



# SAN MATEO-FOSTER CITY SCHOOL DISTRICT

## BOND OVERSIGHT COMMITTEE MEASURE X

November 14, 2017 - Meeting Minutes

1) Call to Order:

- a) Bond Oversight Committee (BOC) called to order at 6:15 P.M. on November 14, 2017 at the District Office, Bowditch Conference Room.

2) Roll Call:

Bond Oversight Committee Measure X Members Present:

Fred Baer, Board approved 2 year term expiring 4/20/19  
Cormac Kissane, Board approved 2 year term 4/20/19  
Ryan Nobrega, Board approved 2 year term expiring on 4/20/18\*  
Wayne Pitcher, Board approved 2 year term expiring 4/20/19  
Julie Scanlon, Board approved 2 year term expiring on 4/20/18\*  
Susan Totaro, Board approved 2 year term expiring 4/20/18

Bond Oversight Committee Measure X Members Not Present:

Carole Groom, Board approved 2 year term expiring 4/20/18  
Eric Holm, Board approved 2 year term expiring 4/20/18

District and Facilities Staff Present

Joel Cadiz, Director of Facilities, Maintenance, Operations and Transportation  
Nancy Fergoda, Facilities Financial Analyst

3) Public Comment: None

4) Approval of Minutes:

- a) A quorum of BOC members was present, and the minutes from the meeting on August 1, 2017 were reviewed. No changes were recommended.

b) Motion to approve: Cormac Kissane

Second: Wayne Pitcher

In favor: All

Opposed: 0

Action: Approved

5) Review of Agenda

6) Review of the Financial Expenditures:

- a) Joel presented the Measure X Financial Reports as of September 30, 2017, which have been produced by a new accounting software program provided by California Financial Services (“CFS”):
- i. Many School Districts across the state are using this third party software to report to their Bond Oversight Committees. The software directly interfaces with the accounting system used by the County and by our District. We can upload our data to their service and then can run a variety of reports. This is our first opportunity to share the reports with you and we chose to present this particular set of reports. It is a work in progress going forward to determine the most effective means of presenting the financial information, and there are a variety of reports available within the system.
  - ii. The cost of the software has a start-up component; and then an annual fee.
  - iii. The front page lists all the Measure X projects that are set up in our accounting system as of now.
  - iv. The pages behind the first summary page show the expenditures that have occurred over the life of each project, from the inception of Measure X through September 30, 2017. Expenditures are listed by vendor, in alphabetical order.
  - v. Joel used the example of Project #099-B000 (“Districtwide - Business Office”) and explained some of the detail by vendor. (For example, Allied Storage was for the purchase of a storage unit to be used during Measure X construction; Box, Inc. is for a cloud service that enables us to share plans, drawings and other documents with Architects; California Financial Services is for the CFS software; Chavan & Associates is our current auditor; Christy White is our previous auditor; Nancy Fergoda is for gas reimbursement; Flyers is the local gas company that fuels our Facilities vehicles; Orbach Huff are our attorneys.)
  - vi. Susan Totaro asked about the \$340,945 negative number for SMFCSD; and the positive number of \$376,861. Nancy explained that these are Job-to-Date numbers, and that the negative amount represents the amount of expenditures that the District has transferred out of this “bucket” and into the individual construction projects. [This activity is done at the end of each fiscal year.]
  - vii. Joel reviewed the detail by vendor for project #099-B901 and this includes: Bay Area News Group where we advertise for pre-qualifications, BOC members, etc.; School Advisors is a consultant that is helping use identify other funding sources such as Prop 51.
  - viii. Joel reviewed the detail by vendor for Charter Square (project #110-B000). No expenditures to date.
  - ix. Joel reviewed the detail by vendor for North Central (project #111-BB000). There are no expenditures yet, but we have encumbered \$6,750 for a preliminary site assessment of the property where the school will be located.
  - x. Joel reviewed the detail by vendor for Abbott Middle School (project #211-B200). Total expenditures to date are \$553,000. Project to date includes expenditures to repurpose some teaching spaces; architects and consultants fees, water testing, title search costs, etc. Julie commented that Cody Anderson Wasney appears to be charging more than other architects. Julie compared them to QKA on the Bayside project, but the Bayside project is for a gym only and not classrooms. Joel explained that CSDA, the architect on Borel, is slow to bill; and that the architect fees are in fact comparable overall. Julie asked about EMC Planning and Joel said we will get back to them on that. BKF is for civil engineering.
  - xi. Julie asked if we are on track with soft costs and Joel confirmed yes. It’s the construction costs that aren’t on track. We are working with an original budget of \$18.8 million on Abbott, for example, which was created 2 years ago; and the construction climate has changed since then. Revised schematic packages were given to the estimator in October. Julie inquired about funding from sources other than Measure X. Joel responded that the

