

LOS ANGELES UNIFIED SCHOOL DISTRICT

SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE

Margaret Fuentes, Chair

LAUSD Student Parent

D. Michael Hamner, FAIA, Vice-Chair

American Institute of Architects

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L.A. City Mayor's Office

Scott Pansky, Executive Committee

L.A. Area Chamber of Commerce

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CA Charter School Association

Robert Campbell

L.A. Co. Auditor-Controller's Office

Jeffrey Fischbach

CA Tax Reform Assn.

Chris Hannan

L.A. Co. Federation of Labor AFL-CIO

Hyepin Im

L.A. City Controller's Office

Brian Mello

Assoc. General Contractors of CA

Dr. Clarence Monteclaro

Tenth District PTSA

William O. Ross IV

31st District PTSA

Samantha Rowles

LAUSD Student Parent

Araceli Sandoval-Gonzalez

Early Education Coalition

Dolores Sobalvarro

AARP

Celia Ayala (Alternate)

Early Education Coalition

Chad Boggio (Alternate)

L.A. Co. Federation of Labor AFL-CIO

Connie Yee (Alternate)

L.A. Co. Auditor-Controller's Office

Joseph P. Buchman – Legal Counsel

Burke, Williams & Sorensen, LLP

Lori Raineri and Keith Weaver – Oversight

Consultants

Government Financial Strategies Joint

Powers Authority

Timothy Popejoy

Bond Oversight Administrator

Perla Zitle

Bond Oversight Coordinator

School Construction Bond Citizens' Oversight Committee

Regular Meeting

LAUSD HQ – Board Room

333 S. Beaudry Avenue

Los Angeles, CA 90017

Thursday, April 27, 2023

10:00 a.m.

Please see the archived video of the meeting for all discussions/questions:

<https://lausd.wistia.com/medias/kamwudv8yu> (English)

<https://lausd.wistia.com/medias/tsnbmkgym> (Spanish)

Committee Members Present (12): Neelura Bell, Chad Boggio, Robert Campbell, Jeffrey Fischbach, Margaret Fuentes, D. Michael Hamner, Jennifer McDowell, Brian Mello, Scott Pansky, William Ross, Araceli Sandoval-Gonzalez, Dolores Sobalvarro.

Committee Members Absent (3): Hyepin Im, Dr. Clarence Monteclaro, Samantha Rowles.

00:00:00 Call to Order

Ms. Fuentes called the meeting to order at 10:04 a.m. and welcomed all to the Bond Oversight Committee (BOC) meeting.

00:00:23 Introductory Remarks

Ms. Fuentes recognized and asked Mr. Hamner, BOC Vice-Chair, to present the next segment of the Chair's Remarks at the beginning of the meeting. Mr. Hamner stated that BOC members participating remotely need to set their Interpretation Feature on the Zoom screen menu to their preferred language for simultaneous interpretation. He also thanked the KLCS Staff for their production, Spanish Interpretation Staff for their work in translating and other District Staff for their assistance in broadcasting the hybrid BOC meeting.

Mr. Hamner announced that the BOC website was back online and could be found at <https://achieve.lausd.net/boc>. He thanked ITS and FSD staff for all their assistance in restoring the BOC website after the cyberattack on the District. He also

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indicated that meeting materials and live stream in both English and Spanish were located under the tab *Upcoming Meetings*. He explained that public speakers were asked to sign up using a hyperlink to a Google form included on the agenda and posted to the BOC's website on April 21, 2023. He stated that the form was available 24 hours before the start of the meeting and would remain open for 20 minutes after the start of the meeting.

Mr. Hamner stated that there would be a maximum of five (5) speakers for each agenda item and up to ten (10) speakers for general public comment. He stated that all public speakers would have up to 3 minutes. He also stated that public speakers with more than one agenda item would be provided 6 minutes total to make comments on all items they wished to address. He detailed the protocols for public speakers via audio and said that they should monitor the meeting through the live stream and then turn off the live stream volume when asked to speak to avoid audio echo or audio feedback. When it was the speaker's turn to speak, Ms. Zittle would announce the last four digits of the caller's phone number, and each public speaker would be instructed to unmute on Zoom, or press *6 (star 6), to speak. He stated that in-person speakers would be asked to step up to the podium to be heard. He thanked everyone in advance for working with the Committee to accommodate speakers.

Mr. Hamner completed his remarks.

