

**MERCED CITY SCHOOL DISTRICT
MINUTES OF THE CITIZENS' BOND OVERSIGHT COMMITTEE
Rivera Middle School Library
Tuesday, June 23, 2015
4:00 PM**

CALL TO ORDER: The Citizens' Bond Oversight Committee (CBOC) meeting was called to order officially at 4:55pm. The Committee met at 4:00pm at the Rivera Elementary Construction site for a tour.

MCSD STAFF PRESENT: Associate Superintendent, Greg Spicer, Director of Facilities, Dr. Ken Testa, Chief Fiscal Officer, Linda Jordan, Account Technician, Julio Rodriguez-Rivera, Facilities Department Secretary, Sherry Munday.

MEMBERS PRESENT: President, Birdi Olivarez-Kidwell, Vice-President, Jeff Pennington, Sharon Spinardi and Keith Enslinger.

PLEDGE OF ALLEGIANCE: President, Birdi Olivarez-Kidwell led the pledge.

APPROVAL OF AGENDA: M/S/C To approve the agenda for today's meeting.

APPROVE MINUTES: M/S/C The minutes of the March 17, 2015, meeting were approved.

INTRODUCTIONS/OPENING REMARKS:

Ken Testa welcomed and thanked everyone for coming to the meeting as well as touring the construction site. Ken mentioned that there were a few members missing and that membership will be discussed later in the meeting. Project Superintendent, Matt Negely, and John Hill, Inspector of Record, joined the group for the tour. Ken Testa discussed that it was important for both of their input regarding the time and money crunch to finish the project. He also thanked Mr. Spicer and Linda Jordan for attending the meeting and Julio Rodriguez-Rivera for the financial information. Julio Rodriguez-Rivera had a prior commitment and had to leave the meeting at 5:00. Linda Jordan will present the financials for him. Superintendent, RoseMary Parga Duran was unable to be present at today's meeting because she is out of town.

GENERAL OBLIGATION BONDS REPORT

Ken Testa discussed that the Measure S and Measure M bonds report will essentially be embedded in the financial report that Linda Jordan will present later in the agenda. The remaining portion of Measure S funds is what was used to build Rivera Elementary. We are looking at what we can do with the amount money that we received from the first series of Bonds sold in October 2014 and what projects we are not able to accomplish. That money is being used quickly even though we are

being careful. The numbers that will be presented today and detail we can provide, you will see how carefully we are using Measure M money. We are looking at other ways to advance without just using Measure M money but with other funding sources available.

MEASURE S & MEASURE M BOND PRIORITY PROJECT REPORT:

Rivera K-8 update:

Ken Testa showed a presentation about Rivera Elementary and additional projects paid for with Measure M. The Rivera Elementary buildings that we toured were discussed. 637 students will start school on August 17. Ken discussed the grade level distribution in the new classrooms and portables. There is a plan for the future if growth in Northern Merced continues. The infrastructure is in place to add up to six portables on the far northwest corner if necessary. Sharon Spinardi asked about if the district would want an elementary school with more than 637 students. Greg Spicer answered that we cannot build another school until another bond passes and dependent upon the rate of growth in the North we have planned to expand Rivera Elementary if necessary. Ken Testa explained that there was not a lot of money spent but by planning and putting in place some of the infrastructure of water and drain lines we have saved money for future projects. There is also a possibility at Rivera Elementary that a S.T.E.A.M. studio will be created. The campus is prepared for that addition if that project moves forward. There is also discussion to make the Rivera Middle School Library into a Student Commons and contain specialized learning spaces.

The Bond program at Rivera is about being up to speed and thoughtful about the future. The plans for the classroom were submitted to DSA prior to the new electrical codes being enforced. The electrical work in rooms 1-6 will have all the bells and whistles, energy savings, as well as resourcefulness in regard to air conditioning. The cost will be significantly more than the previously built classrooms. Keith Ensminger asked what exactly is S.T.E.A.M., Ken explained that it is Applied learning. The goal is to have students become effective Communicators, Creators, Collaborative, and Creative, (the 4 –C's). Spaces are designed so the students can be more engaged and hands-on.

The school board wants to make sure that Rivera Elementary is ready. At the July 14, 2015, Board meeting, the decision regarding if the school will be ready to open will be made. Greg Spicer explained they have a backup plan for school opening in place if necessary but do not want to use it. The cabinets in the classroom were a vital point, the plumbers, and the flooring in some rooms is being finished. The district's IT department is finishing some of the work to get ready for the switches and data drops. The projectors and phones are all wired and working. Sidewalks will be clean when school opens but there will be dirt on both sides due to the Landscape project that will be finished up during the fall.

