



CHINO VALLEY UNIFIED SCHOOL DISTRICT Facilities/Planning Department

Dr. Paul Andersen, Assistant Superintendent ♦ Phone (909) 628-1201 Ext. 1200 ♦ Fax (909) 548-6034

CITIZENS' OVERSIGHT COMMITTEE MEETING MINUTES May 16, 2005

The meeting was called to order at 5:05 p.m. with Roger Larkin, Gary Larson, Steve Elie, Mike Payne, Gerald Bruce, Sylvia Orozco, Paul Rodriguez, Darrin Dalton, Andy Anderson and Paul Andersen present. Gary Larson left at 6:15. Steve Elie and Mike Payne left at 6:25.

Rick Dempsey and Larry Fugal from PCM3, and John Grow, Director, Facilities/Construction, were also present.

1. Approval of minutes from January 10th and 24th and March 21st meetings

Gary Larson made a motion to approve the minutes from the January 10th and 24th and March 21st meetings, Andy Andersen seconded the motion, and all approved.

2. Comments from the public

No public comments were made.

3. Quarterly Report

Mr. Bruce summarized the topics discussed at meetings during the third quarter of 2005 in a report that he sent to the other members for review. Steve Elie moved that the committee accept the report as written to present to the board, Gary Larson seconded the motion, and all approved. Mr. Larkin set a tentative date to present the report to the board on June 2nd.

4. Committee Member Report of School Visits

Mr. Larkin asked if any members had made visits to schools. He reported that he went to Don Lugo and was impressed with what has been done there.

5. Implementation Plan

Dr. Andersen introduced Rick Dempsey and Larry Fugal from PCM3 and they explained the Implementation Plan that was presented to the school board. Mr. Dempsey said that when PCM3 started working for the district, some of the first items they addressed were the requirements of the County audit, several schools were occupied but not closed out, current construction projects were delayed, accounting and planning for Measure M bond programs was required. PCM3 broke these down into three phases: Phase I, close out old projects and assist in settling claims; Phase II, engage in the ongoing projects, assist district staff in solving delay problems and assimilating the ongoing projects; and Phase III, planning for less costly handling of the future projects. A Power Point outline explaining the implementation plan developed specifically for Chino Valley Unified School District was distributed to the committee and will be available on the website. Presentation covered the following:

- Create planning tools and program the standardization necessary for less costly handling of future projects
- Assemble team of qualified architects, construction managers and consultants
- Roles & Responsibilities Matrix – create clear lines of responsibility with no duplication of services
- Data collection – bond scope of work, proprietary standards, reporting system, analyze and assess the situation to understand district's needs
- Develop master schedule and establish priorities for the bond
- Prepare Implementation Plan – covers budgeting, scheduling, quality assurance, community reporting, communication, coordination with local and state agencies
- Monthly progress reports and quarterly program progress reports
- Part of PCM3 website devoted to CVUSD

- Implementation Plan consists of five volumes
 - Volume 1 covers the board presentation
 - Volume 2, budgets and schedules
 - Volume 3, Division 2 – 16 is the district standards and educational standards
 - Volume 4, Division 00-01, which is the heart of the Implementation Plan. Division 00 is the manual for contracting and budgeting a project. Division 01 is the specifications or individual project procedures manual. Division 00 and 01 was customized specifically for CVUSD
 - Volume 5, RFP's – Request for Proposals. Standardized the request for proposals for all services required during construction and modernization
- Questions from committee members:
 - Mr. Bruce asked for and received clarification on the phases in the implementation plan.
 - Mr. Anderson said according to a local publication it was said that we now have found the funds to be able to complete all of the projects that were scheduled for Measure M, and asked, 1) if that is an accurate reflection, and, 2) how did we go from a position where we knew going into it we weren't going to be able to complete all of them to a position where construction costs have increased by 30% to being able to now complete all of the projects. Mr. Dempsey explained that they are refining the lists, working with the principals and it will include some scope cutting, but they should be able to give them what they need. Dr. Andersen said that with the work done on the curriculum standards they have been able to come up with education specifications that are more cost effective than some of the work that was previously planned. He also said that there are more funds coming from the state match. Mr. Anderson asked if it is anticipated that the athletic facility at Don Lugo will be completed. Dr. Andersen said it's looking better but couldn't make a firm commitment at this time. A CEQA is required and that may raise other issues that will need to be addressed before a facility can be built.
 - Mr. Bruce asked about the Richland school being built. He noted that no numbers were associated with building the school. Dr. Andersen said it was almost the last project on the list. He said depending on how all of the other projects progress, and if there is unforeseen construction cost escalation, the need and capability for the district to construct the school will need to be reassessed as time goes on. He said if things stay steady, it is assumed that the district can get through all the projects. He said the standardization has been a major benefit for the program.
 - Ms. Orozco asked for clarification of the project phases at Don Lugo. She also asked if there is an overall summary of completed projects, amounts budgeted, and total costs, with a list of ongoing projects with amounts budgeted with a list of future projects with budgeted amounts. Dr. Andersen said PCM3 is currently working on that information. Mr. Klein has also requested that information. Mr. Fugal said he has the actual expenditures and the next step will be to match it up with the budget, and a copy will be made available to the committee.
 - Mr. Dalton asked if the construction manager's contracts were "at risk" or are there any caps or controls. Mr. Dempsey said their fees are tied to the cost of the project on an OPSC sliding scale, so they're not at risk. He said they are continually evaluating the construction management firms working for the district. Mr. Fugal said if there's cost containment on the change orders then the fees stay within those budgeted against the bid amount. As program manager, PCM3 is keeping a close eye on the change orders.

6. Performance Audit

The performance audit was distributed to the committee. Mr. Hennagin said many of the findings were basically the same as found in the County audit report. The PCM3 monthly status reports have answered a lot of the committee's questions. He said the district website is not up to date with the status report, but the PCM3 website is up to date. He said that one of the findings was the staffing in the Facilities/Planning Department, and noted that Sandra Chen is back in the district, and her presence will go a long way in helping the department in the planning process. One of the issues mentioned in the first audit was the pre-qualification of contractors. The district has since entered into an agreement with a firm who is handling the pre-qualifying of contractors for the bids. Mr. Larson asked for information regarding the exceptions listed in the report. Dr. Andersen said he would look into the issue and give a response at the next meeting. Mr. Elie asked when the next performance audit process would start and when the next audit report would be available.

7. Applications for new committee members

Mr. Larkin said there are some positions that expire at the end of June. Dr. Andersen said the open positions are listed in the quarterly report. He is hoping to have the board appoint new members at the June 23rd meeting.

8. Current Change Orders

Copies of change orders that were board approved at the last three board meetings were distributed to the members. Dr. Andersen had not received any questions from committee members regarding the change orders distributed at the last meeting. Gary Larson asked about the change order for Don Lugo modernization for revising door poles, deleting enlarged door openings, and change door hardware. He asked if it were for changing out old hardware or new hardware due the changing the doors. Mr. Grow said there were some changes in the grades of doors and there may be some extra stock to be returned to the district. Mr. Larkin asked if it was "spec'd out" incorrectly and Mr. Grow said yes.

Mr. Dalton questioned Don Lugo Change Order 5.6 for Rossetti, a credit for work that wasn't performed to demolish and replace doorframes for \$150, and 5.10, furnish and install knockdown frame, and said it didn't seem like the construction manager was taking care with the small items and hoped they were taking better care with the bigger ones. Mr. Dempsey said there is a lot of negotiating going on between Bernards Bros., the construction manager, and the contractors. He said Rossetti came in with a much larger change order and the CM worked hours on this change order in order to get these costs down. In his opinion Bernards did a very good job. Mr. Grow agreed and said they are working on getting better detail. Mr. Dalton said he's suggesting some of the public is pretty savvy on what this stuff means and that there is insufficient information.

9. Measure M litigation

Dr. Andersen said PCM3 has assembled a handout summarizing the litigation that is currently being discussed and being resolved. Mr. Elie said he was the one who asked for this information and what's missing is what's been spent. He said he had specifically asked for the costs of litigation at the last meeting and is again requesting one to be provided at the next meeting. Dr. Andersen directed PCM3 to provide an updated cost expenditure at the next meeting.

Mr. Anderson agreed that this has been on the agenda now two or three times and the purpose for the request has been to determine if we are prudently utilizing these funds. He said in talking with stakeholders that the perception is that those dollars may start getting big and may start knocking projects out.

Dr. Andersen said at the January meeting the committee was given information at that time that the legal expenses through August of 2004 for Measure M was \$30,800. He said they would work on an update.

10. Measure M funding for staff salaries

Mr. Larkin said there were plans to use Measure M funds for staff salaries and asked if this was being done. Dr. Andersen said the plan is to use interest earned off the bond to pay for program management costs and to supplement the one staff position, which is about \$17,000, and should be reflected in the financial reports.

Mr. Anderson asked if it is safe to assume that at the next meeting the committee will receive the numbers requested earlier as to what's been spent compared to budget, what's anticipated to be spent compared to budget. Dr. Andersen again directed PCM3 to provide the information for the next meeting. Mr. Anderson said they've been getting change orders for sometime, but haven't seen it summarized for a while.

Dr. Andersen suggested that Roger Larkin work with PCM3 to develop a spreadsheet that would be helpful for the committee. After discussion, it was determined that the information the committee would like to see is: 1) original budget, 2) bid amount, 3) actual expenditure, and 4) state match.

11. New topics/other business

Dr. Andersen said the requested list of categories that fall under "soft" costs was compiled by PCM3 and he distributed copies to the committee. Mr. Anderson asked if any correspondence from the community had been received, and Dr. Andersen said no. Mr. Larkin thought the current committee members should continue attending the meetings until the board appoints new members. The next meeting was set for July 11, 2005 at 5:00 p.m.

The meeting adjourned at 6:31 p.m.