

MEASURE A - STRONG SCHOOLS BOND  
CITIZEN'S OVERSIGHT COMMITTEE  
PALO ALTO UNIFIED SCHOOL DISTRICT

MINUTES FOR MEETING OF April 21, 2010

Opening

The Citizens' Oversight Committee held a meeting in the conference room of Building D - Facilities & Construction Building, 85 Churchill Avenue, Palo Alto, California.

Members present:

Mr. Ray Bacchetti, Senior Citizen, Taxpayer Organization  
Mr. Scott Darling, At Large Member  
Mr. Gary Hornbeek, Parent, PTA Member  
Mr. Deepak Kanungo, Parent  
Ms. Caroline Maser, Parent  
Mr. Jim McFall, Business Organization Member

Others present:

Mr. Tom Hodges, O'Connor Construction Management  
Mr. Arnold Teten, Gilbane Building Company  
Mr. Lori Alvarez, O'Connor Construction Management  
Mr. Alex Morrison, Gilbane Building Company

District Staff Present:

Dr. Robert Golton, CBO  
Mr. Ron Smith, Facility Project Manager

Members absent:

Mr. Steve Shevick, Parent

Public Comment

There was no request for public comment.

Approval of Minutes

MOTION: McFall moved to approve the minutes of January 20, 2010, with the correction to Bacchetti spelling; correction to: Hornbeek declined position of chair – deleted; correction to 1<sup>st</sup> paragraph in Chair 2010: Bacchetti argued that the Chair should rotate and therefore, declined the position of chair; correction to date in the footer; correction to page 2, paragraph 3: Hodges confirmed that change order contingency is budgeted as 10% and paragraph 5: Hodges confirms there is only one main construction. The motion was carried 6-0 since one member was not present. The motion was seconded. Motion carried 6-0.

Review of Agenda

Program Status Update

Golton said they wanted a convenient way to understand, as it relates to the Board and the Construction Team, where they are as far as dates are concerned. Hodges said the new format contains photos on the right and the left margin has the milestone dates and the red dash line indicates where they are currently.

High Schools Master Plan: Facilities master plan approved by the Board March 31; launched into a CEQA process at the high schools; Paly CEQA approved on February 23 and on April 6 they took a revised Gunn Master Plan to the Board, most of the changes being to the group 2 projects. They will rework the performing arts building and move that over to the quad area where the RC building is. Some of the modernization of Spangenberg moved below the line to offset the costs. Gunn CEQA will go to the Board next Tuesday. They have the landscape master plan that is ongoing and will go to the Board in June. Hodges said similar to the Gunn master plan, they will probably need to go to the Board with a revised master plan list for Paly. Hodges said they applied for CTE

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grants and there is some shifting of priorities, but he believes every year or every other year they will be updating the master plans.

New Classroom Building: Hodges said they received schematic design approval on January 26 which was right after the last COC meeting. He said they moved in and completed design development last month and DLM is on track to submit construction documents to DSA at the end of June.

Darling asked if the time built into for DSA is standard? Hodges said 8 months is general. He said DSA said their workload is starting to decrease. Hodges or Smith will meet with DSA quarterly. Smith said they are also giving them monthly updates of what their projects are so they can plan their workload. Bacchetti asked what is involved in those 8 months? Hodges said if they take up to 8 months, 4-5 months is bin time, 1 - 1½ months to review the plans, and the last 2 months for the architects to review the comments and respond.

Portable Relocation Project: Hodges said this project will take place this summer. They received the award of the contract April 6. He said Rodan Builders were the successful contractors. Darling asked if all the portable moves were bid together? Hodges said each high school had their own. He said the work will begin June 14. Darling asked how big the job is? Hodges said Gunn is \$805,000 and Paly is \$690,000.

Gunn High School Parking & Drop Off: Hodges said this project is waiting for the CEQA approval process. He said this is part of the regrouping; initially they had a phase 1 and a phase 2 and now they only have a phase 1. Hodges said the drop off plan over at Miranda Avenue entry was originally below the line when they did the master plan, but through the CEQA process it became apparent it needed to get done earlier because they started ticketing parents for dropping off at the VTA bus stop. He said the project will now be this drop off improvement and the entire parking lot as soon as the portables are moved. Hodges said it was planned for this summer, but now it looks like it will not get done until summer 2012.