00:03:16 Ms. Fuentes read the Bond Oversight Committee's (BOC) mission statement:

"The mission of the Oversight Committee is to oversee the permissible and prudent expenditure of funds for the construction, repair, and modernization of schools by the Los Angeles Unified School District (LAUSD). In order to effectively carry out that mission the Oversight Committee must remain strong and independent. That is our responsibility to the District, the teachers, the students, and the taxpayers."

Ms. Fuentes welcomed new BOC member, Robert Campbell, representing the Los Angeles County Auditor-Controller's Office. Mr. Campbell is the Assistant Auditor-Controller for the Audit and Countywide Contract Monitoring Divisions for the Office of County Investigations (OCI), and the Ombudsperson for Youth in Short Term Residential Therapeutic Programs. He is also a Certified Internal Auditor (CIA) and a Certified Fraud Examiner (CFE). He appreciated the warm welcome to the BOC.

Ms. Fuentes announced that the voting items on the agenda were 2, 3, 4, 5, and 6. Other items were for information only. She stated that the information reports were: Item #7 *Performance Audit of Developer Fees*, and item #8 - *Chief Facilities Executive's Report*, both presentations in support of the BOC's mandate to provide information that impacts the bond program to the public.

Ms. Fuentes thanked BOC members and members of the public who participated in completing the *FY24 OIG Annual Risk Assessment Survey* available on the BOC website. She informed that the survey closed on March 31, 2023 and would help the Office of the Inspector General determine next year's areas of focus for its bond funded work plan.

00:05:29 **Agenda Item 1. Public Comment**

There were no speakers.

00:05:47 **Agenda Item 2. Consent Calendar – March 16, 2023 Meeting Minutes**

Mr. Hamner made a motion to move the Consent Calendar.

Ms. McDowell seconded.

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00:06:16 The Chair asked Mr. Buchman to conduct a roll call vote.

Ayes: 10 - Ms. Bell, Mr. Boggio, Mr. Campbell, Mr. Fischbach, Ms. Fuentes, Mr. Hamner, Ms. McDowell, Mr. Mello, Mr. Ross, Ms. Sobalvarro.

Nays: 0

Abstentions: 1 - Ms. Sandoval-Gonzalez

Absences: 4 - Ms. Im, Dr. Monteclaro, Mr. Pansky, Ms. Rowles.

The Consent Calendar passed.

00:08:33 **Agenda Item 3. A Resolution Establishing the 2023 BOC Charter and MOU Review Task Force**

Presenter: Margaret Fuentes, BOC Chair

Ms. Fuentes presented A Resolution Establishing the 2023 BOC Charter and MOU Review Task Force. She explained that the Memorandum of Understanding (MOU) between the District and the BOC stipulated that a re-evaluation and review for potential amendments were to be conducted every five years after the completion of an independent review of BOC processes. She indicated that the Office of the Inspection General facilitated the Special Review of the BOC and published it on October 4, 2022. Therefore, she said that a review of the current MOU (last amended April 18, 2017) was critical to robust and well-resourced independent oversight. She detailed the scope of work of the MOU Review Task Force and informed that it would be composed of up to five active members in addition to the BOC Chair as an ex-officio member.

Ms. Fuentes stated that BOC Member Michael Hamner would be the Chair of the MOU Review Task Force. The resolution calls for the Task Force to provide an update of its activities at the June 8, 2023 BOC meeting.

There were no questions.

Mr. Fischbach made a motion to approve Resolution 2023-09.

Ms. Sobalvarro seconded.

00:10:58 The Chair asked Mr. Buchman to conduct a roll call vote on the motion.

Ayes: 11 - Ms. Bell, Mr. Boggio, Mr. Campbell, Mr. Fischbach, Ms. Fuentes, Mr. Hamner, Ms. McDowell, Mr. Mello, Mr. Ross, Ms. Sandoval-Gonzalez, Ms. Sobalvarro.

Nays: 0

Abstentions: 0

Absences: 4 - Ms. Im, Dr. Monteclaro, Mr. Pansky, Ms. Rowles.

Resolution 2023-09 passed.

00:12:37 **Agenda Item 5. 15 Board District Priority and Region Priority Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein**

Presenter: India Griffin, Director of Maintenance and Operations, FSD

[Mr. Pansky joined the meeting at 10:26 a.m.]

Ms. Griffin presented 15 Board Member Priority and Region Priority Projects and Amendment to the Facilities Services Division (FSD) Strategic Execution Plan. The total combined budget was \$981,299. The projects included two fencing projects, five furniture projects, four free-standing marquees, two secure entry system, one shade structure, and one water bottle filling station. She presented photographs, project descriptions, budgets, and construction schedules of the proposed shade

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structure project at Tulsa Elementary School and the chain link privacy fence project at Hawaiian Elementary School. Please refer to Board Report No. 248-22/23 for further detailed information.