District Priority Projects:

Ken Testa presented a PowerPoint to the committee with the District's priority projects. Three current projects are the Burbank, Wright and Muir. At Burbank, three portables, at-grade entry, six portables will be removed and a parking lot will be built next year. The parking lot will be built on the campus to alleviate parking on the busy road of Alexander. Commercial Construction was the low bidder on the job. The pad has been prepared, and the electrical conduits are being finished up by Patrias Electric.

The Wright Elementary project is one portable for housing 6th graders. We have demolished the site and prepared a slab and we are close to being ready for the building. Commercial Construction was also the lowest bidder for this job. Commercial Construction has worked on trenching for the alarm and data runs.

Muir Elementary School project was a more complicated job. There were many ADA improvements that had to be made to proceed with the project. There were drainage issues and a lot on non-compliant ADA issues. Muir is a Lease-Lease back project; we are working with C.T. Brayton who has given us a guaranteed maximum price for the project. Through a competitive bidding process C.T. Brayton has local contractors working on the project. The clay in our area is very expansive and we have had to do lots of underground work.

There are additional projects that fall in line with our long range facilities master plan but are not all funded through Measure M. Many projects are paid for with multiple sources, for example Deferred Maintenance monies and other multiple sources. Summer Painting projects are being done at Franklin Elementary and Cruickshank Middle School. Tenaya Middle School has a driveway and roofing summer project. Rivera is having a new serving line put in to accommodate the increase in students on the Rivera Elementary and Rivera Middle School campuses. The Rivera Landscape job was an informal bid and Yard Masters, a local company had the lowest bid and was awarded the job. Ken Testa said that it important to communicate that we don't just pay for everything with Measure M, we use other funding sources to fund projects where applicable.

We are planning for a number of projects that are very high cost items. There are HVAC projects that are in the works at Hoover, Chenoweth, Wright and Fremont. They currently have a central plant system that was installed many years ago. The infrastructure at Hoover is really bad. There are many underground pipes and therefore a lot of issues are not visible. These are multi-million dollar jobs. The infrastructure of the electrical system at Hoover is also insufficient. The classrooms only have 2 plugs in many classrooms and the ones who do have four have to check with their neighbor so they do not trip the breaker. The first step of this project is to fix the electrical.

A current District wide project is the surveillance and security cameras. The project is about 90% complete with the construction documents. We are going to install cameras at the primary entrance and lobbies, improvements to doors and entry ways will be controlled or automated by staff. We already have a great backbone of fiber. There will be thirty days of data stored at the district office. We have to be careful about cost of the project but the system will have some analytics in the system will allow us to record for many hours.

Sharon Spinardi asked about increased numbers at the elementary school sites and asked about the cafeterias and restrooms. Greg Spicer answered that each site is projected at 600 students, we may have to come back through and do some additional housing projects. Birdi Olivarez-Kidwell asked about if all of the boundary transfers were approved. Greg Spicer explained that they were not all approved, but many were approved. Chenoweth is over about 100 students. 19 boundary transfer students were approved that may have to be pulled back. More than likely there will be another boundary adjustment. Sharon Spinardi asked about timelines for improvements at every site. Spicer explained that every school is going to get something. Chenoweth and Hoover is a huge amount of money for the air conditioning. Security is where we started to give every site

something. 11.4 million dollars of Bond money will be used in the two large air conditioning projects. As soon as we go into Hoover or Chenoweth it will cause many ADA improvements to be made. The restrooms are not ADA compliant. Chenoweth restrooms will be 233,000 just for restroom upgrades. Jeff Pennington stated that most people are not aware of how much things cost and the public needs to know so they know where their money has gone. Spicer said board has directed the district to hire a PIO, Public Information Officer, to help with issues such as; STEAM, Common Core, Facilities, Boundaries, social media and how to use it. The job description is currently being worked on by our district.

Jeff Pennington asked about the status of the Landscape bid. Ken said it took long time to develop plans, when was able to due to the building construction as well as the draught added complexity and refined the irrigation plan. Not built just for draught, built for everything but we have opportunity to Isolate some of the valves and start with deep drip system to help get trees established. Jeff Pennington also asked about gray water usage or systems built into the plan. Greg Spicer says the board has directed us to have a drought master plan but with this project we have a timeline and the committee to develop that plan. The priority is to be ready for school. Birdi Olivarez-Kidwell asked if some of the smart-use things like gray water, solar can the things be retrofitted integrated into the Rivera Elementary campus. Greg Spicer explained that we will try to do some more things, but they will be in the 2nd wave. Solar is being looked into because of the PROP 39 act. Hoover, Cruickshank, Tenaya and Rivera have area for racking that could be installed on parking shade structures are the way to go due to the ADA requirements that would require many site updates if we put solar on top of roofs. Within the next year or two we will start moving forward on Prop 39 projects. Linda Jordan stated there are limited funds for Prop 39 and there are many scopes of work for green energy. Examples are lighting, insulation, windows, HVAC but some have a bigger return than others. Ken Testa talked about lighting timers, EMS building automation controls and putting them in place so the schools ramp down their energy usage during non-school hours.

