

LOS ANGELES UNIFIED SCHOOL DISTRICT

SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE

Constance Rice, Chair
L.A. City Controller

Scott Folsom, Vice Chair
Tenth District PTSA

David Crippens, Secretary
L.A. Area Chamber of Commerce

George Stavaris, Executive Committee
California Taxpayers' Association

Joseph P. Buchman – Legal Counsel
Burke, Williams & Sorensen, LLP

Elizabeth Bar-El
LAUSD Student Parent

Charles Bergson
LAUSD Student Parent

Christopher Espinosa
L.A. Mayor's Office

John Hakel
Associated General Contractors of
California

Lynda Levitan
Thirty-First District PTSA

Tyler McCauley
County of Los Angeles

Thomas A. Rubin
Oversight Committee Consultant

Anastacio Medina
American Lung Association

Richard Slawson
L.A. Co. Federation of Labor,
AFL-CIO

Betty Valles
AARP

(Vacant)
American Institute of Architects

(Vacant)
Planning and Conservation
League

Gary C. Anderson
Director

Frank Padilla
Administrator

**Citizens' Bond Oversight Committee
Regular Meeting
Beaudry Building
333 S. Beaudry Ave, Los Angeles, CA 90017
Wednesday June 21, 2006**

Committee Members Present: C. Rice; S. Folsom; D. Crippens; E. Bar-El; C. Bergson; C. Espinosa; T. McCauley; A. Medina; B. Valles

Committee Members Absent: G. Stavaris; J. Hakel; L. Levitan; R. Slawson;

Agenda Item 1. Call to Order

Ms. Rice called the meeting to order at 10:00 a.m.

Agenda Item 2. Chair's Remarks

Ms. Rice skipped the Chair's Remarks.

Agenda Item 5. Consent Calendar

Ms. Rice announced that the May 17, 2006 Minutes were not available. She introduced the Consent Calendar consisting of the April 19, 2006 Minutes, BOC Quarterly Report (Jan-Mar 2006), KPMG Bond Audit, and Existing Facilities SEP Amendment for projects at Ellington Continuation HS.

There was a Motion, Second, and vote to approve the Consent Calendar without the May 17, 2006 Minutes.

**Aye: 7
Nay: 0
Abstain: 0
Absent: 6**

Agenda Item 7. Existing Facilities SEP Annual Update

Presenter: Bruce Kendall, Deputy Chief Facilities Executive, Existing Facilities

There are currently over 14,000 projects that have been completed with a value of over \$2 billion. There are 5,976 projects that are in construction or in pre-construction. In last years SEP the goal was to complete 2,500 projects valued at \$550 million. A total of 3,804 projects were completed with a value of \$455 million. Some errors in the draft of the June 2006 SEP Annual Update were noted, and a revised Board Report was distributed with the summary of revisions.

Mr. Kendall identified the following program highlights:

- 67% Small Business Participation for the current fiscal year
- 4% Construction Contract Change Order Rate
- Over 22,000 invoices processed this fiscal year
- 20 days – Average payment time for construction contracts

Effective February 1, 2006, organizational and process changes were implemented to build upon past successes and improve project execution.

There is a new section in the Existing Facilities SEP for Showcase Projects. The intent is to increase visibility. A new section provides an asset overview. Information such as square footage and the number of portables can be found in this section. There is also a new section on the Facilities Condition Index (FCI). This section provides a description of the FCI and how it is used.

Mr. McCauley asked how the downward trend in student enrollment was incorporated into the SEP. Mr. Kendall responded that his program is taking into account the work of New Construction. Mr. Medina asked if older bungalows would have to be brought up to current standards. Mr. Kendall responded, yes. Part of the master plan for portables addresses the economics of repair versus replace. Mr. Medina asked when the HVAC study would be completed. Mr. Kendall responded that the study would be brought to the BOC in August.

Ms. Bar-El asked if there was a connection between the projects that are identified for a school and the FCI percentage they will have when completed. Mr. Kendall responded that the FCIs listed identify the FCI score after the completion of identified projects. The FCI model includes approved projects. Ms. Rice asked Mr. Kendall for the status of the long term maintenance plan. Mr. Kendall responded that it was imbedded in the FCI model as the lifecycle of each building component is included. Ms. Rice asked if the District recognized that General Fund money is required to be allocated to fund the long term maintenance plan. She asked if there was a scheduled maintenance plan. Mr. Kendall responded that the BOE acknowledges the model but he chose not to speak for the BOE regarding providing the funding. Ms. Rice asked Mr. Rubin to find out if the BOE acknowledges funding for maintenance. Ms. Rice stated that the culture of the District has to change to create a stream of funding, not just for maintenance, but for IT. Ms. Rice requested Mr. Kendall add a page acknowledging the BOC to the Existing Facilities SEP.

