



Measure J Citizens' Oversight Committee

South San Francisco Unified School District

Meeting Type: Meeting of the Citizens' Oversight Committee (Meeting No. 27)

Meeting Date: Tuesday, July 14, 2015, 6:00 pm

Location: South San Francisco Unified School District Office Board Room
398 B Street
South San Francisco, CA 94080

Notice: Maria Barcelata-Long provided Spanish interpretation services for the CBOC members.

1. Preliminary

1.1 CALL TO ORDER – 6:05 pm

1.2 ROLL CALL

1.2.1 PRESENT: Richard Holt
Martin Romero
America Gutierrez
John Sanna (Chair)
Rich Blank (Vice Chair)
Dana Abarca (Clerk)
Paul Formosa

1.2.2 ABSENT: Patricia Turpo-Ames (Excused)
Julia Lopez

1.2.3 OTHER: Judy Bush – SSFUSD Board President
Patrick Lucy – SSFUSD Board Vice President
Michael Krause – SSFUSD (MK)
Salom Samad, SSFUSD (SS)
Donna Fentanes, SSFUSD (DF)
Amy Bueno, SSFUSD (AB)
Maria Barcelata-Long
Dr. Shawnterra Moore – SSFUSD
Tim Fox – County Counsel
Rudy Sultan, Kirk Beckstead – USS Cal Builders
Dave Demaray – Project Frog
Cindy Alger, Bill King, Mike Bible, Gary Rubino – WMCA
Jeanette Holt – SSFUSD Personnel Commission

1.2.4 DF performed a roll call. Six (6) out of nine (9) members were present which resulted in a quorum. America Gutierrez arrived at 6:07 p.m.

2. Approval of Agenda – Approved by John Sanna (Chair).

3. Approval of Meeting Minutes No. 26 – Meeting Minutes No. 26 were conditionally approved, Martin Romero's Solar document will be added, typographical errors will be corrected and Paul Formosa's departure time will be documented, corrected minutes will return to next meeting's agenda for unconditional approval.
4. CBOC Annual 2014-2015 Report to Board of Trustees – Asst. Superintendent of Bus. Svcs.
 - 4.1 MK reviewed last year's CBOC Annual Report, will move back submission date in order to include comments and concerns of CBOC. JS said one thing he'd asked Larry Scott was to include public comments and addressing the issues of the past few months. AG would like CBOC make a difference in their public representation, PF would like recommendations from Forensic Examination be a part of Annual Report. MR said we need to go through rest of discussion items, this item should have been further in agenda, CBOC table discussion until later in meeting.
 - 4.2 Topic was revisited after Attendance Report Review agenda item. MR suggested we submit recommendations to Board of Trustees to consider that FE was discussed by CBOC. MR not convinced we've received fair return on Bond funds. MR would also like to recommend returning funds to Measure J for Chevron project, could be used to fund new Martin school. County Counsel clarified CBOC's intent in its annual report, not an individual wish list, but a group report. CBOC will revise annual report and bring to next meeting to approve. PF added he's ok with last year's language, but in light of FE, maybe "bond proceeds have been maximized, have been used in most economical fashion" questionable like MR said. PF doesn't know if he'd favor using that language in report. JS commented it is not a boilerplate form, will start working on a draft, will add public comments, board consensus and concerns. Will direct staff to start building draft.
5. Measure J Update – Asst. Superintendent of Business Services
 - 5.1 MK updated projects: MK mentioned contractor & Project Frog in audience tonight at invitation of District. Contractor working evenings & weekends to complete projects. JS & SSFHS slated for opening in Fall, looking nice. PWY & BB phases to be completed by school beginning. Delay at PWY because of elevator crew scheduling.
 - 5.2 Sunshine Gardens & Los Cerritos were pushed back until next summer. Gives time to work with architect, contractor and principal. RFP being issued for architect for Martin project to create Master Plan for that site which includes first phase work (EXPL, LIB, MOD & 2 or 4 PK), looking at demographic study for future enrollment needs. JS asked about expenditures for Martin, i.e. engineering or soils costs, will they have to be redone. MK to discuss with new architect. DA fears that since Martin is last project, there will be no money for it. MK assured CBOC money is available for first phase work. MR asked amount for Martin budget, MK said \$10M, PF asked if it will be redesigned, MK there are 2012 schematic drawings. PF asked about Modernization, MK explained gutting school and replacing. AG asks who authorizes changes, MK many entities bring ideas to Board, Board has final authority. DA commented that Martin is in bad shape, \$10M not enough, worst school in District. MK explained what the \$10M will do, JS brought up final comment regarding swing space, MK contractor has figured temp housing. Rudy Sultan/USS Cal (RS) explained some of the Martin issues. RS said he requested to come to meeting to address Forensic Ex. Concerns, will be submitting official response. JS said he could comment during public comment time. MR expressed frustration over the past three years of how projects have progressed, quality of buildings, JS allowed MK to take little break.
6. Forensic Examination dated May 27, 2015

