. 15 meeting.

FACILITIES & NEW CONSTRUCTION (PAUL NADEAU)

BROWNELL MS: TREE TRIMMING AND REMOVAL

- \$8,200 from Measure E
- Mighty Tree Movers
- Trees on Carmel Street were trimmed to make room for running track. It's a preemptive move to make way for the track. The trees were overgrown and needed trimmed.
- Three trees in bus turnaround on Hanna. One is dead and in danger of falling.
- Next steps: This will go to board as a ratification.

BROWNELL MS: ADDITIONAL INSPECTION SERVICES

- \$54,610 from Measure E
- Jerome Zalinski, inspector of record
- Original agreement was drafted before we added the cost of the project. This is to adjust to the bigger project cost now that additional work that was added.
- This would bring his total contract for this project to \$484,000.
- This is required part of the new project. IOR generally are paid as a percentage (1%) of the total project cost, not at an hourly rate.
- The updates to the gym will be additional scope of work, not included in this increase.
- He is expected to on the site, full time.
- Linda: Can we have a total figure for how much we are spending on inspections for this project?
- Next steps: This will go to the board for approval.

BROWNELL MS: APPROVAL OF FURNITURE FOR LIBRARY/MEDIA CENTER

- \$49,598.17 from Measure E
- KI Furniture
- Clarification on item approved at board meeting.
- This includes additional finish and price adjustments for furniture.
- This will be submitted as an amendment to the original approved quote of \$43K.
- Next steps: This will go to the board for approval as an amendment to the original contract.

SOUTH VALLEY MS: PROJECT INSPECTION SERVICES

- \$700,000 from Measure E
- Jerome Zalinski, inspector of record
- Zalinski also serves as an IOR to help us close out Division of State Architect (DSA) projects that haven't been closed out. If he is the IOR selected as a recommendation, the committee would like these services outlined in the board proposal and quote.
- The committee would like additional quotes from other IORs to compare prices for these services. Also, at least a quote from an hourly rate.
- Next steps: Paul will gather additional quotes from IORs to present to committee to consider before the proposal goes to the board. He will work with Jerome to outline his close-out work in his scope of work.

DISTRICT-WIDE: QUALITY BIDDERS

- \$18,000 from Measure E
- Colbi Technologies
- This online-based software pre-screens contractors and vendors for a department. The district's current process is not online and could be more robust.
- A vendor or contractor who would be interested in qualifying uses a web portal to submit information and get qualified in our system.
- Next steps: This will go the board for approval.

CLUB DRIVE: CONTRACT AMENDMENT FOR PADRE ASSOCIATES

- \$925 from Measure E
- Padre Associates
- The 6-inch dirt cap on site shelters any future construction from the natural-occurring asbestos in that area. We have brought in soil from other projects, etc., to create this cap. Padre documents this for the district.
- This amendment to the original \$10K of the original contract.

- Paul may request another \$10K contract in the future to level and clean up this site to help deter unauthorized dumping here.
- Next steps: This will go to the board for approval.

GILROY HS: INSTALLATION OF CAMERAS IN POOL AREA

- \$13,813.64 from Measure E
- QoVo Technologies
- These cameras would help monitor the area. We've already had issues with people breaking into this area.
- Need to check with legal if cameras can be placed in pool area and what restrictions may be.
- Whatever solution we come up with Gilroy HS, we have to do the same for Christopher HS.
- Next steps: Paul will consult with legal. He'll work with Aurelio to provide the committee with more concrete plan of camera placement.

CAMPBELL SCHOOL OF INNOVATION: DEBRIEF OF SITE VISIT

- Information only.
- The GUSD visitors saw a lot of features they liked at this school. The basketball courts are similar to how they'll being proposed for South Valley MS.
- Other features that were worth noting: They have a big digital game screen that will be something to consider to South Valley MS. The sliding glass doors that allow outside access as well as access between adjoining classrooms.
- To discuss when Trustee Mark Good is at next meeting: Discussion of HVAC on ground vs. the roof. On-ground HVACs take up room, are noisy, not as aesthetically speaking.
- Next steps: Joe Vela from Aedis should come to meeting to tell group about slope vs. flat roofs.

GLEN VIEW ES, EL ROBLE ES, ROD KELLEY ES: PURCHASE OF PLAYGROUND EQUIPMENT

- \$1,288,080.64 from AIPG grant.
- District received grants to pay for these – about \$400K for each site's project.
- Reimbursement grant. District pays first, then county reimbursed.
- Principals have seen plan proposals. Paul will reconnect with Mrs. Salcido at Rod Kelley ES to follow up.
- Next steps: This will go to the board for approval.

