

LA CANADA UNIFIED SCHOOL DISTRICT
MEETING OF THE BOND OVERSIGHT COMMITTEE

April 27, 2006

4490 Cornishon Drive, Round Building Conference Room
La Canada, California 91011

The meeting was called to order at 7:40 am by Committee Chair, Craig Steele.

ROLL CALL

Those in attendance were:

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| Craig Steele | Julie Markowitz | Mike Leininger |
| Barry Franzen | Robert Louk | Celina Lew |
| Jim Stratton | Susan Boyd | Terry Walker |
| Melissa Schiller | | |

Bill Loose and Diane Clinton were also present.

William Choi was not present.

APPROVAL OF AGENDA

It was moved and seconded (Markowitz/Walker) to approve the agenda. The motion to approve the agenda was adopted unanimously.

APPROVAL OF MINUTES

Mr. Steele reported the minutes of the January 26, 2006 meeting of the Bond Oversight Committee were distributed to the committee members in advance for review. It was moved and seconded (Walker/Franzen) to approve the minutes of January 26, 2006 as presented. The motion to approve the minutes of the January 26, 2006 meeting of the Bond Oversight Committee was adopted unanimously.

AGENDA

Election of Vice Chair

Duties of the Vice Chair were defined prior to the election. Mr. Steele nominated Ms. Markowitz as Vice Chair. Ms. Lew nominated Ms. Schiller. The nominations were taken in order received. The nomination to appoint Ms. Markowitz was accepted unanimously.

Update on LCHS band room

Dr. Leininger provided an update on the LCHS band room, discussing the plans and bid process. Bid alternates may be done on three different areas: flooring, ceiling and casework. Dr. Leininger discussed the timeline for the project.

The over-design issues of the project were discussed. Mr. Stratton reported the architect is now working with the Design Review Committee to revise plans.

Communication and process between the Design Review Committee and the Bond Oversight Committee were discussed.

Update on PCR and PCY multipurpose room projects

Dr. Leininger reported the Design Review Committee has also reviewed plans for PCR and PCY. Dr. Leininger discussed some PCR and PCY project options.

Staff recommendation on bond language

Mr. Stratton distributed the Exhibit B bond language. The bond language for PCR and PCY were reviewed and discussed. Mr. Stratton has asked the district's legal counsel, Martin Fine, if in his opinion the bond language permits the district to build a new multi purpose room at PCR. Mr. Fine's opinion is the language does permit the district to build a new multi purpose room because the intent to renovate multi purpose room and the idea of building does not subvert the intent of the language. Mr. Stratton asked the committee to discuss their take on this opinion. Mr. Franzen asked for the legal opinion in writing. Ms. Markowitz reviewed the second paragraph of the exhibit and compared the language with the Facilities Master Plan. Ms. Markowitz agrees the language supports building a new multipurpose room. However, Ms. Markowitz agreed that providing the legal opinion in writing shows due diligence. Mr. Steele stated new construction would be widely viewed as acceptable if building a new multipurpose room is more economical or cost efficient and written opinion from legal counsel is received. Action was deferred until Mr. Stratton obtains the written legal opinion.

Press releases

Mr. Steele reported he has hired a firm to do press releases for his firm. This PR firm has agreed to prepare the BOC press releases as well.

SCHEDULING OF FUTURE COMMITTEE MEETINGS

The next meeting of the Bond Oversight Committee was scheduled for June 6, 2006 at 7:30 a.m. at 4490 Cornishon Drive, the Round Building Conference Room in La Canada, California 91011.

Report on construction management

Mr. Stratton distributed an LCUSD Delivery System Assessment which presented the Pros and Cons of General Contractor vs. Multiple Prime. Mr. Stratton reviewed the information. The band room project will be a general contractor – single prime. The design review committee gave two leads for general contractors. Mr. Stratton is meeting with both of them. Ms. Coburn of Best, Best & Krieger is speaking to PCM3's attorney regarding reasonable rates.

The "Lessons Learned" memo will come back to the committee as draft bullets at the next meeting.

The district is having Best, Best and Krieger follow up on unresolved issues on the round building. We have two bids on how the unresolved issues can be fixed; the district believes it is the architect's shared responsibility to remedy the issues.

Developer fee update

Dr. Loose reported that the district is currently in the process of doing a justification study to support a recommendation to increase the developer fees. The district currently is charging \$1.50. The current rate allowed is \$2.63. From 1986 to current the developer fee has not changed. A study was done in 2000 but the fees were not increased at that time. The current justification study is being done by Mr. Gary Mortimer. The justification study will be presented to the board and a decision on whether to increase the current developer fees will be made at that time. This is generally a 3 – 4 month process. If an increase occurs, this would increase the amount of money available for qualifying construction projects, including the band room project. Developer Fees can only be used for growth projects.

Mr. Louk left the meeting.

Update on district office property

Dr. Leininger gave an update on the Palm Drive district office property. Staff had been directed to put together a committee to look at the Palm Drive property to determine options and possibly give recommendations on future uses for the project. The district started the process for a lot split. The project has been approved to split the property into three parcels: the school and two parcels, as long as 44 conditions are met. These are boiler plate conditions. We have a tentative approval based on meeting those conditions. Dr. Leininger has a meeting tomorrow with the Palm Drive committee to narrow the discussion on possible recommendations. The process to sell the property is, it must first be offered to a public agency to make a bid on the property. If no one in the public sector wants to purchase the property, another public hearing is held for the private sector. Two hearings are required: public and private. Mike has asked a local real estate broker to look at the parcels to see what an accurate assessment would be to lease the property. There is a group of community members who live in the Palm Crest area and believe this property should not be sold and have recommended leasing the property. The committee is in the process of looking at all options presented for the Palm Drive property.

The Bond Oversight Committee expressed a concern regarding the district office property options. The cost of the district office move was presented by a Board member as a cost neutral move. Not selling the property would send the wrong message to the community. However, looking at the options is due diligence. The Bond Oversight Committee stated the options for the property have to generate income for the district to cover the cost of the district office move.

It was moved and seconded (Franzen/Walker) that the committee present to the board a statement that says that the Bond Oversight Committee was given information from the outset that the cost of relocating the district offices and construction thereof was to be offset by funds to be obtained from the sale of the district office property. The statement would further declare that the issue had already been studied at length by the Surplus Property Committee and the determination was made

by that committee as to the best use of the district office property. The motion failed with a 2:3 vote. A breakdown of the vote is as follows: Ayes: Franzen and Walker. Noes: Markowitz, Lew, Schiller. Mr. Steele and Mr. Louk were not present for the vote.

The committee tabled any action until further recommendations from the district office property committee.

Melissa Schiller left the meeting.

Fund Update

Dr. Loose distributed a fund update to the committee: The funds reviewed were fund 21.2, 21.0, 35.2 and 25.0.

The committee requested the architect fees as defined in the actual contracted costs for PCY, PCR and LCHS be reviewed and clarified. It appears they have already been paid 6 - 8% of the project. Ms. Clinton clarified the invoices received to date.

Dr. Leininger will update a project executive summary for the committee.

Mike distributed the Bond Project summary as defined on December 13, 2005.

OPPORTUNITY FOR PUBLIC COMMENT

None

ADJOURNMENT

There being no further business to discuss the meeting was adjourned at 10:09 am