

**21ST CENTURY SCHOOLS BOND ADVISORY COMMITTEE
MEETING MINUTES – March 14, 2017**

The 21st Century Schools Bond Advisory Committee (Committee) met on November 29, 2016 in Conference Room 916 of the School Board Administration Building. Chairman Martinez called the meeting to order at 3:00 p.m.

Committee Members

Mr. Roberto Martinez
Mr. Francis Ragoo
Mr. Juan Del Busto
Dr. Jaap Donath
Mr. T. Willard Fair
Mr. Octavio Visiedo
Dr. Sean Foreman
Mr. Alfred Billings

Mr. Jack Lowell
Ms. Gepsie Metellus
Rev. Guillermo Revuelta
Mr. Alan Rubin
Ms. Carol Graham Wyllie
Ms. Julie Williamson
Mr. Alvin Gainey

**Ex-Officio Non-Voting
Members**

Mr. Jaime G. Torrens
Mr. Jose Montes de Oca
Ms. Mary Cagle

Alternates

Ms. Leanne Tellam

Miami-Dade County Public School Attendees

Ms. Perla Tabares Hantman,
Board
Ms. Mari Tere Rojas,
Board
Mr. Alberto M. Carvalho
Mr. Carl Nicoleau
Ms. Tabitha Fazzino
Mr. Raul F. Perez
Mr. Leo Fernandez
Ms. Addys Lopez
Ms. Gina Miles

Mr. Jeff James
Ms. Dalia Rosales
Mr. Nelson Diaz
Mr. Thomas Knigge
Ms. Michele Hicks Levy
Ms. Denise Mincey Mills
Mr. Sebastian Lorenzo
Ms. Alexandra Garfunkle
Mr. Jerald Blumstein
Ms. Lisa Martinez
Mr. Ron Steiger

Other Attendees

Mr. Glen White

Recording Secretary

Ms. Erika Duarte

Mr. Martinez welcomed the Committee and called the meeting to order. He inquired if there was a quorum present and once informed that there was not, he advised that voting on the minutes from the previous meeting would be held off until later in the meeting. Mr. Martinez then introduced Mr. Alberto Carvalho, Superintendent of Schools.

Mr. Carvalho welcomed everyone and thanked the members for their continued dedication to the progress of the G.O.B. program implementation. Relative to benchmarking District performance, Mr. Carvalho shared information about an article published by the Sun Sentinel about Broward's Bond program, which detailed how two years after its implementation Broward has not yet initiated any projects. After surpassing the half billion-dollar mark, the District's program is on schedule and below budget; as compared to the program in Broward, where the District is declaring a 25-28% cost escalation for planned projects.

Mr. Carvalho emphasized that M-DCPS will fulfill its promise to utilize bond revenue to address needs at all the schools within our system, as promised prior to the passing of the Bond, including large projects such as the replacement of Miami Norland SHS and the large addition at MAST on Virginia Key. Mr. Carvalho also noted the District's commitment to be proactive in terms of rolling out policies and procedures that protect the interests of small businesses and minority groups in the community. Every project presented to the Board includes a chart that discloses the total value of the project, and a breakdown of the entities from the GC to the sub-consultants and sub-contractors along with participation goals, many times in the double digits. For the first time in a long time, M-DCPS has contracted directly with African American architects. The District has also completed the implementation of the technology rollout under the bond, as promised.

Mr. Carvalho then shared with the Committee potentially disruptive proposed legislation under consideration in Tallahassee, including the sharing of the capital millage revenue with charter schools, which would in essence redirect public funds to privately held assets. Considering that approximately 60% of the revenues are used to meet debt requirements, sharing the remaining portion with charter schools would translate to an estimated \$83 million loss in the first year alone. Mr. Martinez asked if the proposed legislation would be constitutional and Mr. Carvalho noted that in order for it to be deemed unconstitutional, someone would have to challenge it. Mr. Carvalho then stated that the District's credit rating moved from a negative outlook to a positive one as a result of prudent financial actions and that an immediate concern would be the possible credit downgrading by the rating agencies. The Superintendent advised the Committee that the District would continue to actively advocate in Tallahassee for modifications to the proposals.