There was a Motion, Second, and vote.

Aye: 8

Nay: 0

Abstain: 0

Absent: 5

Resolution 2006-26 Passed Unanimously

Ms. Rice acknowledged Mr. Kendall for the work he has done with Existing Facilities.

Agenda Item 6. BOC Election

Presenter: Joseph Buchman, BOC Legal Counsel

Mr. Buchman announced that the election was for the BOC Chair, Vice Chair, and Secretary. A description of duties was provided. Mr. Folsom nominated Ms. Rice for Chair. Mr. Buchman asked if there were other nominations. There being none, he requested a motion that nominations be closed. Mr. Folsom moved that the nominations be closed, and the motion was seconded and passed unanimously. Ms. Rice was elected Chair by acclamation.

Ms. Rice nominated Mr. Folsom as Vice Chair. Mr. Buchman asked if there were other nominations. There being none, he requested a motion that nominations be closed. There was a motion that the nominations be closed, and the motion was seconded and passed unanimously. Mr. Folsom was elected Vice Chair by acclamation.

Mr. Medina nominated Mr. Crippens as Secretary. Mr. Buchman asked if there were other nominations. There being none, he requested a motion that nominations be closed. There was a motion that the nominations be closed, and the motion was seconded and passed unanimously. Mr. Crippens was elected Secretary by acclamation.

Mr. Folsom nominated Mr. Stavaris as a member of the Executive Committee. Mr. Buchman asked if there were other nominations. There being none, he requested a motion that nominations be closed. There was a motion that the nominations be closed, and the motion was seconded and passed unanimously. Mr. Stavaris was elected to the Executive Committee by acclamation.

Mr. Folsom motioned to table electing the fifth member of the Executive Committee until the vacant BOC seats were filled. There was a motion, second, and vote to table the election of the fifth member of the Executive Committee. Ms. Bar-El asked if Mr. Stavaris indicated he wanted to be on the Executive Committee as he was not in attendance. Mr. Buchman responded that Mr. Stavaris can resign if he does not wish to serve.

Agenda Item 8. New Construction SEP Amendment – Cancellation of Central Region MS No. 5
Presenter: Tom Calhoun, Regional Development Manager for New Construction, Central Region

The recommendation is to cancel Central Region MS No. 5 (CRMS #5) as it is no longer needed due to the results of recent demographic data. Both LeConte and King Middle Schools will be able to meet their goals of 2,000 seats or less without CRMS #5.

Mr. Espinosa asked if the BOC would be receiving the recently completed demographic information as well as be informed of other district-wide cancellations. Mr. Calhoun responded that as the charrette process continues modifications to the SEP are made and proposed. CRMS #5 was designated a preferred site in the fall of 2004. It has been on hold pending studies. Mr. Calhoun added that modifications will be brought back after the Phase IV planning is completed. Mr. Espinosa indicated he was aware of another project that was placed on hold pending demographic results. He stated it would be beneficial for the BOC to review the demographic information. Mr. Calhoun stated that Master Planning and Demographics provides an overview of its new demographic projections to the BOE yearly. Mr. Crippens requested a demographic presentation to the BOC every 3-4 months.

Ms. Rice requested clarification that the calculations for student capacity at a middle school are based on the assumption that middle schools should be capped at 2,000. Mr. Calhoun responded that middle schools are capped at 2,400. With the Phase IV bond, the BOE set a goal of reducing middle school sizes to below 2,000. Ms. Rice does not agree with the current size of the middle schools. Ms. Rice stated middle school is tough as it is where kids are lost to gangs and where the drop-out curve starts. Ms. Rice requested clarification that the cancellation of the middle school is based on a 2,400 student capacity. Mr. Mehula responded that he does not disagree that the student capacity should be lower. In the design of new high schools a student capacity over 2,000 was not considered and for new middle schools the target was 1,250. Mr. Mehula stated eligibility will run out before the kids can be removed from multi-track. If everything in the program is built, some high schools will house 2,400-3,000 students and middle schools over 2,000. Over half the schools will be above state average size.

Mr. Folsom stated at the last community meeting he attended the project was linked to the proposed 6-12 grade SPAN school at Los Angeles City College. He asked if this was still the plan. Mr. Calhoun responded that the project is independent of the CRMS #5. Mr. Calhoun stated that without the CRMS #5 project the LeConte enrollment will decrease

from 2,239 to 1,548 and the King enrollment will decrease from 2,854 to 1,829. Mr. Folsom stated that the proposed site for CRMS #5 is not the best. He stated it is one of the driving forces as to why the project is being cancelled.

