



**San Jose Unified School District
Measure C Bond Oversight Committee Meeting
MINUTES
January 21, 2003**

1. Welcome and Introductions:

The meeting of the Measure C Bond Oversight Committee was called to order at 6:35 p.m. in Room 337, 855 Lenzen Avenue, San Jose, California, by Steve Wincor.

Steve Wincor welcomed new BOC members Dave Fadness and Ed Sattler. Introductions of those in attendance included:

Steve Wincor	BOC Chair	Gary Rummelhoff	SJUSD Board	Debbie Doty
Joan Cooper	BOC Member	Chuck Corr	SJUSD	Cheryl Butterson
Pat Goss	BOC Member	Rosemarie Pottage	SJUSD	Craig Rouse
Lynne Kinsey	BOC Member	Joe Aversano	SJUSD	Bob Fuselier
Leslie Reynolds	BOC Member	John Cimino	SJUSD	David Cartnal
Ed Sattler	BOC Member	Ty Williams	SJUSD	Bob Boydston
Joel Zizmor	BOC Member	Susan Davenport	SJUSD	*(Almaden Valley Cor Association)
Veronica Lewis	SJUSD Board	Florence Eng	SJUSD	

2. Approval of Minutes

Minutes from the October 22, 2002 Measure C Bond Oversight Committee meeting were approved.

3. Old Business

Steve Wincor asked attendees to note the following dates for upcoming Measure C BOC meetings:

- Tuesday, May 6, 2003
- Tuesday, August 5, 2003
- Tuesday, November 4, 2003
- Tuesday, February 3, 2004

4. Design Report, presented by John Cimino:

John Cimino was pleased to report that the design portion of all Measure C projects is now 100% complete. The District is extremely pleased with the design and program of Measure C. The District is now looking forward to moving beyond the infrastructure and addressing further projects through Measure F.

5. Construction Progress Report, presented by Ty Williams:

Ty Williams reported that the final projects to be done under Measure C are now being bid out. These projects include:

1. Grant and Gardner Elementaries in 2003
2. Steinbeck and Castillero Middle Schools during the summers of 2003 & 2004
3. Gunderson High School 2003 & 2004

The ongoing construction at Gunderson will occur during the 03-04 school year. Portables placed in permanent locations will be used as interim housing at this site.

The current bidding climate is quite good for receiving multiple bids and the District is trying to take advantage of the market at this time. Prices received are well within projected budgeted amounts. Gary Rummelhoff asked if there might be unspent Measure C money due to the District receiving these low bids. Ty responded that this market condition balances out the higher costs from previous years. At present the Measure C program is even.

6. **Construction Project Status Reports:**

PCM3 Construction Project Status Report presented by Cheryl Butterton

Construction is complete and DSA certification has been received for Schallenberger, Reed, and Williams. Erikson certification should be received shortly.

At the following sites, construction is complete and projects are currently in DSA closeout:

- Phase I Schools: Anne Darling, Bachrodt, Booksin, Simonds
- Phase II Schools: Hacienda
- Phase III Schools: Allen, Hester, Terrell
- Summer 2000 projects: River Glen at Broadway (two story and modernization), Hammer Elementary (miscellaneous projects), Off Broadway at Speak Continuation High School
- Phase IV Schools: Almaden, Erikson, Lowell, Olinder, Williams, Hammer, Grant, Willow Glen Elementary, 2001 Summer Portables

At the following Phase V Schools, construction is complete and all projects are performing punchlist and contract closeout:

- Carson: punchlist work currently in process & 90% complete; construction contract closeout in process; Notice of Completion filed for all bid packages.
- Graystone: punchlist work currently in process & 95% complete; construction contract closeout in process; Notice of Completion filed for all packages, except flooring.
- Randol: punchlist work currently in process & 95% complete; construction contract closeout in process; Notice of Completion filed for all bid packages.
- Los Alamitos Modernization: punchlist work currently in process & 90% complete; construction contract closeout in process; Notice of Completion filed for all bid packages, except electrical.
- Los Alamitos Portables: punchlist work completed; construction contract closeout in process.

