

**MINUTES OF THE SPECIAL MEETING GOVERNING BOARD
GUSTINE UNIFIED SCHOOL DISTRICT
JANUARY 26, 2017**

TIME AND PLACE

The regular meeting of the Gustine Unified School District Board of Education was held on Wednesday, January 26, 2017. The meeting was held in the Board Room, 1500 Meredith Avenue, Gustine, California.

CALL TO ORDER

The meeting was called to order at approximately 5:00 p.m. by Board President Crickett Brinkman. The Board went into Closed Session and reconvened to Open Session at approximately 6:05 p.m.

COMMUNICATION FROM THE PUBLIC

Mrs. Marianne Martin cautioned the Board that they could only talk about what is on the agenda during Closed Session.

BOARD MEMBERS PRESENT

Mrs. Crickett Brinkman, Board President, Mrs. Loretta Rose, Mrs. Pat Rocha, Mrs. Linetta Borrelli and Mr. Kevin Cordeiro.

REPORT FROM CLOSED SESSION

Nothing to report

REVISION/ADOPTION/ORDERING OF AGENDA

Mr. Morones amended the agenda with the following: Delete Closed Session Item D. Conference with Legal Counsel/Consultant (Govt. Code 54956.9); Under VIII. Communication From the Public is to be moved up just before V. Reports and Presentations; Action Item A. Cylinder and lock installation, key purchase, change the budget category to Deferred Maintenance Funds on the Summary Page; and lastly under V. Reports and Presentations Item A. Measure P Presentation – Mitch McAllister needs to be changed to read Measure P Discussion/Presentation.

APPROVAL OF AGENDA

Mrs. Rocha made a motion to approve the amended agenda, seconded by Mrs. Borrelli. Motion carried, 5-0.

COMMUNICATION FROM THE PUBLIC

Members of the public may bring before the Board matters that are not listed on the agenda. The Board may refer such a matter to the Superintendent or designee or take it under advisement, but shall not take action at that time. Comments will be accepted during this time concerning any action item on the agenda. The Board will consider all comments prior to taking action on the item as listed on the agenda in the Action Item section. (Gov. Sec. 54954.3) Individual speakers shall be allowed three minutes to address the Board on each agenda or non-agenda item (BP 9323).

Mr. Andrew Bloom, who sits on the Bond Oversight Committee since it was established, read his statement. In his review of the Bond Documents and Procedures many questions arose that he needed answers to. He did his own research to obtain as much background information as possible. Throughout the process, he found answers to most of his concerns but he was still left with some unanswered questions. He compiled a written report and on December 29, 2016, he emailed it to Mr. Morones. After almost four weeks of waiting, he is pleased to report that last night Mr. Robert Borba, Mrs. Marianne Martin and himself were able to have a long productive meeting with Mr. Morones, Mrs. Lizett Aguilar, CBO, and Board President Crickett Brinkman. They addressed all the issues and questions he had in the report. At this time, he is encouraged by the track that the District appears to be on by rectifying these matters. Discussions were started to explore forming a sub-committee for Bond Projects consisting of not only Board Members but also Bond Oversight Members and Community Members. He was also pleased to hear that the Board will explore other methods of construction and not rely strictly on the Lease Lease-Back Process. They also discussed to make changes at the Board Meetings to allow more community attendance. He wanted to point out that not all the items on the report he sent were issues some just needed an explanation. While he feels like the majority of these items are being handled properly, some questions do remain and he has been assured that he would receive answers as they become available. Mr. Bloom respectfully asked the community members who attended the meeting to give the Board the opportunity and time to implement the procedures that he has been assured will take place. He encouraged anyone to speak with questions on Information Items regarding the Bond Project in the future only. At this point, they have opened up an excellent dialogue between the community and the Board. It is Mr. Bloom's intention to keep that dialogue open and not drive a wedge between the two.

Mrs. Brinkman then spoke to the Board reminding them that they cannot discuss these issues unless they are in public session. She thanked Mr. Bloom for his email to the District and voicing his concerns. It was very much appreciated for his time and detail he put into his report. He brought up some very valid points for the Board to look into and to consider. She reiterated that they had met with Mr. Bloom and responded to his concerns. They have a few more things to address but moving forward they are going in the right direction.

