

**21ST CENTURY SCHOOLS BOND ADVISORY COMMITTEE
MEETING MINUTES – June 26, 2018**

The 21st Century Schools Bond Advisory Committee (Committee) met on June 26, 2018 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. Frank Bolanos
Ms. Cindy Lerner	Mr. Alfred Billings
Mr. Francis Ragoo	Mr. Jack Lowell
Mr. Anthony Dawsey	Ms. Gepsie Metellus
Mr. Juan Del Busto	Rev. Guillermo Revuelta
Dr. Jaap Donath	Ms. Carol Graham Wyllie
Mr. T. Willard Fair	Ms. Julie Williamson
Dr. Sean Foreman	Mr. Alvin Gainey
	Mr. Frank Silva

Ex-Officio Non-Voting Members

Mr. Jaime G. Torrens
Ms. Mary Cagle
Mr. Ron Steiger

Committee Alternates

Ms. Diana Urbizu

Miami-Dade County Public School Attendees

Mr. Lawrence Feldman, Board Member	Ms. Dalia Rosales
Mr. Alberto M. Carvalho Chief Ian Moffett	Mr. Jerald Blumstein
Mr. Carl Nicoleau	Ms. Maria Noya
Ms. Tabitha Fazzino	Mr. Thomas Knigge
Ms. Ana Rijo-Conde	Mr. John-Philip lafelice
Mr. Raul F. Perez	Mr. Edwin Lopez
Mr. Tony Vu	Ms. Lisa Martinez
	Mr. Rick Yanez

Other Attendees

Mr. Glen White
Mr. James F. Murley

Recording Secretary

Ms. Denise Castillo

Mr. Martinez called the meeting to order. He welcomed the Committee.

Mr. Martinez requested a motion to approve the minutes of the March 6, 2018 meeting. The motion was made by Mr. Juan Del Busto, seconded by Ms. Cindy Lerner, and passed unanimously.

Mr. Martinez introduced Mr. Jaime Torrens, Chief Facilities Officer, who welcomed the Committee.

Mr. Torrens provided an update on the status of GOB projects, years 1 through 5 and accelerated scope projects.

Mr. Lowell inquired about Coral Gables High School project and requested a brief update. Mr. Torrens advised that the project was originally going to be primarily renovations of the older buildings and after further District assessment as part of scoping and a number of community meetings, the District will instead construct a new building to replace two of the older buildings, having already commissioned an architect. Additionally, some repairs of the more critical items have either already been completed or are in progress by our maintenance department. The next piece is to renovate the remaining existing buildings, which will be addressed in the capital plan to be presented to the Board in September. The design of the new building is expected to be completed by next spring with the construction being completed by the summer of 2020.

Mr. Torrens next summarized GOB expenditures and contracted amounts, noting that as of the end of May, approximately \$600 had been expended from GOB for facilities and technology. Mr. Torrens noted that funding for some projects has been augmented with other fund sources. He then proceeded to briefly highlight some of the major categories of expenditures noting that the first three lines of the expenditures rollup include the physical things that you can touch, hard cost which include construction, furniture, fixtures and equipment and direct purchase of materials. Along with projects that are Maintenance managed projects which is the 6th line and PA Systems, this represents over 82% of the funds spent on tangible items. Additionally, the \$70 Million of District purchased materials is significant because it is a cost avoidance to the District.

Mr. Foreman inquired about updates to the dashboard and Mr. Torrens indicated that there is now a dedicated individual for that effort. He advised Mr. Foreman that he would follow up on his specific questions about Kelsey Pharr Elementary.

Dr. Donath expressed a concern regarding the construction industry, specifically that the market is tightening, and wondered about impact on the program. Mr. Torrens stated that the District has seen the prices creep up and lower participation by subcontractors and subconsultants because of other construction work in town. The District has expanded its reach to engage minority and small firms to Broward and Palm Beach and indicated Mr. Alston would speak further on the topic later in the meeting.

Mr. Frasier inquired about the scope of technology at the individual schools but has not been able to locate any information. He stated he wanted to know what the scope of technology was for each school in the bond program and how that money is being allocated to each school.

Mr. Torrens noted that several schools, prior to the bond had received state of the art technology promethean boards. The commitment was to make sure that we had the technology in all classrooms and that installations were completed by August 2014. The GOB was not intended to buy individual computers or devices except for cases where there was a new building. Mr. Frasier inquired whether there is there is a way to get a report showing what has been paid towards technology at each school. Mr. Torrens stated that he was not certain whether such a report was available. Ms. Wyllie inquired about laptops that were bought but under a separate program and Mr. Torrens confirmed that there was different funding for laptops.

