

LOS ANGELES UNIFIED SCHOOL DISTRICT

SCHOOL CONSTRUCTION BOND CITIZENS' OVERSIGHT COMMITTEE

D. Michael Hamner, FAIA, Chair

American Institute of Architects

Robert Campbell, Vice-Chair

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

Dr. Samantha Rowles, Secretary

LAUSD Student Parent

Patrick MacFarlane, Executive Committee

Early Education Coalition

Scott Pansky, Executive Committee

L.A. Area Chamber of Commerce

Neelura Bell

CA Charter School Association

Sandra Betts

CA Tax Reform Assn.

Chad Boggio

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

Aleigh Lewis

L.A. City Controller's Office

Jennifer McDowell

L.A. City Mayor's Office

Brian Mello

Assoc. General Contractors of CA

Santa Ramirez

Tenth District PTSA

William O. Ross IV

31st District PTSA

Ashley Kaiser (Alternate)

Assoc. General Contractors of CA

Connie Yee (Alternate)

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

Vacant

Senior Citizens' Organization

Vacant

LAUSD Student Parent

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, August 29, 2024

10:00 a.m.

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

<https://lausd.wistia.com/medias/nxylp3wby4> (English)

<https://lausd.wistia.com/medias/eezybptzn6> (Spanish)

Committee Members Present (12): Neelura Bell, Sandy Betts, Chad Boggio, D. Michael Hamner, Aleigh Lewis, Patrick MacFarlane, Jennifer McDowell, Brian Mello, Scott Pansky, Santa Ramirez, Samantha Rowles, Connie Yee (alternate of Robert Campbell).

Committee Members Absent (1): William Ross.

Committee Member Vacancies (2): LAUSD Student Parent, Senior Citizens' Organization

00:00:00 Call to Order

Mr. Hamner called the meeting to order at 10:06 a.m. and welcomed all to the Bond Oversight Committee (BOC) meeting. He announced that agenda item 7 would be presented first to accommodate Superintendent Carvalho's address to the BOC regarding a proposed \$9B LAUSD local bond measure authorized by the Board of Education on August 7, 2024.

He 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, Information Technology Services Staff for its technical support, Spanish Interpretation Staff for their work in translating and other District staff for their assistance in broadcasting the hybrid BOC meeting.

Introductory Remarks

00:01:31 Mr. Hamner asked Dr. Rowles, BOC Secretary, to provide the introductory remarks.

Dr. Rowles announced that the BOC website could be found at <https://www.lausd.org/boc>. She also indicated that meeting materials and live stream in both English and Spanish were located under the tab *Upcoming Meetings*. She encouraged

participants to visit the BOC website where previously approved measures and relevant information can be found. She explained that public speakers were asked to sign up using a hyperlink to a Google form included on the agenda that was published on the BOC's website on August 23, 2024. She said the form was available 24 hours before the start of the meeting and would remain open for 20 minutes after the meeting.

Dr. Rowles stated that there would be a maximum of five (5) speakers for each agenda item and up to ten (10) speakers for public comment. She stated that all public speakers would have up to 3 minutes. She 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. She 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, BOC Staff 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.

00:04:09 Mr. Hamner 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."

Mr. Hamner informed that the BOC Memorandum of Understanding (MOU) Review Task Force remained active and is awaiting response to revisions forwarded to District Staff on September 12, 2023.

00:05:22 **Agenda Item 2. Consent Calendar – August 29, 2024 Meeting Minutes**

[Mr. Pansky joined the meeting]

Dr. Rowles made a motion to move the Consent Calendar.

Ms. Ramirez seconded.

00:06:46 The Chair asked Mr. Popejoy to conduct a roll call vote.

Ayes: 11 – Ms. Bell, Ms. Betts, Mr. Boggio, Mr. Hamner, Ms. Lewis, Mr. MacFarlane, Mr. Mello, Mr. Pansky, Ms. Ramirez, Dr. Rowles, Ms. Yee.

Nays: 0

Abstentions: 0

Absences: 2 – Ms. McDowell, Mr. Ross.

The Consent Calendar was adopted.