She also brought up the fact that there was an email response from one of her fellow Board Member that had some very unfortunate comments about Mr. Bloom. She just wanted to say that she personally is upset by it, she does not feel the same way, and she hopes the rest of the Boards feels as she does. She encouraged the public to attend Board Meetings and voice any concerns they may have.

Mr. Cordeiro commented that if the Board Member had replied to everyone in the group email those things probably wouldn't have been said because everyone would have seen it. Mrs. Brinkman stated that emails are just for information and they should not respond. If there is an issue that they need to talk to Mr. Morones about then they should meet with him in person. Mrs. Rocha also thanked Mr. Bloom for his report and she hopes that they can continue moving forward.

Mrs. Borrelli stated that she really appreciates the comments and concerns because she has the same concerns.

REPORTS AND PRESENTATIONS

A. Measure P Discussion/Presentation – Mitch McAllister – Mr. Morones said the goal for this is to discuss with the Board regarding where they have been, where they are right now and to provide some options to the Board in going forward with Phase 2 with Measure P. Before Mr. McAllister began with his presentation, he reminded everyone that the Master Plan was based on the bond money and state funds. They are proceeding to get in line to receive all the money. Which is possibly \$13 million from local Measure P money and \$10 million from matching state money. The problem they have now is the state is moving slower than they would like in releasing the funds. The governor has to put restaff to process all the applications. GUSD hasn't applied for state funds because they must have Division State Architect (DSA) approved plans. GUSD must pay Mr. McAllister to get all the plans done before they can get in line for funding. The goal now is to finish the drawing within the next few months with the priorities in mind. Once the drawings are complete, they are submitted to the DSA and at the same time to CA Department of Education (CDE). They have to look at it and make sure everything is being done under their rules. Anytime there is state funding involved the Department of Education has to approve the plans as well. In about three months, the plans will be submitted to CDE and DSA. They may take anywhere from three to five months to approve the plans then they will complete the application to get in line for funding. The Office of Public Schools Construction (OPSC) will not approve the plans until they are ready to go to construction.

Mr. Morones asked Mr. McAllister to clarify the options regarding the selection of the contractor and whether or not the School District needs to use the Lease Lease-Back for Phase 2. Mr. McAllister mentioned that the majority of the projects are done through Lease Lease-Back. He explained the difference between Lease Lease-Back and Low Bid Methods. With the Low Bid Process, you would send the plans out to everybody and give a deadline to turn in bids and you would then accept the lowest bidder. The only criteria is they must prove financially that they can bid on it. You may get 10 to 20 bids and you would have to accept the lowest bidder. In the past, there has been many bids that have been awarded to contractors that were not known for their quality or their workability that had an "I don't care" attitude. They would build according on how they interpret the plans if there are any gray areas. They will take the lowest and cheapest route even though you may want the best materials. That is why the Lease Lease-Back Process became more popular. With the Lease Lease-Back Method that is developed through a financing mechanism. With the Lease Lease-Back Process, you don't select the contractor based on the bid price. They have the right to ask for qualifications, list of previous jobs, references and ask what their fee is which could vary from 8% to 16%. Once a contractor is selected, then sub-contractors are selected in which you can choose be involved with that process. With the lowest bid method they just give you a total amount so you don't know what their fee is. Even though you are guaranteed the lowest amount, it does not mean that it will be the cheapest in the end. There may be grey areas in the plans. Mrs. Marsigli asked Mr. McAllister why the District has spent over \$600,000.00 on any grey areas if his plans were used to get bids. Mr. McAllister stated that it is all about interpretation and that things change like materials, codes and certain items may no longer be available. Mr. Joe Martin also asked Mr. McAllister if a firm is being paid a percentage of the project and the Lease Lease-Back is more

expensive, would the company be making more money. Mr. McAllister answered yes but clarified by saying that he will go with any approach they want. His company computes their estimates based on past construction they have done recently. Sometimes the bids are over the estimate by 20%. They look at all the options available to them. For instance, the middle school, they looked at three different locations and did cost analysis of each of those three. They also look at the advantages and disadvantages of each project. It has to be functional. They don't make decisions based on what's cheaper. Since Mr. McAllister is paid on the actual cost of the project and if it ends up being less, his fee would be less but most want more features like computers, wiring, better finishes, more concrete or landscape instead of lowering the cost. Mr. McAllister stated that this District is very basic. The District doesn't have a lot of fancy finishes like stone, brick nor expensive roofs.

