



CUPERTINO UNION SCHOOL DISTRICT
Citizens' Measure H Bond Oversight Committee (CBOC)

Minutes of the September 23, 2015 Meeting
Approved December 16, 2015

MEMBERS PRESENT:

Emily Lee Kelley
Mark Burns
David Fung
Randall Shingai
Orrin Mahoney
Daniel Nguyen
Liz Brockman

MEMBERS ABSENT:

None

NON-MEMBERS PRESENT:

Chris Jew, CUSD, Chief Business Officer
Pam Mackey, CUSD, Administrative Secretary to Chris Jew
Mary Ann Duggan, CUSD, Director-Facilities Modernization
Kent Brown, Kitchell CEM
Linda Rizzoli, Swinerton Management Consulting
Jeff Scogin, Ann Kennedy Group (AKG)

CALL TO ORDER:

Mark Burns called the meeting to order at 7:30 p.m.

ADOPTION OF AGENDA: Randy Shingai made a motion to approve the minutes; Liz Brockman seconded the motion. Agenda was approved unanimously.

APPROVAL OF REVISED MINUTES OF JUNE 17, 2015: Emily Lee Kelley made a motion to approve the minutes as revised; David Fung seconded the motion. Minutes were approved unanimously.

PUBLIC COMMENTS: None

UPDATE: 2012 MEASURE H BOND PROGRAM (\$220M OVER 6 YEARS)

A. Progress Report (PowerPoint Handout dated September 23, 2015)

- Mary Ann Duggan reviewed recently completed projects, projects in progress, as well as other project developments.
 - a. After taking into consideration neighborhood concerns over the placement of additional parking at Cupertino Middle School, it was decided an additional 29 parking spaces would be built along Bernardo Avenue.
 - b. The District bought-out many modular leases and refurbished existing modulars which were later placed where needed.
 - c. The future installation of an IT control room emergency generator will enable the District to keep email and telephones functioning for a period of time in the event of an emergency. It will also allow IT to systematically power-down.
 - d. Artificial turf is now being used at school sites instead of grass. The material used is for pedestrian use and not sports turf which is known to shed. The same material has been used successfully at Cupertino High School and is known to be cooler in temperature.

- e. Restrooms scheduled for modernization are always gutted and inspected prior to construction, to avoid any unnecessary repairs later on.
- f. Construction delays at McAuliffe and Muir did not stop the schools from opening. Both staff and administrators worked over the weekend to get both schools ready for the first day of instruction, Monday, August 17. Mary Ann Duggan expressed gratitude to everyone who assisted in making sure the schools opened on time.

The contractor awarded the bid was to modernize McAuliffe and Muir only; no other schools were assigned. (Last year, the same contractor was used to build the CMS quad area.) The general contractor was not cooperative and had only one superintendent for both sites. Casework and cabinetry were not ordered correctly or in a timely fashion. Once the work was finally completed, however, the schools were very happy with the results. In addition to procurement issues, the contractor experienced a shortage of labor. They will not be used again.

A committee member commented having a delay of this nature is extremely rare, and it would be good to review how we can prevent such problems in the future. Fortunately, the delays did not have a fiscal impact on the Bond Program or District. There are contingencies for work not completed to specifications or completed late, and work is not paid until it is completed. In this case, other contractors were brought in to finish the work.

- The annual bond financial and performance audit was conducted, and preliminary results show no findings or questionable costs. The final reports are expected in November and will be brought to the Board in December 2015 for approval.
- Bond List Revision #9 (handout) was approved by the Board on September 22, 2015.

B. Financial Report (Spiral-bound Progress Report) dated June 12, 2015

Jeff Scogin of AKG provided a program overview:

- Master Project List Report (Pages 1-13)
 - Total Elementary Schools: \$99,400,198
 - Total Middle Schools: \$79,660,416
 - Total District-Wide: \$41,578,056
 - *Total General: \$26,668,734*
 - *Total Program Costs: \$5,400,000*
 - *Total Technology: \$5,729,169*
 - *Total Contingency: \$3,780,153*

Overall Total: \$220,638,670
- Bond List Revisions Approval Request (Pages 14-26): Revision #8 as of 5.20.15

Report has been approved by the Board. "Growth Portables" is now referred to as "Replacement of Aged Portables". Note: \$77,561 in interest earned was added to the total program budget.
- Whole Program Summary Report (Page 27) Reporting Inception through 6.30.15

The District spent \$102,720,522 to date leaving a balance of \$117,918,147. Program is trending well. We have spent approximately half of the money and completed approximately half of the projects.

- Project Summary Report (Pages 28-37) Reporting Inception through 6.30.15
- Fiscal Year 2014-2015 Quarter 4 Cash Flow Chart (Page 39) Spend Data through 6.30.15
Chris Jew, Mary Ann Duggan, Jeff Scogin and Ann Kennedy met in July to review the next bond sale. (\$70M unsold at this time.) The District must have the money to back the total encumbrance of any contract. To help with costs, the District will look into refunding old bond debts.
- Project Sequence (Page 40). Lists construction sequence from 2013 through 2018. Serves as a good reference for both community and schools.

OTHER CITIZENS' BOND OVERSIGHT COMMITTEE BUSINESS

- CBOC bylaws state the committee must have a minimum of seven members. Members agreed, however, that more than seven would be beneficial. Recruitment for at least two new members (one at large and one parent) to begin as soon as possible.
- The District reviews enrollment outlooks each year, and information should be available for the committee to review in February 2016. Currently, there is an overall decline in enrollment, with southern neighborhoods stagnating/declining and northern areas increasing. As students in grades 6-8 exit over the next three years, it is anticipated the incoming kindergarten students will not fill the gap. The demographer bases projections on live births, which may be increasing now we are out of the Great Recession. Redevelopment projects will add to the enrollment within the next 10 years. The Oaks and Marina developments are assigned to Garden Gate Elementary School which, at this time, has no space.
- A subcommittee was established to prepare the committee's annual bond program report: Mark Burns, David Fung and Randy Shingai. The report must go to the Board by the end of March each year. Jeff Scogin will assist in gathering information and developing a format for publication. Once the bond audit is finalized in November, the subcommittee will prepare a draft for the committee's review and approval in December. When finalized, publication can begin in January with the presentation of the bond report to the Board in February 2016.

NEXT MEETING DATE: Wednesday, December 16, 2015, from 7:30 to 9:00 p.m. in the District Board Room.

ADJOURNMENT: 8:45 p.m.