QUARTERLY FINANCIAL REPORT:

Linda Jordan, CFO presented the financials due to Julio Rodriguez-Rivera's early departure. The financials included expenses through 06/2/2015.

Measure S Expenditure Report: Total revenue is \$28,853,034. Total expenses paid are \$25,713,934. The available balance of Measure S is \$3,139,100 all but \$40,961 is encumbered for the Rivera Elementary New Construction Project. The \$40,961.55 will be reserved for professional services, audits, and general expenses related to the Bond Measure, or it can be allocated to the Rivera Project.

Measure M Expenditure Report: The Measure M Revenue total is \$11,364,881, with expenses of \$1,316,467.17 already paid. The available cash balance for Measure M as of 6/22/15 is \$9,840,868.75.

Birdi Olivarez-Kidwell asked about the Legal Advertising/professional service expenditure in the amount of \$42,682.82 in Measure M and the \$6,540.31 in Measure S. Linda explained that those are expenses from Dolinka, Lozano Smith, and Exante 360. Ken explained that many scopes of

work are bid out as professional services. Ken says that recent laws says that a Capital Appreciation bond cannot have more than 4 to 1 ratio of simple interest to CABS, CABS are more aggressive and can get the money sooner. CAB you pay interest later, the bonds have to be structured in a different way so the district isn't paying outrageous interest. The tax payers are the ones who actually incur the cost.

PUBLIC RELATIONS/COMMUNICATIONS

Birdi Olivarez-Kidwell stated that it is important for the things that the Committee is seeing and hearing should be relayed to the taxpayers who voted for Measure M. It is also important for those as well as those who voted as well as those who didn't vote for the measure because they were nervous about frivolously spending. They need to be aware of the savings and steps in place to help reduce costs. How do we get this information to the public? Who does this? NO PIO in place yet so how do we do this? The bond oversight committee is doing their job as far as due diligence about the spending, but not the piece about spreading the word. Birdi Olivarez-Kidwell would like to do something now, pre-load the information, get some positive publicity. How do the messages get out? The Annual report, Linda Jordan mentioned is an opportunity to get the information out. Sharon Spinardi talked about getting the Merced Sun Star involved. Jeff Pennington said you can submit a commentary for the Merced Sun Star. Sharon Spinardi mentioned the County Times is also a good option. Linda Jordan talked about an open house for the community. Birdi Olivarez-Kidwell asked if a Board Agenda Item can be created for the next board July 14th meeting, members available could come to the meeting. The BA item is for community outreach and recruitment. Birdi Olivarez-Kidwell would like to present to various community groups in town, for example, rotary, and The Chamber. The community needs to hear about what we are doing other than we are just asking for them for money. We need to pave the way to create relationships with the public. Birdi Olivarez-Kidwell is requesting that there is a headline, splash on the front page once you open the website.

MEMBERSHIP AND RECRUITMENT

A board agenda item will be written to go the July 14th meeting for recruitment of new members. Jeff Pennington suggested we contact Merced Sun Star and see if they can put an advertisement for us and that the City Chamber of Commerce can help us connect to the business groups. Businesses can help be a conduit for aspects of S.T.E.A.M. Birdi Olivarez-Kidwell asked if anybody joined a bona fide tax organization. California Taxpayers association and Howard Jarvis are two groups that would be applicable. Sharon Spinardi suggested we reach out to them and see if we can get somebody to join our group. Steve Bottjer will be returning to our group in the near future. Sharon Spinardi wants to make sure that the south side schools are represented. Ken Testa said he will send an email to the site Principals to try to reach some possible members.

OPEN DISCUSSION/QUESTIONS

Ken said our board made a decision to look at a STEAM center at Ada Givens Elementary. There is a lot of space available there. LCAP money not Measure M will be used to provide a district wide STEAM Center. The board directed to look at costs and start moving forward. The board would like a STEAM lab at every site.

NEXT MEETING

September 15, 2015, at 4:00 P.M. in the Board Room at the District Office.

ADJORNMENT:

M/S/C Pennington/Spinardi to adjourn the Citizens' Bond Oversight Committee at 6:57 P.M.