

Minutes for the Bond Oversight Committee Meeting North

May 23, 2005

Aptos High School Career Center
100 Mariner Street
Aptos, CA 95003

5:00 PM – 7:00 PM

Attending Members:

Nancy Bensen –Tere Carrubba - Fred Fischer - Marc Kirby - Doug Maher -Vic Marani
Bruce Mathias - T. James Miller - Barbara Palmer - Christine Quinn - Mary Reed

Absentee Members:

Michael Barsi - Michael Theriot

South/Central Bond Committee Liaison:

BCA Architect:

Paul C Bunton

Non-committee members attending:

Terry McHenry – Gary Woods – Evelyn Volpa - Diane Burbank – Brian Rasmussen
Kathy Fuentes

Chair Member Barbara Palmer called the meeting to order at 5:10 pm announcing that Michael Barsi called to say he might not make it to the meeting; she then introduced herself, the Committee and guests followed suit.

Performance Audit: Terry McHenry began by reminding the Committee that this was the Audit we wanted to do differently. He also stated that this Performance Audit was mailed to each Committee Member approximately 1½ months before this meeting, for review. We wanted this audit done more extensively. This time, they went one step further than the last auditor and reviewed the expenditures to determine they were appropriate for a project of this type.

There was a motion to accept the Performance Audit and all were in favor.

Bond Sale: Terry stated, “Good news, bad news,” then went on to explain. We sold the \$18 million and refinance the \$40 million we sold two years before. The sale closed last Wednesday in San Francisco. The interest rate had originally been 4.9%, but we were able to sell them for 4.4%, a full 10% reduction. This allows us to do two things, one is to guarantee the taxpayer no greater than \$32/\$100,000 AV, which is what the Bond states, so we have lowered the cost to the tax payers, plus we have shortened the Bond time from 25 years to 21 years. And the second thing is, instead of getting \$1 million as expected, we

actually got back \$3.7 million. With \$3.7 million and \$1million in interests, that gives us \$4.7 million in additional bond project funds. Now we take our \$58 million take off our \$11 million COPS we have \$47 million in projects, of which \$24 million is for Aptos. We now have \$4.7 million, which means each project gets 10% on straight allocation based on the size of the project. This means that Aptos will now receive an extra \$2.4 million for their project.

There was a request for the rate and amount from the underwriter.

A public statement will be submitted to the newspapers regarding the lower cost to the taxpayers and the \$2.4 million increase to the Aptos High Schools project.

Update on Project Cost: **Paul Bunton** of Bunton Clifford Associates (BCA) began by stating that the construction documents presented at the committee meeting have been completed and the documentation was submitted on time to the Division State Architect (DSA) and feels (BCA) is right on track with the project. The documents for the Performing Arts Center and the Gymnasium were submitted on time, February 28, 2005 to (DSA) Pool documents were also submitted to (DSA) on time. Comments were received from (DSA) and (BCA) is scheduled for a back check and final approval on May 31, 2005. They are also working on combining The Performing Arts and Pool bid package to be ready by this summer. Tentatively scheduled the Board award of the contract for construction, July 27, 2005. Construction is to begin August 3, 2005 if everything stays on track. The pool will be done by April 2006. Completion by November 1, 2006 and Occupying by December 1, 2006. It was decided to use only one contractor to be responsible for the site.

Paul then discussed the budget, relating to the committee the items that would be added back, such as much more detail on the Performing Arts Center, based on construction documents, at \$13.4 million and an update on the Aquatic Center estimate, minor floor work on the Gymnasium, Cafeteria renovation, converting to flat floor, speed lines in front of the kitchen and restroom renovation work. This, in conjunction with the new satellite food service in the new building, comprises the food budget for the site.

Some discussion regarding student lunch areas took place.

The subject of the water tanks came up and what was happening with them, Terry explained that the original idea was to replace the tanks five years from now. However, the situation has now changed and the Fire Marshall is now telling us we have to replace the tanks due to the additions to the school. So the ideal would be to get rid of both of the old tanks and to replace them with one large one. That is, if the Fire Marshall would agree to one large tank. He added that \$200,000 would come out of the bond money and that \$300,000 would come out of deferred maintenance to pay for the tank.

There was some question on why the tanks need to be replaced.

Brian Rasmussen explained that the Fire Marshall is requiring that the tanks be replaced.

A discussion regarding obtaining other monies rather than using \$200,000 from the bond money continued.

The question regarding fire hydrants was asked.

Brian Rasmussen stated that just the pipeline down Freedom could potentially cost \$650,000 and that's why we need to keep a tank on the grounds.

Barbara Palmer added that we would save money on electricity because the water will not be running to refill the leaking tanks all the time.

More discussion within the committee and staff went on, most was inaudible.

Paul opened the meeting back up focusing on the budget and the additional funds BCA needs to build in some contingencies because the project has not gone to bid as yet.. Still there are some items we could add, such as a new fire alarm panel. It would also be prudent to add an extra \$100,000 to the current \$700,000 construction contingency. Paul stated that BCA is at 15.9 million base bid which is under budget by \$664,000 and even if they added in all the alternatives BCA is still within 1% of the budget and included in their estimate they have a 1% design contingency *and* are carrying a 3% market cost escalator. He feels they are in great shape to keep the project within budget.

A question was asked if money was left over, what happens to it? The answer was it stays on the site.

Paul added that there is a secondary snack bar in this building, separate from your cafeteria. This cues up outside into the quad, so the students can go and have another place to get food and separate from the concession stand.

Paul gave the meeting over to Barbara.

Barbara thanked Paul, BCA, Terry And Brian for all that they have done up to now.

Diane Burbank announced she would like to have a groundbreaking ceremony

Terry announced some other good news. The second bid came in for the cafeteria at Pajaro Valley High School at \$300,000 less than the last bid.

Brian explained that the foundation is done, they are pouring the floor slab and framing next week. He also went on to say that they re-bid the tennis courts and they went from last years low bid of \$400,000 to a bid of \$300,000.

A discussion began around the number of students at each high school, when PVHS will open and the insurance regarding mold, clean up and if it's gone. Is there a map available showing boundaries for the high schools?

There was a discussion on the date of the next meeting.

The minutes were seconded and approved.

Next meeting will be September 12, 2005.

The time will be from 5:00 pm to 7:00 pm.

In the Aptos Career Center

The meeting was adjourned seconded and approved at 6:10