

Oxnard Union High School District

Oxnard, California

MINUTES FOR THE SPECIAL BOARD MEETING

November 25, 2013

1. CALL TO ORDER

The Special Board Meeting of the Board of Trustees of the Oxnard Union High School District was called to order by President Edmonds at 5:30 p.m., November 25, 2013, in the District Office Board Room, 220 South K Street, Oxnard, California.

Trustees present:

Wayne Edmonds, President
John Alamillo, Vice President
Socorro López Hanson, Clerk
Gary Davis, Ed.D., Member
Steve Hall, Ed.D., Member

Administration present:

Gabe Soumakian, Ed.D., Superintendent
Stephen Dickinson, Assistant Superintendent-Administrative Services
Maureen Sheldon, Executive Assistant

Translators present:

none

Guests present:

Kevin Dicey, Jeff Frey, Robert Greaves, SC Anderson representatives, and other interested parties.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Trustee Davis.

3. ADOPTION OF AGENDA

It is the recommendation of District Administration that the Board of Trustees adopt the Agenda of the November 25, 2013 meeting,

Moved by Trustee López Hanson, seconded by Trustee Hall and unanimously carried. Vote 5/0. *Items were than considered in the order in which they appear in these minutes.*

4. AUDIENCE TO ADDRESS BOARD OF TRUSTEES

- The following individuals spoke in support of the PLA:
Mercy Urrea, Joe Duran, Rod Cobos, Tom Beatty, Steve Weiner, Ralph Valenzuela, David Valenzuela, Martin Rodriguez, Gary Brewer, Brian Gehrue, Paul De Alejandno, and Gene Charbonneau
- It was stated that local students depend on healthy families. Supporters urged Board members to support the PLA and local hire, as they are taxpayers who spend their monies in the local community, and many are currently going outside the county, and in some cases out of state to find work. It was discussed that the definition and understanding of core employee language be more clearly defined.
- The following individuals were opposed to a PLA:
Bob Weich, Mike Clinton, Randy Golden, John Barrison.

Concerns were expressed that contractors don't want to be limited to union workers, and/or to have their workers excluded. They want to hire the most skilled workers for a particular job and not be limited to specific numbers from union, non-union, and/or merit. It was also noted that we did not go out to bid with the widest range of groups in order to be truly transparent and all-inclusive and that we rushed the process. In addition, we had a goal of 30%, whereas other districts have had a goal of 90% or higher. In addition, the wording in our PLA requires that all non-union members who participate pay dues, yet they will

not receive benefits. There was further criticism that board members had not even read the entire master PLA agreement nor researched the topic thoroughly, including possibly surveying local businesses to see if they would bid on a PLA.

5. SUPERINTENDENT'S REPORT – General Report, Gabe Soumakian, Ed.D

Soumakian reported on the following:

- Thanked the audience for their contributions, and for their respect on this matter.
- Stated that their contributions helps ensure that we have all the required information so board members can make an informed decision.
- Process: We started talked about the PLA in a study session on October 9. We had conversations on October 23 as well. We have never done a PLA; or worked on one. He stated that OUHSD enlisted the support of the California Construction managers and our legal team, Jeff Frey, to ensure the product we give the board was through. He added that much work remains on this document.
- The board has asked us to bring a PLA, and we have worked diligently and collaboratively with labor and have demonstrated good faith.
- Want to understand what the implications of a PLA. Schedule A when given to us by Mr. Skinner, included 20 collective bargaining agreements. Our first challenge is to understand them.
- Lease lease-back, and then on October 29, 2013, SC Anderson was named as the official contractor. We still must negotiate this agreement in working with local labor.
- Believe we have made much progress since November 20 with our product.
- Have reviewed a large number of other large PLAs, particularly in Los Angeles and San Diego counties.
- Initial interest of the board is local hire and to stay within the county. In the current stabilization agreement, there is an interest in looking first at Tier 1 within the OUHSD, and secondarily, Tier 2 in Ventura County. This is also the interest of the Board. We need to make a PLA work that will achieve those goals.
- When this project was first raised, the board directed that they wanted it built as soon as possible. Terry Zinger and HMC Architects were thanked for their assistance in expediting planning issues. The legal issues and governmental agency work is extensive. We completed that work in two years.
- Want to be sure that August 1, 2015 is a timeline we could meet. This is not a union or a non-union issue. It is about local hire. Measure H is the bond the community passed and those funds are intended to build this school. At that time we had two high schools on the drawing board.

