

SAN MARINO UNIFIED SCHOOL DISTRICT
SCHOOL FACILITIES BOND PROJECT
FINAL REPORT OF CITIZENS' OVERSIGHT COMMITTEE

Presented to the Board of Education – February 13, 2007

1. Summary.

The Citizens' Oversight Committee for the San Marino Schools Facilities Bond Project presents its Final Report on the schools' modernization project. We have completed our charge of overseeing the planning, design and expenditure of funds on these facilities.

The District has finished approximately \$70 million of construction work. Much needed improvements have been made at each of the District's operating schools. We believe that all public funds were properly applied against the modernization work.

We want the residents of the San Marino Unified School District to know that their tax dollars have been spent to create and upgrade school facilities to match the excellence in local education that we have come to expect.

We are humbled by the trust that the community has bestowed upon us in overseeing this important work over the last 10 years. It has been an honor and a privilege to serve the community in this capacity.

2. Background.

In the early 1990's, the District's facilities were old and in need of significant upgrades. The original construction of Huntington Middle School was begun in 1918. Valentine Elementary School was completed in 1938. Carver Elementary School was a relative newcomer in 1953. The ribbon-cutting for the facility which subsequently became San Marino High School occurred in 1946. That campus was originally designed for use as an elementary school. The conversion to a high school and subsequent work was done in 1953, 1960 and 1969. Significant work was performed at Valentine and Huntington in 1992, with then available State Bond funds.

In 1995, the Board of Education commenced the process to address the need for facilities modernization. To begin, the Board determined that the District needed a new Facility Master Plan. It formed a committee of local residents to prepare such a plan. A planning firm was hired to provide professional guidance to the process. After many months of intensive work, a completed plan was submitted to the Board of Education in 1996.

Based on the new Master Plan, the School Board analyzed options to finance the construction work. The Board decided to ask the voters of the District to approve the issuance of General Obligation Bonds. In June 1996, the voters approved financing of approximately

\$34.3 million - an amount that had been estimated based on the recommendations set forth in the new Facility Master Plan.

The School Board next appointed a committee to recommend the organizational structure for the modernization process. After considering many different concepts, the Committee recommended and the Board approved the use of a "multi-prime" structure for the modernization and construction projects. Under this structure, the District acted, in effect, as the general contractor, awarding contracts to each of the respective trades, such as structural, electrical, plumbing, and the like. This structure allowed the District greater control over the construction trades working on the projects through a qualification process, and direct dealing via a construction manager. It also provided the District with significant cost savings because the overhead and profit, and "risk" pricing, typically charged by a general contractor were eliminated. The Committee also recommended the architects and construction managers for the projects.

Subsequently, the Citizens' Oversight Committee - composed of local citizens from various backgrounds - was formed to oversee the modernization and construction projects.

3. Oversight Activities.

Beginning in late 1996, the Oversight Committee began meeting on a monthly basis, except during the summer months. Depending on the need, the Committee met more often in order to finalize plans and specifications, review bids and handle time-sensitive matters. The Oversight Committee meetings were publicly noticed and the community was invited to attend. Minutes of all meetings were kept and are available for review and inspection.

Initially, the Oversight Committee established site committees for each of the District's operating facilities. Each school had its own site committee, in addition to committees for the maintenance and operations facilities, and the Stoneman site, which is currently used for special education offices and classes, with additional space leased to the City of San Marino for recreational programs. Those site committees commenced their activities with a detailed needs analysis at each site that went far beyond the needs analyzed in the Facility Master Plan. They refined the Facility Master Plan concepts for their sites, proposed a phasing of modernization projects, and later worked closely with the District's architects and construction managers to develop plans and specifications for each phase of work. The work of each site committee was then reviewed by the Oversight Committee and approved by the Board of Education.

The Committee updated the Board of Education regularly with respect to all activities, including project scope, design and budget matters. All major bids were reviewed and recommended for approval by the Committee, and all major contracts were approved by the Board of Education. Early in the process, the Oversight Committee established District-wide standards for materials, equipment, fixtures, furniture, paint and the like. Importantly, the Committee worked closely with the District to create a detailed deferred maintenance program in order to ensure the maintenance and upkeep of the newly renovated facilities.

The phasing of the work at each school site was a significant part of the Committee's task. All of the schools continued to operate as educational institutions during the

construction process. The phasing of work required the ability to promote cost effective construction techniques with a safe and appropriate environment for staff and students. Safety was always the foremost concern in all decisions. We are proud to report that throughout all the major construction work on the school facilities, there were no reported injuries to students or staff.

