**Chula Vista Elementary School District**

**PROPOSITION E**
**INDEPENDENT CITIZENS OVERSIGHT COMMITTEE**

**Meeting Minutes**
**September 13, 2017 – 6 P.M.**
**Dr. Lowell J. Billings Board Room**
**Education Service and Support Center**

## 1. Call to Order

Dr. Gerken called the meeting to order at 6:08 P.M.

## 2. Introductions

Introductions were made for Independent Citizens Oversight Committee (ICOC) members, District staff, and Reed Glyer of Stradling Yocca Carlson & Rauth.

## 3. Roll Call

**Members Present:**

Dr. Diane Gerken
Mary I. Helvie
Karyn Koenig
Ben Lien
Valerie Gerken Rios
Jason Prater
Floyd Strayer

**Members Absent:**
Jolyn Depriest
Sean R. Dunbar

**Others Present:**
Oscar Esquivel, Asst. Supt. for Business Services and Support
Reed Glyer, Bond Counsel, Stradling Yocca Carlson & Rauth
Carolyn Scholl, Facilities Planning Manager
Rudy Valdez-Romero, Director of Maintenance and Operations
Theresa Villanueva, Director of Fiscal Services
Ann-Marie Pering, Manager, Purchasing, Publications, and Warehouse
Joe Dombrowski, Facilities Maintenance Manager
Lisa Brannen, Business Services and Support Specialist (Meeting Recorder)

## 4. Welcome and Opening Comments: Oscar Esquivel

Mr. Esquivel welcomed members to the ICOC and thanked everyone for donating their time.

## 5. Overview of the Independent Citizens Oversight Committee
***Reed Glyer, Bond Counsel, Stradling Yocca Carlson & Rauth***

Mr. Glyer was in attendance to provide an overview and orientation for ICOC members. Materials for Items 5.a. through 5.e. were provided to members for their review in advance of tonight's meeting.

### a. Proposition E Bond Language

Mr. Glyer stated that the bond language provided to voters (identified as Exhibit "A" and made a part of these minutes) is of significant importance to the ICOC. He emphasized the project list, the 31 school sites in School Facilities Improvement District (SFID) No. 1, and the types of improvements that can be financed with bond funds.

### b. Role and Responsibilities of the Committee Under Proposition 39

Proposition 39 allows school bonds to pass with a 55 percent approval vote. One of its safeguards is the requirement for a citizens oversight committee with its composition of community representatives.

In November 2012, voters approved Proposition E, a $90 million general obligation bond. The ICOC will review expenditures and ensure that the $90 million authorized under Proposition E is spent as presented to voters. Bond funds cannot be used for overhead or employee salaries.

The ICOC will receive and review a minimum of two audit reports each year. One will be the District's annual performance audit for Proposition E, which will state what facilities and projects were financed during the year. The second will be the District's annual financial audit, which will verify fund balances and the financial position of the District. These audits will be performed by an independent (third party) auditor.

The ICOC will meet at least once every three months and provide an annual report to the Board of Education at a public meeting. Mr. Esquivel commented that the ICOC and the District will collaborate on the report prior to the Board meeting.

Mr. Glyer stated that the role of the Committee is an oversight committee. The committee does not determine the priority of projects or how much money is spent on each one.

## c. Mission Statement, Bylaws, and Annual Reports

The ICOC First Amended Bylaws (identified as Exhibit "B" and made a part of these minutes) were first adopted by the Board of Education at the time of ICOC formation, and recently amended on September 6, 2017, to allow members to serve a third two-year term. The District will provide copies of the annual independent performance audit and annual independent financial audit. The ICOC will provide a report to the Board of Education and will report at least once annually at a regularly scheduled Board meeting. Mr. Glyer stated that the ICOC will not be involved in the activities listed, which include construction contract approvals, prioritizing of school projects, and timing of bond sales. Decisions on these matters will remain with the Board and/or Superintendent.

## d. Ethics Policy, Form 700

All ICOC members received a copy of the Ethics Policy Statement (identified as Exhibit "C" and made a part of these minutes).

