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## MEETING MINUTES

Huntington Beach City School District (HBCSD)

Measure Q Citizens' Bond Oversight Committee (CBOC) Meeting

Date: May 24, 2022 (updated per CBOC comment 11-02-2022)

Location: District Office Board Room

### 1.0 Preliminary (Jenny Delgado, Huntington Beach City School District)

#### 1.1 Call to Order

Meeting called to order at 5:00 pm.

#### 1.2 Roll Call for CBOC Members

John Espinosa – present

Mike Mann – present

Andrew McEachin – present

Scott Grady – absent

Jerry Marchbank – absent

#### 1.3 Others in Attendance

##### Huntington Beach City School District

Leisa Winston, Superintendent

Jenny Delgado, Chief Business Official

Mark Manstof, Director of Facilities, Maintenance, Operations & Transportation

##### Studio W Architects

Brian Whitmore, President & CEO

Tony Pacheco-Taylor, Client Leader

Chelsea Pozar, Director of Marketing & Business Development

##### Parker & Covert LLP

Doug Yeoman

### 2.0 Pledge of Allegiance (Mark Manstof, Huntington Beach City School District)

### 3.0 Comments from the Floor (Jenny Delgado, Huntington Beach City School District)

None.

### 4.0 Adoption of the Agenda (Jenny Delgado, Huntington Beach City School District)

4.1 Motioned to approve by Mike Mann. Seconded by Andrew McEachin. Unanimously approved (3-0).

### **5.0 Election of Chair and Vice Chair (Jenny Delgado, Huntington Beach City School District)**

- 5.1 Scott Grady nominated as Chair, John Espinosa nominated as Vice Chair.
- 5.2 Motioned to approve by Mike Mann. Seconded by Andrew McEachin. Unanimously approved (3-0).

### **6.0 Approval of the Meeting Minutes from October 20, 2021 (Jenny Delgado, Huntington Beach City School District)**

- 6.1 No quorum for February 9, 2022 meeting.
- 6.2 Motioned to approve by John Espinosa. Seconded by Mike Mann. Unanimously approved (3-0).

### **7.0 CBOC Bylaws & Brown Act (Doug Yeoman, Parker & Covert LLP)**

- 7.1 CBOC must meet at least annually and provide an annual report of fiduciary activity.
- 7.2 Three members ratified. Still have two vacancies to fill for representatives of a senior citizens' group and a taxpayers' association.
  - 7.2.1 The District will continue to advertise and recruit for the vacant positions. CBOC members also encouraged to recruit.
  - 7.2.2 There was conversation surrounding recruiting for open positions. Not many senior citizen or taxpayer associations in the district boundaries from which to recruit. Jenny mentioned there is a waiting list for the positions already fulfilled should one of the members currently serving not be able to fulfill the role for any reason.
  - 7.2.3 Terms are a minimum of two-years. Members cannot serve more than three consecutive terms.
- 7.3 Mr. Yeoman reviewed the purpose of the committee.
- 7.4 The Brown Act must be followed for CBOC meetings, similar to Board of Education meetings.
  - 7.4.1 The meeting agenda and any supporting Information must be posted to the Measure Q website a minimum of three days prior to the meeting date.
  - 7.4.2 Committee members cannot meet, deliberate and make decisions outside of a formal, scheduled meeting with a quorum present.
- 7.5 Committee automatically disbands 180 days after all Measure Q funds have been expended.
- 7.6 Bylaws and ethics policy statement were provided.

### **8.0 Measure Q Update (Brian Whitmore, Studio W Architects)**

- 8.1 Recap of Bond Issuance Schedule
  - 8.1.1 Bonds are sold in chunks known as 'series'. It was originally planned to sell the bonds over four series. However, due to a favorable property tax base, the District was able to sell them sooner and in three sales (rather than four), allowing them to get projects underway more quickly and avoid costly construction escalation.
- 8.2 Overall Bond Project Expenditures/Budget
  - 8.2.1 Reviewed master spreadsheet to track accounting of all bond sales and funds spent. All hard costs and soft costs are tracked. This is the same information that is presented to the Board on a monthly basis. Each of the series are balanced to zero at the end of that phase.



8.2.2 One of the promises of Measure Q was to provide a new maintenance and operations facility at the Kettler Education Center, which was removed from the spreadsheet because it will ultimately get paid from the sale of the Gisler site rather than bond funds.

8.2.3 All guaranteed maximum price (GMP) contracts have come in at or under budget with contingencies returned to the District in all cases, which is helping to fund the Sowers project.

### 8.3 Series A Update

8.3.1 All Series A projects are complete.

8.3.2 Hawes Elementary School included interim housing and campus modernization. The overall project was completed in 2019 for a total construction cost of \$6,092,186 and \$269,000 in contingencies were returned to the District.

8.3.3 Dwyer Middle School Phase 1 Modernization included renovating all classrooms and the administration office. The project was completed in 2018 for a construction cost of \$5,369,954 with \$592,000 in contingencies returned to the District.

8.3.4 Dwyer Middle School New Construction project consisted of a new gymnasium/multipurpose facility and adjacent STEM Lab. The project was completed in 2020 (at the beginning of the pandemic) for a construction cost of \$13,426,281 with \$747,000 in contingencies returned to the District.

8.3.5 Moffett Elementary School included interim housing and campus modernization. The project was completed in 2019 for a total construction cost of \$7,124,712 with \$448,000 in contingencies returned to the District.

8.3.6 Safety and Security Measures included new fencing, security cameras and other safety improvements at seven of the District's campuses. They were not implemented at Sowers Middle School and Smith Elementary School under this project because these components were captured in campus modernization projects at those respective sites. The project was completed in 2019 for a construction cost of \$1,521,568.

8.3.7 Sowers Middle School New Construction project consisted of a new gymnasium/multipurpose facility and adjacent STEM lab (identical to what was created for Dwyer Middle School). Studio W Architects designed the project and got it approved through DSA, but the project was then put on hold. This project has been incorporated into the new construction portion of the Sowers Middle School Reconstruction project in Series C.

### 8.4 Series B Update

8.4.1 Dwyer Middle School Phase 2 Modernization included renovating the Case Building (science, math, library and food service area) and the Auditorium (largely addressed ADA upgrades). The project was completed in 2020 for a construction cost of \$5,858,886 with \$274,000 in contingencies returned to the District.

8.4.2 Smith Elementary School Phase 1 Modernization included renovating all classrooms on campus. The project was completed in 2020 for a construction cost of \$7,500,932 with \$483,000 in contingencies returned to the District.



- 8.4.3 Smith Elementary School Phase 2 Modernization included construction of a new administration and classroom building. The administration office was originally in the center of campus which is not ideal for visitors and did not align with the District's goals for safety and security. The former admin space was modernized into a teachers' lounge and STEM space. The project was completed in 2021 for a total construction cost of \$10,405,580 with \$175,000 in contingencies returned to the District.
- 8.4.4 Seacliff Elementary School Modernization was funded with Series B and Series C funds. The Series B portion included renovating all classrooms on campus. The project was completed in 2021 for a total construction cost of \$7,700,611 with \$681,000 in contingencies returned to the District.
- 8.5 Series C Update
- 8.5.1 The portion of the Seacliff Elementary School Modernization that utilized Series C funds included completion of the parking, administration and library renovations. The project is complete for a construction cost of \$2,751,209.
- 8.5.2 Eader Elementary School Modernization is being completed over two phases and will last two summers. Phase 1 was completed in 2021, including Building 5, and phase 2 construction is occurring over this summer. Approved GMP for both phases is \$10,255,710. Scope of work additions for DG in parking lot and kindergarten area turf and fencing will be going to the Board for approval next month; estimated construction value \$466,564.
- 8.5.3 Peterson Elementary School Modernization is being completed over two phases and will last two summers. Phase 1 was completed in 2021 and phase 2 construction is occurring over this summer. Approved GMP for both phases is \$15,935,271. Scope of work additions for DG removal, moisture barrier removal, parking lot upgrades and kindergarten area turf, fencing and trellis will be going to the Board for approval next month; estimated construction value \$506,948.
- 8.5.4 The new Maintenance & Operations Facility will be processed through the City of Huntington Beach, with DSA reviewing for access compliance only. This project will be funded by Gisler proceeds to balance bond funds. The District wanted to make sure the Sowers Middle School Reconstruction project could move forward and was on budget before continuing with the M&O Building. Construction budget estimate \$2,888,000.
- 8.6 State Fund Eligibility Update
- 8.6.1 \$1.2 million [eligible](#) in the next couple weeks. (Updated 11-02-2022)
- 8.6.2 Additional \$3.8 million expected in 2022 or 2023.
- 8.7 Sowers Middle School Update
- 8.7.1 Studio W Architects evaluated the cost to modernize the existing campus versus reconstruction at the current site. The site suffers from liquefaction which would have cost several million dollars to remedy in the case of a total campus modernization. Ultimately, the construction cost was relatively the same and the District would experience a much better result from reconstructing the campus versus modernizing it.



8.7.2 The design is a hybrid of modular and permanent buildings. New construction will be built outside of the footprint of the existing school so that the campus can remain operational during construction. The modular buildings are being procured from AMS through a "piggyback" contract.

8.7.3 Total project cost ~\$70 million (includes construction, construction contingency, soft cost and furniture). Funding will come from a combination of the balance of Measure Q funds (\$28 million, Gisler sale proceeds (\$27.75 million) and state matching funds (\$4.1 million).

8.7.4 Constructl is on board as the lease-leaseback contractor and will be bidding sub-trades once DSA approval has been obtained.

8.7.5 Phase 1 construction will start September 2022 and be complete by August 2023. Students will move into the new campus components in August 2023, then construction starts on Phase 2, with anticipated completion Summer 2024.

#### 8.8 Expenditure/Fee Updates

8.8.1 Overview of costs and fees to date.

8.8.2 Soft costs are running at 22-23%, industry standard is 25%.

#### 8.9 Q&A/Discussion

**Question:** What are you doing to address supply chain shortages, construction cost escalation, market inflation and other factors affecting the delivery of construction?

*Answer:* We carry generous contingencies to cover these unknown factors. We try to be conservative with estimating for construction costs rather than leave the District short during the project. Averaging roughly 8% returns across all projects. Spent ~\$28 million more than the bond amount, but with the sale of Gisler, everything has balanced. This has allowed the District to do even more than originally promised. The District's ability to make decisions swiftly and get things done has also helped tremendously to keep things progressing and not overpaying.

**Question:** What will happen if there are funds remaining once the Sowers project is complete?

*Answer:* The District will spend all Measure Q funds and proceeds from the Gisler sale. The District will see \$8-10 million in state funds over the next 2-3 years and can decide what they want to do at that point. They have been some operational savings realized from the modernizations due to upgraded systems, energy efficiency, water usage, etc.

#### 9.0 2020-2021 Annual Report (Jenny Delgado, Huntington Beach City School District)

9.1 An overview of the Annual Report was provided, including its purpose and general contents.

9.2 Motioned to approve by John Espinosa. Seconded by Mike Mann. Unanimously approved (3-0).

#### 10.0 Comments From Committee Members (Jenny Delgado, Huntington Beach City School District)

None.

#### 11.0 Adjournment (Jenny Delgado, Huntington Beach City School District)

Meeting adjourned at 6:05 pm.

