

**Santa Monica-Malibu Unified School District  
Board Committee  
Measure BB Advisory Committee Meeting**

**Approved Minutes  
Monday December 10, 2007  
Time: 4:30-6:30 pm**

Location: Santa Monica High School Cafeteria  
601 Pico Boulevard, Santa Monica, CA 90405

**I. Call to Order- Co Chair Gleam Davis**

**II. Approval of Minutes:** **Dennis Crane** moved, **Elaine Rene-Weissman** seconded; all members present approved the minutes of the November 19, 2007, meeting.

**III. Action Item**

**a. Site Building Committee Assignments (Measure BB Advisors):** **Craig Hamilton** reviewed the Power Point slides. He discussed the assignments matrix. He indicated that because of its size, SAMOHI would need more than one MBBAC advisor; however, one of the advisors should be indicated as the primary point of contact. **Dianne Talarico** asked if the MBBAC advisors are non-voting. It was acknowledged that the MBBAC Advisors are liaisons, not voting members of the Site Building Committees.

**Craig** stated that it was most important that the BBAC advisors were clear on the meeting schedule. **Tom Tomeoni** said that Parsons would prepare a master calendar for all of the Site Building Committees and publish it widely including website(s).

**Elaine Rene-Weissman** remarked about the MBBAC advisors that would be attending multiple sites. She also wondered about expectations of the Site Building Committees. **Julia Hawkinson** stated that there was greater complexity and expectations for the middle and high schools, less for the elementary schools.

**Gleam** asked if the committee was ready to entertain a motion.

**Dennis** motioned approval of the list of MBBAC committee members to the site committees. **Elaine** seconded. All members present approved the list.

**b. January meeting – change from January 14 to January 7:** **Laura Rosenthal** motioned approval to change the January BBAC meeting from the 14<sup>th</sup> to the 7<sup>th</sup>. **David Kaplan** seconded. All members present approved.

**IV. Discussion Items**

- a. Design Review – Draft Policy: .**
- b. Scope and Budget Control – Draft Policy:**

**Tom** reviewed the slides from the Power Point presentation

**Dave Reznick** wondered if there should be a MBBAC subcommittee for design and finance oversight. **Tom** indicated that the Finance Oversight Committee and Proposition 39 Oversight Committee have primary responsibility with respect to finance issues and concerns.

**Tom** suggested there should be a subcommittee for design. There was a discussion of the role of the design subcommittee. **Craig** stated that there should not be a situation that the subcommittee would encourage design changes. There was discussion about design change management.

**Dennis** asked about a scenario if the subcommittee and MBBAC disagreed about a potential design or change. **Tom** indicated that there should be reporting to the BOE and if there are disagreement(s) within the MBBAC, these should be reported by the Chairs clarification. However, the goal is to reach consensus.

**Ralph** indicated that the Site Building Committees and architects should be aware of the Site Building Committee guidelines. **Tom** said that they had been distributed to the sites by **Michael Hill**. General statements were that those guidelines should be reviewed occasionally. **Craig** stated that the architects should be included in the site discussion about the budgets for the projects. This should not, however, be seen as an opportunity for the committees and architects to increase the budgets. **Tom** said that the architects should be used to assist the committee to focus and stay on task. He also stated that there is a detail in the architect's agreement that will require them to perform scope and budget reconciliation at the completion of the programming and schematic design phases.

**c. Finance leveraging – Jan Maez:**

**ii. FOC review of 6 year accelerated program - Jan** reviewed the Power Point presentation slides. She also distributed a presentation by Tony Hsieh of PiperJaffray that was given to the Finance Oversight Committee (See attachment to the minutes). **Tom** added that Richard Gonzales is a subcontractor to Parsons engaged to assist in identifying matching funds for the projects through the State Office of Planning and School Construction (OPSC). **Jan** stated that the timing of the bond sales, given a six year program rather than an eight year program will realize construction cost escalation savings (avoided cost) that can be applied to the construction budget. She discussed program budgets vs. the construction budgets; if more funds are identified, the program budget will increase which will include soft costs, as well as the construction budget. She highlighted Scenario C from the slides. **Tom** noted that the interest earned on the bonds, from the unused amounts will increase the program budgets as well.

**ii. Other funding sources: Redevelopment, State Matching: Jan** reviewed the slides from the Power Point presentation. She discussed the City of Santa Monica and the funds available. She stated that the funds were specific to the capital program and not available for General Fund purposes.

**Dave** asked (referring to the slide concerning construction funds) if an increase from \$149 million to \$159 million represents an increase to the construction funding of \$10 million.