Mr. Glyer stated that all public officials must complete and file Form 700 (Statement of Economic Interests) Assumption of Office form to disclose certain financial information. Each new ICOC member must file this form with the District within 30 days of tonight's meeting. Afterwards, Form 700 is filed annually. Returning ICOC members are not required to complete one at this time, but will continue do turn in their annual forms in the Spring.

## e. Brown Act: Introduction, Guidelines, and Rules

Mr. Glyer stated that the Brown Act, also known as the Sunshine Law, is open meeting law that applies to the ICOC. Dr. Gerken interjected that ICOC members should not communicate via email. All communication must be open and transparent. No one-on-one "serial meetings." Discussion about ICOC business should be limited to open meetings. Mr. Glyer emphasized the following points.

- A member can meet or talk with one other member about ICOC business outside a Committee meeting. However, the member cannot contact another member, then another, and continue contacting members individually to reach consensus. This process is known as a "serial meeting" and is prohibited.
- A member with an item that needs to be discussed with more than one other member should present the issue at an ICOC meeting.
- There will be opportunities for closed session. For example, closed session would be used to discuss litigation that arises out of construction.

While decisions in this example would be made by the Board of Education, the ICOC may discuss the litigation in closed session.

- Multiple members can attend a social event as long as ICOC business is not discussed.

Mr. Glyer clarified that members can provide reports to others about Committee business. He added that records generated for the ICOC are public records and that meetings are open to the public, which provide transparency for ICOC business.

## 6. Election of Chair and Vice Chair

Dr. Gerken explained the roles of Chair and Vice-Chair and asked ICOC members for nominations for the positions of Chair and Vice Chair.

MSCU Koenig/Helvie that Mr. Jason Prater be elected Chair of the ICOC.

MSCU Koenig/Helvie that Mr. Floyd Strayer be elected Vice Chair of the ICOC.

Dr. Gerken passed the gavel to Mr. Prater, who took over the running of the meeting.

## 7. Proposition E: Informational Presentation

Mr. Esquivel provided an informational presentation on Proposition E and answered questions from ICOC members.

Mr. Esquivel explained the background of the bond issuances, what constitutes SFID No. 1, and how priority was determined for modernizations. Bond issuance Series A and B were issued totaling $45 million and used to install wireless internet technology at all 31 school sites and modernize the first six schools on modernization priority list Castle Park, Rosebank, Lilian J. Rice, Ella B. Allen, Hilltop Drive, and Vista Square Elementary Schools. The remaining $45 million was issued in January 2017 and will be used to modernize Karl H. Kellogg, Harborside, John J. Montgomery, and Sunnyside Elementary Schools, and Mae L. Feaster Charter School. All budgets are estimates, and will change depending on final costs. This may cause project delays, or certain projects may not be completed. .

Mr. Esquivel explained that there are three major categories for improvement: infrastructure (electrical, sewer, water and storm drains, roofs, fire alarms, electrical closets, and structural), energy enhancements and other areas (HVAC, window replacements, energy efficient lighting, classroom upgrades, ADA compliance), and wireless technology upgrades.

Mr. Esquivel further explained that the 11 sites not modernized under Prop JJ were top priority. Prior modernizations were mainly on classrooms for items such as new sinks, whiteboards, carpet, lighting, cabinetry and painting. No major infrastructure repairs were completed. He added that the District is not neglecting the other schools, which are newer and already have a lot of the infrastructure in place due to Proposition JJ.

Mr. Esquivel reviewed the Series A, B, and C bond issuances, and described the costs of issuance. Dr. Gerken inquired whether there would be any interest income for Series C. Mr. Esquivel explained that all funds are required to be deposited into the County Treasurers office and affirmed that there is interest accruing. Mr. Esquivel reviewed the costs of the phase one modernizations and explained that all costs are audited every year through an external financial and compliance audit to ensure money is expended correctly.

Mr. Valdez reviewed the work completed at the Phase One school sites. He explained that unexpected repairs are sometimes needed as modernizations progress that change the estimated cost. Mr. Valdez gave the example of Ella B. Allen Elementary. An oil tank was found buried on school grounds and had to be removed and remediated. District contractors test each site to ensure that any hazardous materials are removed and proper abatement measures are taken. Xeroscape drought tolerant landscaping is installed.

Mr. Valdez explained the bid process. Mr. Esquivel showed the ICOC the Contract Awards for Phase One Summer 2014 and 2105 modernizations so the committee could see all the major expenses and how they break out.