Mr. Torrens then briefly pointed to the sample side showing expenditures by location, project number and cost category, noting that technology purchased for a specific school under a distinct project number would be included under fixtures and equipment, to the point Mr. Frasier made.

Mr. Torrens then proceeded to note the various ongoing independent reviews, and their importance in ensuring transparency and accountability are maintained. He then noted that the Board has a new Chief Auditor, Mrs. Maria Gonzalez, who replaced Mr. Jose Montes de Oca. He noted that the work they and the work the Inspector General does really complements the work of the committee. Mr. Torrens went on to indicate that the Board had requested an external audit, and the firm of Davis and Associates was retained for that purpose in May. One aspect of that particular audit is an examination of the economic impact of the GOB committee on the community.

Mr. Torrens next provided pertinent details on an internal audit completed at 10 schools. The audit presented some areas for improvement, also noting a number of solid areas, including the following observations;

- 1- The contractor and architecture selection process were well designed and functioning effectively
- 2- The payment process was found to be operating effectively
- 3- Adequate internal control over DPO (Direct Purchase Orders) and materials that I just mentioned

Regarding materiality, the audit found no areas of fraud, overpayments or misuse of funds. The audit pointed to process improvements and made several recommendations. Most of them we have already implemented. Overall it serves to confirm that the program is being properly run. He then noted that the presentation contained a link to the auditor's website and the specific audit report.

Mr. Carvalho next addressed the Committee thanking them for their continued, valuable work on behalf of the greater community. He noted that the program is probably the most audited and scrutinized and he noted with pride, that while there is always room for additional improvement, the results speak for themselves. He expressed similar concerns with competition in the construction sector that could create escalation of cost in the future. Mr. Carvalho then noted as a last point, having nothing to do with the General Obligation Bond, that academic scores were released two weeks ago and for the very first time in the history of Florida, Miami Dade County Public Schools was the only District that moved up in language arts, mathematics in grades 3-10 in every single course, outpacing the state.

Ms. Lerner inquired about school safety and school police and whether funding was obtained from the state. Mr. Carvalho noted that the typical layout of school campuses are not always conducive for single entry points. He noted that the District did not get enough money from the state for safety or education. It did receive \$10 Million, \$2 Million which needs to be passed on to charter schools. The balance will be used for officers and certified mental health professionals, such as psychologists and social workers.

As it relates to law enforcement expenditures and availability, there are several concerns. The main challenge is that multiple agencies are hiring police officers right now. Therefore, we are not going to find them that fast. If we were to train them, we are looking at a year to 16 months. The District has opted to reach out and engage municipalities in this effort and the response has been very positive. There are no easy answers. This is a very complex issue.

Mr. Ragoo mentioned that Zillow shows the District, as well as Broward Schools, to have poor performing teachers and recommended this be something the District reach out to correct.

Mr. Alston next provided the OEO update. He noted the department has been trying to increase the number of registered, certified and prequalified firms with the district. Per our superintendent, we have assessed our policies and procedures and restructured the office. He indicated that the Board was very progressive in changing policy 6324.02 as well as approving the most recent OEO procedures manual. Mr. Alston highlighted that by adding the Tri-County Geographical reciprocity to all of our programs, we are hopeful that we can increase the pool of small and minority firms available and willing to compete for work.

Mr. Alston then provided an update on the status of the Phase II disparity study, covering the period of July 1, 2012- June 30, 2015. It is anticipated the study will be completed in the fall, after which it will be presented to the audit and budget advisory committee. There will be a public hearing similar to the process used for the phase one study several years back, and of course Board discussion and action. Mr. Alston then noted that as of the date of the meeting there were 123 prequalified firms. About a third of those firms are SBE. Half of the firms are M/WBE.

Mr. Martinez asked whether data could be provided on the trend over time and also benchmarked against other places around the country, Mr. Alston indicated that both could be addressed by his office at a future meeting, He further indicated that the data now shows utilization at the contractor and subcontractor levels and that his office would be providing that information for the last two fiscal years as well as this fiscal year once we close it out for 2017-2018.

Mr. Frasier asked whether OEO can categorize the data for contracting by business and location to see the breakdown and Mr. Alston indicated it can. Mr. Frasier noted that the charts presented earlier by Mr. Torrens referring to funds being paid to small and minority businesses did not seem to have that information. Mr. Torrens indicated that the information was in fact reflected in Slide 11, which lists vendors with their ethnicity, gender and whether they are small or micro business. Mr. Alston added that in the upcoming annual report covering the last two years 2015-2017, utilization of those certified firms based on category at the prime and sub level would be available. Mr. Alston then concluded his presentation by highlighting his office's efforts with compliance monitoring, outreach and mentoring.