- 6.1 MK explained every bond program has performance audit done, snapshot as to where the District expenditures are. Directed CBOC to pg. 18 to recommendations with findings, things we can improve on, create standard operating procedures for greater transparency & accountability, steer away from LLB contracts and look at hard bids as much as possible, ensure policies & procedures for change orders/amendments are followed, everything needs to be signed and counter-signed.
- 6.2 CM Role: MK reviewed CM role, “boots on the ground”, weren’t being kept in the loop. FE recommendations that CM to be involved in all meetings and changes. SS keeps MK informed on all construction, CM holding all parties accountable for construction process. Other recommendations will require all pay apps to have appropriate signatures, advances will cease, staff to ensure all docs and work are done before payment is made and bids will be complete.
- 6.3 MK asked for questions: JS asked if advance pay work has been completed, MK said it is 100% complete. SS explained the pay app approval process. AG asked how all this has happened, MK is committed to ensure better procedures, hold people accountable, ensure it doesn’t happen again. AG frustrated, what do we do. DA expressed frustration also, DA mentioned AG’s concern about quality of workmanship, DA also said \$10M is not enough for Martin. MK \$10M Martin included in \$11M shortfall, so there is possibility of breaking even. DA Martin will cost more than \$10M.
PF asked if \$11M deficit may be low, MK confirmed there are estimated costs, and District trying to do value engineering which may result in surpluses. PF commented that CBOC should be aware of costs, report has eroded public trust in Bond program, need to regain public trust by involving as many people as possible in new procedures. MK said CDWL along with District staff are working on new standard operating procedures, this report not the end, will address issues raised in report, hopefully win back the trust, new superintendent coming on board, lots of key players had changed. MR mentioned report timeline where former supt. presented options for Martin, conflicts with what MK is saying, not true LLB contract per definition explained in report.
- 6.4 County Counsel explained LLB definition as presented in FE, his office may remove LLB. MR continued to review timeline as outlined in FE, commented that USS Cal was awarded contract not PF as he thought. Rudy Sultan/USS Cal Builders responded with several comments. Stated lots of competition for modular contracts, came down to two entities, PF & American Modular. USS Cal partner with PF, we carried the bond. MR asked how sitework & work beyond 5’ was missed. RS stated we were not asked to price that, contract says so and was presented to Board as such, also other contractors were doing underground work. RS concerned a lot of bad information was in report. MR said these costs should’ve been in bid, RS stated RFP did not include sitework. MR asked about pay advances, RS responded about being asked to do extra work beyond their contract and contract grants District to pay in advance for certain activities, RS also stated USS Cal has gone 90 days of non-payment. MR would like proof of non-payment, RS said less than 3 months ago. MR cont’d and asked why LS & Swinerton not notice the sitework omission. MR said info was kept from CBOC, very disappointed. AG added that she is upset and frustrated. MK working diligently to cut costs on projects as we go forward, will receive hard bids in future. MK added weekly meetings are held every Wednesday, Bond Team on Thursdays, moving forward District & CBOC hold me accountable, these findings never happen again.

