

## **BOND REVIEW COMMITTEE REPORT TO SCHOOL BOARD**

**By Connie Menefee**

The Bond Review Committee met on December 3, 2002 at the District Office. Committee members welcomed new member Paul Strom. Local realtor Joseph Mocklin will also be serving as an alternate member of the Bond Committee.

One of the first discussion items was a proposed name change for the Bond Review Committee. While modernization continues to be funded from several sources, including bond interest earnings, the initial 30 million dollars of bond money has been expended. (Since the use of bond proceeds by public agencies is subject to IRS regulations, it was fiscally advantageous for the school district to utilize the bond proceeds *first* in its modernization program.) In light of this subtle shift in function and purpose, the Committee voted to approve a name change to the following: the “Bond and Modernization Review Committee.” This new name continues to recognize that interest earned on the bond remains a vital part of the modernization fund. A representative from the Committee will make a presentation to the Board of Trustees at its January 15, 2003 meeting recommending this name change.

Next on our agenda, Ralph Adams, the district’s Facilities Project Manager, gave a Facilities Update. By mid-October, most of the remaining construction items at the Ingrid B. Lacy Middle School were completed, with the exception of the gymnasium. The electricians are wrapping up exterior electrical connections. Lacy’s covered walkways and downspouts are 90% complete. At the time of our meeting, the gym’s maple flooring had been installed and was due to be sealed and painted. The floor should be ready to use when students return from winter break. Unfortunately, the Ingrid B.

Lacy gym did sustain some water damage after one of our big storms. The sources of the leaks have been repaired and will be monitored when the rains resume. As a precautionary measure, the contractor installed an extra membrane under the hardwood floor to prevent future water damage. And speaking of preventing future damage, L-shaped brackets have been strategically installed at three foot intervals around the Lacy campus to dissuade skateboarders and preserve the beautiful concrete planters.

The contractor overcame some initial engineering problems at Lacy's adjacent sports field. While the track should be available for use soon, we are looking at April for ball field access.

As discussed at our previous meeting, the district has taken all the necessary steps to preserve its right to assert a claim for liquidated damages against the contractor for any unexcused delays at the Ingrid B. Lacy site. The district has withheld money should it decide to pursue this option. While the district hopes to avoid litigation, the issue of liquidated damages will be subject to negotiation at the completion of the contract.

Construction at Cabrillo Elementary School is progressing smoothly. There have been very few change-orders to date. The project is approximately three weeks behind the original schedule due to asbestos issues and extra abatement work. A newly-modernized Cabrillo will re-open in September 2003. Mr. Adams continues to monitor the site carefully to ensure that the contractor adheres to the projected timeline.

Architectural plans for Ortega School (future home of Oddstad Elementary) have been submitted to the Division of State Architecture. It is anticipated that the bid opening will be held in May of 2003 with the project starting in early July.

As a final agenda item, Jim Lianides, our Director of Administrative Services, presented the most recent Building Fund Expenditures Report, which consists of a modernization summary and itemization of all project expenditures—every contract, purchase order and warrant—on both a district-wide and site-by-site basis. Key highlights of the Building Fund Expenditures Report: the ending balance in the Building Fund as of November 25, 2002 was \$11,065,522.00. The ending balance in the Deferred Maintenance Fund as of November 25, 2002 was approximately \$783,560.00. The current balance in the district's OPSC account is \$14.00. Since the beginning of its modernization undertaking, Laguna Salada has received and spent \$8.13 million from the State of California's Office of Public School Construction (OPSC). With the passage of Proposition 47, LSUSD anticipates an additional \$1 million for the Cabrillo project over the next couple of months. Expenditures to date—for modernization, deferred maintenance and structural repair projects—total \$45.5 million. The total cost of modernization of all of the district's schools is \$79 million. Thus, with the completion of Ingrid B. Lacy Middle School, the district has passed the mid-point in our modernization program.

All Building Fund Expenditures Reports and Facilities Implementation Plans are available for review at the District office. The voluminous spreadsheets that comprise the Expenditures Report demonstrate that every penny spent on every project since the inception of the district's modernization program—from 1998 onward—is meticulously and accurately accounted for. All interested members of the public are encouraged to attend the Bond Review Committee's next meeting, to be held on Tuesday, March 18, 2003 at 7 p.m. at the District Office.