

***REVISED 21ST CENTURY SCHOOLS BOND ADVISORY COMMITTEE
INAUGURAL MEETING MINUTES - MARCH 18, 2013**

The 21st Century Schools Bond Advisory Committee (Committee) met on March 18, 2013 in Conference Room 916 of the School Board Administration Building. Mr. Carvalho called the meeting to order at 2:30 p.m.

Committee Members

Ms. Sharon Watson
Mr. Luis Gonzalez
Mr. Paul Wallace
Mr. Samuel Lee Gilmore, Jr.
Mr. Anthony Dawsey
Reverend Guillermo Revuelta
Dr. Jaap Donath
Mr. Christopher Fisk
Mr. Jack Lowell
Mr. T. Willard Fair

Mr. Roberto Martinez
Ms. Carol Graham Wyllie (via phone)
Mr. Alan Rubin
Mr. François Illas
Mr. Marcos Jimenez
Ms. Cindy Lerner
Mr. Cecil T. Daniels
Mr. Raul G. Valdes Fauli
*Mr. Sean Foreman
Ms. Susan Marie Kairalla
(Alternate to Mr. Thomas Eagan)

**Ex-Officio
Non-Voting Members**

Mr. Jose Montes de Oca
Mr. Jaime G. Torrens
Dr. Richard H. Hinds
Dr. Daniel Tosado
Mr. Christopher Mazzella

Miami-Dade County Public School Attendees

Dr. Wilbert "Tee" Holloway, School Board Member
Dr. Marta Pérez, School Board Member
Mr. Alberto M. Carvalho
Mr. Walter J. Harvey
Mr. Luis M. Garcia
Ms. Tabitha Fazzino
Ms. Ana Rijo-Conde
Mr. Nicolas Betancourt
Ms. Silvia Rojas

Ms. Isora Castro
Mr. Blake Juste
Ms. Viviana A. Jordan
Mr. Christopher Miles
Ms. Erzebet Munsie
Ms. Raquel Alexander
Mr. Brian Williams
Ms. Marisol Marin
Mr. Tom Knigge
Ms. Vivian Villaamil
Ms. Patra Liu

Other Attendees

Mr. Roland Sanchez-Medina, Jr.
Ms. Lisa King
Mr. Joseph Sanches
Mr. Jim Murley

Recording Secretary

Ms. Annette Jones

The welcome and introductions were made by Mr. Alberto M. Carvalho, Superintendent of Schools. Mr. Carvalho thanked Committee members for their participation and proceeded to outline key focus areas as follows:

- Ensure all proceeds derived through the Bond Referendum are used according to the published plan.
- Ensure projects are delivered in a timely manner.
- Ensure that the Committee and the community are apprised in advance should circumstances arise in the future that may require changes to the Bond Implementation Program.
- Ensure equitable and fair distribution of resources to optimize impact of the Bond Referendum across all corners of the community, as to investment, projects, and economic and job opportunities.
- Ensure to the extent possible that investments made support the local economy, in keeping with recent Board Policy on local vendor preference.
- Workforce opportunities for community members.
- Responsibility of the District to provide a quality education and quality facilities.
- Competitive bidding process.

Ms. Silvia Rojas, Treasurer, provided a comprehensive update on the District's financial plan and forecast. Ms. Rojas stated that as the GO Bond financing plan is finalized, the guiding principle of minimizing taxpayer burden will continue to be an overarching goal of the District. The preliminary financing plan was constructed using prudent and conservative financing assumptions. Part of the appeal of the GO program is that the District can take advantage of the low interest rate environment as well as the sunset of the 1988 GO Bond to provide a smooth transition, minimizing taxpayer impact. Determining the actual issue size and structure will be dependent upon market conditions, the timing of the construction schedule, and the cash flow needs. The GO Bond provides flexibility to fund projects based on cash flow needs. Florida Statute 1013.76 provides for an accounting of multi-year capital improvement contracts. It is estimated that in FY 2015 the needs will max out at \$263M and then taper off. Staff is preparing a Cost Benefit Analysis that balances interest costs, impact on levy, and cash flow needs. Part of the analysis will take into consideration interest rate risks and negative arbitrage for proceeds waiting to be spent. The Board has entered into a judicial validation process and the final judgment has been filed with the Clerk. Staff is awaiting Bond Validation and the Certificate of No Appeal. The Treasury Advisory Committee will review the final financing plan prior to recommending the plan to the Board at the May 2013 School Board meeting in which the Board will authorize the initial GO Series. The sale of the Bond is anticipated in June 2013 and the closing in July 2013.