00:09:13 **Agenda Item 7. Proposed New 2024 LAUSD Local Bond Measure and Priorities, Funding Targets, and Implementation Strategies (Information Only)**

Presenters: Superintendent Carvalho and District Staff

Ms. Tokes, Chief Facilities Executive, introduced the agenda item and informed that Deputy Superintendent Pedro Salcido would not be presenting.

Ms. Wheritt began the Proposed New 2024 LAUSD Local Bond Measure and Priorities, Funding Targets, and Implementation Strategies presentation stating that over the past three decades, LAUSD had completed more than 24,000 rehabilitation, modernization, and replacement projects including 1,240 since November 2020, the last time a bond measure was on the ballot. She stated that the District

had invested \$24.5B in school facilities with nearly \$3.5B spent since 2020. She added that there were approximately 640 projects valued at \$3.5B under construction with another 240 projects valued at nearly \$5B set to begin.

Ms. Wherritt said that these bond investments had not only improved school facilities but also generated jobs and boosted the local economy. However, all existing bond funds were now fully committed, prompting the Board of Education to place Measure US, a \$9B school upgrades and safety measure, on the November 5, 2024 ballot. She indicated that this measure aims to address \$80B in unfunded needs for upgrading aging facilities, enhancing technology, infrastructure, improving accessibility, and promoting energy efficiency.

Ms. Wherritt specified that if passed, Measure US would cost about \$25.04 per \$100,000 of assessed property value, equating to an average of \$111 per year for a typical LAUSD homeowner. The measure emphasizes the need to modernize school buildings, replace outdated infrastructure, ensure safe, equitable learning environments across the District with an emphasis on addressing facilities inequities, improving outdoor spaces, and supporting student health and wellness.

The LAUSD Superintendent Alberto Carvalho provided remarks as follows:

Introduction and Overview:

- The Superintendent expressed his gratitude and provided a general overview of his address to the Committee.
- He described both predictable and unpredictable challenges facing the District.

Performance and Recovery Metrics:

- Superintendent Carvalho described the challenges of post-pandemic recovery in the school district, highlighting improvements in attendance, chronic absenteeism, graduation rates, and academic performance.
- He mentioned statistical progress in reducing absenteeism and increasing student success in reading and mathematics.
- In particular, he praised the improvements in historically underserved and fragile schools.

Inequities in School Infrastructure:

- Superintendent Carvalho then highlighted what he saw as infrastructure disparities in the District, citing schools with both outstanding and substandard facilities and its impact on children.
- In particular, he acknowledged areas of system-wide and serious concerns, such as seismic resilience, inadequate facilities, and unsafe school conditions, particularly in underprivileged schools.

Bond Proposal and Ballot Strategy:

- In order to meet the above challenges, the Superintendent introduced the proposed \$9 billion bond measure and investment aimed at addressing inequities in school infrastructure.
- He further described the complexities involved in balancing taxpayer impact, voter approval, and infrastructure needs.
- In explaining the timing for introducing a new bond measure, he referred to how the District staff needed to weigh considerations of state-level decisions related to state and local bond measures and external factors influencing the timing of bond proposals.

Commitment to Accountability and Future Cooperation:

- Superintendent Carvalho emphasized the need for transparency and committed to working closely with oversight bodies, and the importance of continuing investments in school infrastructure.
- He further mentioned past success with bond passage and the critical need to continue improving school facilities for equitable learning environments.

Conclusion:

- Superintendent Carvalho closed his remarks with a final appeal for support of the bond measure, reiterating the importance of equity in education and infrastructure across the district.

There were comments related to urging the BOC to focus on its core responsibilities, the need for continued work in the District as highlighted by the Superintendent, and encouragement of the construction industry to support the new proposed bond measure. There were also questions related to how the District plans to prioritize the allocation of these limited funds to address the need for equity and facilities improvement, while also anticipating further cost escalations in the future. Superintendent Carvalho emphasized the balance between form and function, as well as process and purpose, in decision-making, and indicated that prioritization of funds will be based on need, with the most urgent projects such as seismic upgrades, technology, roofs, HVAC, and plumbing addressed first. He dismissed the idea of closing schools or selling school properties but suggested internal consolidated of campuses removing unnecessary buildings

and bungalows. However, he clarified that the District was not at that point yet. He highlighted three key elements of prioritization: safety and risk assessment, equitable distribution of resources, and addressing historical injustices in underserved communities.