In accordance with the phasing plans, the work for each phase was properly publicized and proposals were solicited from qualified contractors in accordance with California public contracting requirements. The Oversight Committee oversaw the bidding process, reviewed all proposals carefully, and then made recommendations to the Board of Education. Thereafter, the lowest responsive bids were either accepted, rejected, or, in the alternative, the scope of the work was redrawn and a new bidding process begun.

In 1999, it became increasingly clear that the original cost estimates for the proposed work were too low. In hindsight, it appears that the Facility Master Plan underestimated the amount of work needed at each of the sites, and the cost estimates for such work were substantially lower than the bids actually received. During this period, China and other overseas countries began major construction projects, which caused the price of building materials to escalate quickly. In addition, many other public entities in the Southern California area began modernization and construction projects, which caused the contractors working in the public sector to increase their rates.

In response to these cost issues, the Oversight Committee worked with the District to apply for grants from the State of California under an allocation system created to disperse State School Bond funds. The Oversight Committee facilitated the processing of these applications by site to meet the state requirements for our District's possible allocation of those funds. Our District was one of the first in the State of California to qualify for and receive full State funding based on the available State Bond funds at that time. The District obtained and used in excess of \$7 million of the State Bond funds for the modernization projects.

Notwithstanding the financial assistance provided by the addition of the State Bond funding, the Oversight Committee concluded that the modernization projects as then planned would cost more than the total available funding. Accordingly, in early 2000, at the recommendation of the Oversight Committee, the District decided to propose an additional local General Obligation Bond measure to the voters of the District. After substantial debate about the nature of the modernization projects, their planning and their costs, in June 2000 the voters approved an additional \$18 million for the modernization projects.

In part as a result of poor cost estimates, in early 2001 the Oversight Committee became increasingly dissatisfied with the original architects and construction manager. Accordingly, new architects were hired and a new construction management firm was appointed. Thereafter, the quality of the cost estimating and the attendant value engineering improved significantly.

With the additional bond proceeds, the Oversight Committee moved forward in overseeing the completion of substantially all of the major work outlined in the Master Plan. As

of the end of 2006, the District expended all available funds for the schools' modernization project.

4. Work Completed.

As mentioned earlier, the modernization project was divided into phases by each school site. The phasing allowed the work at each such site to proceed in the proper manner, given the work required, and, importantly, allowed each site to continue functioning as an operating school. The work performed during each phase at each school facility, by site, was as follows:

a. Carver Elementary School:

(1) Phase I: Site demolition, underground plumbing and heating/air conditioning, underground electrical and site concrete and paving.

(2) Phase II: Construction of the new library, art room, science lab, four classrooms, including exterior site work.

(3) Phase III: Modernization of 22 classrooms, including two kindergarten classrooms.

(4) Phase IV:

(a) Installation of new fire line;

(b) Renovation and expansion of administration building, multi-purpose room, addition of one classroom and school offices, and renovation of kitchen; and,

(c) Addition of three-classroom modular building and repaving.

b. Valentine Elementary School:

(1) Phase I:

(a) Site demolition, construction of new school offices, art and science classrooms, and renovation of library, computer lab, restrooms and four classrooms;

(b) Construction of new parking lot on corner of Virginia Road and Huntington Drive, with landscaping.

(2) Phase II:

(a) Modernization of remaining portion of campus, including four restrooms, and new exterior ramps and handrails;

(b) Replastering exterior of entire school;

- (c) Repainting exterior of school;
- (d) Completing upgrade of fire alarm and public address systems; and,
- (e) Erection of new lunch shelter and repaving of playground.

c. Huntington Middle School:

(1) Phase I: Site demolition, renovation and expansion of school offices, science classrooms, electrical upgrades, and exterior site work and handrails.

(2) Phase II:

(a) Renovation of locker rooms, all remaining classrooms, and reconfiguration of exterior ramps;

(b) Complete upgrade of the fire alarm and public address systems;

(c) Replastering and repainting of the exterior of the entire school; and,

(d) Erection of new lunch shelter and repaving of playground.

d. San Marino High School:

(1) Phase I: Site excavation and grading, installation of underground utilities, and paving.

(2) Phase II: Construction of new math/science building, including 14 classrooms, development of a multipurpose athletic facility, exterior site work and landscaping, and construction of an eighth science classroom/ lab.

(3) Phase III:

(a) Site and building demolition and installation of underground utilities;

(b) Construction of new liberal arts and administration building, including 20 classrooms, renovation of the library, exterior site work, and modernization of the Career Center.

