

CBOC – Mtg 12/11/2017

Questions from Financial Reports presented at CBHOC on 11/13-2017

**When can District sell remaining 175mil Bonds?**

**Page 4 Dewey/ELC (June 2017 spending plan Measure J)**

- What square foot cost is district budgeting for modernization portion?
- What square foot cost is district budgeting for new construction?
- What amount of \$'s is being budgeted for contingency?

**Page 4 Fremont**

- Why was budget decreased to 80Mil?
- What square foot cost is district budgeting for modernization portion?
- What square foot cost is district budgeting for new construction?
- What amount of \$'s is being budgeted for contingency?

**Page 6 Tech Infrastructure (June 2017 spending plan – Measure J)**

- Shows 99% complete. Is there going to be no more projects funded by this Bond?

**Page 6 Various kitchens**

- Various sites finishing kitchens now shows only 200K for this work funded under Measure J. Why?

**Page 7 Bond Program Coordination (June 2017 spending plan – Measure J)**

- 94% of 10.010Mil of admin salaries has been expended. Program timeline for completion is more than two years out. How are/from what fund is admin salaries going to be paid?
- 62% of 30.267mil on consulting has been expended. Is program %62% complete.
- 98% of facilities operations has been expended. . Program timeline for completion is more than two years out. Are more funds needed?

**Page 7 Bond Program Contingency (June 2017 spending plan – Measure J)**

- Why is there now no contingency?

**Page 7 Bond Program Restricted Draw (June 2017 spending plan – Measure J)**

- What does restricted use mean?
- 6.5mil to be spent out of Measure J for 1000 Broadway rent. Why?
- Refer to Fund 35 (last page); this report shows as of 9/30/17, 7.440mil has been spent on 1000 Broadway rent. Why?

**Page 9 Downtown Ed Complex (expenditures thru 9/20/17 – Measure B)**

- Show original budget of 37.729mil. Final cost? Of 45.543mil.
- Refer to Fund 35 (last page), this report shows 32,302mil spent of Downtown Ed Complex. What is the total project cost for Downtown Ed project? What was square foot building cost?

**Last page Various Sites Finishing Kitchens (Measure B)**

- What is status of kitchen projects?

**Last page Bond Contingency (Measure B)**

- Explain

**Fund 35 – How does District facilitate /what role does OUSD have in charter grants from State?**

**When can District sell remaining 175mil Bonds?**

- *That depends on the cash flow needs as determined by Facilities Management, and the chief financial officer. When we met with our Bond underwriters we were assured that the turnaround time will be 60 days from the date of request.*

**Page 4 Dewey/ELC (June 2017 spending plan Measure J)**

- What square foot cost is district budgeting for modernization portion?
  1. The sq footage of Ethel Moore \$666.40 SF = \$33,321,834
  2. The sq footage of Paul Robeson \$466.40 SF = \$9,367,251
- What square foot cost is district budgeting for new construction?
  1. The sq footage Dewey Multipurpose Building \$647.37 SF = \$5,981,008
  2. Marcus Foster Education Complex – Site work \$72.48 SF = \$1,855,522
- What amount of \$'s is being budgeted for contingency? Contingency = \$4,470,868.

**Page 4 Fremont**

- Why was budget decreased to 80Mil? *The reductions of funding from the Fremont were attributed to the flood at 1025 and relocation to Broadway along with the support for the ISS schools initiatives.*
- What square foot cost is district budgeting for modernization portion?  
Bldg B \$380 SF = \$13,616,432  
Bldg C Mod / New \$607 SF = \$1,335,464
- What square foot cost is district budgeting for new construction?  
Gym \$723 / SF = \$18,539,976
- What amount of \$'s is being budgeted for contingency? *Current Contingency is \$7M*

**Page 6 Tech Infrastructure (June 2017 spending plan – Measure J)**

- Shows 99% complete. Is there going to be no more projects funded by this Bond?
  - *The total budget for technology is \$11.7M. \$8.6M has been spent as at October 31, 2017. \$2.7M will be available from the 3<sup>rd</sup> draw. The 99% status report indicates that all the funds due Tech at this time has been made available to them and have been spent.*

**Page 6 various kitchens**

- Various sites finishing kitchens now shows only 200K for this work funded under Measure J. Why?
  - *This was for the design of the four finishing Kitchens (Kaiser, Hillcrest, Piedmont and Laurel). Each kitchen now has its own budget under Measure B and J.*

#### **Page 7 Bond Program Coordination (June 2017 spending plan – Measure J)**

- 94% of 10.010Mil of admin salaries has been expended. Program timeline for completion is more than two years out. How are/from what fund is admin salaries going to be paid?
- 62% of 30.267mil on consulting has been expended. Is program is 62% complete.
- 98% of facilities operations have been expended. . Program timeline for completion is more than two years out. Are more funds needed?

➤ *This needs to be determined by Management. This highlights the fact that the original budget for Program Coordination was way too low.*

#### **Page 7 Bond Program Contingency (June 2017 spending plan – Measure J)**

- Why is there now no contingency?

➤ *The contingency budget has been depleted by cost overruns.*

#### **Page 7 Bond Program Restricted Draw (June 2017 spending plan – Measure J)**

- What does restricted use mean?

➤ *This is for Admin Interim Housing to pay for the rent at 1000 Broadway*

- 6.5mil to be spent out of Measure J for 1000 Broadway rent. Why?
- Refer to Fund 35 (last page); this report shows as of 9/30/17, 7.440mil has been spent on 1000 Broadway rent. Why?

➤ *I believe there had been a prior legal presentation as to the legality of using Fund 35 to pay for interim housing. I will defer to the legal team.*

#### **Page 9 Downtown Ed Complex (expenditures thru 9/20/17 – Measure B)**

- Show original budget of 37.729mil. Final cost? Of 45.543mil.
- Refer to Fund 35 (last page), this report shows 32,302mil spent of Downtown Ed Complex. What is the total project cost for Downtown Ed project?

➤ *Downtown Ed Complex was split funded. \$45.5M was funded out of Measure B and 35M was funded out of Fund 35. The total cost is \$80.5 approximately.*

- What was square foot building cost?

➤ *Please refer to Dewey ELC Section Above*

#### **Last page Various Sites Finishing Kitchens (Measure B)**

- What is status of kitchen projects?

➤ *We have attached detailed Project Reconciliation spreadsheet and status update in the Expenditure Report for current Kitchen Projects.*

#### **Last page Bond Contingency (Measure B)**

- Explain

➤ *Bond Contingency reflects unallocated funds. These could be used to augment any budget shortfalls or to fund new eligible projects under the same Bond Measure.*

**Fund 35 – How does District facilitate /what role does OUSD have in charter grants from State?**

- Under Prop 51 facilities funding, charter schools operating in OUSD receive state funding for new construction on, or rehabilitation of, existing school sites. The State provides 50% funding, and the charter school is responsible for the other 50%. The District has no liability for payments; unless it elects to take possession of the improved site should the charter school cease operations.

Legal/OCS are developing facility use agreements under which charter schools receiving Prop 51 funding bear 100% financial responsibility for the costs of construction/rehabilitation and legal compliance (including CEQA), with the exception of rent credits to charter schools for the costs of new construction/rehabilitation of District sites. Under Prop 51, the District retains title to the sites and improvements, in trust for the State.

Charter Schools engaging in new construction/rehabilitation of District sites bear 100% operational responsibility for project management, doing the work, and moving the work forward. The use agreements we are negotiating with the charter schools require them to obtain the District's advance approval for all improvements, and impose other conditions (*i.e., prevailing wage, compliance with procurement laws, performance and payment bonds.*)