**Jan** stated that it was actually \$10 million net to construction but \$15 million total program funding.

**Bill Jepson** asked if the 40 year bond note could be lessened to save interest. **Jan** discussed the provision of the Proposition 39 requirements that the residents not be burdened with more than \$30 per \$100,000 of property tax value.

**Laura Rosenthal** asked about slide number 22, third bullet. She asked what had been "decided". **Tom** discussed the technology budget and that the observation of staff is that the current \$10 million allocation for Districtwide Technology and Life Safety requirements may be too low and may require additional funding, something to keep in mind going forward with increases to the available construction budget.

**Gleam** clarified that preliminary budgets may need adjustments. **Laura** asked about the process of the allocations and potential increases, and who makes those determinations and when. **Craig** discussed the progress of the program and when likely adjustments would be made, given milestone activities. This process would move through June. **Gleam** added that some elements of the budgets may adjust as new information comes. **Laura** expressed that it may be confusing when the smaller budgets are increased or decreased and that is different than the entire program budget being re-introduced at each adjustment of those smaller budgets. **Ralph** said that of all of the budgets that have been presented, technology has had the least amount of review and discussion. **Tom** offered

that there will be a technology review and integration process for the program.

**Ralph** asked if the timing of the bonds allocations would affect the construction schedule. **Tom** discussed the timing of the bond allocations and the construction schedule, given a six year and eight year schedule; the six year plan is feasible, given the timing of the bond allocations.

**Bill** wondered about the value of spending bond funding on technology, since the bond life may be forty years and current technology has a useful life of four years. **Tom** stated that there will be additional discussion with the MBBAC on Districtwide Technology in future meetings once the technology consultant has reached an appropriate milestone in the standards development process.

**d. Measure BB Program, Unallocated Construction Budget**

**Craig** discussed that all of the possibilities for additional program funding would need to be determined as soon as possible to validate the commitment of additional construction budget. He questioned what the timing of that effort might be.

**Gleam** mentioned that the middle schools should be looked at in a focused manner. She stated that a focus on the middle schools in the next allocations of the funding is appropriate but stated that the allocations to specific projects should not be down to the last nickel.

**Laura** mentioned that at the MBBAC meeting in Malibu there was discussion of the unallocated funds. She stated that it is important to keep the promise of the Bond language and stated a need to allocate the funding to meet the needs of the Bond language. She stated that she would motion that the next BBAC meeting should include an action item on recommendation for the unallocated budget.

**Dave Reznick** stated that he would second that motion.

**Chris Harding** asked when there would be further discussion of the \$111 million construction budget.

**Tom** indicated that in early '08 an estimating team would join the effort, but January may be too soon with any further definitive information from the estimators.

**Chris** asked when there would be definitive knowledge of the State Matching funding.

**Tom** said that it would be in early '08 but would depend on the bond funding that would be available at the State level and that actual commitments of State Matching funds could not be made until DSA approvals are in place, perhaps in early 2009.

**Chris** discussed the specifics of the Measure BB Bond language and stated that he believed a legal opinion should be sought to clarify what the language says about distribution of the funds to all school sites. He questioned whether Districtwide Technology alone would qualify at addressing this issue.

**Dennis** discussed the contingencies in the budgets and the timing of determining how they may or may not apply. He believed that it is too early to put final numbers on the project budgets.

**Larry Gray** stated that given the possibility of cost overruns those overruns should not decrease the budgets of other projects. The project that is suffering the overrun should be scaled back to fit within its assigned budget. **Larry** further asked if all of the projects will be given a full range of design.

**Tom** said that the projects will all proceed through Schematic Design.

**Craig** agreed with **Larry's** statement that allocations for each project should not be diminished by

another project overrun and project contingencies are not “slush funds”.

**Larry** indicated his desire to allocate the unused funding now. **Laura** agreed, stating that there is no reason to keep the \$38 million unallocated. She questioned **Dianne Talarico** about any change in intent since the recommendation to the Board included an early identification of the allocation of the \$38 million. **Dianne** stated that nothing had changed, and that the BOE did not support the staff recommendations at that time. **Kathy Wisnicki** clarified that the BOE did ask that the \$38 million be allocated. **Laura** stated that the unallocated funds should be allocated now to keep the good will of the people. **Craig** said that given the unknowns of the State matching funds, now is not the time to recommend further allocations. He also asked what the Measure BB language meant in stating that all schools would receive equality.