Mr. Valdez explained the District is working with an architect and has received plans for the next three sites. Division of State Architect approval for all three sites is expected within the month. The District is planning to start the bid process in November, with January Board of Education approval.

The Series C bonds will provide funds for the five sites scheduled for modernization in Summer 2018 and Summer 2019. The delivery method for the modernization projects will be through multi-prime bids with a construction manager (Balfour Beatty Construction) assisting the District for the five sites. Mr. Valdez commented that the District wants to be about a month ahead of schedule for the bid process.

Dr. Gerken commented that she wants to make sure the District is allowing non-PLA bidders in case the PLA bidders come in too high. Mr. Esquivel assured her that the District would.

Mr. Lien asked whether the bid process would include all three schools. Mr. Esquivel replied, yes. Bidders have to make sure they have enough manpower to do all three sites simultaneously.

Mr. Lien asked what was done in 2016 and 2017. Mr. Esquivel replied that there was no construction activity because the District was waiting for the Series C Bond Issuance which occurred in January 2017. Mr. Esquivel explained that bond sales are contingent on assessed property valuation growth in the SFID No. 1 community. The money from Series A and B was spent on the 2014 and 2015 modernizations. The District could not take action on the next phase until the Series C money was issued in late January 2017.

Dr. Gerken asked if the schools will all be on the same calendar. Mr. Esquivel explained that District schools begin the school year in late July and end in early June. The calendar for schools scheduled in Summer 2018 will need to change to a traditional schedule (September to June) for the 2018-19 school year to allow modernization during the summer months. Mr. Esquivel stated that the school calendar is consulting with the District employee groups and the process is not yet complete, and the new calendar may not be available until the Spring 2018.

Guest Martha Juarez commented that in some cases the final amounts spent on the phase one modernizations were nearly double the original estimates. She asked if the revised estimates are available to the public. Mr. Esquivel replied that the estimates are available to the public. Mr. Esquivel also noted initial estimates for the Summer 2018 and 2019 projects exceed the available Proposition E bond proceeds. The District will have to supplement the project funding or make adjustment to scope of work. The architects are currently working on an updated estimate.

Mr. Valdez and Mr. Esquivel reviewed the ranking criteria and process for prioritizing modernizations. The second phase of Proposition E will consist of five schools scheduled for modernization as follows.

| Summer 2018 | Summer 2019 |
|---|---|
| Harborside Elementary<br>Karl H. Kellogg Elementary<br>Montgomery Elementary | Sunnyside Elementary<br>Mae L. Feaster Charter School |

Mr. Esquivel clarified that SFID No. 1 excludes mello roos schools. The monies are not commingled.

Mr. Esquivel once again reviewed the duties of the ICOC and the fact that it is an oversight committee, not a decision-making body. Dr. Gerken mentioned that tours of the summer 2018 modernization sites usually happen in April or May during the day so ICOC members can see the sites before and then again after the modernizations.

## 8. Remaining Tentative Meeting Dates for 2017-18

**December 13, 2017**
**February 2018 TBD**
**April/May 2018 TBD**

ICOC members agreed to hold the next Committee meeting on December 13, 2017. Mrs. Brannen explained that the Spring 2018 meetings are dependent on the dates of the Board meetings, which will be determined in December.

## 9. Other Items/Open Discussion

Guest Gary Elhard asked if anyone is taking minutes. Mr. Esquivel replied that Mrs. Brannen takes the minutes. He asked if it was every meeting. The answer was yes. He asked what type of training is given to the ICOC Members. The reply was that this meeting was a training, and that additional trainings can and will be scheduled as members express the need. He further asked if minutes are taken during the site tours. Dr. Gerken replied that they open the tour with a meeting, pause the meeting to take the tour, and then reopen the meeting when they return.

Mr. Prater thanked the District staff for their hard work. Mr. Esquivel stated that ICOC Chair Mr. Prater and he will meet to discuss items for the December 13 meeting. Mr. Esquivel thanked everyone for serving on the ICOC and said the main goal is to improve facilities for District students.

## 10. Adjournment

Mr. Esquivel adjourned the meeting at 7:35 P.M.

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