Superintendent Carvalho responded to concerns about specific expenditures like air conditioning in cafeterias, clarifying that while such details may not be immediately visible, they were included in infrastructure estimates. He also addressed the District's outstanding review and proposed revisions to the BOC MOU, which has been pending for almost a year, and committing to personally engaging in the process to ensure its swift resolution, indicating recent conversations to move it forward.

There was a comment to promote the upcoming event, "Principal for a Day" to obtain business involvement in education to complement the District's efforts by sponsoring/partnering school projects. There was a question regarding the assurance that the \$600M allocated for green schoolyards in the upcoming bond will be spent exclusively on materials and infrastructure aligned with the "Green Schools for All" resolution. Superintendent Carvalho acknowledged that \$600M would not completely cover the need for green spaces since the Board-adopted resolution outlines \$3B for greening initiatives. He mentioned the potential to reallocate unspent funds from other bond measures to support this effort which would reinforce the commitment to greening schoolyards.

There was a concern expressed related to some greening projects allocating funds for repaving asphalt, cool pavement, and ADA upgrades, which are not considered green infrastructure. Superintendent Carvalho confirmed that removing asphalt could be part of a project in order to design environments that would reduce carbon emissions, lower heat levels, provide shade, and support outdoor classrooms.

Mr. Hamner acknowledged Superintendent Carvalho's offer to meet with the BOC and reiterated appreciation for his time.

01:07:18 Agenda Item 1. Public Comment

[Ms. McDowell joined the meeting]

There were eight public speakers who made comments on various agenda items, in particular the proposed Bond Measure US.

01:41:21 Agenda Item 6. 13 Board District Priority and Region Priority Projects and Amend the Facilities Services Division Strategic Execution Plan to Incorporate Therein
Presenters: Mark Cho, Deputy Director of Facilities Maintenance & Operations, FSD

[Mr. Boggio left the meeting]

Mr. Cho presented 13 Board District Priority and Region Priority Projects and Amendment to the Facilities Services Division Strategic Execution Plan. He provided a brief description, budget and construction schedule for each proposed project. The total combined budget was approximately \$1.2M. The projects included one closed-circuit television (CCTV) project, three technology support projects, two furniture projects, two fencing projects, two new electronic free-standing marquee projects, one greening project, one shade structure project, and one new secure entry system. He provided further details on the proposed installation of a shade structure at LaMotte Elementary School; installation of a chain link motorized parking gate at Manhattan Elementary School; and installation of new landscaping and irrigation at Shirley Elementary School. Please refer to Board Report No. 035-24/25 for further detailed information.

Mr. Cho addressed initial concerns expressed by one member regarding the high cost of a bottle filling station. He explained that the process included demolishing existing tiled wall and floor structures, installing new potable water connections, drainage, and ventilation to ensure ADA compliance and code issues. In addition, he stated that the project requires testing for lead in the water, potentially adding filters, and restoring the surrounding area including a mural that was partially removed during project construction.

There was a question related to funding short-term assets (e.g. IT devices) with bond financing of over 30 years. Mr. Katal provided an explanation related to the blended average of asset value and various terms of bond financing for technology purchases and advised to consult with the CFO's office for further detail for the calculation of bond rate issuance. There was a

question related to the decision to only install one bottle-filling station at schools, initiation of the shade structure at LaMotte Elementary School and its cost, consideration of greening projects, and options provided to School Administrators when they inquire about shade options.

Dr. Rowles made a motion to approve Resolution 2024-29.

Ms. Lewis seconded.

02:07:58 Mr. Hamner asked Mr. Popejoy to conduct a roll call vote.

Ayes: 10 – Ms. Bell, Ms. Betts, Mr. Hamner, Ms. Lewis, Mr. MacFarlane, Ms. McDowell, Mr. Mello, Ms. Ramirez, Dr. Rowles, Ms. Yee.

Nays: 0

Abstentions: 1 - Mr. Pansky

Absences: 2 – Mr. Boggio, Mr. Ross.

Resolution 2024-29 passed.