There were questions and a discussion related to the removal/disposal of the old chain link privacy fence, shade structure dimensions as well as cost breakdown to include accessibility components and materials, donations and partnerships with the Child Care Resource Center. Also, the BOC Chair acknowledged receipt of a response from District staff regarding a question as to why the 2023 annual allocation priority funding formula does not include early education centers and adult education centers. The BOC Chair asked for clarification of the priority funding for transitional kindergarten projects, which was indicated it would be funded by the category Board District and Region Priority Categories.

All questions were answered by Ms. Tokes, Ms. Griffin and Ms. Castillo.

Ms. Sandoval-Gonzalez made a motion to approve Resolution 2023-11.

Mr. Fischbach seconded.

00:29:43 The Chair asked Mr. Buchman to conduct a roll call vote on the motion.

Ayes: 12 - Ms. Bell, Mr. Boggio, Mr. Campbell, Mr. Fischbach, Ms. Fuentes, Mr. Hamner, Ms. McDowell, Mr. Mello, Mr. Pansky, Mr. Ross, Ms. Sandoval-Gonzalez, Ms. Sobalvarro.

Nays: 0

Abstentions: 0

Absences: 3 - Ms. Im, Dr. Monteclaro, Ms. Rowles.

Resolution 2023-11 passed.

00:31:36 **Agenda Item 4. The 2023-2024 Education Code Section 47614 (Proposition 39) Facilities Renovation Effort and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein**

Presenter: India Griffin, Director of Maintenance and Operations, FSD

Jose Cole-Gutierrez, Director, Charter Schools Operations

Jeanette Borden, Charter Schools Operations Manager

Mr. Hovatter introduced the 2023-2024 Education Code Section 47614 (Proposition 39) Facilities Renovation Effort and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein. He stated that the Prop 39 California constitutional amendment that passed in 2000, provided for the establishment of charter schools and also provided a way for school districts to pass local bond measures with a 55% voter approval threshold rather than a two-thirds threshold. He provided an explanation of the three main categories and purposes for the use of bond funds for charter school projects at LAUSD: 1) New construction of a charter school whose title of property and land will be owned by the District; 2) Critical repairs to independent charter schools; and 3) Co-located charter schools (make-ready projects).

Jeanette Borden, Charter Schools Operations Manager, provided some background information, and an overview of the timeline set by State law:

- By Nov 1, Charter schools submit written request for use of LAUSD school facilities, including their projected in-district classroom Average Daily Attendance (ADA).
- By Dec 1, after careful review of each Charter School application and ADA, LAUSD agrees or objects to their ADA projections in writing.
- By Jan 2, the charter school responds to any objections by reaffirming or modifying the ADA projections.
- By Feb 1, LAUSD prepares in writing a Preliminary Proposal to charter schools with eligible facilities application requests.
- By Mar 1, Charter schools respond to the Preliminary Proposal expressing any concerns, addressing differences, and make counterproposals.

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- By Apr 1, LAUSD submits in writing a Final Offer of facilities for each charter school.
- By May 1, the Charter schools either accept or reject the final offers. If the final offer is accepted, LAUSD will prepare the rooms for charter occupancy ten working days before their first day of instruction.

Ms. Griffin stated that this year's 2023-2024 projects are comprised of facilities renovations, reconfigurations, technology, furniture, equipment, communications/safety systems purchases, upgrades, CEQA analysis (that includes traffic studies), and other requirements as detailed in Board Report Rep-247-22/23. The total proposed budget is \$15.2M.

There were questions and a discussion related to whether Proposition 39 dictates funding allocation for the charter schools category, allows for the review of the number of applications accepted, identifies the impact created to LAUSD schools by allocating funding for charter schools, consideration of the CEQA impact and analysis, understanding why each year the District does not usually expend the total budget requested for this set of projects, potential challenges/concerns between public schools and charter schools, sharing of results and feedback received, school community notification on timeline, map of charter schools, and the definition of various charter school types.

There was also discussion related to Rise Kohyang charter co-location sites, the different grade levels on school campuses, public school campuses offering a large number of classrooms, Average Daily Attendance (ADA), in-District students in Charter schools, and clarification on funding for projects if the Prop 39 proposed projects do not get recommended by the BOC.

All questions were answered by District Staff.

Ms. Sandoval-Gonzalez made a motion to approve Resolution 2023-10.

Mr. Fischbach seconded.

01:15:20 The Chair asked Mr. Buchman to conduct a roll call vote on the motion.