(4) Phase IV:

(a) Renovation of the school cafeteria building, including addition of new lunch shelter, modernization of the social science classroom building, and construction of a new women's field house;

(b) Renovation of art building, visual and performing arts wing, construction of a new band room, and four additional classrooms; and,

(c) New artificial track and field at Titan Stadium (funded by donations from the San Marino Schools Foundation).

5. Revenues and Expenditures.

a. Revenues:

Revenues for the project were comprised of six main components: the 1996 General Obligation Bonds, the 2000 General Obligation Bonds, interest earnings, State Bond funding, other local funding, and other miscellaneous sources. The total revenues available to the District were nearly \$70 million.

More specifically, the revenues were as follows:

1996 General Obligation Bonds:	\$34.3 million
2000 General Obligation Bonds:	\$18.0 million
Interest Earnings:	\$ 7.2 million
State Bond Funds:	\$ 7.0 million
Other Local Funding:	\$.9 million
Miscellaneous Funding:	\$ 2.3 million

b. Expenditures:

We allocated expenditures by site, including allocations of project costs, such as interim housing, general conditions, architectural fees and the like. Based on those allocations, the expenditures, by site, were made as follows:

Carver Elementary School:	\$10.5 million
Valentine Elementary School:	\$ 6.9 million
Huntington Middle School:	\$10.5 million
San Marino High School:	\$39.3 million
Other District Project Costs (including Stoneman, Maintenance and Operations, and District-wide costs, such as project management, legal fees, etc.):	\$ 2.3 million

We call to your attention that Valentine and Huntington had benefited from earlier modernization work in the 1990's.

6. Unfinished Work.

The most difficult part of our job was considering and recommending to the Board of Education the allocation of scarce funding. Given the needs of each of the school sites as described in the Facility Master Plan, we determined that the lowest priority for use of the modernization funding was first, the District's Maintenance and Operations facilities; second, the facilities at the Stoneman site; and third, the locker rooms and gyms at San Marino High School. As a result of this prioritization, approved by the Board of Education, very little work was done on these facilities. Upgrades to electrical systems were completed at Stoneman. In addition, limited renovation work was done in the restroom areas of the locker rooms at the High School. Subsequent to the modernization projects, the High School locker rooms are in the process of being renovated and are due to be completed during the summer of 2007. This work also is being funded by donations from the San Marino Schools Foundation.

7. Facilities Maintenance.

We have noticed a tendency of governmental entities during times of tight budgets not to set aside or reserve proper facilities maintenance funds or to "raid" existing deferred maintenance accounts. Since Proposition 13 and court decisions dramatically changed and limited the nature of governmental funding for school districts, San Marino, like many other districts, relied in part on such funds to maintain teachers' salaries and pay operating expenses. In part, the failure to set aside such funds and/or the raiding of such accounts led to an accelerated need to renovate the school facilities. We strongly urge the District to regularly review and abide by the deferred maintenance schedule that has been created for District facilities. Very importantly, we believe the Board of Education should, on a regular basis, properly allocate funding to deferred maintenance in order to provide the proper maintenance and repair of our now upgraded school facilities. While several decades in the future the facilities will, of course, need additional modernization work, it is our hope that the extent of that work will be reduced by proper maintenance over the intervening years.

8. Appreciation.

We believe the schools modernization project for the San Marino Unified School District was a huge success. Because all of our facilities are located along Huntington Drive, anyone driving along that major roadway can quickly see the results of the community's work. We take great pleasure in hearing residents and those from neighboring communities compliment us and others on the appearance of our school facilities.

We thank first and foremost the residents of the San Marino Unified School District for approving and paying for this modernization work. Next, we thank all those devoted community volunteers and District employees who expended untold hours giving their advice on how best to squeeze the most value from the resources provided. Further, we greatly appreciate the efforts made by the teachers, school administrators, staff and students who endured the disruption caused by the construction projects, but still managed to maintain and enhance quality

education. And, the Superintendent, the Assistant Superintendent for Business Services, and the most recent architects and construction managers are to be loudly applauded; without them, this project would not have been successfully completed.

We are indeed blessed to reside in San Marino and to have the benefits of such a terrific school district. We are fortunate to have been preceded in our work by wonderful community members who devoted their time and talents to create such a marvelous community. We hope that the trust that you have placed in our Committee in doing its work has been properly rewarded.

We thank you again for the opportunity to serve.

Respectfully submitted,

CITIZENS' OVERSIGHT COMMITTEE

Scott Jenkins, Chair
Lee Haslam, Vice Chair
Joan Cathcart
Scott Delahooke
Stephanie Duncan
Vince Filutze
Bob Gayl
Richard Giss
John Kuch
Chris Martin
Sandy Morris
Don Penn
Teri Pollitt
Tim Wright
Albert Yuen