This project involved installing 1 new modular and replacing 11 others. This work was above and beyond Measure C and was paid for by state funding.

- Washington: punchlist work completed; construction contract closeout in process; Notice of Completion filed for all bid packages.

This project received additional funding for airport noise abatement. Work included changing out the windows and adding insulation in the ceilings.

Upcoming construction at Phase VI Schools includes:

- Gardner:
Bids for Modernization were opened December 5, 2002:

Bid Package #1 (General) – received 8 bids
 Bid Package #2 (Roofing) – received 6 bids
 Bid Package #4 (Mechanical) – received 9 bids
 Bid Package #5 (Electrical) – received 8 bids
 Bid Package #6 (Plumbing) – received 6 bids
 Bids for Abatement were opened October 31, 2002
 Bid Package #7 (Abatement) – received 12 bids
 Bid Package #3 (Flooring) – will be bid Spring, 2003
 Construction is scheduled for 2003 with work to be done during the spring and summer.

- Grant:
 - Bids for Modernization were opened December 11, 2002:
 - Bid Package #1 (General) – received 5 bids
 - Bid Package #2 (Roofing) – received 6 bids
 - Bid Package #4 (Mechanical) – received 10 bids
 - Bid Package #5 (Electrical) – received 7 bids
 - Bid Package #6 (Plumbing) – received 7 bids
 - Bids for Abatement were opened December 12, 2002
 - Bid Package #7 (Abatement) – received 8 bids
 - Bid Package #3 (Flooring) – will be bid Spring, 2003
 - Construction is scheduled for 2003 with some underground work to be done in the spring during late shift work. The majority of the work will be done over the summer.

- 2003 Portables at Anne Darling, Gardner, Grant, and Steinbeck
 - Portable replacement projects are currently in design. Projects will be bid in Spring, 2003 with construction scheduled for 2003.

Chuck Corr noted that enrollment projections might change the scope of the portables project. Portables may be moved from schools with declining enrollment to sites with increasing numbers. Administrators will meet in the Spring and Fall to evaluate the enrollment numbers.

Kitchell Construction Project Status Report presented by Bob Fuselier

- The following projects are complete: Cory, Trace, Bret Harte, Willow Glen Middle, Lincoln, Pioneer, San Jose High, and Willow Glen High.
- Muir Middle School is in the final closeout phase. The contractors have finished all of their contractual work and Kitchell is trying to closeout the project with DSA.
- Burnett Middle School is in the final closeout phase. The main contractors have finished all of their contractual work and Kitchell is trying to closeout the project with DSA. Kitchell is finishing the punchlist for the last roofs that were completed during Winter Break.
- Leland High School is in the final closeout phase. The contractors have finished all of their contractual work and Kitchell is trying to closeout the project with DSA.
- Hoover Middle School is in the final closeout phase. Kitchell is currently on hold until next summer to finish the last phase of construction, which consists of 2/3 of the main building. Building 500 is in closeout. Kitchell is waiting for funding to complete work on the theater at Historic Hoover.
- Castillero Middle School is scheduled to begin construction Summer, 2003. This project will take 2 summers. The new portables will not be able to be placed on site until the old portables are removed. Kitchell had great bids and great participation for this package, receiving bids from 7 General Contractors, 5 Mechanical Contractors, 10 Electrical Contractors, and 6 Data Contractors. The Mechanical Package will be rebid due to errors in

- filling out the bid form. The Abatement Package still needs to be bid.
- Steinbeck Middle School is scheduled to begin construction Summer, 2003. Interim housing will be used during construction. Kitchell had great bids and great participation for this package, receiving bids from 11 General Contractors, 11 Mechanical Contractors, 13 Electrical Contractors, and 9 Data Contractors. The Mechanical Package will be rebid due to errors in filling out the bid form. The Abatement Package still needs to be bid.
 - Gunderson High School is scheduled to begin construction Summer, 2003. This project will take a full year. Interim housing will be used during construction. Kitchell had great bids and good participation for this package, receiving bids from 8 General Contractors, 8 Mechanical Contractors, 6 Electrical Contractors, and 4 Data Contractors. The Mechanical Package will be rebid due to errors in filling out the bid form. The Abatement Package still needs to be bid.