**Laura** asked why allocate funding for any projects now if there is question on how much to give middle schools and potentially no allocations to elementary schools with more information coming.<sup>1</sup>

**Chris** questioned the budget for Edison and questioned the middle school budgets. He stated that there is too much uncertainty to recommend an allocation in January.

**Elaine** suggested that there needs to be a correction course given a legal opinion on the Measure BB language decision and said that all projects are subject to overruns.

**Larry** stated that all projects should be built within the criteria set. **Kathy** said that there are some knowns and unknowns. She stated that there will probably be a savings of \$14 million, given a six year program; there may be \$14 million of redevelopment fees in the program life; and there are currently \$38 million in unallocated funds. She indicated confidence that all sites will receive funds and suggested that the elementary schools should use the State Matching funds for their projects.

**Dave** discussed the legal opinion that had been requested by **Chris** and believed that January would be too soon to have that legal opinion. He asked if there is a risk of over-interpreting. He mentioned that the Parcel Tax initiative and future funding from Malibu were important for residents of Malibu and the District. He said that there are already questions from residents why they should support Measure BB or stay aligned with the District. He asked about the contingency funds and their allocations. **Tom** indicated that budgets prepared by **Wally Berriman** had been reviewed and the program level contingency was a consideration. Given likely market factors at the time of bidding, we need to continue to be conservative and prudent in the budgeting process.

**Laura** mentioned that there was a political reality to the allocation of the Measure BB funds and how the Malibu residents were closely watching the process. **David Kaplan** stated that the unallocated funds would be better identified in June. **Mike Mathews** noted that more research should be done and brought back for a MBBAC recommendation. He stated that at the bid openings for the projects will give the real project budgets. **Larry** agreed..

**Gleam** indicated that the discussion needed to end and that there was more information needed at the January BBAC meeting. She called for a vote to **Laura's** previous motion that there would be an action item for discussion for possible recommendations to the BOE at the January MBBAC for the unallocated funds.

Remaining members voted on the motion as follows:

Yes:

Dave Resnick  
Laura Rosenthal  
Elaine Rene-Weissman  
Larry Gray  
William Jepson

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<sup>1</sup> As a clarification, it was noted at the meeting on January 7, 2008, this was understood as a “rhetorical” statement.

David Kaplan

No:

Craig Hamilton  
Gleam Davis  
Dennis Crane  
Chris Harding  
Judith Meister

By 6/5 vote the motion was approved by the remaining MBBAC members present.

**e. Sustainability Implementation Plan**

**Julia** presented the slides in the Power Point presentation; there were no questions or comments.

**f. Olympic Scope – Measure BB Program**

**Julia** discussed the slides in the Power Point presentation. **Gleam** asked if work could be accomplished before the PEIR was finalized; **Wally** indicated that it could.

**V. Information:**

**a. Architect Assignments**

**Tom** discussed the slides in the Power Point presentation.

**b. Assignment of Architect, Olympic High School**

**Julia** discussed the slides in the Power Point presentation. She indicated that HED was the sixth architect recommended by the BBAC, but had not initially received a project assignment. She stated that staff is recommending HED to be assigned to the Olympic HS project.

**Gleam** clarified that that also included Washington West.

**VI. Public Comment (none)**

**VII. Standing Reports (none given)**

**VIII. Possible Future Agenda Items**

**Adjourned at 7:15 pm.**

**NEXT MEETING: 1/7/08 at the District Board Room**

**Attendance:**

**Measure BB Advisory Committee Members:**

Craig Hamilton, Co-Chair  
Gleam Davis, Co-Chair  
Dennis Crane  
David Reznick  
Barbara Stinchfield, City of SM  
Bob Stallings, City of Malibu (unable to attend)  
Don Girard, SMC  
Chris Harding  
Laura Rosenthal  
Laura Rosenbaum (unable to attend)

Ted Bardacke (unable to attend)  
Elaine Rene-Weissman  
Larry Gray  
Judith Meister  
William Jepson  
David Kaplan  
Karen Ginsberg, City of SM Alternate

**Board Liaisons:**

Kathy Wisnicki, Board Liaison  
Ralph Mechur, Board Liaison

**SMMCCTA Liaison:**

Harry Keiley (not present)  
Sarah Braff

**SMMUSD Staff:**

Dianne Talarico, Superintendent  
Tim Walker, Asst. Superintendent  
Mike Matthews, Asst. Superintendent  
Janece Maez, CFO and Asst. Superintendent  
Virginia Hyatt, Purchasing Director (not present)  
Wally Berriman, Director of Facilities/ Director on Special Assignment