biggest opportunity for state funding relates to the site acquisition of the Charter Square property and we are pursuing that. Julie requested that going forward we report quarterly expenditures rather than project-to-date.

- xii. Fred Baer asked for an update on the Bayside Gym project. Joel explained that we are still in negotiation with the City of San Mateo as to the precise location of the building. We own the property, but we are in the middle of a 50-year lease for \$1 per year with the City, whereby they can use the property when school is not in session. The City maintains the shared property. Part of the negotiation is whether there will be a joint-use agreement whereby the City can use the gym when school is not in session, and the details are being ironed out. Fred asked how this affects the timeline and Joel confirmed that this has caused some delay.
- xiii. Fred raised the issue that Foster City does not have a full-size gym anywhere; and he suggested to possibly fast track the Bowditch Phase II project. Julie added her concern that all Phase II projects may be in some jeopardy due to the overruns on Phase I projects. Joel explained that we are doing everything we can to value-engineer the Phase I projects to keep the construction costs as minimal as possible. For example, we have reduced the number of actual classrooms that are being added at Abbott and Borel by repurposing some existing spaces. We are adding 6 new classrooms vs. the Next Steps recommendation of adding 18 classrooms.
- xiv. Fred suggested that it would be helpful to see the total expected budget for each project and potential total costs, showing potential overruns.
- xv. Julie inquired how the total Charter Square budget is going and whether we are on track to stay within the combined budget. Joel said we are doing everything we can to meet that dollar amount. There have been no Measure X expenditures yet, all costs to date have been charged to Measure L.

## 7) Program Status Update:

### a) Joel Cadiz presented a power point presentation with current Measure X project updates:

#### i Charter Square:

- a. There is now a more delineated parking lot and traffic flow / student drop off plan.
- b. Joel pointed out various value-engineering opportunities, for example the covered walkway may be eliminated; learning nodes may be eliminated except for seating, which will not be curved but instead linear; mechanically-operated windows may be eliminated; the front of the building has one arch vs. the original 3 arches.
- c. Joel showed various milestone dates. The EIR certification is expected to be approved at the 11/16/17 Board Meeting and the submission to DSA is expected to occur 11/20/17. Goal is opening of school in August of 2019.
- d. Fred Baer asked about the City of Foster City's idea that two new traffic signals will be needed on Shell Blvd. Joel does not know how that will be handled. Traffic is a concern, and the signals are a budget concern for the City and the District (approximately \$500K each).

ii. Borel Middle School:

- a. Need for classroom space is immediate. Seven teachers are on carts which is disruptive and inefficient. Borel has no extra room at this time so we created a new teaching space by erecting a wall in the library.
- b. Joel went over the critical milestones: Submittals to DSA are to occur Jan-April 2018, in 3 increments. Site work is to begin June 2018, with the goal of occupancy of the classroom building in December 2018 and of the gym/locker rooms in Winter 2019.
- c. Value-engineered items include: a reduction of square footage in the gym of 500 feet for a saving of \$300,000; locker room flooring will be concrete; adding 6 rather than 7 classrooms; and the classroom building will be modular which is cheaper and faster to erect.
- d. Julie asked if these value-engineered items will bring the budget to \$18.8 and Joel said we are still looking for other savings opportunities. Julie expressed the need to stay within budget so as to not jeopardize other Measure X projects.
- e. Joel also mentioned that the District is in discussion with the City of San Mateo, which will be building a new fire house on property adjoining the district's property. The two entities need retaining wall(s) and there may be savings opportunities by working in partnership to build the walls.
- f. Julie expressed budgetary concerns about building in phases; we don't want to jeopardize the other Measure X projects, but building in phases provides additional risks of going over budget for the Phase II projects.

iii: Abbott Middle School:

- a. Joel showed some schematic drawings showing the gym in the distance, looking from Alameda de las Pulgas.
- b. The revised schematics show value-engineered changes: the gym building roof is two-feet lower; and a two-classroom building with locker rooms underneath is smaller than the original proposed classroom building. The window design has more mullions with more framing, which provides savings; the width of the outdoor stairwell has been reduced; stucco finish.
- c. The construction here will be all in one phase.
- d. Milestones: March 2018 submission to DSA; October 2018 start of construction; occupancy April 2020.

iv. Bayside Gym:

- a. As discussed above we are in a holding pattern until agreement is made with the City as to placement of the building.
- b. Milestones: Ongoing negotiations for lease modifications are taking place with City of San Mateo; and Community Meetings will occur in November/December. After that, a further timetable can be determined.
- c. Fred asked about the timeline in general. Key steps are that the City of San Mateo City Council needs to approve the revised lease and building placement. Then the District Board of Trustees would need to approve, so probably Summer of 2018 to get full approval from all parties. Probably

November/December of 2018 the DSA submission could occur. Perhaps May of 2019 could be ground breaking, with completion in Spring of 2020.

- d. Julie expressed concern about the schedule, and that pushing back will mean increased cost; Cormac Kissane also expressed disappointment about pushing back potentially to August of 2018.
- e. Committee members suggested other negotiating points that might help to bring the timeline forward. Joel reminded everyone that there is a process.
- f. Julie and Fred expressed concern about the boundary between Phase I and Phase II projects, and that the District could be working on Phase II projects earlier. There is concern that the shifting out of Phase I will automatically push out Phase II, which only means more and larger budget overruns down the road for the Phase II projects.
- g. Ryan asked how to take these points of view to a place that can effect change. Committee members reminded each other that its role is to look at expenditures; that it has oversight but not a planning role. The committee discussed ways by which they can express concern about construction escalation costs and the impact that has on Measure X; and about the scheduling of projects.
- h. Fred asked who makes the decisions about Phase I and Phase II and when to start working on Phase II? Joel reminded the committee that that decision is up to the Board of Trustees (who originally laid out and agreed to the Phase I and Phase II projects).
- i. Fred asked if the BOC can go to the Board and express its concerns. Wayne said that the BOC role is to go to the Board if they are concerned that the Bond language isn't being followed.
- j. Julie said that their responsibility is speak up while they are concerned about the budgets; not to wait until afterwards and then speak up. Ryan asked if the 3 minutes of public comment at regular Board Meetings would be an effective tool and committee members said yes.
- k. Julie suggested the idea of starting a Phase II project that we can get going on right away, if in fact we are going to be delayed on one or more Phase I projects.

8) Future Meetings and Dates:

- a) Next BOC meeting will be held on February 6, 2018 at the District office, at 6:15 p.m. Facilities staff will send a meeting invitation to all attendees.

9) Future Agenda Items:

- a) Quarterly Expenditure information/reports
- b) Update on overall Charter Square Project (big picture) – because Measure X is the back-end of the project, it would be helpful to see where we are with the Measure L portion
- c) Phase II projects – what can we do to move forward, bonding limitation, where are we with the scheduling of bond funds
- d) Overall picture of Measure X including Phase I and Phase II

10) Meeting Adjourned at 7:45 P.M.