New Gym at Gunn High School: Hodges said they are looking into submitting to DSA on June 29.

Paly Multi-Use Fields: Hodges said this project just bid and the award was approved April 6 by the Board. He said it will be done by Valley Crest Landscape and they will begin on June 1. Hodges said a portion of the baseball field will be turf and the rest will be grass. Smith said they will be very similar to the fields at Gunn. McFall asked if there was an arborist involved? Hodges said they talked to Canopy about it. He said they had an arborist involved for the possible move of the performing arts building at Gunn to look at all the oaks. Hodges said the arborist reviewed 12 different oaks and that is where they had an arborist produce a report. He said otherwise, they have just been working with them as part of the landscape master plan. McFall said he would encourage an arborist be involved on projects that are near trees. Golton said Chuck is doing this with Canopy and he has arborist reports on Gunn High School. Hodges said the tree protection measures during construction have been done for years and so they have done enough to where they know what to put into the bid documents in order to protect the trees. He said where they are getting the arborist to advise them is on the health of the trees, whether they need to be pruned, their general health, and if they are savable. McFall said Canopy is a great organization, but they are not professional arborists. Golton said Ruth and Mary Gordon and the subcommittee are also involved. McFall said it sounds like there is no professional input. Mr. Smith said Bills Tree Service has looked at it, he is a registered arborist. McFall said he believes there should be a standardized process to protect the landscape. Golton said it is a good suggestion. He said the question is where is our reporting out process? Golton said it would seem for every one of these projects they should be able to report out some sort of formal process. McFall said if there were an arborist involved to look at this specifically with the project in mind, then they might say you don't need to move this to point B and that might save money. Golton asked Hodges if that is not already done? Hodges said yes they have, it just

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has not been documented but he sees no reason to not do that. Golton said they should have this response scripted out and have it documented. Hodges said they get so much good consulting on trees at no cost from Canopy and once they begin asking for reports and recommendations specific to a project, they will have to pay. He said he still thinks it's a good idea.

Bacchetti asked what the difference is between grass and turf. Hodges said grass is natural turf and when you say turf, it is usually a playing surface. He said turf can be natural or artificial.

Deepak said he is trying to tie the schedule summary with the budget on the multi-use fields. He said he would like to know why it was budgeted for so many dollars and very little is being spent. It says multi-use fields' budget, 3 million dollars. Hodges said that is Measure A money, it's a multi funded project. He said what they are seeing is only the money that has been applied to Measure A funds. The total project budget is 4.76 million. Hodges said when that project is awarded April 6<sup>th</sup> they will see a jump in that amount on the next report.

### Stadium Field:

Hodges said this has been kicked back and they are starting over with the conceptual design and are hoping to come back to the Board in June with a new more comprehensive plan for the football stadium.

### Palo Alto High School:

Hodges said they submitted to DSA on June 29. They just completed design development drawings. He said Gilbane has been working with DLM to confirm estimates.

### Portable Relocation at Paly:

Hodges said it was approved by the Board on April 6 to Rodan Builders. He said the notice to proceed is May 3, but it will probably start the same date as Gunn, June 14.

Hornbeek asked where they are being moved from and to? Hodges said there are 2 locations; 3 will get relocated next to the pool and some will go between the science building and the 700 building. The remaining portables will go by the student services building and the library. He said there is a total of 16 portables. McFall asked if the Chinese elms will be affected? Hodges said those will stay.

### Theatre at Paly:

Hodges said they're looking into having the conceptual design in June. He said the plan shown is old, the plan they will see next time has 2 levels; it will have an orchestra level and a balcony level.

### Jordan:

Hodges said they are in the middle of approval for the schematic design. They had their first reading back in March and they are going to Board again on Tuesday. Hodges said there is a new classroom building that will go in the parking lot along Middlefield. He said there is a new cafeteria building that will be built where the tennis courts are right now. Hodges said there are 2 classes that are in the M wing that will move to the old cafeteria space and that will free up some space. He said it is put off in an angle to create direct access to the stage.

### JLS:

Hodges said they are looking to go to the Board on May 11 and the May 25 meetings. He said they are getting closer to having a design of the new classroom building.