02:09:35 **Agenda Item 3. Venice High School Comprehensive Modernization Project Technical Evaluation Report (Information Only)**
Presenter: Sue Stengel, Inspector General, OIG

Inspector General, Sue Stengel, began her presentation by acknowledging the work done by her audit team and OIG team to bring the presentation to the BOC. The Venice High School Comprehensive Modernization Project, executed by LAUSD in partnership with contractor Hensel Phelps, was the District's first large-scale design-build project. Initially budgeted at \$117 million, the project started on July 31, 2017, with a substantial completion date of October 30, 2023, which was delayed by 536 days from the original date of May 12, 2022.

Ms. Stengel stated that the technical evaluation aimed to assess the project in terms of time, cost, scope, and the performance of Hensel Phelps and District personnel. She expressed that despite design-build's potential for faster schedules, this project extended over seven years and eight months. She reported that change orders increased costs by \$16 million (13.82%). Some unresolved design issues included the baseball field, gymnasium seating, faculty offices, and the football field press box. The most critical issue involved the baseball field, whose design had to be altered due to safety concerns, adding over \$6 million to the cost.

Ms. Stengel informed that Hensel Phelps generally met performance expectations, but delays resulted from unresolved non-conformance items. She reported that the District's own planning, site surveys, and coordination also had notable deficiencies. She indicated that while Hensel Phelps was commended, the project faced significant time and cost overruns.

There was a question related to whether Architectural and Engineering (A&E) was included in the cost.

Ms. Stengel answered all questions.

02:18:26 **Agenda Item 4. FSD Response to Findings: Venice High School Comprehensive Modernization Project Technical Evaluation Report (Information Only)**
Presenter: Krisztina Tokes, Chief Facilities Executive, FSD

Ms. Tokes, Chief Facilities Executive, thanked the Office of the Inspector General's team for the technical evaluation and introduced Alix O'Brien, Deputy CFE, to provide an overview of the project and how findings had been and would be addressed.

The Venice campus modernization project was one of the first 11 comprehensive modernization efforts undertaken through a design-build process, aimed at revitalizing aging infrastructure in an 80-year-old historic school. The prioritization for this and other projects was based on the size of the schools and their structural vulnerabilities, particularly related to seismic safety. The

modernization effort at Venice involved replacing portables with permanent classrooms, demolishing older seismically unsafe buildings, and building three new structures (a chemistry and robotics building, a special education and visual arts building, and a gym with a sports medicine suite). Additionally, the project included addressing stormwater drainage issues by building a retention basin under the track and field.

Challenges included unforeseen costs such as hazardous materials, outdated and inaccurate site surveys, utility line relocations, and issues with IT integration. As a result, costs and timelines escalated, with an overall 49% increase in budget compared to the originally approved amount due to market fluctuations and unexpected issues. Despite these challenges, the majority of the project was completed on time and within the revised budget. The design-build approach enabled faster, more integrated problem-solving compared to traditional methods, though change orders still impacted costs. The project also faced community concerns, such as moving a transformer to accommodate the campus layout and adjusting the baseball field configuration for safety and compliance.

There were questions related to community engagement, escalation percentage, errors and omissions reimbursement, design build contracts, contractor evaluations, and cost-savings analysis. There was a comment related to AGC of California working with Facilities staff to prevent inefficiencies from happening in future projects. Ms. O'Brien informed that FSD hired a consultant to assist with updating design and construction specifications (FSD has approximately 317 specification sections).

Ms. O'Brien answered all questions.

POSTPONED: Agenda Item 5. ITS BOC Quarterly Program Status Report Q2 2024 (April 1 – June 30-2024) (Information Only)
Presenter: Monica Nolen, Director of IT Project Management, ITS

02:58:48 Agenda Item 8. Discussion of Non-Agenda Matters

Dr. Rowles acknowledged speakers' comments and highlighted the importance of equity and transparency through discussions with stakeholders. She also touched on the need for more communication with the Superintendent regarding the value of early education centers and their critical role in sustaining and increasing student enrollment. Mr. Hamner adjourned the meeting at 01:03 p.m.

Minutes of August 29, 2024, approved per School Construction Bond Citizens' Oversight Committee.

/Samantha Rowles/

Dr. Samantha Rowles, Secretary