

**MINUTES OF THE CBOC MEETING:**

October 11, 2012  
135 Van Ness Avenue, Room 210

Facilitator: Jim Quadra, Chair

Committee Members Present: Yakuh Askew Nancy Mayeda  
Lourdes Garcia Jim Quadra, Chair  
Walter Haub Mike Theriault, Vice Chair  
Craig Issod

Committee Members Not Present: Brian Liles Monica Pressley  
Nan McGuire

Interested Parties Present: David Goldin Richard PioRoda  
Leonard Tom

Minutes prepared by: Susan Ortega-Resurreccion

**1. Jim Quadra presided over the meeting.**

**2. Roll call. A quorum is present for this meeting.**

**3. Approval of Minutes of August 9, 2012 meeting.**

The minutes were unanimously approved by the CBOC members present in the meeting.

**4. Public Comment – None.**

**5. Program Status Reports from:**

- **Chair, Vice Chair Comments - None.**

- **Greening Program status: Green schoolyard report by Nan McGuire - None.**

- **David Goldin – Project review current work progress/Discussion of charter school needs 2012/2013.**

David stated that Prop 39 Charter School requests are going to happen in November or December. His report on charter schools:

- 1) A new charter school declined by the District, but approved by the State (Rocketship from San Jose), wants to be in the Mission area;
- 2) The District approved the charter for Kipp HS - they would like to be in the Bayview area;
- 3) Gateway MS is temporarily at the Jackson St. site and will be moving to share the site with Creative Arts at the old Golden Gate ES site where we just remodeled the annex;
- 4) The rest of the charter schools are set where they are.

Jim asked if the Bond Program would go forward with a project that later became a charter school. David said that the Bond Program modified Edison Charter due to obligations under the *Lopez* agreement. Even if the site was not covered under *Lopez*, we would have done work there for asset preservation purposes. We might have scheduled the project for a later timeframe. The problem is we have split campuses where part of the school is ours and the other is a charter school.

David mentioned that, except for Leadership HS, we are not actively pursuing other charter schools for modernization. One example, at the Luther Burbank campus, which CAT Charter School shares with June Jordan HS; we actually remodeled some of the rooms used by CAT into science classrooms. If CAT leaves we

would have science classrooms that we can use. We would not go out of our way to do that, and are under no obligation to design a special school for the charters.

Craig asked if there are reasons a charter school would go out of business within 4-5 years. David answered it is up to the people who are evaluating whether to renew the charter or not. Reviews come up every 5 years under Prop 39. David stated that under Prop 39, once the charters are approved by the State, we are over ruled and are still under the same obligations to provide safe, usable facilities.

Jim asked if we planned to improve a school and a charter is placed there after the planning is complete, can we legally cancel the project without getting into trouble? Richard replied that if a commitment to that school was in the bond language it does not matter what program goes on that site. You can choose not to spend the money and cancel the project. Any dispute would become a Prop 39 charter school facilities issue for not providing reasonable facilities.

David mentioned that there is a new State provision that says if any property or building after Jan. 1 or Jun. 30 of the districts of CA is declared surplus, then any charter school in CA has a proprietary right to make an offer to purchase the property at the value the district paid for the property.

- **Leonard Tom – 2003, 2006 and 2011 Bond financial report update.**

Leonard reported that the final contract on the Lincoln HS Exterior Painting Project in the 2003 program is about 96% complete.

For Bond 2006, \$10.4M State grants were received in August. Total State contribution for Bond 2006 is up to \$42.5M. Craig asked what the source of these grants was. Leonard answered it was Measure 1D, which authorized the bond sales that funded the Leroy Green Grant Program. A question was asked if there are any more projects for which we have matching funds from State. Leonard replied that there is currently one project which is eligible for State grants; Martin Luther King (MLK). Bonds sold by the State in September were used up before MLK could be funded. When finally received, the MLK grant will be used to reimburse bond funds already spent at the site.

Leonard mentioned the 300 Seneca Ave project, which was former San Miguel ES. We have committed \$12.6 million of 2006 funds to that site. That site also happens to be where Leadership HS will probably relocate from Denman MS. Leadership HS is eligible for State grants as a charter school. David stated that we have a 50/50 matching grant for up to \$18 million. Theoretically if we provide \$9 million, the State could provide up to \$9 million.

Walter asked about the SOTA funds at 135 Van Ness. David mentioned the 2003 bond language specifically committed up to \$15 million for SOTA at 135 Van Ness. The \$15M in bonds cannot be sold until a complete financial plan for SOTA project is in place. Remodeling 135 Van Ness Ave. for SOTA will be a very expensive and long-term process. Superintendent Carranza is committed to moving SOTA in the long-term.

Leonard thinks that when we “sweep” the “unused” money out of all the current 2006 projects that we complete, we may have enough money to commit about \$15 million to additional work at 2006 sites. We asked our PMs to go review our completed 2006 projects and see if there is additional construction that could be done without disrupting academic operations. We are reviewing options.

SOTA has been on eligible for bond funding since the beginning of the Bond Program. Renovation for SOTA at McAteer will benefit SOTA kids until the program is eventually moved to 135 Van Ness Ave. Maybe this is an opportunity to spend some of the \$15 million on improvements in the near-term.

Leonard brought up another cross-bond project, Willie Brown MS. We are using 2006 bonds to fund the demolition of the former Willie Brown ES. On the 2011 bond side, we are going through the procurement for

design-build contract for the final design and construction of the middle school. Requests for proposals have been distributed to four prequalified, design-build teams. We anticipate getting proposals back from these teams next month. The design-build contract would start this coming spring. Hopefully the new school would be ready for occupancy by the fall of 2015. Cost estimates are currently on target. Design and construction is budgeted at about \$43M, including solar panels on the roof. We have already paid a "bridging architect" to do the schematic design. The overall project budget is \$54M. On Monday night, the architect Steve Kolm of K2A is making a major presentation to the Buildings & Grounds Committee on the exterior of the campus. A question was asked on who the prequalified teams were. David replied they are McCarthy, Overra, Turner, and Hensell Phelps.

Leonard reported that for the 2011 program, there are 15 project assessments completed; four more projects were authorized to go into assessment and three more projects scheduled to start project assessment in January.

Lastly, Leonard reported that he is beginning to plan the next bond sale. It is looking like the next bond will be in the order of \$200M and it may happen in the spring or summer of next year.

Walter requested from Leonard to attach the schedule of the projects onto the minutes for future committee meetings.

#### **6. Discussion of local hire funding in relation with Bond funds.**

Can Bond funds be used to pay for a "local hire" policy/program? Richard Pio Roda said a conservative interpretation of applicable law is what you might expect. It is required by article 13A of the constitution to spend Prop 39 bond funds only school facility construction and expenses related to the design and construction of the project. This does not include teacher and administrative salaries, which are specifically prohibited.

Question: What if you build into the ballot proposition, which we did not, a local hire program?

Answer provided by staff: Theoretically, it could be funded if it was going towards the construction/reconstruction of school facilities. No bond that the school district has passed (2003, 2006, and 2011) has that language.

Question: If you pass a local policy order, can it conflict with a state law requirement?

Answer provided by staff: To the best of our knowledge "No". In the context of prevailing wage laws, we require prevailing wage enforcement with all projects because it's State law.

Question: If the district adopted a policy that was not included in the ballot proposition, could we use money towards that purpose? If we passed a "local hire" policy and paid for it with bond funds, would that be lawful? Richard's initial interpretation, after reading the materials and the law, is that in all likelihood it would not be lawful. Richard did recommend that staff talk to outside Bond Counsel for a further review and interpretation of the issue. His initial review of the material indicates that the District will not be able to do it, not with 2003, 2006, or 2011 Bonds. Again because it's not a state law requirement, the District's Board Policy wouldn't supersede the ballot proposition as far as the spending is concerned. There's no analogy to prevailing wage law because the prevailing wage law is a requirement of the statute.

David asked what the difference is between the monitor that monitors the local hire policy and the labor compliance person that monitors prevailing wage. Richard answered that the labor compliance person is allowed under state regulations. It is still mandated under the State Department of Industrial Relations school capital programs have a labor compliance program. A local hire policy is not mandated by the State.

David reported that several School Board Commissioners were considering bringing forward a resolution that would require the District to develop and adopt a construction local hire policy. This policy would be primarily focused on the workers, apprentices and interns as opposed to individual companies. David reported that support for the measure was unclear, at least one board member would like to model the program approved

by the City of San Francisco. While the District currently has a “good faith voluntary” local hire preference written into our bid language these Commissioners do not believe it is enough.

At the October building and Grounds Committee meeting, David gave a report on how many workers from San Francisco actually worked on the 20 largest projects of the past couple of years. The statistics are actually quite high and range from 15% to 35% depending on the project.

David reported that whether the District will actually propose a local hire policy is unresolved and the structure of the policy will have significant impacts on the operations of the Bond program, including cost. A local hire policy may also have a direct impact on a new Project Labor Agreement and that if a local hire policy were to be implemented it would have to be with the mutual cooperation of the District, building trades, community advocates and others. David will continue to report on this matter as it develops as he believes that it may have a significant impact on the bond program.

Mike Theriault said from the trades point of view is the language of local hire in the last project labor agreement with the District is similar to language that was used by City College on their project in China town and this is why the question of whether the Bond can pay for the monitoring of a local hire program is important. The Community College District worked with them to make a policy for the Chinatown campus that actually was pretty successful. They achieved the same percentage participation that the City did under its mandatory program the first year, 32%. Overall it was more successful effort than that City had and crafted in a way that involved the community monitor and the community.

Walter Haub asked whether the four design-build finalists for the new school at Willie Brown are asking any questions about what they might be getting themselves into with regard to local hire? David replied that they are all aware of these issues and in fact we have asked each team to provide a plan for hiring “local” as a part of their submittal requirements.

Craig asked how this would affect the cost of projects. Richard replied that there would be no cost impact if it was determined to not be a valid and allowed bond expense. David also added that the District could of course fund the local hire “oversight or monitor” with non bond funds.

Jim Quadra asked if a local hire policy might incur more expenses just because it is local. David replied that the preliminary estimates if a local hire policy is required for the Willie Brown new school project are in the range of \$250,000 of additional costs. Jim expressed some concerns over additional funds being spent to provide for a local hire program, even if bond counsel agrees the expense is consistent with the bond language, because while he supports local hiring, he doesn’t want to have to spend any more money than is necessary to design and construct the bond projects.

Walter commented that the point of local hiring is you want an economic stimulus and you want to keep the money here in SF, for \$250k you can do a lot with \$250K. In our position, we are trying to be nonpolitical.

David Committed to providing the committee update information as the local hire issue develops.

## **7. Proposed Schedule and Agenda for Next Meeting.**

Proposed next meeting – as scheduled/2<sup>nd</sup> Thursday, December 13, 2012.

- 1) Presentation of Willie Brown design by K2A Architects (Steve Kolm).
- 2) Discussion of charter schools (David Goldin).
- 3) Discussion of local hire funding.

## **8. Adjournment.**

Meeting was adjourned.