Mr. Bloom asked Mr. McAllister being that the District doesn't need to finance through the Lease Lease-Back Process, is it possible to go out to bid at the same time and compare the two. Is it possible to do both at the same time? McAllister replied stating that is where you have an unethical issue. Mr. Bloom continued asking about the financing aspect of the Lease Lease-Back Process. He wanted to know if the payments continued after the project is complete. The answer is yes because the payments to C. T. Bryton are divided equally. Lizett clarified that the contract is spaced over a year, thirteen payments, but the project was finished in seven months. Why should the District pay for finance charges when the money is there? Mr. Bloom stated that the amount financed for six months, about \$540,000, adds up to a lot of money. Why would the cost differ from a Lease Lease-Back to the Lowest Bidder Method? According to Mr. McAllister is shouldn't differ but with the Lease Lease-Back the District gets to be involved in the decision-making. Mr. Joe Martin asked if they could go through a Lease Lease-Back Method then after all the bids are received put it out to the Lowest Bid Method and if for some reason they didn't want the lowest bidder can they go back to the Lease Lease-Back Process. Mr. McAllister answered yes, but that there was a problem with doing it over and over again. In many cases, you don't have the time to bid it, which takes two months. If you want to re-bid, you would tell the contractor to hold the plans and you can re-bid in 2 to 3 weeks. If you want to go through another process you must get the plans back, send them out again which can take up to six months. You could be taking a risk because you could bid projects, turn around and re-bid them and they end up costing more. Timing is everything. Mrs. Brinkman said she heard a lot of great input and they have some future planning to put in place so everything can be more open and transparent. The decisions the Board made were in the best interest of the District at the time and this is where they are now.

Mr. Rich Ford commented saying that it's about trust now. He questioned the original list that Measure P was passed on. What happened to all those projects? A big chunk of the money is gone and we are only part way into it. He wasn't referring to the state bond that was just passed. Measure P wasn't passed with the anticipation of receiving state funds from Proposition 51. Mrs. Rocha said that right from the start, first talk about this bond, the high school was priority. Yes, the locker rooms were very much important but also was infrastructure. The plumbing throughout the school, the electrical is so old. So far, from looking at the critical list was the plumbing addressed? She doesn't think so. Was the electrical addressed? Was the intercom/bell

address? Was the fire alarm or the lead paint abatement addressed? All these were listed as potential critical needs. Yes, the locker rooms are beautiful now but the critical list still was not addressed. Mr. McAllister reminded the Board that those things were in fact addressed. Those drawings were done but the Board chose not to proceed with it. The Board decided not to spend millions dollars updating the classrooms wings because the Master Plan is saying the District is going to grow and the classrooms will be obsolete or inadequate within 5 years. That is why the locker room project was started first. There are plans to address everything on the list. The question is when does the Board want to start those projects? This is why the Master Plan was created, to prevent doing projects that would have to be torn out the following year. Mrs. Brinkman stated that as issues come up the Board would ask themselves if it could be paid out of other fund instead of Measure P. Mr. McAllister stated that 60% of Measure P money will be reimbursed from the State. It is not guaranteed but the likelihood is extremely high because the State has approved millions and millions of dollars for that purpose. Mr. Bloom said that that was the first time he has ever heard about Measure P being paid back. Mrs. Marsigli explained that the word is out that the Middle School Multipurpose/Gym is going to be built next and nobody is going to go for it. School Board Member, Kevin Cordeiro, stated that this is the problem. The community is upset because they think the Multipurpose Room is going to be built next because someone has been telling the community that. He continued by saying that all the other problems at the High School need to be addressed first. Mr. McAllister replied saying that it was up to the School Board to decide which option to select. Three options were given to them and they need to decide which phase is next.