Mr. Carvalho also noted that very little of the State's capital outlay funding (PECO-Public Education Capital Outlay) has been provided to school systems in recent times. The allocation is approximately 50 million dollars for all school districts combined across the state, with an equal allocation provided for a much smaller group of charter schools. There needs to be a sustainable long-term solution for capital outlay for charter schools that is independent from local tax benefits that local boards can levy, and does not have dire repercussions on school districts.

Mr. Lowell stated that we used to have an urban coalition and asked if it can be built up again. Mr. Carvalho indicated that while in Tallahassee he had observed that the delegation is fairly united across party lines. The ascension of Chairman Oliva as the incoming speaker is expected to be a positive change. He further noted that the Dade delegation has filed a bill requesting an economic study this year, to review cost of living disparities across the state by county to determine funding levels.

Ms. Wyllie requested an update on WLRN. Mr. Carvalho indicated he had met with a task force this morning to help navigate the matters at hand. Mr. Carvalho noted that he has concluded there is no interest in impacting independent journalism, in acquiring or dismissing journalists, or interfering with content or programming in WLRN. This has

been the policy for some time now as illustrated by Board member Hantman's 2002 editorial policy. The Superintendent also noted that as part of the ensuing process we have an elevated level of expectation for financial integrity, disclosure and transparency, all of which are crucial. Recently, the audit Committee, an outside group, heard evidence he provided, along with evidence provided by the Chief Auditor and the independent auditor of Friends of WLRN. All three entities reported issues of an egregious nature with Friends of WLRN. This entity was created by the Board over four decades ago with the sole purpose of fundraising for the operational programming at WLRN, with the top priority being educational benefit. A number of irregularities were identified after an audit conducted in 2009-2010. WLRN has been reluctant to provide certified financial statements resulting in delays to the independent work of the Chief Auditor. In 2009, it was noted that the entity had removed the School Board member's seat from their own Board composition, and had changed the by-laws eliminating the power and responsibility of the Superintendent and the Board. Once that issue was identified, some of the by-laws were reversed. Additionally, the identified pattern of misreporting (total \$9.4 million), has a number of implications including substantial fines for which Friends of WLRN will be responsible.

Mr. Lowell shared with the Committee that he is the chair of WPBT, which recently merged with another entity, and that he believes this is a management issue since the license is held by the School Board, and that Mr. Carvalho has the legal responsibility to oversee these activities and potential issues. Mr. Carvalho noted that if and when action is taken, it will be aggressive. There is a way of negotiating an operating agreement where there are safeguards that separate the journalistic arm of WLRN (those who make decisions regarding content and programming) away from the ultimate reporting line that protects the financial integrity of the station. Mr. Carvalho pointed out that this policy has been in place since Board Member Hantman passed the Editorial Integrity Policy. The District cannot however accept a third-party entity created by the Board, to fundraise and become Management without any notification to the District. The on-going conversation covers a decade of frustration over promises that were made to the Board and not delivered, rights that were removed from the Board without any notification, and egregious financial mismanagement. Mr. Martinez inquired if the individual responsible was terminated and Mr. Carvalho noted he had resigned and was scheduled to leave March 31, adding that the Federal Inspector General is also investigating. Mr. Carvalho emphasized the importance of protecting the brand and image of WLRN because it will impact fundraising. Mr. Carvalho reiterated that while the District owns WLRN they do not interfere with programming or its content.

Mr. Martinez thanked the Superintendent for his address and recognized Board Member Mari Tere Rojas and Board Member Perla Tabares Hantman, both in attendance.

Mr. Martinez requested a motion to approve the minutes of the November 29, 2016 meeting. The motion was made by Mr. Juan Del Busto, seconded by Ms. Carol Graham Wylie, and passed unanimously.