Ed Sattler asked to see the master schedule for school construction, including scheduled milestones, in order to see what projects still need attention. Ty Williams stated that the master schedule does not currently list projects in a manner using milestones, but that the District will try to find a way to better illustrate this.

7. Budget Status Report – Quarterly Report, presented by Susan Davenport

Susan Davenport reported that the District has received \$70 million in Measure C bond money as of December 2002, and will receive a total of approximately \$82.82 million.

John Cimino noted that the District has been very aggressive and extremely successful in pursuing available state bond money.

Chuck Corr reported that the District has used almost all of its eligibility. The District is due to receive another \$61,000.00 for Los Alamitos. SJUSD recently qualified to receive \$444,000.00 for Hoover, and \$554,000.00 for Leland roofing.

Susan Davenport noted that the District will receive additional state monies due to adjustments in the cost index.

Ed Sattler requested that the Cost Control Report include another column, in addition to Committed Costs, to show the difference between “Committed Costs” and “Expended to Date”. He would like to be able to use this information to do a cost analysis.

Ty Williams noted that the information in Committed Cost is a best guess estimate.

Susan Davenport noted that costs are updated on a monthly basis. She also noted that “Miscellaneous Construction Costs” is a budgeted item.

Steve Wincor said that the total summary page sheet in the Quarterly Report shows hard and soft costs. The CCR is hard cost only. This method of reporting was originally developed at the outset of the bond issue because the BOC did not want to see soft costs listed in the quarterly report.

Ty Williams noted that the District tries to maintain good relationships with contractors and pay on a timely basis. There are different scopes of work designated for Measure C.

Scope A/B is the original scope of identified work.

Scope A is work that was identified and rushed to DSA early on to qualify for funding (including ADA work, etc.), and Scope B was the further identified work.

Scope C is the additional scope of work that state funding has made possible.

The Division of State Architect (DSA) worked closely with the District to approve these scopes of work.

Susan Davenport reported that all projects funded by Scope C must receive mandatory audits by the OPSC (Office of Public School Construction).

Steve Wincor asked that additional information on the sales of bonds be provided.