### Terman:

Hodges said it is going to the Board on the May 11 and the May 25 meetings. He said Terman is mostly renovation work. Hodges said there is a new drama classroom and a computer lab will move into the existing drama classroom. Hodges said the main part of the work is the administration wing; there is new construction that is going to the eastside of the wing. He said they will move the

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administration building to the front of the school and will shift the library to a new space which will give Terman an additional 2 classrooms.

### Ohlone:

Hodges said, Teten said DSA has started to review this project and they are hoping to get a stamp out by July 31, then they will go out to bid by fall. He said they do have a relocatable project; they are taking the 2 daycare portables and they are adding 2 more growth classrooms so there will be 4 portables: 2 daycare portables and 2 growth classrooms. This will start as soon as school is out.

### Fairmeadow:

Hodges said the Board approved the conceptual plan April 6 and they are moving into schematic design with Gelfand. He said there are 2 plans; one is sort of a long range master plan for the campus. Hodges said it has an enlarged multi-purpose room and an enlarged admin, relocating kindergarten wing, new 2-story classroom wing, and they have reconfigured the site area. He said this is what the Board approved for this bond, the phase 1. They have the new classroom wing, some site work, expansion of the library, and the relocation of the kindergarten wing. Hodges said the multi-purpose and the expansion of the admin wing will be deferred to a later bond.

McFall asked if the JLS building is 2 stories? Hodges said yes. McFall said it came up during the B4E program to unanimous panning by neighbors on 2 story buildings. He asked if they had any feedback on that? Hodges said that was before his time, but his understanding is it was tearing down wings by Meadow and building a 2-story building so it was mainly the neighbors on the other side of Waverley street who were the main opposition to that. Golton said the Board asked if the neighbors had commented on the 2-story building and he said the answer is, if you go out to the street you don't even know it's there.

Hornbeek asked when will the monthly report show a budget for Fairmeadow? Hodges said on the next monthly report. Hornbeek asked if it comes out from the Garland number? Hodges said no, it comes out from the elementary reserves. Hornbeek asked how much will that be? Hodges said \$9,327,500. Golton said they hope to get the elementary budgets approved on Tuesday, April 27.

Hodges said part of that item going to Board is to change that from the teaching wall project to what they are calling elementary classroom improvements. He said instead of doing teaching walls, the elementary school principals have agreed they would rather have something that is called a technology wall which is a smart board with white boards on either side of it. Hodges said the principals felt the teaching walls took up too much space at the front of the classroom. He said part of that project is putting in new indirect/direct pendant lighting, adding ventilation, windows, and replacing any of the old painted case work that was not replaced in the last bond.

Bacchetti said the March report says they will rename the project to include technology and it says new lighting, new window shades, and new ceiling tiles; that sounds like it's going from something techi to something mundane, deferred maintenance. He said he is not arguing it isn't a good thing to do, but why did it go from the exotic to the mundane? Golton said they were really moving forward with teaching walls notion, but they found the schools didn't want them. Bacchetti said but there is a choice there, which is putting the money back and reprioritizing, if they did that, would this be what is at the top of the list? Hodges said for existing classrooms, yes. He said most of these classrooms were renovated and what they are doing now is trying to address the things that didn't get done; that is where the list came from with the exception of the lighting that came from the CHPS guidelines. Darling said what you are saying is there needed to be some kind of improvement to these rooms, you thought the teaching walls were the improvements, the principals said no, these are not the improvements we want, these are the actual improvements we want. Hodges said yes, the original list had the teaching walls, replacing the cabinets, adding some tack boards, and white boards; they didn't think that was important. Hodges said the lighting was added in.

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### Industrial Arts Renovation:

Hodges said the Industrial Arts building has been completed.

McFall asked the committee if this what they want to see, is this program status update helpful? Darling said he would like to see is this on the same with the monthly report information because he found himself looking back to the monthly report as they went along. Maser said what if they reduced or took away the pictures and put the money information in. Golton said so what you are saying is the Committee would like the financial information and the timing information. Maser said yes, take C out.

### Monthly Reports

McFall said they will be notified when the first two monthly reports come out. Golton said Lori will post the monthly report around the 10<sup>th</sup> and send out an e-mail to the COC that she has just posted the monthly report.