Mr. Martinez the asked Mr. Jaime Torrens, Chief Facilities Officer, to provide the GOB project update.

Update on Years 1 through 4 of the Project Rollout:

Year 1:

- 68 of 68 projects completed
 - Year 1 projects have all been finalized

Year 2:

- 79 projects:
 - Of the 54 projects with a value under \$1million: 47 Completed, 1 in Construction
 - Of the 9 projects with a value between \$1 million and \$2 million: 8 completed, 1 in construction
 - Of the 16 projects with a value over \$2 million: 4 completed, 1 in construction

Year 3:

- 54 projects:
 - Of the 17 under \$2 million: 5 Completed, 10 in construction, 2 in design or bidding
 - Of the 37 over \$2 million: 13 in construction, 23 in design and 1 awaiting commissioning
 - as of tomorrow, all Year 3 projects will be underway

Year 4:

- 50 projects:
 - Of the 11 under \$2 million: all have been assigned to the A/E teams and Contractors, all are in scoping
 - Of the 39 over \$2 million: 6 are in design, 1 to be commissioned tomorrow, balance in A/E Selection

Year 5:

- 12 projects under \$2 million assigned to architects and contractors

Accelerated projects:

- Safety to Life and critical needs (playgrounds, portable removal, roofing, air condition)
- 255 projects:
 - 183 completed
 - 20 in construction
 - Balance in design or bidding

Mr. Torrens then reported on expenditures and encumbrances, noting that expenditures to date had reached the \$500 million mark, \$359 million of which was for Facilities. Together with encumbrances, work in progress has surpassed \$523 million. He then

presented G.O.B. program adjustments for review purposes. For the benefit of the newer members, Mr. Torrens noted that as projects are completed and reconciled financially residual funds can be reallocated to other projects with unmet critical needs. Mr. Torrens explained that the present recommendation was to transfer available funds to undistributed contingency for future reallocation. Mr. Ragoo requested an itemized list of the completed projects. Mr. Torrens indicated the information would be transmitted to him and that it is also accessible on the Dadeschools website.

Mr. Leo Fernandez, Treasurer, began the financial update by emphasizing the goal to keep the tax burden low for tax payer and advised that the District has been successful thus far, with a total savings of \$20 million since the Bond's inception in 2012. The cash flow projections require the issuance of approximately \$220 million in new bonds to meet the future project schedule and cash needs. Ms. Fernandez informed the Committee that the proposal to issue the next series of General Obligation Bonds was presented to the Treasury Advisory Committee. They recommended the issuance of up to \$250 million for the 2017 Series. Pending approval by the School Board, the series would be sold before the end of June 2017. Mr. Lowell inquired if these Bonds have fixed rates and Mr. Fernandez confirmed. Mr. Martinez asked how much of the \$1.2 billion has been tapped into and Mr. Fernandez noted that approximately \$700 million have been issued. It is anticipated that there will be at least one to two more issuances.

Mr. Carvalho brought to the Committee's attention that since the Bond was passed in 2012, by leveraging aggressive refinancing techniques, retiring whole debt, and taking advantage of the recovering economy, tax payers have not felt significant fiscal impact due to the decreasing overall tax rate. Mr. Carvalho added that from a financial perspective, the timing of the Bond implementation was a key strategy in its success.

Ms. Lisa Martinez, Chief Strategy Officer, stated that Ms. Ronda Vangates was not able to attend the meeting and then started the update on the Office of Economic Opportunity by introducing Ms. Michelle Hicks Levy and Ms. Denise Mincey Mills who are in the heart of community outreach and engagement, as well as certification.