Scope A&B Bond Expenditures Report

As of October 1, 2002 through December 31, 2002

with projections through March 31, 2003

	ORIGINAL A+B BUDGET	CURRENT A+B BUDGET	EXPENDED AS OF 12/31/02	PROJECTED FOI 10/1/02 - 12/31/02	EXPENDED 10/1/02 - 12/31/02	PROJECTED FOI 1/1/03 - 3/31/03	
1 HARD CONSTRUCTION COSTS:							
2 Construction Contract Costs:							
3	Construction Contract Costs	\$117,139,826	\$118,358,336	\$108,222,073	\$4,500,000	\$3,444,250	\$2,900,000
4 Other Construction Costs:							
5	fsite Utility and Infrastructure Work	\$105,000	\$280,851	\$374,440	\$0	\$0	\$0
6	Playground Equipment	\$640,800	\$819,219	\$819,219	\$0	\$0	\$0
7	Restroom Accessories	Included in line 3	Included in line 3	Included in line 3	\$2,000	\$5,258	\$2,000
8	Electrical Switchgear/Load Centers	Included in line 3	Included in line 3	Included in line 3	\$0	\$3,964	\$0
9	Clock/Bell/Paging Control Panel	Included in line 3	Included in line 3	Included in line 3	\$15,000	\$17,060	\$30,000
10	Door Hardware	Included in line 3	Included in line 3	Included in line 3	\$10,000	\$118,434	\$30,000
11	HVAC Units	Included in line 3	Included in line 3	Included in line 3	\$0	\$0	\$0
12	EMS Control Panel	Included in line 3	Included in line 3	Included in line 3	\$10,000	\$11,920	\$10,000
13	Security Control Panel	Included in line 3	Included in line 3	Included in line 3	\$5,000	\$16,735	\$10,000
14	Fire Alarm Control Panel	Included in line 3	Included in line 3	Included in line 3	\$5,000	\$5,664	\$10,000
15	District Performed Work	Included in line 3	Included in line 3	Included in line 3	\$15,000	\$11,275	\$10,000
19							
20 SOFT CONSTRUCTION COSTS:							
21	Architectural/Engineering Fees	\$12,969,424	\$13,385,491	\$13,247,503	\$200,000	\$759,000	\$200,000
22	A/E Additional Services Fees	\$778,165	\$978,165	\$854,950	\$4,000	\$0	\$4,000
23	Construction Management Fees	\$8,319,831	\$8,426,081	\$7,429,533	\$225,000	\$175,074	\$225,000
24	CM Additional Services Fees	\$249,595	\$349,595	\$47,411	\$0	\$0	\$0
25	CM General Conditions Fees	\$7,128,713	\$7,443,581	\$5,554,660	\$250,000	\$155,971	\$250,000
26	Printing/Reimbursables	\$475,000	\$500,000	\$498,517	\$0	\$5,165	\$0
27	Agency Plan Check Fees	\$847,501	\$847,501	\$777,364	\$15,000	\$44,150	\$30,000
28	Inspection Services	\$2,973,577	\$2,973,577	\$1,943,236	\$120,000	\$139,192	\$100,000
29	Testing Services	\$1,351,626	\$1,351,626	\$258,677	\$0	\$0	\$0
30							
31 PROGRAM COSTS:							
32 Administration:							
33	strict Admin. & Financial Mgmt Staff	\$1,272,100	\$1,272,100	\$938,540	\$0	\$69,401	\$50,000
34	District Legal Fees	\$60,000	\$70,000	\$69,133	\$1,000	\$0	\$1,000
35	Program Management Fees	\$901,770	\$901,770	\$953,834	\$10,000	\$29,894	\$17,000
36 Special Consultants and Studies:							
37	Asbestos/Lead Paint Assessment	\$250,000	\$341,352	\$341,352	\$0	\$0	\$0
38	Roofing Assessment	\$75,000	\$68,020	\$68,020	\$0	\$0	\$0
39	Geologic Hazards and Soils Studies	\$30,000	\$45,980	\$45,980	\$0	\$0	\$0
40	Design Guidelines, Standard Specs	\$25,000	\$25,000	\$23,601	\$0	\$0	\$0
41	Technology Consultant	\$30,000	\$5,950	\$5,950	\$0	\$0	\$0
42	OPSC Advisory Consultant	\$80,000	\$80,000	\$62,287	\$2,000	\$0	\$2,000
43	State Application Preparation	\$60,000	\$60,000	\$53,750	\$0	\$0	\$0
44	Prep of State Application Dwgs (1As)	\$85,500	\$85,500	\$82,873	\$0	\$0	\$0
45	Energy Analysis	\$110,000	\$110,150	\$110,150	\$0	\$0	\$0
46	Surveys or As-Built Documentation	\$50,000	\$50,000	\$33,954	\$0	\$0	\$0
47	Underground Utility Locator Service	\$42,000	\$6,522	\$0	\$0	\$0	\$0
48	Value-Engineering Studies	\$28,000	\$28,000	\$14,000	\$0	\$0	\$0
49	Partnering Consultant	\$33,600	\$33,600	\$0	\$0	\$0	\$0
50	Portable Buildings Inventory/Research	\$20,000	\$20,601	\$20,601	\$0	\$0	\$0
51	Other	\$51,594	\$66,594	\$58,522	\$0	\$0	\$0
52 Program Support Costs:							
53	Printing, Supplies & Reimbursables	\$200,000	\$200,000	\$200,000	\$10,000	\$0	\$10,000
54	Office Equipment	\$48,000	\$51,000	\$51,000	\$1,500	\$0	\$1,500
55	Public Relations/Communications	\$30,000	\$30,000	\$23,236	\$1,500	\$0	\$1,500
56	Contractor Outreach Program	\$80,000	\$80,000	\$65,594	\$0	\$0	\$0
57	Public Bid Advertising	\$150,000	\$246,827	\$251,547	\$30,000	\$4,720	\$15,000
58	Bond Issuance Costs	\$125,000	\$141,981	\$141,981	\$1,000	\$0	\$1,000
59	Seminars/Training/Product Research	\$30,000	\$15,000	\$4,533	\$1,000	\$0	\$1,000
60	Program Cost Contingency	\$193,378	\$0	\$0	\$0	\$0	\$0
61 Program-wide Construction Costs:							
62	Asbestos/Lead Paint Abatement	\$5,360,000	\$5,360,000	\$4,340,659	\$220,000	\$202,342	\$150,000
63	Interim Housing/Relocation Costs	\$2,600,000	\$2,900,000	\$3,066,279	\$50,000	\$224,537	\$35,000
64	Program Construction Contingency	\$0	\$1,338,140	\$0	\$0	\$0	\$0
65							
# TOTALS:	#####	#####	#####	\$5,704,000	\$5,444,006	\$4,096,000	

