

MEETING MINUTES

Huntington Beach City School District (HBCSD)

Measure Q Citizens Bond Oversight Committee (CBOC) Meeting

March 10, 2021 at 4:00pm

Location: Seacliff Elementary School

Attendees

Huntington Beach City School District

Leisa Winston, Superintendent, 714.964.8888 lwinston@hbcasd.us

Greg Magnuson, Facilities Consultant, gmagnuson@hbcasd.us

Studio W Architects

Tony Pacheco-Taylor, Client Leader & Associate, 949.774.2920, Ext. 2906 TonyP@studiow-architects.com

Brian Whitmore, President/CEO, 916.626.1303 BrianW@studiow-architects.com

Chelsea Pozar, Marketing & Business Development Manager/Associate, 916.524.8470

ChelseaP@studiow-architects.com

CBOC Members

John Espinosa - absent

Jill Johnson - absent

Stephanie Gorman - absent

Jerry Marchbank - absent

Mandi Silvaggio - present

Scott Grady - present (by video conference call)

Meeting commenced at 4:12 pm: Brian Whitmore of Studio W Architects delivered a presentation on the status of Measure Q bond sales, projects and financial metrics.

1.0 Bond Issuance Schedule

- 1.1 Series A \$50 million (sold February 2017)
- 1.2 Series B \$40 million (sold December 2018)
- 1.3 Series C \$70 million (sold July 2020)
- 1.4 Total Measure Q Program \$160 million

2.0 Overall Bond Project Expenditures & Budget

- 2.1 Series A and Series B funds have been exhausted and all projects completed.
- 2.2 Series C Anticipated Projects:
 - 2.2.1 Eader Elementary School Modernization
 - 2.2.2 Peterson Elementary School Modernization
 - 2.2.3 Remaining Work at Seacliff Elementary School, which will last through the Summer
 - 2.2.4 Maintenance Building at the Kettler District Office site
- 2.3 Balance of \$18.9 million remaining in the program. District and Board need to decide what to do with the remaining bond monies.

3.0 Series Updates

- 3.1 Series A/Phase 1 Sale Update
 - 3.1.1 Recap of Series A/Phase 1 projects with budgets, timelines and contingencies.
- 3.2 Series B/Phase 2 Sale Update
 - 3.2.1 Recap of Series B/Phase 2 projects with budgets, timelines and contingencies.
 - 3.2.2 Series B projects have just finished up, including Dwyer Middle School Phase 2 Modernization, Seacliff Elementary School Modernization and Smith Elementary School Modernization. Scope at Smith that was recently completed includes remodeling the kitchen, auditorium and teachers' work lounge. The design team is currently making modifications to the nurse's office to allow for entry/access from the exterior of the building due to new pandemic protocols.
- 3.3 Series C/Phase 3 Sale Update
 - 3.3.1 The District is moving forward with the modernization of both Eader and Peterson Elementary Schools. The construction at both campuses will be completed over two summers – the first half will be constructed in 2021, with the second half in 2022.
 - 3.3.1 Ongoing work at Seacliff Elementary School includes improvements to the storm drain, parking, the library courtyard and edits to the admin office, all of which will be finished by Fall 2021.
 - 3.3.2 A new Maintenance & Operations Facility at the District Office will be completed with Series C funding. Authorization to proceed was approved by the Board of Trustees on March 9, 2021.
 - 3.3.3 Remodeling the Central Kitchen at the District Office is also being initiated, but this is not a bond funded project. It may be combined with the M&O Facility and all will be complete by approximately March of 2022.
- 3.4 Sowers Middle School Gym & STEM Lab – \$15,935,271 budget (includes soil remediation)



- 3.4.1 The new gym and STEM lab project at Sowers Middle School has been DSA approved and is ready to begin construction but is on hold while we decide what to do with the Sowers site.
- 3.5 Eader Elementary School Modernization – \$6,197,748 budget
 - 3.5.1 Tracking additional scope of \$4,088,424.
 - 3.5.2 The scope includes moving admin to front of campus and path of travel improvements. The project is currently in DSA review. Construction planned to begin June of 2021.
- 3.6 Peterson Elementary School Modernization – \$8,002,264 budget
 - 3.6.1 Tracking additional scope of \$2,155,454.
 - 3.6.2 Construction is planned to begin June of 2021.
- 3.7 Seacliff Elementary School Modernization – \$2,751,209 budget of remaining work
 - 3.7.1 Construction is in progress with planned completion by Fall of 2021.
- 3.8 District Maintenance & Operations Facility – \$2,888,000 budget
 - 3.8.1 Design contract approved by Board March 9, 2021.
- 3.9 State Funding Eligibility
 - 3.9.1 Funding of ~\$3,400,000 anticipated for Seacliff Elementary School, bringing overall total to roughly \$10,000,000.
 - 3.9.2 The projects listed as “Beyond Authority” do not fall within Prop 51 and will need to wait for another State bond before receiving funding.

4.0 Update Regarding Middle School Options

- 4.1 Series C Remaining Funds \$18,929,616.
- 4.2 \$9,959,280 deficit to modernize Sowers and \$59,700,820 deficit to build a new campus in its place. A large amount of the modernization estimate accounts for soil remediation costs.
- 4.3 Additional options for remaining Series C funds include relocating Sowers Middle School to the Huntington Christian School site, converting Peterson Elementary School to a K-8 school (and closing Sowers) and creating a middle school at Peterson Elementary School (and closing Sowers). The Peterson Elementary School site does not have the liquefaction issues that exist at the Sowers site, so soil remediation costs would go away with one of the options involving further development at Peterson. The sentiment associated with Sowers needs to be considered with all the options. The options will be presented and discussed at a Board Study Session on March 16, 2021. The goal is to narrow down the options for further analysis.