- 6.5 JS said the CBOC is concerned and frustrated, since they have no authority, no teeth, it has been very hard on them. Frustrated that they weren't made aware of these things. Closes this section. Rich Blank leaves meeting at 8:18 pm.

7. Review of Measure J Bond Financial Reports

- 7.1 MK said MR requested list of invoices, which were included in meeting packet. All expenditures to date. MK reviewed change order approval process. MK assured CBOC all money being spent is what it's supposed to be spent on, auditors didn't see any misspending, no stolen money, allowable expenditures under Measure J. Other docs include Bond accounts print out from Accountability, MK asked if we did summary reports for the annual report. JS didn't think so, AB said it is in there. MK said won't know final amounts until projects are completed.
- 7.2 PF asked about the two different invoice lists he received. He asked if CBOC can get for all the projects. AB told him the reports are in the closed projects binder. PF would like to see a spreadsheet with all the projects, with totals to date. MK will work with staff, and will distribute excel document to MR. PF would like a copy too. MR questioned why three vehicles were bought by Bond office. MK explained the use of the vehicles and that they would revert to District at end of Bond program. AG remarked that was a waste of money.
- 7.3 JS remarked that Martin expenditure amounts varied, one document has a certain amount, then the next one had a different amount. MK will look into it. Martin will be funded from non-Measure J funds, end of day all projects done. PF said then Martin won't be a Measure J project, MK said possibly. JS would like to know where the money went.

8. Newsletter & Messaging to the Public

- 8.1 JS passed around a sample quarterly report. MK explained quarterlies are a small snap shot, can be put on website, committee president works on it with members, an FYI to public.

9. Attendance Report Review

- 9.1 JS deleted topic, return to topic #4. (see #4 for notes at this time.)

10. Meeting Schedule

- 10.1 Discussion on whether to meet before September in order to approve annual report. CBOC determined to meet in September, to review and approve annual report so it will be presented to Board of Trustees at 2nd Board meeting in September. Next meeting set for Tuesday, September 8, 2015 at 6:00 pm. MK to make annual report drafts.

11. Public Comment (10 minutes maximum). Public comments are limited to 3 minutes per person.

- 11.1 Gary Rubino with WMCA commented as a taxpayer who was around for Measure C and J. He asked about LLB contracting, and why District didn't have multiple bids. County Counsel responded that LLB is an alternate construction delivery method provided by the Education Code that benefits the District by working with contractors known for high quality work. DBB limited option for

District, LLB can negotiate final & value engineering terms, can't do that with hard bid process, pros & cons to both sides.

- 11.2 Cindy Alger with WMCA expressed how frustrated she has been for the past three years. She said everything that's in the audit is what she's been trying to communicate these past three years. Who's accountable for LS & AH standing in front of us and lying, \$162M in mistakes. \$334 aggregate costs.
- 11.3 Board President Judy Bush commented that she is disappointed and disheartened about the forensic examination. JB expressed appreciation to the CBOC, the Board as well as the CBOC expected transparency and detailed communication, and that did not happen. JB thanked MK for his work, and assured that he will continue to focus on establishing procedures so this doesn't happen again. The Board will continue to work with CBOC, need to rebuild trust.
- 11.4 Rudy Sultan/USS Cal Builders wanted to address two things. 1. Change order requests were District proposed or requested, rarely did USS Cal propose changes. 2. RS hears everyone's frustration, but USS Cal is in the middle. RS urges CBOC to review FE, USS Cal has been hurt by this, will respond in detail. PF asked when. USS Cal to send detailed response to FE to MK. JS asked that as soon as MK gets it, CBOC would like to see it. Might impact our annual report.
- 11.5 MR wanted to thank all the staff that has stayed and worked through these difficult times, all should be proud. JS agreed.

- 12. Adjournment – JS asked for adjournment, and the meeting was adjourned at 9:24 p.m.

Please advise the District within 48 hours if there are any errors in the meeting minutes. Provide questions and comments in a written form and address all discrepancies to the Assistant Superintendent of Business Services and South San Francisco Unified School District.