Mr. Torrens presented an Overview of the Bond Program as follows:

- The District is responsible for approximately 45 million square feet of space in over 400 school campuses and ancillary facilities, combined. Over the last decade the District was able to build and open approximately 105,000 new and replacement student stations.
- Though significant strides were made over recent years to build new capacity and replace obsolete facilities, on the whole, the majority of existing buildings are over 40 years old.

- The District's focus on meeting the 2002 class size mandate required that funding priority be given to capacity amplification. Consequently, physical plant renewal remained largely unaddressed.
- The clear need for a reliable long-term funding solution was deemed critical to establishing parity among schools, irrespective of zip code, and assuring equitable access by all students to 21st Century technology and a quality educational environment.
- The goal of the GOB is to touch every school through renovations and/or building replacements, technology enhancements and removal of portable classrooms where appropriate.
- To optimize use of revenues and project implementation, prototypical classroom renovation models will be used to the extent possible, as well as standardized equipment to reduce maintenance costs over time.
- Additionally, the District will imbed green building standards in renovation and replacement projects (LEED® for Schools) and right-size replacements, including opportunities for consolidation.
- Lastly, the District will pursue cost efficiencies such as shared chiller plants and satellite kitchens where projects are proximate or clustered geographically, and simplify District design criteria, specifications and facilities lists to reflect new educational paradigms. The focus of the program is to bring equity to students in all geographic areas to have access to the latest technology.

Mr. Carvalho added that right-sizing building replacements will require community conversations. Currently the District carries square footage for which there may not be a foreseeable need. Staff will be assessing space utilization and explore options including select demolition and possible consolidation.

Mr. Torrens continued his presentation as follows:

- Projects are almost equally split between those under \$2M and over \$2M in estimated construction value (approximately 144 projects and 166 projects, respectively).
- Recently-built schools will receive technology refreshers in the later years.
- Projects with estimated construction values between \$1M and \$2M can begin in Year 1 (FY 12-13) and the District will be expanding procurement capacity for design professional and construction management (CM) at-risk firms:
 - Eligible A/EPC firms being expanded from 6 to approximately 17
 - Eligible CM firms being expanded from 10 to approximately 16

Mr. Torrens stated that funding may be augmented by collaborations with municipal partners as well as with developers to ensure schools receive the maximum benefit from the investment.

Mr. Brian Williams, Director, Office of Economic Opportunity (OEO), then provided an overview of the Small/Micro Business Enterprise Program (SBE) as follows:

- The Small/Micro Business Enterprise Program is established to provide expanded and equitable participation by small and micro businesses in School Board procurement of goods and services, construction, and professional services.
- The purpose of the program in light of Bond monies being spent is to implement a program that is legally defensible and race/gender neutral.
- It will also allow for more aggressive participation goal setting in terms of awarding contracts to those types of enterprises to set aside or hold a sheltered market in terms of allowing those projects to only go to small business enterprises, whereas in the past the open solicitation process was open to everyone.
- The goal is to keep programs and projects local as well as help benefit some of the smaller micro business enterprises and help to raise their gross revenue throughout the years.
- Projects under \$1M are being held until procedures are developed to set aside portions of those contracts to the program. The pool of eligible SBE firms is currently being established.
- OEO Staff are in the process of rolling certification applications which have been combined with the current M/WBE certification application to make it easier for vendors to apply. The OEO is also collaborating with Miami-Dade County and Miami-Dade College in terms of looking at possibilities for an Interlocal Agreement to allow the District to fastrack the SBE certification process and allow entities that are already registered with those municipalities to participate in the District's program.
- Job Order Contracts, which are maintenance contracts, are currently being held for eligibility for SBE firms, although these projects don't run under the Bond.
- MGT of America, Inc., a national company, was hired to conduct a disparity study. The intent at the completion of the study is to determine whether disparity is found within the District and whether a legally defensible M/WBE program can be brought back to the District. Should the study show disparity, an M/WBE program will be reestablished.
- The policy for the SBE program is being finalized and an advisory committee has been formed for the SBE program.

In conclusion, Mr. Williams stated that the OEO will continue to certify MWBE and SBE firms. The current status of the program will not be completed until the disparity study is finalized in order to implement a program that will address those needs.

Mr. Torrens stated that a commitment was made to the community to incentivize small and minority companies to participate and be an active part of the GOB Program in carrying out the projects. A Program Management Support Services firm is being selected that will supplement and work alongside District personnel. He indicated he would be working with the Treasurer concerning interest rates to ensure prudent decisions are made relative to project implementation, keeping in mind that this is a long-term program. The District is committed to completing projects over the next 6-7 years. Implementation of the GOB program will be facilitated through outside, private sector resources, and specifically the Program Management Support Services firm. Proposals have been received and presentations by short-listed firms are scheduled to begin on April 3, 2013. Recommendations will then be presented to the Board in May 2013. Program Managers selected through this process will supplement and work side by side with District personnel. Resources will be procured as needed, to reflect the various stages of the GOB program rollout and provide specialist and technical support needed by the District. The District will not hire large numbers of in-house staff, but will be using private sector participation to ensure that the District hires to the needs and for a specified duration so as not create a liability to the District in the long-term.

Mr. Carvalho stated that the District will honor the promise made that 100% of the investment would be realized in the community through private sector engagement. The process will be managed through a third party management company that will work together with District leadership.

Mr. Torrens stated that in order to ensure transparency and accountability it is important to have a data management systems in place that allows for different types of information to be combined and processed and presented in ways that are transparent and clear to different constituencies within the community. The Committee will have certain needs for information. Staff will ensure those requirements are met by having the data available in a transparent manner and readily accessible through web-based applications that include technical, financial, and other information related to projects. Access to the information via dashboards will be made available to the Board, the Committee, the community, Principals, Region Superintendents and municipalities.

School Board Attorney, Mr. Walter Harvey, outlined the responsibilities and proceedings of the Committee as follows:

Responsibilities of the Committee

- Completion and submission of Certification of No Conflict.
- Review and monitor of Bond program performance.
- Advise Superintendent and the Board of progress of the Program.
- Assist with community outreach efforts.
- Assist with annual planning of Bond Program activities.
- Issue recommendations on allocation of surplus funds.
- Submission of Annual Report to the Board.

Proceedings of the Committee:

- Elect Chair and Vice Chair (2 year terms).
- Meet a minimum of four (4) times per year.
- Require a majority of voting members for a quorum.
- Conduct meetings in accordance with Robert's Rules of Order.
- Members must be free of any direct or indirect Conflicts of Interest.
- Members may not be absent from more than 3 meetings or no more than half of the meetings held annually.