5.0 Additional Potential Projects Not Bond Funded

- 5.1 HVAC projects – new estimate is \$4,500,000 (received from Construct1 March 9, 2021).



5.2 Design has started on the District Central Kitchen project. Total project cost is \$1,145,895.

6.0 Review of Expenditure & Fee Reports

6.1 Series A had a balance of \$2,642,232 total of hard and soft costs that was transferred over to Series B.

6.2 Series B had a balance of \$19,000,000 to \$20,000,000, which is the potential investment for the Sowers Middle School project.

6.3 Overall, the program is under budget on soft costs. The industry benchmark is 25% of overall project costs should account for soft costs.

7.0 Q&A

Question: Is the option of relocating Sowers to Huntington Christian School actually a viable solution?

Doesn't the District make money from the lease with Huntington Christian?

Answer: It was an option that was brought to the table at the most recent Board Study Session, therefore it will be explored. The Huntington Christian site is owned by the District and is similar in size to Hawes Elementary School or the Kettler site, but might be a bit small to house a middle school.

Question: Is the Board Study Session on March 16th open to the public?

Answer: Yes. The meeting will be conducted via Zoom and is open to the public.

Question: Was the Maintenance Building project something that was identified in the master plan?

Answer: Yes, it was. The District's maintenance facilities were previously housed at Dwyer Middle School and had to be taken off the site to make room for the new gym. With the facilities being demolished, we needed to find a new home for them and the Kettler site was identified as the solution.

Question: Can you explain the deficit of \$9.9 million to modernize Sowers?

Answer: More detailed information will be available at the Board Study Session on March 16, 2021. Roughly \$8,000,000 of the estimate is for site remediation due to liquefaction. One of the reasons to look at other options is to get away from the large expense associated with soils remediation that would need to be undertaken with the modernization. With the reconstruction, we can build new with piles, or the cost goes away totally in the relocation option.

Question: What is the timing for Gisler sale?

Answer: Escrow is scheduled for May 2022 for first two-year escrow and they have the option for a third year should they choose to exercise it.



Question: Are we still looking at the option to modernize Sowers and build the new gym and STEM lab project?

Answer: Progress stalled on the project because of the indecision on how to move forward with Sowers overall. If Sowers were to remain, potentially the gym and STEM lab project would be phase 1.

Question: Should we make the decision about Sowers before moving forward with construction at Peterson?

Answer: Because we'll be constructing over two summers, the first phase will concentrate on elementary spaces that wouldn't be affected by a potential decision to convert the campus to a K-8 school. The only program element at Peterson that cannot be translated is the kindergarten classrooms.

Question: What is the scope at Eader and Peterson?

Answer: The scope at Eader includes 21st century classrooms, parking, ADA upgrades, various site work and boys' restrooms. We are recommending to the Board relocating some classrooms to the admin wing, remediation of moisture issues, relocating the staff lounge and workroom, a new kindergarten playground and replacing play structures.

The scope at Peterson includes new electrical and the bulk of costs is 21st Century classrooms (31 total rooms), a warming kitchen, library to learning commons renovation, fitness remodel, parking, ADA updates, remediating moisture issues and an extensive admin remodel. There is also some work at the multipurpose building that was not DSA approved. Recommended scope if the budget allows and pending board approval includes repurposing the existing food service space to offices and a staff lounge.

The work planned at each site is equitable, with roughly \$10,000,000 dedicated for each.

Question: That is a massive budget to remediate moisture issues at Peterson; can you explain? What are the electrical services (i.e. what's going on at Eader)? With \$20,000,000 on the line remaining in the program what are we doing to be competitive in the bidding climate?

Answer: The moisture issues at Peterson are related to moisture coming up through the slab and they've had problems with the flooring buckling. The estimate in the budget currently is from Construct1 and is the worst case scenario. We may be able to accomplish remediation with upgraded mastic which would be a significant cost reduction. Dome testing is occurring presently. We will analyze the test results and move forward with a remediation recommendation based on what is found in the investigation.



Regarding the cost of electrical upgrades at Eader, the electrical service at the campus has never been upgraded (as compared to Peterson, for example, which was upgraded at some point). The service was scheduled to be upgraded at Eader but was never completed because of lack of funding. The cost includes adding new transformers and new panels.

To respond to the question about the ability to take advantage of a potentially competitive bidding market, the District has chosen the lease-leaseback delivery method because it is collaborative with the intent to have a partner in the process. This is the same delivery method we've used for Series A and B projects as well. The budget numbers shown in the presentation are estimates, they are not bid numbers. Historically, we have seen a 7% reduction from Construct1 over the past years based on actual bid results. The sub-trades are bid. Each bond series has required an RFP to solicit lease-leaseback services. Most recently, the Series C solicitation was in the Fall of 2020 and Construct1 was selected again. We have the option to put the project out for hard bid. The disadvantage with this scenario is the potential to get an unknown contractor and we would lose the value of preconstruction and estimating services that happen in the design process and lose consistency of the team. With a larger project, such as the Sowers Middle School Reconstruction, for example (if we were to go that route), would require another RFP because it was not part of the Series C RFP. Recall that we also engaged C.W. Driver and Swinerton for estimating at certain points of the process.

Question: How many trades is the contractor procuring for each discipline? Are we seeing the same subcontractors time and time again?

Answer: That is not something we have analyzed in the past but is certainly something we could look into.

Question: We're seeing a national trend in building medical clinics inside middle schools and high schools where students can visit without consent from parents. Is this something the District is considering?

Answer: This is the first we've heard of the concept and is not something the District is considering. The only adjustment we have made with COVID is adding an entry to the nurse's office from the exterior of the building at Smith Elementary School. No other adjustments are planned.

Meeting adjourned at 5:08 pm.

