

PIEDMONT UNIFIED SCHOOL DISTRICT
Council Chambers, City Hall
120 Vista Avenue
Piedmont, California 94611

MINUTES OF
Special Meeting of the Governing Board

February 27, 2008

CALL TO ORDER	Board President Monach called the Special Meeting of the Board of Education meeting to order at 5:05 p.m.
ESTABLISHMENT OF QUORUM	President June Monach, Vice President Cathie Geddeis, Board Members Ray Gadbois, Roy Tolles, Ward Lindenmayer
OTHERS PRESENT FOR CLOSED SESSION	Constance Hubbard, Superintendent Michael Brady, Assistant Superintendent, Business Services
PERSONS REQUESTING TO SPEAK ON ITEMS NOT ON THE AGENDA	None
REVIEW AND ACTION ITEMS	
Measure E Bond Program:	Superintendent Hubbard advised that the Board had authorized her to continue to explore the "Becker Design" for a new Havens Elementary School that would provide the District with a new building for roughly the cost of the various other options of the retrofit. This is still being looked at. One of the things critical to what is being proposed is the time element. If the Board authorizes the Superintendent to publish a Request for Qualifications (RFQ), the District is not obliged to do the project in this manner. It does not preclude going back and looking at other options using a different delivery model.
A. Approve Authorization to Issue a Request for Qualifications (RFQ)	Attorney Glenn Gould of Miller Brown & Dannis Law Firm gave an overview of the lease/lease-back proposal, which is a method of construction that allows for financing of the project. With this delivery method, there would be two leases in place: a site lease which basically provides a security interest to the selected developer; and the second lease is the facilities lease with all the construction provisions and conditions you find in any construction contract but also includes a separate section indicating that once the project is completed, the District would become a subtenant to the developer while the lease payments are being made. When the financing is completely repaid, the title reverts back to the District. If the District decides to go with this process, the earlier the District can enlist the assistance of the developer, the more it can maximize the advantages of the lease-lease/back. Attorney Gould also explained the "Guarantee Maximum Price" (GPM). This is when the developer provides an absolute maximum price for which they will provide all of the services, and the developer cannot exceed that number unless there are unforeseen circumstances.

The Board asked various questions such as:

- Since this project contemplates tearing down existing buildings and using part of the space to put temporary buildings, could that type of work proceed prior to DSA sign off (yes).
- How does the preliminary services agreement differ from the RFQ? (it is a separate agreement between the developer and the District for specific reconstruction services; it is a stand-alone agreement creating a separate scope of work to be included in the larger scope later)
- To what degree does the RFQ set up parameters for the lease-back financing? (It should give the prospective developer some understanding of what is expected of them and of the amount to be financed).
- In terms of financing, what are the various ways it could be structured? (It's a rare project where the District chooses to finance the entire amount; it would more likely be 50-50.
- Is this arrangement detailed in the RFQ or negotiated later? (negotiated later)
- How does the design build fit into the RFQ? (Design build is a separate method and the distinguishing differences are that the architect is not under contract with the District, and the RFQ would have to be detailed and subsequent findings made public as to how and why the design entity was chosen. It is a more time-consuming method and the Superintendent added that the District would have no say as to quality control with this method).

Superintendent Hubbard shared that an appointment has been made with the District's bonding firm to see how the cash flow will work; it is anticipated financing will go through the year 2012.

Resident Sondra Napell, asked the Board to "keep the trust with the community". Two years and many studies later, no significant work has been taken to bring the red-tagged and yellow-tagged buildings up to earthquake safety code. How many more studies have to be taken? How safe are all of our children today? The Board should be concerned about this first rather than the aesthetics of a new building.

Resident George Childs asked about the payoff upon the completion of the project (assuming the lease/lease-back method is the one chosen). At the time the developer expects to be paid off so that the title can revert back to the District, would the District, at that point in time, have the bonding capacity available to pay off the developer? Superintendent Hubbard responded that she stated that financing will go through the year 2012 for the lease/lease-back is because the timeline for the building to be completed is by no later than August of 2010 and the District wants to make sure it can move forward on the other projects that will take some bond money to do. In preliminary discussions with the developer, the District has asked for the opportunity to finance up to \$5 million from 2010 to 2012 if our bonding capacity is such that we cannot pay them off in 2010 because we are working on the other projects. The District is still working on this component. The developer we have

spoken with has the capacity to do in-house financing.

Architect and former Board member Grier Graff wanted to remind the Board that the proposal for Havens will meet current code so if a seismic event did occur, the District could house half of our students District-wide, which is a positive reason to look at this project. He urged the Board to go forward with this Request for Qualifications.

Technical Advisory Committee member Ken Jensen urged the Board to publish an official financial analysis of what can and cannot be done.

Vice President Geddeis stated that the Board is not moving forward with the Havens project simply to make it more aesthetically pleasing and thereby sacrificing the safety of students at other schools. The Board is doing this because it would make the most economic sense and because we were given the opportunity for a significant gift of pro bono work done by designer Mark Becker and other technical advisors. At the time the bond election took place, it was public knowledge that Havens was projected to be the most costly portion of the seismic retrofit program.

It was moved by Vice President Geddeis, seconded by Board Member Tolles, and passed unanimously to approve the authorization to issue a Request for Qualifications (RFQ) for the Havens Elementary School, pursuant to a lease/lease-back structure.

B. Approve Consultant Services Contract Between the District and Hancock Ganos & Park, Inc.

Superintendent Hubbard advised that these consultants will assist on the District's behalf in going through the process with the Office of Public School Construction (OPSC); the California Department of Education (CDE), and the State Allocation Board (SAB) in order for the District to receive the monies for which it is qualified. The consultants will expedite the process and advise the District what it needs to do.

Superintendent Hubbard advised that Bruce Hancock and Louisa Park both formerly worked for many years for the Office of Public School Construction; they retired and started their own firm.

President Monach stated that, a couple of meetings ago, there was information coming from the State that there is \$8 billion in State funds to date available, and another \$9 billion proposed to go on the November ballot for State bond funding.

It was moved by Board Member Gadbois, seconded by Board Member Lindenmayer, and passed unanimously to approve the consultant services contract between the District and Hancock, Ganos & Park, Inc. effective February 28, 2008 through June 30, 2008, in an amount not to exceed \$15,000.

Superintendent Hubbard announced that a special meeting of the Citizens' Oversight Committee will be held tomorrow morning at 7:30 a.m. in the District Office Board Room.

ADJOURNMENT

There being no further business, and with no objections by the Board, the meeting was adjourned at 6:02 p.m.

JUNE MONACH, Board President
Piedmont Unified School District
Board of Education

CONSTANCE HUBBARD
Secretary, Piedmont Unified School District
Board of Education