Mr. Ragoo asked for contact information for the OEO office in the event he or other members of the Committee should be approached by businesses wishing to know more about business opportunities. Mr. Alston indicated that information would be provided.

Mr. Lowell asked whether there are testimonials or anecdotal information on issues or concerns businesses may have about the District's efforts or programs. Mr. Alston notes that his office does hear from businesses in different ways and makes note of same.

Mr. Martinez inquired about the protocol for referring a business to the OEO, specifically by a member of the Committee and asked Ms. Cagle for some guidance Ms. Cagle noted that there is difference between recommending someone to get to work with the district and recommending someone to just get certified in the program. What they are doing though OEO is certifying individuals, different firms, contractors, to be classified as a minority woman, small business, veterans or micro business, that is all they are

doing. Additionally, to be on the safe side, a Committee member should just direct them to the Office of Economic Opportunity.

Regarding discussion about set-aside projects, Mr. Alston indicated the term for set aside is sheltered market and the short answer is yes. The District has sheltered market opportunities for small and micro business enterprises. Our policy allows up to 40% for subcontractor and subconsultant levels. Historically we have not gone up to 40%. We have ventured around the 5%-30% range of overall subcontracting opportunities based on historical numbers.

Mr. Martinez thanked Mr. Alston for his report and then asked for approval of the minutes, which approval was moved by Ms. Lerner, seconded by (inaudible) and passed unanimously.

Before moving on to the next topic, Mr. Martinez asked if the cost of steel is going up. Mr. Torrens noted that it is although the impact is not as pronounced in renovation projects as it would be in new facilities. Mr. Perez added that on the renovation and remodeling projects there has been a price increase in covered walkways as well as on wires and drywall.

Mr. Martinez asked about issuance of bonds to date and interest rate. Mr. Vu indicated the District issued \$950M and that when we started in 2013, the total of all cost was about 4.6% and now it has gone down. These are long term bonds.

Mr. Martinez next asked about energy management after school hours, citing Coral Gables SHS as an example. Mr. Torrens noted that as part of the project at Coral Gables SHS an energy management system will be included that will manage both temperature and lighting controls in the school. All our new renovated schools have motion detectors to turn off the lights once school is out or any time after about 30 minutes, if there is no motion.

Ms. Lerner asked whether the District is resuming the energy rebate program and Mr. Torrens indicated it has been relaunched this year. Mr. Ragoo asked about solar energy and Mr. Torrens indicated that one would think the Sunshine State would be a great place to do solar panels. Part of the limitations we have are even though it is hot, it that it is not always sunny. It is cloudy very often and the issues with schools is the cost of electricity for Florida is a lot lower than it is in other places. If you go to a place like New Jersey, they may pay 30 cents/KWH and we pay 8-10 cents/KHW. The economics are not feasible to do this on a widespread basis. We have solar demonstration systems at about 10-12 schools. We have 5 KW solar but all that has to be subsidized. If we

wanted to buy solar for electricity, the economics wouldn't be there. That notwithstanding, at the very least, at the new schools such as Palmetto Senior which is a major project, we are making the campus ready for when the cost of the panels drops, and electricity goes up. We will be in the position to install the panels.

Mr. Lowell asked, on a micro basis, how the budgets are looking in terms of project implementation. Mr. Torrens indicated that as projects are completed, available funding will be placed in reserve for reallocation. Also, through our treasury office and the wise investment, we were able to issue bonds at a premium with the extra funding reinvested back into schools are previously reported to the Committee.

Mr. Martinez noted that even under the best case scenario, there isn't enough money to do everything at every school, citing Kenwood as an example. Mr. Torrens reminded the Committee that when the GOB was launched the District had nearly \$2 Billion worth of unmet deficiencies. The bond was intended to get the highest priority deficiencies done. Building envelope, HVAC, Fire Safety, Security. It was not to fix every single thing that was needed at the schools. It was a decision to address the highest priority items.

Mr. Martinez agreed and noted that conditions will be much better than they were 6 years ago, prior to the passage of the bond. The Committee also noted during its discussion that when the Bond was passed there was no expectation that the District would have to share the dedicated 1.5 mill capital revenue with charter schools.

Mr. Martinez indicated the Committee was finished with the agenda and reminded the members of the next meeting date. The meeting was adjourned at approximately 5:00 p.m.

Approved:



Roberto Martinez, Chair

Date: 10/2/18