Mr. Harvey informed Committee members that they are subject to the Sunshine Law and the Public Records Act, as well as State and School Board Conflict of Interest Rules. Mr. Harvey advised Committee members that if they had a concern or were uncertain about a potential conflict of interest, they should seek an opinion from the School Board Attorney or the Florida Commission on Ethics. Mr. Harvey then proceeded to outline the basic principles and possible sanctions relative to the Sunshine Law, the Public Records Law, Code of Ethics, and Conflict of Interest as follows:

The Sunshine Law – Chapter 286, Florida Statutes

Basic Principles

- All meetings between two or more members where official action is taken must be publicly noticed and open to the public.
- “Official action” includes any vote, resolution, rule, formal action or discussion. Organizational meetings, briefing sessions, workshops, informal meetings and all other committee meetings, no matter what they are called, are subject to the Sunshine Law.
- Notice to the public must be reasonable and published, distributed or prominently displayed.
- Votes must be recorded or counted for each member present at a meeting. Voting can be by roll call, voice vote and written ballot as long as the ballots are made available to the public. Secret votes are not permitted. Members can abstain from voting only because of declared legal conflict of interest.
- Written minutes of the meeting must be taken even if the meeting is recorded. Both the written minutes and the audio or video tape (if recorded) must be made available for public inspection.
- Meetings must be held in a location and facility that is reasonably accessible to the public and does not discriminate based on gender, gender identity, age, race, color, national or ethnic origin, religion, political beliefs, marital status, sexual orientation, social and family background, linguistic preference, disability or economic status.
- No two or more members may meet to discuss any matter on which foreseeable action will be taken by the committee without meeting the requirements of the Sunshine Law.
- Even at publicly noticed community meetings and regular committee meetings, members may not have private discussions about any matter that may come before the committee.
- The Sunshine Law applies not just to in-person meetings but to telephone conversations, e-mail and social media communications. Members may not use staff to relay communications to other members about matters that may come before the committee.
- Members should refrain from having any conversations about committee actions or issues that may come before the committee with any other member outside regularly scheduled meetings.

Potential Criminal Sanctions for Violation

The consequences of a Sunshine Law violation may include criminal penalties against the violators and may cause the committee action to be set aside.

Public Records Law – Chapter 119, Florida Statutes

- Any documents produced by or for the committee and any documents received by the committee or individual committee members are open to public inspection under the Public Records Law. Non final drafts of committee business, if circulated for review, comment or information, are public records.
- Except for Social Security Number, any information provided to District staff, such as work or personal e-mail address, becomes public record subject to disclosure upon request.
- All electronic communications, including e-mail, text and social media messages, are public records which must be available for public inspection and retained if used to perpetuate, communicate or formalize knowledge in connection with the business of the board.

- Handwritten notes by individual members regarding official business of the committee and used at a meeting in discussing the member's position on an issue could be deemed public records.
- However, handwritten notes are probably not public records if they are intended only to jog the committee member's memory and/or are precursors to a future document.
- Student records containing a student's personally identifiable information, e.g., name, address, social security number, student I.D. number, etc., are strictly confidential and are not public records.

Potential Sanctions for Violation

Violations of the Public Records Law may be subject to civil penalties. Knowing or willful violations may lead to suspension and removal or impeachment and, in addition, a misdemeanor conviction of the first degree.

Code of Ethics and Conflict of Interest Law – Chapter 112; School Board Policy 9140

Higher Standard

- Appointees shall not have any conflict of interest, direct or indirect, in a contract with School Board or any financial interest in any of the projects to be funded under the Bond Program. If such a conflict should arise after a member is appointed, he/she is required to self-disclose such conflict or financial interest and immediately resign from the Committee.
- Prior to serving on the Committee, all members must submit an executed certification indicating that they do not have an existing conflict of interest or any financial interest in any of the projects funded under the Bond Program.
- Members are prohibited from soliciting or accepting gifts intended to influence a committee decision.
- Members are restricted from representing others before the School Board or the advisory committee while on the committee.

Unless waived by 2/3 vote by the School Board

- Must be permanent Miami-Dade County resident.
- Shall not have filed a lawsuit or policy challenge against School Board.
- Shall not serve on committee that regulates or monitors appointee's livelihood.
- If member qualifies as a candidate for elective office, he/she must resign
- Multiple appointments by same Board member prohibited

Lobbyists are prohibited from sitting on the committee.

Election of Officers

Mr. Harvey opened the floor for the election of officers. Mr. Lowell nominated Mr. Roberto Martinez for Chair. Ms. Kairalla nominated Ms. Cindy Lerner for Chair. As there were no further nominations, Mr. Harvey closed the nominations.

Mr. Harvey proceeded to poll committee members, instructing them that the candidate who received a majority vote would be declared the winner. Prior to the vote, Ms. Lerner withdrew her name from the nomination as Chair. Mr. Harvey then asked whether there were other nominees for the position of Chair, at which time there were none and the nominations were closed. Mr. Martinez was nominated Chair of the Committee, at which time he accepted. Mr. Harvey then requested nominations for Vice Chair, at which time Ms. Kairalla nominated Ms. Cindy Lerner. Mr. Harvey asked whether there were any other nominations, and there being none the nominations were closed and Ms. Lerner was declared the winner; Ms. Lerner accepted the nomination.

Discussions

Mr. Martinez requested the name of the principal staff member assigned to the Committee. Mr. Carvalho stated that Mr. Jaime Torrens and Dr. Dan Tosado were assigned as liaisons to the Committee, adding that questions relative to procedural needs should be directed to Dr. Tosado and construction related questions to Mr. Torrens.

Mr. Martinez then opened the floor for questions and/or comments from the Committee.

Mr. Sanchez Medina asked how projects would be funded, specifically those projects under \$1M. Mr. Torrens stated that no proceeds will be expended until the Bonds are actually sold and that projects under \$1M would be allocated for SBE firms.

Mr. Rubin stated that after reviewing the cash flow projections, the 2012-13 Work Plan indicated over \$1B in expected revenue from the 1.5 mil and asked whether those funds would be used in addition to the Bond issuance. Mr. Torrens stated that Bond proceeds would be identified separately and that the major reason for the Bond was that there were no other funds available for capital improvements. Dr. Hinds added that revenue from the \$1.5 mil is overwhelmingly being used for debt service on COPS, tax exempt lease purchase and other transactions. The remainder is used to finance maintenance transfers and most of the Maintenance program is derived from this funding source. Mr. Rubin then asked whether this revenue is meant to be used for new construction and Dr. Hinds noted the capital outlay levy can be used for construction, maintenance, to acquire buses and for property insurance, adding that presently half of the property insurance is financed from the capital outlay millage.

Mr. Rubin commented that he felt \$100M GOB for technology of the \$1.2B on technology is a relatively small amount and asked whether the \$100M would come from the new schools' allocation or from the renovation portion. Mr. Carvalho stated that when a new school is built, technology comes in with Furniture, Fixtures and Equipment (FF&E) and dollars are earmarked specifically for that purpose outside of the \$100M. The \$100M investment for technology through the Bond is part of a larger number through different sources such as E-Rate, which is the federal matching program that helps to provide the backbone for wireless Internet access and additional technology allocations from the State of Florida.

Mr. Martinez asked whether a schedule of projects and timelines was available. Mr. Torrens stated that the information was made available on the District website also at <http://bondsforschools.dadeschools.net>. He also stated that a Collaboration portal would be created for Committee members to provide an easy means to access information. Mr. Carvalho stated that the information was available by school name and timeline sequencing.

Mr. Sanchez-Medina asked whether the approval of vendors, underwriters, and contract companies is a function of the committee. Mr. Carvalho stated that it is not.

Mr. Martinez asked whether Mr. Carvalho could suggest a national model of best practices for the type of work the Committee is undertaking. Mr. Carvalho stated that the District had researched other districts that passed Bond Referenda and engaged in conversations about what was successful. Those conversations will help to inform some of the District's activities.

Mr. Valdes requested an approximate date as to when the actual issuance of the Bond would occur and stated that rates would be going up soon and thus staff should be prepared when this happens. Dr. Hinds explained that issuance of the Bond will require judicious decisions to avoid negative arbitrage. The Treasury Advisory Committee (TAC) is in the process of reviewing the details of the first Bond. The TAC was considering a drawdown schedule as well as the possibility of a rate lock. It is anticipated that the first issuance will occur sometime early this summer.

Mr. Valdes-Fauli asked whether staff was aware of hedging strategies. Dr. Hinds stated that the District engaged a national financial advisory firm, which is used by most of the large districts in Florida to provide assistance and counsel. Mr. Carvalho stated that because some committee members had a greater level of expertise on the dynamics of Bond implementation than others, he would ensure the results of the TAC, as it pertains to Committee's role, would be provided as well.

Mr. Gilmore asked whether debt refinancing would be a consideration. Dr. Hinds stated that the District is in the process of refinancing approximately \$250M to achieve more favorable interest rates adding that debt financing is constantly being examined by the TAC, staff, and the District's financial advisor.

Mr. Rubin requested confirmation that the closing and opening of schools would not fall under the auspices of the Committee. Mr. Carvalho stated that the District would be very cautious as it tackles that issue and welcomes the opportunity to have conversation in as many committees, communities, and as many settings as possible.

Mr. Martinez asked for clarification on the number of meetings to be convened during the year. Mr. Carvalho stated that his staff would provide recommendations in order to reach consensus.

Mr. Wallace asked whether the Committee would be provided with action items from the Superintendent and the Board or whether they would create their own agenda. Mr. Martinez stated that he would meet with the Superintendent and come up with a game plan to bring back to the rest of the committee. Mr. Martinez reminded members that the Committee is advisory and not a policy making or oversight body.

Mr. Carvalho stated that he would be recommending to the Chair a format for the agenda which would include action and discussion items.

Mr. Gilmore asked whether the committee could meet more frequently, as he is required to provide monthly updates to his appointing entity. Mr. Gilmore asked whether a Committee could be formed to review equitable distribution of projects.

Mr. Fair commented that posting on the website including updates would be a part of that report.

Mr. Martinez stated that he would meet with Mr. Carvalho and bring back information and ideas and share these with the Committee at a subsequent meeting.

Mr. Rubin asked whether members would be permitted to vote on matters via telephone and also whether email voting would be allowed. Mr. Martinez stated that he preferred all meetings be held at the School Board Administration Building and that call-ins would be permitted but not email voting.

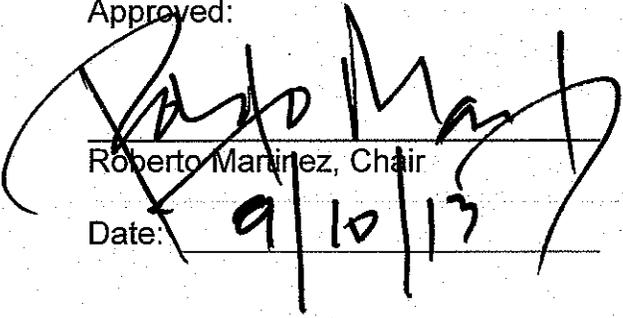
Ms. Kairalla stated that in the keeping with the Sunshine Law, committee alternates are permitted to meet with their representatives, as they are considered one vote. Mr. Harvey affirmed such.

Mr. Torrens provided the email address established for the Committee. Mr. Harvey stated that requests via the email system is the preferred method of communication and underscored the necessity for Committee member to not send emails to each other but directly to staff so the requests can be routed accordingly.

Mr. Martinez expressed that being a member of the committee is an important undertaking and desires the Committee to be an example to the rest of the nation.

There being no further business to discuss, Mr. Martinez adjourned the meeting at 3:57 p.m.

Approved:

A large, stylized handwritten signature in black ink, appearing to read 'Roberto Martinez', is written over the printed name and extends upwards and to the left.

Roberto Martinez, Chair

Date:

9/10/13