Bacchetti asked on the January report on page 4 under aquatic center, if he takes the expended and subtracts it from the budget, he gets \$169,000, and then if he looks at the change order number and subtracts from what was spent, it is \$195,000. He thought the change orders were part of the whole budget so you can't save more on the change order than what you saved on the whole project. Hodges said the changes orders are measured against the change order contingencies so the approved change orders of \$194,739 were part of the \$389,697 construction contingency. Bacchetti asked but wasn't the \$389,697 part of the \$5,000,013? Hodges said yes it was so the first sentence is telling what has been expended to date and if they assume that there are no more expenditures and the amount is \$195,000 that \$389,000 construction contingency is counted as what was expended, it's being committed so really they have saved double that. Bacchetti said so if they don't spend anymore then when they close out this project there will be the saved \$169,000 plus another 195,000? Hodges said yes. Bacchetti so that's the answer, the \$389,000 has already been counted as committed in total budget until they actually close out the contingencies, it will not be factored into the total overall budget. Hodges said there are a handful of projects closing out and they could probably provide the Committee with what the project savings is. McFall said that would be useful.

Bacchetti asked if the Industrial Arts building is closed out now? Golton said no because it had some substantial occupancy on 4<sup>th</sup> of January, but it really is not finished. Golton asked Teten if the contractor closed out? Teten said yes, the final change order has been issued. Golton said so there's that but there is the issue of the state fees and as far as the official close out with DSA, when will that happen? Smith said they are gathering paperwork and they anticipate they will have the entire close out package next month and then 4 months from there. Bacchetti asked in March report the IA building came in 15% under budget, is that approximately the savings on that project? Hodges said yes. Bacchetti asked if that is any kind of a harbinger until the market gets better? Hodges said yes.

Bacchetti asked if at some point in the future it would be a benefit to the management reputation to say that from the beginning of this project, until the market turns around, they were able to save X million dollars and they were able to reprioritize and move down the project list? Hodges said when they sweep money and close out projects it goes to the Board because they will either sweep it back to reserves or back into that high school fund. Bacchetti said it is documented in a rutinized way, then it's really lost. Golton said that suggestion is well said because as opposed to saying they saved some money here and here, at some point the annual report will be coming up and maybe that will say this is where this money will go. Bacchetti said he thinks that would be a good place for it. McFall said he doesn't agree with that because these estimates are developed by the design consultant, O'Connor, and Gilbane early on and that's what the starting point is so that's a conceptual preliminary cost and that's pretty early in the process. If there is a focus to get that number where construction comes in under, there may be subconsciously some inflation potential in that initial number to make the district look better. McFall said following that is also the A & E. He would prefer the estimates be as accurate as possible. Maser said she thinks there also a danger to

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the public looking like they are taking credit for something out their control. McFall said but the early estimate does affect soft costs? Hodges said yes, when he develops a budget, he has to start with construction costs.

Hornbeek asked on the March monthly on the financial page at the very bottom of column A, the total budget is \$344 million and the December report it was \$332 million, where did the \$12 million go? Golton said they appropriated technology money to the schools. Hornbeek asked \$12 million worth? Golton said yes because it was the money for the schools which was about 8 million and the centralized money which was \$3 something million. He said \$8 million will be spent on computers for schools. Golton said Ann Dunkin, IT Director, has come up with 8-9 year plan to refresh computers at the schools and VOIP.

Hornbeek said the Garland project is on hold but it still has the \$22 million budgeted, will that come off or will it be held there for the next few years until further action? Golton said the Garland lease runs until 2015 and they have the ability to capture the site back in 2013. Golton said what they believe their growth will be in the fall is 200 kids at the elementary level and 0 at the middle and high schools level. He said so the magic bullet for accommodating growth is raising class size and the stress on the general fund budget has caused them to raise class size, which is happening all over the state. Golton said they have accommodated growth by increasing class size, but they can't keep doing that forever and they believe the economy will turn around and therefore, they will need another school.

Darling asked there is something called the Bond Advisory Committee? Hodges said that is the site committee.

McFall said on page 4 of the summary in the inactive capital projects, they are not really inactive so maybe a description of the status in the summary might be helpful. McFall said one graphic request, on the master schedule summary, is it possible to make that readable in black and white? Hodges said they will see what they can do.

Hornbeek asked if for the executive summary they could place technology as a paragraph since it is our third largest expense? Hodges said sure.