6. ACTION ITEMS

A. Consideration of Approval of Rancho Campana High School Project Stabilization Agreement

Approved

The Board of Trustees will discuss and decide action to be taken regarding a Project Stabilization Agreement for Rancho Campana High School.

Dr. Soumakian presented a general overview of negotiations to-date:

- Three major items of concern: cost, time, and quality.
- We need to be sure that we deliver on the date that we are selling: 8/1/15.
- Concerns regarding whether a PLA will increase cost, and if so, how much?
- We must hire a labor compliance consultant – someone to monitor these issues: benefits, core, law, and the language herein. SC Anderson cannot do this as it is a conflict of interest. We require a neutral person.
- We require a project labor coordinator to independently manage the PLA. This will mean another neutral party.
- Many subcontractors say they will not bid because it's a PLA. It is in the best interest of the community to have as many subcontractors bid as possible. The more there are possibly the lower the cost.

- *Article 5* - Core language –it has been difficult to agree on the definition of a core employee. That is the heart of this PLA. We *did not* agree to local hire within the core. The reason is that labor was not comfortable in agreeing to any language that they could not find in other large PLAs. To their credit, when there was language in those agreements that we could extract and put in our PLA, they did. All employers may employ as needed, first a member of his/her core work force, or 1:1, then the second core employee for a second referral until you reach a maximum of four. After which all further employees should be employed within the provisions of this Article. Contractors have expressed that they don't want to come in and do a job if they are 'not familiar with who their team is'.
- All employers may employ the first five core of his/her workforce. Subsequently, through union referral, they shall dispatch one employee for the project. At that point the 1:1 begins (i.e. alternating process of hiring is then followed within the guidelines of 7.7; look to local hire within OUHSD first, and then Ventura County). 7.8 satisfies the 30%. The hiring process will continue in Ventura County until we have exhausted our hiring pool.
- Core employee – on active payroll of 30 of the last 180 days/payroll prior to any award being made.

Jeff Frey, legal counsel, covered basic contract language in contract code sections 2500 /2501. He stated that the PLA or PSA could move forward by a majority vote of the board, if it contained the following five contractual elements:

- 1) clause prohibiting discrimination of various types
- 2) require contractors and subcontractors can submit proposals regardless of whether they are parties to a collective bargaining agreement
- 3) required drug testing protocol
- 4) language against work stoppages/strikes/walk outs and other disruptions
- 5) require that any disputes from the agreement must be resolved by a neutral arbitrator

Frey made the following additional comments:

- Positive aspects of a PLA: averting work stoppages, paying prevailing wages. Wages must be paid with or without this agreement. Agreement of arbitration/mediation.
- Negative aspects of a PLA: limit bid pools which could artificially increase the price, some PLAs result in payment of double benefits, although the latter has been changed in our current PLA. Non-union workers would have to pay union dues and representation fees.
- No schools he has ever worked with have ever entered a PLA due to concerns over an increase in cost.
- 30% goal could also be stipulated in the lease leaseback agreements that have not yet been negotiated.

SC Anderson addressed concerns with a lease lease-back agreement.

- Subcontractor pool - get as many to bid as possible at the lowest price possible.
- How do we plan to report on local participation, and how do we define this?
- The debate is how to achieve local hire – merit contractors or signatory contractors. We feel it must include the entire economy (all services/providers).
- Estimate crew sizes of about 150-175 men on site.
- In addition to the PLA negotiations we have scheduled community outreach meetings to be held at the adjacent library.
- Option B would be more appealing, and thus increase the number of bidders on the project, however, it is still fairly restrictive in terms of crew sizes. This allows you five people from your team, however, the union shop could dispatch all 20 core employees. With Option A, merit could dispatch one employee up to a maximum of four employees, yet the signatory could send 20 employees, putting them at a disadvantage.

Board Comments on Option A or B

Trustee Alamillo expressed the following:

- We have received 20 master labor agreements to-date, yet have a 12- page document making up the basic terms of our PLA which contains less than 20 words relating to local hire.
- Should we put in language regarding 30% or more local hire if we put this in *as a goal* for SC Anderson. With regard to the stated goal, we assume that clause will be in their construction contract, whether it is a PLA or not.
- Disagrees with the 1:1 hiring cause.
- Have we taken a survey of contractors in the county? Believes contractors won't bid on a PLA because they cannot use their own staff. Should not break up work teams.

Trustee Davis said he had several concerns:

- Because the 30% is inherently only a goal, it seems evident that we didn't feel there was enough skilled labor in our community. He inquired why our goal isn't higher. Dr. Soumakian noted that the 30% figure was originally included from the Tri-County.
- Trustee Davis further inquired what happens if some part of this agreement was breached and/or not met. It was stated that Article 9 provides a grievance procedure with four steps that would try to keep resolution close within the parties. If unsuccessful, they must go to a neutral arbitrator, and during that process all work must proceed.
- What was the reason for the title change and are a PLA and Project Stabilization Agreement the same? It was clarified that the latter might prove more marketable and we wish to receive as many bids as possible. It was also noted that two other larger school districts have used this term, and that no other change was made to said document.
- Much email received against the PLA stated that with a PLA many vendors could not bid on the project. Trustee Davis commented that there seems to be reasons why a merit shop 'would not' rather than 'could not' bid on this project. Jeff Frey indicated that a merit shop could bid on the project under Section 2500.
- What if the board were to approve this agreement, with Option B, that has not been finalized yet in negotiations? Dr. Soumakian responded by indicating that we would go back to the bargaining units and inform of the board's desire to discuss this further. Talk to local and national affiliates to see if that is something they can accept.

Trustee Edmonds indicated there has been great progress in defining what is local. Health benefits was an initial concern, so if the contractor provides this, the matter has been resolved. The unresolved matter remains Article 5, and the definition of core employees. SC Anderson noted that their definition of 'core' is based on merit shop. They reiterated that they need to (a) focus on finalizing our local participation effort; and (b) defining our goals, noting this was a \$45M job, with only 17.5 months prior to anticipated completion.

Trustee López Hanson moved for discussion to approve the PSA with Option A. This was seconded by Trustee Hall.

Final comments and concerns voiced:

- Trustee Davis noted that Article 5 is still troublesome. He recommended against voting in favor of one of the options presented this evening, and stated that our concerns for local hire can be addressed with or without a PSA or PLA. He noted that we owe our taxpayers quality construction, on time completion of the project, and the lowest cost to those who supported Measure H. Davis noted his concern that costs could escalate, particularly because one or two new positions will be added for oversight/management purposes, in addition to any project overruns. He added that without a PLA we may not require one or both of those positions.
- Trustee Hall recommended that the document be approved tonight with an amendment to Article 5.

- Soumakian noted that approval on A or B should be contingent on the fact that the prime contractor get one bid with a PLA and one without, or have with SC Anderson guarantee local hire with a penalty if they don't achieve the number that we dictate.
- Soumakian also stated that local labor indicated they do not have the flexibility to change Option A because it is not in any other approved PLA. Currently only Option A is approved.
- It was stated if Option B were to be considered, we would have to go back to the bargaining table.

Jeff Frey noted, in response to comments posed, that all terms are put together except those for Article 5. There are still terms that must be defined within the document. Frey stated that some changes are non-substantive and some changes could be substantive. Frey clarified that these were not substantive changes to Option A, rather they involved specific titles or terms that needed to be further defined. He also stated that he foresees all negotiators will come to agreement on the language requiring further clarification. Frey stated that the Board could grant the authority to finalize and bring the PLA back for ratification. He added that legally, if there were substantive changes, the document must come back before the board.

Trustee López Hanson amended her motion to say that the board preliminarily approves the PSA with RCHS *with Option A*, and with the understanding that this motion for tentative approval must come back to the board for ratification. This was seconded by Trustee Hall.

Trustees Edmonds, López Hanson and Hall voted in the affirmative. Trustees Alamillo and Davis dissenting. Motion carried 3/2.

7. ADJOURNMENT

There being no further items of business on the agenda, Board President Edmonds adjourned the meeting at 7:37 p.m.

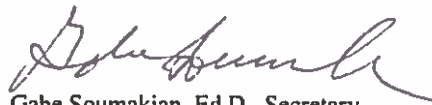
BOARD OF TRUSTEES



Steve Hall, Ed.D., Clerk

Approved as read

January 22, 2014



Gabe Soumakian, Ed.D., Secretary

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<http://www.ouhisd.k12.ca.us/about/schoolboard/datesagendas.htm>