Note: Current A/B Budget includes \$4,348,110 from reserves.

Note: Current Construction Costs include \$900,000 interim housing savings used for construction costs at Historic Hoover Building.

Scope C Bond Expenditures Report

As of October 1, 2002 through December 31, 2002
with projections through March 31, 2003

	C BUDGET	EXPENDED AS OF 12/31/02	PROJECTED FOR 10/1/02 - 12/31/02	EXPENDED 10/1/02 - 12/31/02	PROJECTED FOR 1/1/03 - 3/31/03
1 HARD CONSTRUCTION COSTS:					
2 Construction Contract Costs:					
3 Construction Contract Costs		\$22,166,129	\$750,000	\$429,666	\$600,000
4 Other Construction Costs:		\$5,538,471	\$200,000	\$84,856	\$100,000
5 Offsite Utility and Infrastructure Work					
6 Playground Equipment					
7 Restroom Accessories					
8 Electrical Switchgear/Load Centers					
9 Clock/Bell/Paging Control Panel					
10 Door Hardware					
11 HVAC Units					
12 EMS Control Panel					
13 Security Control Panel					
14 Fire Alarm Control Panel					
15 District Performed Work					
16 Computer Hardware					
17 Computer Cabling					
18					
19 SOFT CONSTRUCTION COSTS:		\$8,540,582	\$450,000	\$386,150	\$400,000
20 Architectural/Engineering Fees					
21 A/E Additional Services Fees					
22 Construction Management Fees					
23 CM Additional Services Fees					
24 CM General Conditions Fees					
26 Agency Plan Check Fees					
27 Inspection Services					
28 Testing Services					
29 Furniture & Equipment					
30					
31 PROGRAM COSTS:					
32 Administration:					
33 District Admin. & Financial Mgmt Staff		\$3,150,068	\$175,000	\$119,358	\$160,000
34 District Legal Fees		\$55,095	\$3,000	\$0	\$3,000
35 Program Management Fees		\$340,903	\$15,000	\$13,049	\$15,000
36 Special Consultants and Studies:					
40 Design Guidelines, Standard Specs		\$0	\$0	\$0	\$0
42 OPSC Advisory Consultant		\$10,750	\$2,000	\$0	\$2,000
46 Surveys or As-Built Documentation		\$3,460	\$0	\$0	\$0
51 Paving Assessment		\$107,838	\$0	\$0	\$0
52 Grounds Assessment		\$212,702	\$0	\$0	\$0
53 Other		\$154,672	\$5,000	\$8,038	\$5,000
54 Program Support Costs:					
55 Printing, Supplies & Reimbursables		\$1,026,358	\$65,000	\$28,471	\$65,000
56 Office Equipment		\$77,269	\$2,500	\$0	\$2,500
57 Public Relations/Communications		\$79,881	\$1,000	\$0	\$1,000
58 Contractor Outreach Program		\$0	\$0	\$0	\$0
59 Public Bid Advertising		\$8,850	\$5,000	\$0	\$5,000
61 Seminars/Training/Product Research		\$16,934	\$1,000	\$1,510	\$1,000
62 Construction Equipment		\$422,694	\$0	\$0	\$0
63 Program Cost Contingency		\$0	\$0	\$0	\$0
64 Program-wide Construction Costs:					
65 Asbestos/Lead Paint Abatement		\$625,691	\$0	\$0	\$0
66 Interim Housing/Relocation Costs		\$2,009,483	\$0	\$9,483	\$0
67 Program Construction Contingency		\$0	\$0	\$0	\$0
68					
69 TOTALS:	\$58,866,992	\$44,547,830	\$1,674,500	\$1,080,581	\$1,359,500

