



DATE: 25 July 2016
TO: Jorge Guzman, Cesar Vega
FROM: John Dominguez
RE: FACILITIES AND CONSTRUCTION UPDATE #2

School Site Solutions was hired in June, 2016 by the Soledad Unified School District to provide program management and related services for the facilities program at the District. While several tasks are upcoming and ongoing, a current priority is to help manage the Main Street Middle School Construction Project. This second update will provide a summary of activities in the facilities program.

1. Increment I is complete for the Main Street Middle School (MSMS) construction project. The punch list has been completed and signed off by LPA, Inc., the project architect. Currently, temporary fencing, dust/moisture control, weeding, and tarp anchorage is underway.
2. The original contract amount for Increment 1 construction was \$2,637,621. The final construction cost will be \$2,330,132, a contract decrease of \$307,489. These decreases are due to efficient work done by the District and Blach Construction.
3. The MSMS construction plan was previously submitted to the Division of the State Architect (DSA) in early July of this year. At this time, the estimated date for approval is late October to mid-September.
4. The District has met with Dale Scott & Company to discuss options for Issuance #3 of Measure C. Measure C was the \$40 million General Obligation bond, which was approved by the voters by a 75% approval rate in November, 2012. Measure C passage required a 2/3 majority. The District has issued a total of \$27 million in bonds. Another \$13 million in a third issuance may occur in 2017 in order to complete the funding for the MSMS construction project. Currently, the entire \$40 million is anticipated to be used for the MSMS project.

At a recent board meeting, a community member alluded to a mismanagement of approximately one million dollars that was missing from the construction budget. This is not true. School Site Solutions, Inc. discovered a mistake in a letter written by DWK regarding the first issuance of bond proceeds that was posted to the district's website. The first issuance was for \$5 million dollars. The letter reported that the first issuance was in the amount of \$6 million dollars. This error has since been corrected.

5. School Site Solutions, Inc. has updated expenditure reports for the project. In summary the project revenues and expenditures from the beginning of the project until June 30, 2016, are below. The District has expended funds for the planning, programming and design of the project (both Increment 1 and Increment 2), as well as the inspections, testing, surveys and engineering analyses that are required in order to provide a successful construction project. Detailed reports will be provided in a future report.

Fund 21 Revenue and Expenditures through June 30, 2016

Revenue:

Issuance #1 – 2013	\$5,000,000
Issuance #2 – 2014	\$22,000,000
Interest Income	<u>\$300,159</u>

Subtotal Current Revenue
\$27,300,159

Anticipated Future Revenue

Issuance #3 – Projected 2017	\$13,000,000
Projected Interest	<u>\$200,000</u>
Subtotal Projected Revenue	<u>\$13,200,000</u>

Total Current and Proj. Revenue

\$40,500,159

Expenditures:

Total Expenditures to Date

Increment 1 Blach Main Contract	\$1,173,940
Other Construction	\$366,645
Planning/Design/Engineering/	<u>\$2,598,164</u>
(Inc. 1 and Inc. 2)	\$4,138,749
Remaining Inc. 1 Constr. Payments	<u>\$1,156,192</u>
(Blach Construction)	

Total Actual/Anticipated Expenditures
To Date

\$5,294,941

Remaining and Projected Balance
For Increment 2 and Project completion

\$35,205,218

6. School Site Solutions, Inc. has updated expenditure reports for the project. The District will take a proposal to the board for a budget tracking system called 'Accountability'. This tracking system will assist the district in tracking the MSMS project budget, in addition to other projects, as part of the District's overall construction program.
7. The District has received approximately \$2.2 million in Emergency Repair Program (ERP) funding approval, to be used only for appropriate repair projects at various school sites. The projects include roofing, paving and asphalt. The funds may only be used for the projects listed on the application. The District is currently reviewing past projects for possible reimbursement and potential future projects which could be funded out of the ERP allocation.
8. School Site Solutions, Inc. is currently reviewing the Proposition 39 energy funding plans and priorities that the District has provided, in order to ensure that a viable application be submitted to the California Energy Commission. SSS is working to align District priorities with the Proposition 39 program requirements.
9. School Site Solutions has updated the District's School Facility Program (SFP) eligibility and will be reporting to the board by July 27th.

The District has minimal New Construction eligibility based on the most current enrollment, which could essentially support the construction of one Special Day Class classroom. It would be beneficial to do another eligibility analysis once the new school year is in session, to verify whether there is any additional eligibility available based upon updated enrollment information.

The District has approximately \$259,000 worth of Modernization eligibility, which could be used toward modernization of the existing buildings, or for the classroom replacement project. This eligibility should also be re-assessed this fall to incorporate any updated enrollment information.

Use of either of these types of eligibility would require California Department of Education plan approval, and development of Educational Specifications.

[See Attached]

Exhibit A: Soledad – What we know 7.18.16

by Josh Jorn from MCOE

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Exhibit B: Facilities and Construction Update #1
By School Site Solutions