Ayes: 11 - Ms. Bell, Mr. Boggio, Mr. Campbell, Mr. Fischbach, Mr. Hamner, Ms. McDowell, Mr. Mello, Mr. Pansky, Mr. Ross, Ms. Sandoval-Gonzalez, Ms. Sobalvarro.

Nays: 0

Abstentions: 1 - Ms. Fuentes,

Absences: 3 - Ms. Im, Dr. Monteclaro, Ms. Rowles.

Resolution 2023-10 passed.

01:17:02 **Agenda Item 6. Cancellation of Five Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein**

Presenter: Mark Hovatter, Chief Facilities Executive, FSD

Mr. Hovatter presented the Cancellation of Five Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein. He explained that every project funded through the bond program is placed into the Strategic Execution Plan (SEP) including budget, project type, scope and schedule. However, he said that occasionally projects were done by other means or were no longer needed. He indicated that after the cancellation of the proposed projects, those funds would return to the corresponding categories to be available for other projects.

Mr. Hovatter provided detailed information regarding the proposed cancellations listed below. Please refer to Board Report No. 249-22/23 for further detailed information.

Program Type	School Name	Project Name	BD	Region	Reason For Cancellation	Project Number	Original BOE Report
Region Priority	Roybal Learning Center	Roybal Learning Center - Safety Upgrades to Baseball Field	2	East	Project scope is cost prohibitive; an operational solution was implemented to address the situation.	10369417	225-17/18
	Sharp ES	Sharp ES - Install Chain Link Fence	6	North	Project scope will not be implemented as proposed project location is public-right-of-way. An operational solution was implemented to address the situation.	10372401	233-21/22
	Westchester Enriched Sciences Magnets	Westchester Enriched Sciences Magnets - Auditorium Renovation	4	West	Project scope is cost prohibitive.	10103297	302-09/10
Major Renovations and Reconfigurations	Playa Vista ES	Playa Vista ES - Classroom Addition	4	West	Enrollment levels have declined and the additional classrooms are no longer required.	10367415	181-15/16
Adult and Career Education	Abram Friedman Occupational Center	Friedman Occupational Center - HVAC, Fire Alarm & Elevator Upgrades	2	East	Project scope is cost prohibitive. Facilities and Division of Adult and Career Education will explore alternative operational solutions.	10368203	252-16/17

There was a question related to the approach for addressing HVAC, fire alarm and elevator upgrades at Friedman Occupational Center after the proposed cancellation.

All questions were answered by Mr. Hovatter.

Mr. Hamner made a motion to approve Resolution 2023-12.

Ms. Sandoval-Gonzalez seconded.

01:26:18 The Chair asked Mr. Buchman to conduct a roll call vote on the motion.

Ayes: 12 - Ms. Bell, Mr. Boggio, Mr. Campbell, Mr. Fischbach, Ms. Fuentes, Mr. Hamner, Ms. McDowell, Mr. Mello, Mr. Pansky, Mr. Ross, Ms. Sandoval-Gonzalez, Ms. Sobalvarro.

Nays: 0

Abstentions: 0

Absences: 3 - Ms. Im, Dr. Monteclaro, Ms. Rowles.

Resolution 2023-12 passed.

01:27:31 **Agenda Item 7. Performance Audit of Developer Fees (Information Only)**
Presenter: Sue Stengel, Inspector General, OIG

Sue Stengel began her presentation thanking the BOC for participating in the annual survey for the Office of the Inspector General (OIG) work plan. She stated the mission of the OIG and introduced the Audit Unit Team, Austin Onwualu, Deputy Inspector General, Katharine Monishi, Audit Manager, and Armando Ng, Principal Auditor. She explained Section 17620 of the California Education Code that allows imposing developer fees on: New residential construction, residential construction if assessment is more than 500 square feet, and industrial construction.

Ms. Stengel reported that the audit's methodology was to review and identify new construction that would result in the imposition of developer fees in 20 cities and unincorporated areas within the LAUSD boundaries corresponding to fiscal years 2021 and 2022. She stated the following audit objectives: to determine whether the District's Developer Fee Program Office (DFPO) collected a developer fee for all new residential, commercial, and industrial projects within the school district

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boundaries but not including the City of Los Angeles, and that the developer fee collected by DFPO was accurately calculated based on the square footage of the projects. She said that the audit was performed because there had not been a report performed since 2008, and a review of the City of Los Angeles Developer Fees Collection was issued in 2019.

Mr. Ng explained the process for the collection of developer fees: 1) Owner completes the Certification of Payment of Developer Fee form; 2) Planning/Building and Safety department certifies the construction square footage; 3) Owner mails the payment of developer fee or pays in person at LAUSD's Developer Fee Program Office; 4) LAUSD's Developer Fee Program Office certifies payment was made; 5) Owner applies for a building permit and must include the payment receipt/certification; and 6) Planning/Building and Safety department issues a permit after verifying that the developer fee was paid.

Ms. Monishi and Mr. Ng detailed four audit findings: 1) Developer fees were not collected on all assessable construction projects. Uncollected fees totaled \$1.7 million. 2) Bounced/returned checks of previously collected developer fees identified with no repayment in the amount of \$184,949. 3) New residential construction less than 500 square feet subject to developer fees not included in the District's policy. Uncollected fees totaled approximately \$571,000. 4) Fees were calculated correctly for the construction projects where fees were collected.

Ms. Monishi concluded the presentation describing the recommendations below that the Office of the Inspector General presented to the District. A copy of the complete audit report of the Performance Audit of Developer Fees can be found at <https://my.lausd.net/webcenter/content/conn/WCCConn/uuid/dDocName:ID137107?rendition=web>.

- Implement procedures to monitor/review permits issued by the cities/local agencies.
- Work with cities/local agencies to collect unpaid developer fees.
- Provide training to the cities/local agencies.
- Implement procedures to make sure Board-approved resolutions/reports, supporting documentation, and a map indicating the District boundaries are sent to each city/local agency, and to maintain all relevant evidence and documentation on file.
- Work with the Office of the General Counsel to amend the Developer Fee Policy to include construction projects of less than 500 square feet.

There was a question and discussion related to the monitoring of the accuracy of developer fees collection and remission, statutory limitation for uncollected fees, impact fee to additions of less than 500 square feet, and overlapping with other school districts for the collection of developer fees.

All questions were answered by the OIG's audit team.

01:47:30 **Agenda Item 8. Chief Facilities Executive's Report (Information Only)**

Presenter: Mark Hovatter, Chief Facilities Executive, FSD

[Mr. Pansky left the meeting at 12 p.m.]

Mr. Hovatter began his presentation introducing his daughter, who was accompanying him as a participant of the program for the national day *Take Our Children to Work Day* that gives children between the ages of 8 and 18 years old the opportunity to share a workday with parents, caregivers or mentors.

Mr. Hovatter commented on previous items such as future impact of projects on the school community, California Environmental Quality Act (CEQA) studies, and the Office of the Inspector General's presentation. He presented a pie chart of projects totaling approximately \$6.8B that are currently underway and invited contractors to submit bid proposals for the upcoming 803 projects in the pre-construction stage. He also reported on roofing upgrades of which 26 percent are needed now, 18 percent more in approximately three years and 23 percent in approximately seven years. He stated that approximately four percent of the District's roofs should be replaced to avoid having leaks in them. He also said that the prioritization of roofing projects is based on assessment of various factors to determine which roof is the worst condition. "*Worst goes first.*"

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Mr. Hovatter provided information about FSD efforts to comply with the Board Resolution *Transitioning Los Angeles Unified School District to 100% Clean, Renewable Energy Resulting in Healthier Students and More Sustainable, Equitable Communities (Res-018-19/20)*. The goal is to achieve 100 percent clean, renewable energy in its electricity sector by 2030 and all other energy sectors including transportation by 2040. He shared that efforts to date have earned LAUSD the 2023 Better Practice Award Winner from the Department of Energy. Christos Chrysiliou, Director of Architectural and Engineering (A&E) Services, provided brief remarks related to the award.

Mr. Hovatter highlighted a visit to the Green Schoolyard Tour with staff members from the CA Department of General Services and Division of State Architects (DSA) at Gledhill Early Education Center and the Drought Response Outreach Program at Northridge Middle School. He also proudly spoke of the Ribbon-Cutting Ceremony for a Classroom Replacement Project at Wonderland Elementary School where he was named "Wonderland Coyote for life."

There was a question related to electric buses.

All questions were answered by Mr. Hovatter.

02:19:05 Agenda Item 9. Discussion of Non-Agenda Matters

Ms. Fuentes thanked BOC members, District Staff and members of the public for their participation.

02:19:14 Ms. Fuentes, Chair, adjourned the meeting at 12:23 p.m. and announced that the next BOC meeting was scheduled for May 18, 2023.

Minutes of April 27, 2023 approved per School Construction Bond Citizens' Oversight Committee.

[/Jennifer McDowell/](#)

Jennifer McDowell, Secretary