McFall said he counted about 20-25 projects ongoing, do they reach a point where there are too many projects to handle? Hodges said they will staff up as these projects start to come on line, you will start seeing more staff. He said his team will stay pretty consistent, but the Gilbane staff will increase as they move into construction. They do have a plan for the next 4 years.

### Change Orders

Golton said McFall had e-mailed him with questions about change orders and handed out the questions and explanation about each change order. Deepak asked what was the biggest change order? Golton said the grading work at the pool was \$33,000; installing water heaters \$32,000. Golton said here are the amounts for the computers for the schools: \$3.1 for the high schools; \$2.2 million for the middle schools; \$3.6 for the elementary schools; \$3.2 million for use at the district level.

### COC Administrative Items

McFall said at the last meeting everyone seemed to indicate they were willing to continue on. McFall asked whether there would be an application process if they would like to sign up again? Golton said no, he believes they could say they would like to continue and do some kind of a community that would say, the following people would like to continue on and then the Board at their discretion could say they will take everybody or they will take nobody and so it is up to the Board. Golton handed out the COC guidelines. Darling said at the interim meeting they talked about staggering the Board so there will be new members and old members, but in reading the statutes you cannot do that. Maser said having the whole committee turn over at once two years from now is not adventitious to the next committee. Maser said she would be willing to step down because she feels strongly about that.

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	<p>Golton said the COC guidelines say if a committee member submits a written resignation, within 60 days of being notified of a vacancy the Board will appoint a new member. Golton said the COC members notify if they are staying or not staying by May 15<sup>th</sup>. McFall said he is inclined to step down. Hornbeek asked but as chair shouldn't McFall be there to present the annual report? McFall said he could show up to present the report. McFall said so that would be 2 committee members out of 7. Golton said well they don't know what Steve Shevick will say. McFall asked the committee members to notify Golton by the 15<sup>th</sup> if they would like to stay or go. Golton said they will need to match the reason why they were on the committee. Golton asked who will ask Steve? McFall said he will check with him.</p>
<u>QSCB</u>	<p>Golton said legislation passed and signed by Governor validating the lottery process to issue the QSCBs. He said the other thing is they are tax credit bonds and the federal government has authorized direct pay bonds. Golton said that's happened in the interim and so they are moving forward. Golton believes they are proceeding with issuing these bonds by July.</p>
<u>Audit Timeline</u>	<p>Golton said the auditors will be back September 13<sup>th</sup>. Golton said they have brought on a half time person; Sunny is processing purchase orders, but as far as the invoices and paying, Theresa is doing that. Golton said another thing he should mention is GAGAS (General Accepted Governmental Auditing Standards); he said there is legislation going through Sacramento that would require audit firms to use GAGAS.</p> <p>Bacchetti said they need to start a draft report. McFall said they could begin this summer and he was envisioning keeping the same report format as last year. Darling said they will not have a draft audit committee report until the 30<sup>th</sup> of September, but they can start gathering everything together from the monthly report at the end of June. Darling said he thinks it's a good idea to meet with the auditors once they have a sense of what is unfolding under the audit. Golton asked if they would like to meet with the auditors the first day also? Darling said he doesn't see a lot of value in that. McFall asked if they would like to agendize a meeting with the auditors in September? Darling said yes, they could just have another discussion item on annual audit.</p>
<u>July 14, 2010 Agenda</u>	<p>The July meeting was moved to the 14<sup>th</sup> at 4:00 p.m. and the agenda for the July 14<sup>th</sup> meeting includes:</p> <ul style="list-style-type: none"><li>• Project status update</li><li>• Information on COC members continuing or not</li><li>• Annual audit</li><li>• Site visit at Paly</li></ul> <p>Hornbeek asked if the meeting could take place at Paly. Golton said yes, they could have the meeting in Building D, but they will do the site tour at Paly. McFall said there is a webcam here where they can see the progress on the multi-use fields. Smith said they had the initial webcam investment; it is a web based cam so they have been moving it from site to site. He said for the El Camino fields they mounted it on the tower and it has the capability to zoom in or out and move around.</p>
<u>Next Meeting and Future Meetings Schedule</u>	<p>July 14, 2010 October 20, 2010 January 19, 2011</p>
<u>Adjournment</u>	<p>The meeting was adjourned at 7:13 p.m.</p>