Hermosa Beach Bond Measure J
Citizens' Oversight Committee
Meeting Minutes
November 2, 2005

1 – Call to Order

Chair Sam Abrams called the meeting to order at 5:35PM. Meeting was held at the MPR at Valley School.

2 – Roll call

All members were present except Mr. Hausle; visitors included Dr. McClain, Robert Stewart from PCM3, School Board Trustee Lance Widman and community members Janice Yates and Dallas Yost. Visitors Jackie Hausle and Jim Prassas attended portions of the meeting.

3 – Minutes

Mr. Wayland moved approval of minutes of June 1, 2005, as amended; motion seconded by M.s Smet. No objection noted.

4 – Facilities Committee Update

Dr. McClain reported on current status of the lawsuit filed against the District. She indicated that the claim was heard on November 1st and eight causes of action were dismissed that day by the judge. The judge refused to hear a ninth cause of action related to the $1.5 million Beach Cities Health District contribution, but he set November 15th to address that particular issue. The District will release bid packages on November 17th, and if the Board elects to proceed, construction could begin in January 2006.

Mr. Caldwell inquired if the COC has standing to sue for recovery of costs and damages resulting from the lawsuit of the plaintiffs. Dr. McClain will seek a reply from the Board's attorneys.

PCM3 Representative Robert Stewart discussed modifications that will be made to the retaining wall that abuts the Marineland Mobile Home Park. Such modifications are estimated to cost $180,000 and are included in estimates of total project costs provided to the Oversight Committee. Dr. McClain agreed to contact counsel as to whether the cost of the wall could be paid with bond proceeds. Based upon current cost estimates, allocation of the wall cost might be moot as the District may use funds from reserves to complete the project and those funds could be designated for wall work if there is any question as to whether the bond funds could be used for that purpose. 500 thousand

Mr. Stewart also reported that he had been in contact with the Marineland resident who would be most affected the work in order to determine a mutually acceptable resolution of construction related issues. *

5 – Financial Update

Mr. Stewart reviewed with the committee the PCM3-prepared Construction Program Budget dated October 27, 2005 (attached). Current estimates of total construction costs are $17,837,274; these estimates do not include two classrooms in the new building that were part of the original plans. These classrooms were removed in order to reduce costs. Dr. McClain stated that other modifications were considered but the removal of these two classrooms was the option that made the most sense because other, more significant modifications would require further review from the Department of State Architect which could add as much as another year to the process. The new construction could be "stubbed" so that if, in the future, funds became available for these two classrooms, the new structure could easily accommodate the new classrooms.

Current estimates of construction funding are $16,325,328 which indicates that total construction costs not currently funded are $1,511,946. Dr. McClain and School Board member Widman discussed options as to how the shortfall might be funded including use of developer fees and use of special reserves. No Board decision regarding the funding has been made at this time.

Reconciliation of total estimated costs as of 10/27/05 to the 5/26/05 estimates with the same scope of work:

untrue.

Total estimated cost @10/27/05 = $19.5 Million
Total Prop J Funding = 15.6 Million
Estimated Overrun = $ 3.9 Million (Growth of $1.3 Million)

October estimates included DSA mandated changes

Possible offsets to the estimated overrun:

Joint Use Funding from State = $1.5 Million; Scope Reduction = $0.7 Million; Use Of Special Reserves = $1.5 Million; Bond Sale Premium = $0.2 Million

6 – Newsletter

The Chair requested that Dr. McClain and Ms Arnett prepare a newsletter for possible December release, after Construction bids are opened November 17th.

7 – Conflict of Interest Forms

Dr. McClain explained that COI forms are not required for the COC because the COC has no direct role in awarding contracts.

8 – Tour of Valley School

Mr. Caldwell reviewed the June 30, 2005 tour that the Committee took of the Valley School site to observe the modifications made with bond revenues.

9- 2006 Committee meeting schedule

Mr. Abrams proposed the 2006 meeting schedule – January 18th, April 19th, July 19th, and October 18th.

10 – Annual Report

Mr. Abrams distributed a draft version of the Committee's annual report for the period ended June 30, 2005. He requested that all members provide comments within the next week so that we could complete and distribute the report before year-end.

11 – COC Reports to the Public

Mr. Abrams showed newspaper articles from the *Easy Reader of* 6/9/05, 7/21/05, 9/8/05; *Beach Reporter* 7/8/05 and discussed TV Show *Inside the Beach Cities* on Adelphia Cable.

12 – Public Comment .

Dallas Yost spoke with the committee about the costs of operating a gym and the importance of PE classes. Dr. McClain pointed out that the District had considered these costs and that the District did not think that this would be an issue given the current resources and the fact that the District could charge parties for the use of the gym to cover extra costs. She also indicated that the school had two full-time physical education teachers on staff. Mr. Prassas also thought that such costs should be considered and was informed that consideration of ongoing maintenance costs was not within the charter of the COC, Dr. McClain did respond that such ongoing maintenance costs had been considered.

Dr. McClain indicated that gym hours of operation, currently under consideration, would be to 8 p.m. on weekdays, to 5 p.m. on Saturdays, and no use on Sundays.

Mr. Prassas asked if there was a "Plan B" if costs came in too high; Dr. McClain said the entire new construction plan would have to be redone with new D&D and resubmittal to/through the DSA which would require a lengthy delay to the project.

13. - Next Meeting
Next meeting scheduled for Wednesday, January 18, 2005, @5:30 p. m. in the Valley School MPR.

14 - Adjournment

Ms. Smet moved for adjournment; motion seconded by Mr. Caldwell. No objections noted. Adjourned at 6:55PM.

Prepared by: Gary Wayland
Reviewed by: Sam Abrams