

BERKELEY UNIFIED SCHOOL DISTRICT
Construction Bond Oversight Committee

AGENDA

November 29, 2012

6:00 – 7:30 PM

Small Conference Room

1720 Oregon Street

Berkeley, CA 94703

(510) 644-6066

1. Call to Order
2. Approval of Meeting Minutes
3. Public Comments (limited to 10 minutes)
4. Staff Report
 - a) Update on Berkeley High School Projects including Derby Field
 - b) Update on South of Bancroft Phase III
 - c) Update on West Campus
 - d) Update on Other Projects
5. Committee Member Comments
6. Monthly Report from Audit/Project Tracking Committee
7. Future Meeting Dates
8. Adjournment

Enclosures:

*Minutes (Draft) including memo from
Co-Superintendent Cleveland*

October 25, 2012

Berkeley Unified School District

FACILITIES PLANNING DEPARTMENT

1720 Oregon Street, Berkeley, CA 94703 (510) 644-6066 Fax: (510) 644-8703

Draft Minutes of the Meeting of October 25, 2012

Members Present: Stephanie Allan Susi Marzuola Eric Weaver Allen Nudel
Nicolie Bolster-Ott Carl Bridgers

Staff Present: Lew Jones, Director of Facilities
Chanita Stevenson, Administrative Coordinator

Members of the Public: Miguel Dwin

1. *Call to Order:* The meeting was called to order at 6:00 PM. A motion was made to amend the agenda to move item 2, Approval of Meeting Minutes, after the Staff Report. Secretary Weaver moved to amend the agenda and it was seconded by Member Nudel. The motion was approved unanimously.
2. *Public Comments:* There were no public comments.
3. *Staff Report*
 - **Berkeley High School Phase II/III:** The abatement is done. The footings are mostly dug. The District provided money for rat slabs for further protection of the site. While the current project is not behind schedule, the new building is 55 days behind schedule.
 - **Derby Field:** The additional signage was approved. There was some concern about the high poles on Carleton Street and adjustments were made. Also, there were concerns from B-Tech regarding the fencing and changes will be made. This project is 3 weeks behind schedule. PG&E delayed the street. The hazardous material abatement and off-haul of Class 2 soils delayed the project.
 - **BHS Site Committee:** The Site Committee met this week. The laundry room was turned over today.
 - **West Campus:** Staff is working with Counsel to cut ties with the Contractor and self perform the rest of the work. Currently, the District can not control the building systems and the Contractor has been nonresponsive. The District has not been trained on the systems and a commissioning report has not been provided by the Contractor. If the District was to work on the building systems it would cause issues with the warranty issues. The District would like to keep all its claims but finish the work.
 - **West Campus Demo and Abatement:** This project is currently out to bid. We are doing this ahead of the CTE Project to maintain the schedule. Bids are due next week.
 - **West Campus Board Room:** This project is currently out to bid. Bids are due next week.
 - **Facilities Financial Plan Update:** Staff explained that the biggest change in this update was to add monies for seismic upgrades at the North wall at Jefferson. This will increase the project budget amount by \$1.4M

- **King Field:** This project was originally planned to be paid from Measure AA. With adding an all-weather track to the scope of the project, the Board approved deleting a \$416,000 future landscaping project from Measure I, adding \$116,000 to the project and moving the project into Measure I. It will not be a 400 Meter track.
- **LeConte Landscaping project:** We are starting the Site Committee for the project at LeConte. This is the first project that will utilize an architect from our Landscape Architect pool. The Site Committee will work with the architect to develop a plan for the site. There is some interest to look at the yard were the portables were.
- **Annual Facilities Plan Process:** The process is that in November and December the Board will review possible areas to study. In January, Staff will recommend changes to the plan including inflation allocations, with a new annual plan available in February/March. Staff will present ideas for areas of study at the November 29th meeting. The Board may decide to add additional areas for study. Staff has also spoke with the financial advisor to slightly increase the amount of the next bond issue while staying within the threshold for property taxes as promised to the voters. The next bond issuance is currently scheduled for April 2013, however if it is increased it may be as late as June 2013.

Staff was questioned about the Berkeley High School Track process. Staff responded that he received a layout of how it could be done, but does not have a cost estimate. To make the new track work, it would move the bleachers closer to the street and restrooms would have to be housed in a separate building. The cost of a project like this would be between \$2-3M.

Staff further clarified that the numbers in the Facilities Construction Financial Plan do not match the Facilities Plan Update. The numbers in the Facilities Financial Plan which is done on a quarterly basis is a recommendation of changes to the Board. Once the Board approves the change, the numbers will be updated in the next monthly report. Staff also noted that the Board approved hiring the Auditor to do a performance and financial audit of Measure AA funds.

4. *Approval of Meeting Minutes:* A change was recommended to the minutes in the area of Item 10: Committee Comments. Co-Chair Allan moved and Co-Chair Marzuola moved that the following language will be added to the minutes:

There was general discussion among the committee members about the process followed by the Board in temporary borrowing between the funds at their September 12, 2012 Board meeting. As the Committee charged with overseeing the expenditure of bond funds, committee members believed that the Board should have consulted the CBOC in advance on this matter as it involves bond funds. Co-Chair Allan agreed to convey the sentiment of the CBOC to the Board liaison.

The statement was approved by the Committee unanimously. Co-Chair Allan moved to approve the minutes as amended. Co-Chair Marzuola seconded the motion. The motion was approved unanimously.

5. *Committee Member Comments*

- There were no committee member comments.

6. *Monthly Report from the Audit/Project Tracking Committee*

- *Secretary Weaver discussed the memo provided to the CBOC from Co-Superintendent Cleveland to explain to the public the reasoning behind the temporary borrowing of funds. He also noted that the District was able to borrow funds from Measure AA, instead of Measure I. There are fewer restrictions on Measure AA funds. He stated that the Committee's primary concern of borrowing Measure I funds has been removed because no Measure I funds are being used. The memo has been included at the end of the minutes.*

7. *Next Meeting Dates:* The next meetings are scheduled for the following dates:

- Future Meeting Dates are November 29th and January 3rd.

8. *Adjournment.* The meeting adjourned at 6:45 PM.

Berkeley Unified School District

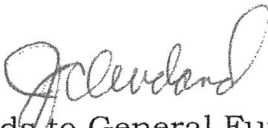
Office of the Superintendent

Neil Smith, Javetta Cleveland, Co-Superintendents

2020 Bonar Street, Suite 322

Berkeley CA 94702

510-644-6206

Date: October 24, 2012
To: Eric Weaver
Stephanie Allan
From: Javetta Cleveland, Co-Superintendent 
Re: Temporary Cash Transfer of Bond Funds to General Fund

The purpose of this memorandum is to clarify and answer questions regarding the temporary loan of cash from the bond fund to the general fund. Due to the state of the economy, the State of California is deferring state funds to school districts. Cash deferrals have been an ongoing problem for school districts over the past several years. This year, the cash deferral is causing a shortage of cash in the General Fund for two months until the funds from the State are received.

The District has two options for addressing cash shortages due to these deferrals. One option is to get a short term loan (TRAN) to cover the cash shortage. The other option is to borrow between funds. The District has used both options in the past. When interest rates were great, the District issued a TRAN because the interest earnings would exceed the interest and other costs for financing a loan. Over the last couple of years, due to low interest rates, the District has expended over \$100,000 annually for a short term loan.

Therefore, this year, it was recommended and approved by the school board on September 12, 2012 to transfer \$10.5 million from the bond (building) fund to the general fund for two months and return the funds with interest at the end of December 2012.

Temporary borrowing between funds is permitted per Education Code 42603. Under a temporary transfer, there would be no permanent use of bond funds for general fund purposes; as well as; no negative impact on the total bond fund. The temporary cash transfer also will not impact any planned projects.

Since there was enough cash remaining in Measure AA, the transfer has been made from the Measure AA (resource 9001) account that is within the Bond Program Fund. Measure AA (resource 9001) and Measure I (resource 9500 & 9501) funds are maintained separately within the bond program funds.