Ms. Martinez underlined the ongoing focus of the O.E.O. with respect to outreach and engagement, and emphasized the importance of retaining certified firms and ensuring they perceive the value of the re-certification process. She then described the B2G Now system, as an online system that enables the District to automate pre-qualification applications, and track sub-contractor payments, prompt payment and workforce utilization. Once the system is up and running it will provide for a comprehensive payment analysis. The Outreach module, the Certification module and the Contractor pre-qualification module are up and running and a success. On March 21st staff will be convening with the B2G Now team on data validation within the system, enabling us to have the contract compliance and the payment analysis module up and running in the coming months. Ms. Cagle asked when the Committee will be provided a more comprehensive update. Ms. Martinez expressed her hope that more data would be available for the June 2017 meeting.

Ms. Metellus expressed she has been unable to effectively respond to community members on opportunities to obtain Bond work. She is seeking factual data provided by M-DCPS, specifically for Haitian-American firms. Ms. Martinez indicated that more tangible data that would help answer community questions is expected to be available by June. Ms. Cagle asked whether the Haitian firms are being tracked within the African American community. Ms. Martinez indicated the system doesn't capture data at that level of detail, but stressed the importance of the O.E.O.'s outreach and engagement efforts within the Haitian American community.

Mr. Fair stated it should be easy to provide these numbers and that if the instrument doesn't currently capture these numbers, one needs to be created to do so. Mr. Martinez asked if the requested information would be provided at the June meeting. Ms. Martinez clarified that in June she would be able to provide data points linked to the compliance and payment analysis module.

Mr. Lowell inquired if the system would have the capability to capture and track how many contracts are in various stages of dispute resolution, and specifically whether the dispute involves minority contractors and how the department might modify behavior to help people avoid these disputes. Mr. Torrens interjected that the system has not reached that level of sophistication, but would be transparent with respect to capturing minority firm information. Ms. Williamson asked the Committee if there were any other minority communities they wished to analyze in greater detail. Mr. Ragoo expressed some doubt in being able to dissect and identify nationalities in such great detail, considering the large number of nationalities within our community. Ms. Martinez stated she would need to research further before providing a definitive answer. Mr. Ragoo stated he thinks it best to keep the reporting simple, classified as African American firms, and perhaps Committee members can then further identify sub-categories within that group. Mr. Martinez suggested that Committee members reach out to the District individually if they wish to express their concerns further. Ms. Metellus reminded the Committee of the District's commitment to minority communities when the Bond was passed. Mr. Visiedo stated that he felt uncomfortable going directly to staff without prior authorization, but he would like the opportunity to spend time with Mr. Torrens to better understand the process.

Mr. Jeff James, Assistant School Board Attorney, explained that the categories in place, with respect to the MWBE program, were created as a result of the disparity study conducted. Unfortunately, it is not as easy as uploading a report to determine a firm's nationality. The O.E.O. will have to reach out to all firms, past and future, and ask them specifically for their nationality. Dr. Foreman inquired if B2G Now was purchased with Bond money and it is a long term contract. Ms. Martinez stated that it was purchased by the District and that there is an annual licensing fee.

Mr. Martinez requested a motion to recommend to the School Board that we support the legislation being introduced by the Dade delegation to conduct a study looking at the issues of cost differential by District. The motion was made by Mr. Jack Lowell, seconded by Ms. Julie Williamson, and passed unanimously.

Mr. Rubin requested a report on technology at the next Committee meeting. He reminded the Committee of the promise that all students would have a tablet and expressed some concerns with testing at his son's school relative to technology.

Mr. Martinez brought up that the Committee's reports don't coincide with the fiscal year. He indicated he would like the Committee to align the Committee's annual reporting, which currently runs from April 1 through March 30, with the District's fiscal year which runs from July 1 through June 30.

Ms. Wyllie requested a motion to recommend an alignment of the Committee's reporting year, which currently runs from April 1 through March 30, with the District's fiscal year which runs from July 1 through June 30. The Committee's fourth annual reporting year would end on June 30, 2017, and cover 15 months this time around. The motion was made by Ms. Carol Graham Wyllie, seconded by Mr. Alvin Gainey, and passed unanimously.

There being no further business to discuss, Mr. Martinez adjourned the meeting at 4:38 p.m.

Approved:



Roberto Martinez, Chair

Date:

