

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

Samantha Rowles, Secretary

LAUSD Student Parent

Robert Campbell, Executive Committee

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

Scott Pansky, Executive Committee

L.A. Area Chamber of Commerce

Neelura Bell

CA Charter School Association

Jeffrey Fischbach

CA Tax Reform Assn.

Chris Hannan

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

Patrick MacFarlane

Early Education Coalition

Jennifer McDowell

L.A. City Mayor's Office

Brian Mello

Assoc. General Contractors of CA

Dr. Clarence Monteclaro

Tenth District PTSA

William O. Ross IV

31st District PTSA

Dolores Sobalvarro

AARP

Chad Boggio (Alternate)

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

Connie Yee (Alternate)

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

Vacant

L.A. City Controller's Office

Joseph P. Buchman – Legal Counsel

Burke, Williams & Sorensen, LLP

Lori Raineri and Keith Weaver – Oversight

Consultants

Government Financial Services 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, June 8, 2023

10:00 a.m.

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

<https://lausd.wistia.com/medias/7ots0i3xh3> (English)

<https://lausd.wistia.com/medias/837qdupw1m> (Spanish)

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

Committee Members Absent (3): Hyepin Im, Brian Mello, Dr. Clarence Monteclaro.

00:00:00 Call to Order

Ms. Fuentes called the meeting to order at 10:07 a.m. and welcomed all to the last Bond Oversight Committee (BOC) meeting of the 2022-2023 school year.

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 needed 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://www.lausd.org/boc>. He thanked ITS and FSD staff for all their assistance in restoring the BOC website after the cyberattack on the District. He also indicated that meeting materials and live stream in both English and Spanish were located under the tab *Upcoming Meetings*. He explained

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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 May 20, 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.

00:03:19 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 acknowledged the completion of three consecutive, two-year terms of service of BOC member Araceli Sandoval-Gonzalez. The BOC recognized the service of Ms. Sandoval-Gonzalez with remarks and a framed proclamation from the Superintendent and the Board of Education. Ms. Sobalvarro read the proclamation and Ms. Sandoval-Gonzalez stated her thanks to the Committee for their work and fellowship.

Ms. Fuentes announced that item 5 was a voting item and the remaining agenda items were for information only.

00:03:29 **Agenda Item 1. Public Comment**

There was one speaker via Zoom and one speaker in person.

00:22:27 **Agenda Item 2. Consent Calendar – May 18, 2023 Meeting Minutes**

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

Mr. Hamner seconded.

00:22:47 The Chair asked Mr. Popejoy to conduct a roll call vote.

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

Nays: 0

Abstentions: 0

Absences: 3 - Ms. Im, Mr. Mello, Dr. Monteclaro

The Consent Calendar passed.

00:23:54 **Agenda Item 3. BOC Annual Election**

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Presenter: Joseph Buchman, BOC Legal Counsel

Mr. Buchman acted as the officer of the annual BOC election for officers and two At-Large members of the Executive Committee for the period of July 1, 2023 through June 30, 2024. Mr. Buchman opened the floor for nominations for the position of Chair or the nomination of a slate of candidates for election. Ms. McDowell nominated a slate of candidates: Margaret Fuentes for BOC Chair, Michael Hamner for Vice-Chair, Samantha Rowles for Secretary, Robert Campbell and Scott Pansky for Executive Committee positions.

Mr. Buchman asked BOC members to voice any objections or other nominations before proceeding with a roll call vote. There were no other slates of names presented or objections.

Mr. Fischbach made a motion to close the nomination.

Ms. Sandoval-Gonzalez seconded.

00:26:00 The Chair asked Mr. Popejoy 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. Pansky, Mr. Ross, Ms. Rowles, Ms. Sandoval-Gonzalez, Ms. Sobalvarro.

Nays: 0

Abstentions: 0

Absences: 3 - Ms. Im, Mr. Mello, Dr. Monteclaro

00:27:20 **Agenda Item 4. Interim Report of the 2023 BOC Charter and MOU Review Task Force (Information Only)**

Presenter: Michael Hamner, Task Force Chair

Mr. Hamner provided a brief report of the highlights of the 2023 BOC Charter and MOU Review Task Force. He indicated that the Task Force was comprised of four BOC members: Mr. Hamner, Chair of the Task Force, Dr. Clarence Monteclaro, Samantha Rowles, and Margaret Fuentes (ex-officio). He informed that the Task Force team had met on two occasions to discuss historical details of the MOU dating back to the beginning of the bond program. He stated that the establishment and purpose of the committee was a critical component of the bond measures approved by voters as well as an integral part of the public's interest to assure that the bond money is spent prudently. He stated that the MOU stipulates that it should be reviewed every five years to keep it current and relevant to the evolving conditions and status of the bond program. He concluded stating that the Task Force would continue to meet and would present a final report to the BOC.

00:29:59 **Agenda Item 5. FY 2024 OIG Work Plan/Strategic Execution Plan**

Presenter: Sue Stengel, Inspector General, OIG

Ms. Stengel began her presentation thanking the OIG team for their work on the work plan. She began her presentation of the FY2024 Office of the Inspector General (OIG) Work Plan/Strategic Execution Plan (SEP) providing background information about the role and responsibilities of the OIG. She stated that the OIG incorporated an audit plan of bond funded contracts and bond related activities as well as programs of ongoing and future work that involves the performance of due diligence reviews and investigations. She reported that the workplan was developed following a comprehensive risk assessment process to assist in determining areas that may be at a risk of fraud, waste or abuse. She informed that the risk assessment consisted of a survey, interviews of more than 40 LAUSD Officials, legal documentation review, and OIG expertise.

Ms. Stengel said that this year the survey was available in five languages. She highlighted that the work plan had two modifications: 1) Projects and activities the OIG considered to be high risk areas, with Exhibit C providing a list of bond funded projects for potential audits; 2) Bundling of contracts based on similarities for an evaluation of compliance with terms and conditions as well as identification of trends

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and best value. She anticipated that completion of audits may take longer, but the office would be investigating the same number of contracts and perhaps more.

Ms. Stengel discussed the OIG's staff composition, budget and expenditure forecast through 2026. The FY24 OIG Work Plan would require approximately \$5M for audits, investigations, staff, and training services.

There were questions and a discussion related to the removal of Americans with Disabilities Act (ADA) barriers and the procurement contracting process with a suggestion from a BOC member to verify legitimate contractors.

All questions were answered by Ms. Stengel and Mr. Onwualu.

Mr. Hamner made a motion to approve Resolution 2023-18.

Mr. Pansky seconded.

00:41:58 The Chair asked Mr. Popejoy 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. Pansky, Mr. Ross, Ms. Rowles, Ms. Sandoval-Gonzalez, Ms. Sobalvarro.

Nays: 0

Abstentions: 0

Absences: 3 - Ms. Im, Mr. Mello, Dr. Monteclaro

Resolution 2023-18 passed.

00:43:02 **Agenda Item 6. Recognition of Mark Hovatter**
Presenter: BOC Members

In honor of Mr. Mark Hovatter, Chief Facilities Executive, who would be retiring at the end of June, BOC members recognized his 20 years of service to education, safety, regulatory construction requirements, and environmental sustainability. He managed more than \$23 billion in bond funds for school facilities, the construction of 131 new K-12 schools and the completion of over 23,600 school modernization projects. The BOC celebrated his remarkable contributions by presenting him with symbols of collective appreciation, a plaque and a proclamation.

Some BOC members provided brief remarks reiterating the heartfelt farewell expressed through the lines of the proclamation – "WHEREAS, Voters who approve the bond measures, the public and LAUSD communities could ask for no greater guardian and custodian of the District's bond funds than Mr. Hovatter. In particular, his prodigious knowledge of all aspects of the program and his open and honest determination to ensure ethics, accountability, and transparency are paramount."

00:55:35 **Agenda Item 7. Chief Facilities Executive's Report (Information Only)**
Presenter: Mark Hovatter, Chief Facilities Executive, FSD

Mr. Hovatter began his presentation expressing his appreciation to the public speakers that made comments during the meeting. He informed that approximately 1,000 projects valued at \$6.6 billion were underway. He encouraged BOC members to visit a completed project and invited them to participate at the next ribbon cutting event scheduled for June 12, 2023 at Toluca Lake Early Education Center Outdoor Classroom Project in person or virtually via Zoom.

Mr. Hovatter highlighted some accomplishments in school facilities: Managing a \$23B investment, building 131 new schools, completion of more than 23,600 projects for modernization of schools, release from the Modified Consent Decree after adoption

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of the ADA Self-Evaluation and Transition Plan for removal of barriers and an expansion of access to activities at school sites, advocacy for a change in laws resulting in improved procurement of contracts, exceeding the goal of 25 percent participation for Small Business Enterprise, establishing a Micro-Business Program and expansion of the Disabled Veteran's Business Enterprise Program, negotiating a Project Stabilization Agreement, greening and sustainability at LAUSD, and prudent investment of taxpayers' money in school facilities.

In his parting remarks, Mr. Hovatter made recommendations based on his 20 years of experience at the District and limitations encountered during his career. He identified the costly nature of stormwater collection requirements and potential changes to laws to help fund school repairs after unforeseen weather damage and to determine responsibilities between the City and County of Los Angeles and the state of California. He said more could be done to safeguard students' interests in state and local bonds. He also wished he could have advocated more strongly for Continuation schools to share facilities. He also expressed concerns about providing adequate athletic facilities for high school competitive sports and sufficient parking at school sites for faculty. He also advocated for the allocation of reserve funds to cover the costs of replacing air conditioning at each school. He concluded expressing concerns about the constraints created by the use of portable classrooms. Looking to the future, he envisioned that a future bond measure should prioritize a consolidation of schools for the construction of larger educational, athletic and performing arts venues to share among a cluster of schools.

Mr. Hovatter encouraged the BOC to help guide decisions for the best use of bond program funds. He concluded his presentation by thanking everyone.

BOC members praised his commitment and passion for the work he performed, and the accomplishments achieved under his leadership.

All questions were answered by Mr. Hovatter.

Agenda Item 8. Discussion of Non-Agenda Matters

None.

01:25:07 Ms. Fuentes, Chair, thanked BOC members, District Staff and members of the public for their participation and adjourned the meeting at 11:34a.m.

Minutes of June 8, 2023 approved per School Construction Bond Citizens' Oversight Committee.

/Samantha Rowles/

Samantha Rowles, Secretary