MAINTENANCE (DAN McAULIFFE)

ELIOT ES: TREE REMOVAL IN KINDERGARTEN AREA

- \$7,020 from RRM
- Anderson's Tree Care
- This large tree that poses a fall hazard in this area. Principal requested the removal.
- It will be removed and replaced. The project is too large for district crews to do.
- Other projects: Dan will return with proposals for replacement trees.
- Next steps: This will go the board for approval.

EL ROBLE PARK: TREE TRIMMING AND PRUNING

- Anderson's Tree Care
- This is the area of the park that is the district's responsibility.
 - Dr. Flores: We need to discuss this more with the city. It can be brought up on should how to deal with this property with the board and the city at some point.

- Anderson's recently worked on trees that needed urgent attention a couple of ago. Other trees need attention that is beyond the scope of our crew. We are doing assessment of the other trees in the entire park to see what should be done. If needed, Dan will get competitive bids for this project.
- Dan will look to see if any agreement or MOU exists for which entity controls what. Alvaro researched the APN through the tax assessor's office, which shows the district property extends beyond the existing fence to the tennis courts. This needs to be confirmed.
- Next steps: Anderson's will continue assessment; competitive bids will be prepared, depending on the needs that are identified. The parcel will be surveyed to determine property lines.

EL ROBLE ES: TRIP HAZARDS

- Information only.
- Trees have created a lot of concrete breakage and lifting. This has led to trip hazards and drainage issues.
- The district will have to consider a complete overhaul of the concrete in the quad, if not the entire campus. This would be a costly project and take time. Preliminary estimates of full project cost are about \$150K to \$240K-plus and that's not addressing the ADA needs at each entrance.
- Dan's proposal is to get district crews get to immediate hazards with a grinder and to fix the ramps. This would allow us to assess the full scope of work for the larger project. Trees will be assessed if they're worth keeping for the risk they pose to any future concrete work as well.
- Next steps: District crews will work on immediate hazards with grinder and to fix ramps. This will give us time to survey the site for a feasible plan.

GILROY HS AG FARM: IMPROVEMENT REQUESTS

- Information only.
- Requested from Gilroy HS agriculture department for improvements to the site.
- Crews have been addressing plumbing issues to address flooding and sewer concerns.
- They've requested wifi (students use their phones, etc. while working with animals) and cameras here for security.
- Could be funded through RRM. Alvaro: We might be able to fund out of Learning Loss Mitigation Funds if these improvements are used to teach classes.
- Next steps: Dan will develop quotes for items to bring to committee for future meeting.

MAINTENANCE: TWO TRUCKS FOR FLEET

- Information only.
- Proposal for two trucks out of RRMs.
- Because of COVID restrictions, crews can't share vehicles. The department has had to use their older vehicles from the fleet to have enough for staff but sometimes personal vehicles need to be used. The older vehicles are from '80s and '90s.
- Next steps: This will go to the board as a ratification.

EMERGENCY & SAFETY (AURELIO RODRIGUEZ)

DISTRICT-WIDE: VISITOR AND EMERGENCY MANAGEMENT SYSTEM

- \$34,796, paid over three years or about \$11,600 per year. 75 percent paid for by School Violence Prevention Program (SVPP) grant and 25 percent from general fund.
- Raptor Technologies.
- We have received a grant for 75 percent of the total cost, over three years.
- Next steps: This will go to the board for approval.

DISTRICT-WIDE: RAPTOR ALERT

- Information only.
- \$19,200
- Raptor Technologies.
- Silent panic-alarm system that goes straight to 911.
- Next steps: Committee will revisit later when students are back on campus.

OTHER PROJECTS/FACILITY ISSUES AT SITES

- **RUCKER ES:** The gates at certain spots on this campus have to be unlocked from inside to exit. This is not to our district standard. Maintenance has looked at options to improve this part of the gate. This might be able to be paid out from deferred maintenance. Dan will bring quotes back for this committee.
- **BROWNELL MS:** When Trustee Mark Good is at the next meeting, we need to discuss the grey doors at this site.
- **GILROY HS, LUIGI ES, GLEN VIEW ES:** District crews are addressing spot problems with concrete at these sites. If these projects grow in scope, Dan will bring to committee for next steps.

MEETING ADJOURNED: 11:51 a.m.

NEXT MEETING: Nov. 13, 2020