Mr. McAllister presented the 2017 Project Options Presentation. Option #1 consist of Gustine High School Science Building Project and Fire Alarm, Gustine Middle School Fire Alarm, Gustine Elementary Fire Alarm, and Romero Elementary School MP Modernization and Fire Alarm. Option #2 consist of Gustine Middle School Multipurpose/Gym building and Fire Alarm, Gustine High School Fire Alarm, Gustine Elementary School Fire Alarm, and Romero Elementary School MP Modernization and Fire Alarm. Total cost for Option #1 is \$5,669,500.00. Total cost for Option #2 is \$5,410,000.00. Option #3 is if there is a way to do both options together then the cost would be \$10 million.

When the Bond was passed the proposed budget for the Middle School Multipurpose/Gym was \$6.5 million dollars and now its \$4 million. Mrs. Brinkman reminded everyone that some of the information that was given to them by a different consultant and his estimated were off. Mr. Joe Martin questioned how the high school locker rooms and the middle school multipurpose/gym cost the same. Mrs. Borrelli stated that there was a lot of removal at the high school. Mr. McAllister replied by stating that the main difference is the middle school locker rooms are very small. The most expensive spaces in a high school are the toilets, science and locker rooms. There are more plumbing fixtures at the high school then that at the middle school. Mr. Bloom wants the Board to google the Lease Lease-Back Method and the fundamental aspect of the build-in financing aspect. He does not agree with that method.

Mrs. Marsigli wanted to thank the Board for having this board meeting because there has been a lot of misconception and misunderstanding in the community. She got a lot answers. She did want the Board to know that she would like the science rooms to be build next. Mrs. Martin concurred, she also voted for the classrooms at the high school to be the next project. Mrs. Rose

also agreed. She is glad that the community members attended the meeting to let their vote known.

Mr. Bloom also questioned whether C.T. Bryton was the contractor for all Measure P Projects. Is the Board open to other options besides Lease Lease-Back Method? Is C.T. Bryton the only contractor that the Board will be looking at in the future? Is the Board going to go through the process in selecting a contractor for each project? Mr. McAllister stated that C.T. Bryton was selected as the Lease Lease-Back contractor for the Master Plan. Mrs. Brinkman confirmed that when the Board goes to decide the next phase they could choose to do either the Lease Lease-Back Method or the Low Bid Method and choose a contractor at the same time. Mr. Morones agreed that the Board has the autonomy go with C.T. Bryton or any other contractor for the next project.

No one at the meeting had anything negative to say about C.T. Bryton. Mrs. Andrade and Mrs. Rocha commended C.T. Bryton for doing a wonderful job. Mr. McAllister stated that C.T. Bryton was selected because they have an extremely good reputation.

CONSENT AGENDA

None

INFORMATION

None

ACTION ITEMS

A. Cylinder and lock installation, key purchase – Paid out of Deferred Maintenance Budget instead of Measure P Funds. The vendor will be giving the District a credit for all the cylinders. Mrs. Rocha made a motion to approve the amended Cylinder and lock installation, key purchase, seconded by Mrs. Rose. Motion carried, 5-0.

ADVANCED PLANNING

A. Regular Board Meeting, February 8, 2017, 5:30 p.m.

B. Budget Workshop for Board – School Financing including LCAP

C. Masters of Governance Workshop for the Board – to implement protocols & procedures

D. Recommend to the Board to create a Facility Sub-Committee consisting of 2-Board Members, Lizett, Russell, 1-Bond Committee Member, and 1 or 2 Community Members to ensure everything is being communicated to the community. They would recommend the next project to the Board.

E. Approval for an RFQ – to have an outside person work as a project manager with all of the different projects that are going to be taking place. Person would be paid out of different funds not Measure P.

F. Mrs. Rose wanted to remind the teachers present about the Mini Grant Deadline at the end of this month.

ADJOURN TO CLOSED SESSION

The Board adjourned to Closed Session at 8:39 p.m.

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RECONVENE TO OPEN SESSION

The Board reconvened to Open Session at 10:10 p.m.

REPORT FROM CLOSED SESSION

Nothing to report

ADJOURNMENT

Mrs. Rocha made a motion to adjourn the meeting, seconded by Mr. Cordeiro. Motion carried, 5-0. Meeting adjourned at 10:29 p.m.

APPROVED AND ADOPTED

Loretta Rose, Clerk