Ms. Rice asked Mr. Rubin and Mr. Anderson to find out what the ideal size of a middle school should be. She also requested a cost benefit analysis to examine the savings in terms of kids dropping out and getting in trouble. She would like to be able to report to the public that investments in keeping middle school sizes down will provide savings down the road. Regarding the demographic concerns mentioned earlier, Mr. Crippens would like to see what the impact of charter schools are.

Mr. Medina requested the current enrollment of each middle school in the District be provided to the BOC. Ms. Bar-El asked if there would be any implications on the scheduled work for both King and LeConte middle schools with the cancellation of CRMS #5. Mr. Calhoun responded that there are no implications to the schools. The schools will have reduced enrollment because of the other middle schools in the area. Ms. Bar-El stated that in the Board Report \$1.5 million has been spent on the design and development of the CRMS #5 and she wanted to know what level of architectural plans were developed. Mr. Calhoun responded that the project was in the design/development phase and the initial studies of the CEQA process.

Public Comment: Doug Haines

Mr. Haines spoke in favor of the cancellation of CRMS #5. He stated over the past two years the community has expressed concern that there are declining demographics in the neighborhood. He stated if the school had been built in his neighborhood it would not only have uprooted over 200 people, but, bussing kids in from both King and Virgil middle schools would have continued. There is also the issue of the school location, facing the 101 freeway on two sides and next to the Western Avenue onramp. Mr. Haines reiterated the community's support for the cancellation of CRMS #5. He expressed his gratitude for Mr. Calhoun and the Facilities Services Division for listening to community concerns and trying to make the right decision.

There was a Motion, Second, and vote.

Aye: 9

Nay: 0

Abstain: 0

Absent: 4

Resolution 2006-27 Passed Unanimously

Agenda Item 9. School Bus Strategic Execution Plan

Presenter: Antonio Rodriguez, Director of Transportation

The school bus bond money will be used to replace 300 small and medium buses used for the special education program. This program currently uses buses that were purchased in 1978-1979. Mr. McCauley asked for the average age of a bus. Mr. Rodriguez responded that the average of the entire fleet is 18.3 years. A stream of funding is being pursued from the BOE to replace buses in the fleet. Mr. McCauley asked if safety issues were being considered on the older buses. Mr. Rodriguez responded that the buses are inspected every 3,000 miles or 3 months, whichever comes first. Buses are also inspected by the California Highway Patrol yearly. Safety is number one to the Transportation Branch.

Mr. Medina asked if the entire fleet will be needed in future years given the fact that schools are being built in neighborhoods where children do not have to take the bus. Mr. Rodriguez responded that his group does expect a small reduction in busing but other programs are growing. Mr. Medina asked about the availability of green diesel and about the storage accommodations for the buses to refuel. Mr. Rodriguez responded that they have parking slots since the new buses will be replacing old ones. As for the fuel, the fleet was converted to low sulfur fuel back in 2001 so the fuel is in place. Mr. Medina asked if the Air Resources Board and AQMD were contacted to find out the best available technology for exhaust on the buses. Mr. Rodriguez responded that the AQMD must provide an okay prior to purchasing the buses.

Mr. Bergson asked if there were matching funds involved or if the buses would be purchased wholesale in total with the funds. Mr. Rodriguez responded that the monies will be used to purchase the buses in total. Ms. Bar-El asked if there had been a search of funds from organizations that are geared towards improving air quality. She asked if there were grants in existence. Mr. Rodriguez responded that applications are sent in every year to the AQMD. These funds are for transit buses and not special education buses because they do not come in a compressed natural gas (CNG) model. The District has approximately 91 CNG buses. The funds received are small.

There was a Motion, Second, and vote.

Aye: 9

Nay: 0

Abstain: 0

Absent: 4

Resolution 2006-28 Passed Unanimously

Mr. Crippens recommended putting together a compendium of leadership roles that the District is taking their impacts (i.e. environmental and social issues). Ms. Rice charged Mr. Kendall with putting this together.

Ms. Rice asked Mr. Rubin and Mr. Anderson what the maintenance process is on the buses and where the funding is coming from. She wanted to know what the BOE is doing ensure there is a strategic execution plan for lifecycle maintenance of the buses.

Agenda Item 3. Monthly Program Status Report for Modernization

Presenter: Bruce Kendall, Deputy Chief Facilities Executive, Modernization

Mr. Kendall stated there are over 20,000 projects valued at \$4.1 billion. For the month of April construction contract awards totaled \$34 million versus the estimated \$39 million. There were 126 projects that started versus the 238 that were estimated.