Note: Other Construction Costs for the time period 10/1/02 through 12/31/02 includes costs for non-budgeted State fees and the Bond portion of District audit costs.

8. Measure C State Audit Update, presented by Joe Aversano

The State is currently conducting an audit of Measure C. The District has been working completely with the state auditors but a few questions still remain. This is a thorough and comprehensive audit. The District is now waiting for the report to be issued but does not know exactly when it will be ready. When the report is published it will be presented to the School Board and to the Measure C Bond Oversight Committee. The report will also be made available to the public. The District will respond to written requests for copies of the audit report. Steve Wincor noted that the state has not previously conducted many bond audits and that the auditors themselves are fairly new and inexperienced. Steve also suggested that a new report be provided to the Measure C BOC detailing the status of bond sales. It was noted that staff time is not chargeable to the bond.

Veronica Lewis noted that the formation of this Bond Oversight Committee was never required by Measure C. The Measure F bond, however, is far more restrictive. This Measure C BOC Committee has acted completely responsibly throughout this entire bond process.

9. Non-Bond Project Report, presented by Chuck Corr

There are a number of construction projects that are non-bond funded. Desegregation requires that more seats be provided for students in the downtown areas. The District is currently building a new school at Horace Mann that should be ready for Fall, 2003. A new Empire Gardens Elementary School will be built on a site that is owned by the City of San Jose. The law now allows the District to build on a site that is owned by another public agency. The District has a 40-year lease from the City for this site. The project has to pass requirements for CEQA and the Department of Toxic Substance Control. Students will be housed at Hoover for one year during the construction period, and should be able to move into the new school in Fall, 2004.

10. New Business:

A. Request for Information from Almaden Valley Community Association (Robert Boydston)

A request for information from the Almaden Valley Community Association was given to Steve Wincor by Robert Boydston. Steve Wincor noted that the District has been focused on the state audit, however once this audit is finished the BOC will respond to the request for information.

Joe Aversano noted that some information will be provided at this time, some is currently available in the Measure C Quarterly Report, and that the District is waiting for audited figures to be provided by the State auditors.

Mr. Boydston said he will stagger his requests for information. He noted that he is encouraged by what he has heard at this meeting and that he considers this to be a very professional group.

B. Impact of State Budget Woes on SJUSD and Indirect Impact to Bond, presented by Rosemarie Pottage

The State has made cuts mid-year to the general operating funds for the District's current budget. The District is in the process of identifying areas where cuts will be made.

Categorical funding will be cut this year and next. Unrestricted money will also be cut this year and next. The money for school construction is protected and cannot be used to pick up operating costs. However, Deferred Maintenance could be affected by having their funds included in the Categorical pot of money, and therefore subject to cuts. Matching funds for Deferred Maintenance may not be available.

The Governor may put out all bond money at once in order to encourage the economy. This could shorten the period of the current good bidding climate.

11. Public Comment:

This portion of the Agenda provides an opportunity for members of the public to directly address the Bond Oversight Committee on any item of interest to Measure C; however, provisions of the Brown Act [Govt. Code 54954.2(a) and .3] preclude any action being taken on any item not appearing on the posted agenda for action. Time limits allocated to public testimony are 2 minutes for individuals and 5 minutes for organization.

No public comments were made.

12. Action Items:

1. Ty Williams will provide information regarding the master schedule.
2. Steve Wincor requests that the District provide information on the sale of bonds.
3. Joe Aversano will provide copies of the auditor's reports, when available.

13. Meeting adjourned at 8:43 p.m.

Minutes prepared by Debbie Doty.