There are 622 BB projects in the planning phase. Mr. Kendall assigned a special team to focus on BB projects. Approximately 44% of the Measure K program is either completed or in construction. In the Measure R program there are approximately 1,285 projects valued at \$513 million. The Measure Y scoping work is almost complete.

Mr. Medina asked if there was a way to quantify how much the District spends on graffiti removal. Mr. Kendall responded that approximately \$10 million was spent on graffiti abatement. This does not include the cost of police investigations. The number includes vandalism as well as graffiti. Mr. Medina asked if the District has worked with paint manufacturers to come up with a paint that would make it impossible for anything to stick to it. Mr. Kendall responded that a lot of work has been done. The District has yet to find a product that does not have chemicals that are not good for the students. There are coatings that can be applied but the cleanings components do not pass District safety checks.

Agenda Item 4. New Construction Monthly Program Status Report

Presenter: Jim Cowell, Acting Deputy Chief Facilities Executive, New Construction

Mr. Cowell stated that the proposed state bond does not provide a tremendous amount of relief in terms of eligibility. There are some eligibility initiatives being proposed. An Alternative Enrollment Projection has been turned into the state. This could provide 9,000 units of eligibility. The House Count Augmentation is another initiative. This allows additional eligibility where there has been housing development within District boundaries.

Mr. Cowell provided an update on Ramona Opportunity HS. The land exchange agreement will go to the MTA Board at the end of the month. The land exchange agreement will go to the BOE for receipt on June 27, 2006. MTA is working on the acquisition of two Alma properties. DSA design approval is expected by the end of the month. Bids for the project are expected in September. The target for the land exchange is November 1, 2006.

Mr. Cowell provided an update on Real Estate activities. Forty out of 53 Phase II/III projects have achieved preferred site. Although the real estate market has softened, prices continue to increase.

Several awards have been received in the last two months. They include the Award of Excellence from the Urban Land Institute and the Manual Arts ES #1 Science Center Award from the Los Angeles Conservancy. The American Institute of Architects and the Construction Management Association of America toured new schools.

Joint use opportunities are being explored at North Hollywood ES #3. The District and City of Los Angeles are formulating a partnership on city-owned land adjacent to the property. Joint use opportunities are also being explored at East Valley HS #1B regarding the construction of the pool.

Grading is under way at Central LA HS #9 (450 N. Grand). A ground breaking ceremony is planned for September. At the Anthony Office Building site, the BOE approved/awarded the contract on May 23, 2006. A ground breaking is expected in September. At Central LA MS #4 there were some issues with the site conditions on the playfield. A Removal Action Work Plan was approved by DTSC. The school will open on time. Green Dot has a lease for a portion of the school to create a charter.

The Southeast Learning Center and Banning ES projects are almost complete. About six months ago the projects were dead. They both had defaulted contractors. The schools are scheduled to open on time.

Mr. Espinosa informed the BOC that the City of Los Angeles is making progress on joint use. Mr. Espinosa is trying to secure \$600,000 for a synthetic field and bleachers at Central LA HS #2. Regarding North Hollywood ES #3, Mr. Espinosa indicated a land exchange agreement could be done. Regarding East Valley HS #1B, Mr. Espinosa stated that the City of Los Angeles will be looking for capital dollars to make sure the 50/50 match is met. Regarding Vista Hermosa, Mr. Espinosa stated \$500,000 dollars of Proposition K money has been awarded for synthetic field on the site. Mr. Espinosa is also pursuing the LA Dodger organization to contribute to the synthetic field funding. Mr. Espinosa stated he will be starting a working group at the City of Los Angeles.

Mr. Folsom asked for information about the delay of school openings. Mr. Cowell stated Belmont #6 is one of four schools with a delayed opening. There were issues with the flooring, window, and electrical contractors who went bankrupt but have been now replaced. The schools will open on August 18th instead of July 6th. Cahuenga ES is ready to open in July but recently School Management Services decided to open on August 18th. In September five high schools and one middle school will open. There are three Valley high schools that will meet seat relief for the fall but won't open until October 3rd. These include EVHS #1B, EVHS #2, and EVHS #3. Schedule issues have caused the delay.

Mr. Crippens and Mr. Folsom both indicated that the participants of the LA Chamber of Commerce event were impressed by the tours of new schools.

Ms. Rice adjourned the meeting at 11:31 a.m.

Minutes of June 21, 2006 Approved per Bond Oversight Committee on August 16, 2006

David Crippens

David Crippens, Secretary