**District Consultants:**

Michael Hill, Joint/Shared Use and School/Community Engagement Consultant (not present)

Parsons / CCM:

Tom Tomeoni, Program Manager  
Julia Hawkinson, Deputy Program Manager  
Larry Fugal, Deputy Program Manager

**Attachment:**

Tony Hsieh, PiperJaffray: presentation to Financial Oversight Committee, December 4, 2007



# SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

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Measure BB General Obligation Bond Program

December 4, 2007 Financial Oversight Committee Meeting

Tony Hsieh  
Vice President  
[anthony.r.hsieh@pic.com](mailto:anthony.r.hsieh@pic.com)

Piper Jaffray & Co.  
1235 Hermosa Ave., Suite 300  
Hermosa Beach, CA 90254  
(310) 406-1946

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# Summary of Scenarios

Following are three scenarios (Scenarios 1A, 1B, and 1C) that would fulfill a six-year program and an additional scenario (Scenario 4) that would fulfill an eight-year program:

Scenario	Program Length <sup>(1)</sup>	PV of Bond Proceeds <sup>(2)</sup>	PV Interest Earnings <sup>(2)</sup>	Total PV Proceeds	Final Payment Date
1A	6 Years	\$244,003,057	\$11,385,270	\$255,388,327	August 1, 2050
1B	6 Years	\$239,217,005	\$6,716,980	\$245,933,985	August 1, 2048
→ 1C	6 Years	\$246,841,502	\$14,221,545	\$261,063,047	August 1, 2050
4	8 Years	\$231,105,504	\$8,164,841	\$239,270,345	August 1, 2045

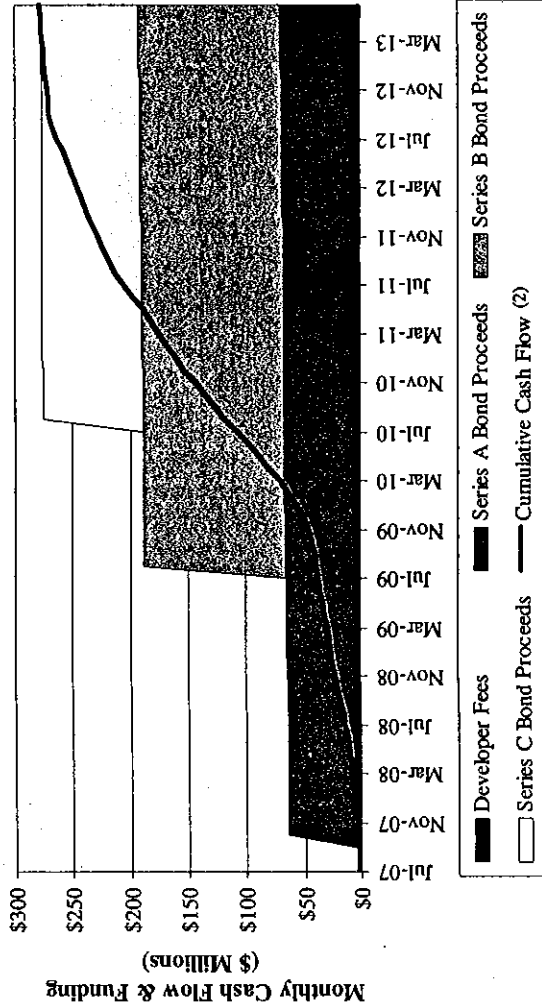
<sup>(1)</sup> Based upon construction cashflows provided by Parsons 3DI.

<sup>(2)</sup> Discounted at 5% annual rate.

# Scenario 1C (6-Year Program)

## Issuance Schedule

Series	Issue Date	Proceeds	Financing Term
Series A	October 2007	\$ 60,000,000	25 Years
Series B	August 2009	122,100,000	25 Years
Series C	August 2010	85,900,000	40 Years
<b>Total Authorization</b>			
			<b>\$ 268,000,000</b>



- (1) Actual 2007-08 tax rate.
- (2) 6-year cashflow provided by Parsons 3DI.

Year	Series A Debt Service	Future Debt Service	Total Debt Service	Projected Tax Rate
2008	10,046,100	0	10,046,100	28.82 (1)
2009	9,047,600	0	9,047,600	28.68
2010	2,640,400	6,818,836	9,459,236	28.84
2011	2,479,000	7,176,900	9,655,900	28.29
2012	2,528,400	7,320,614	9,849,014	27.74
2013	2,625,400	7,617,566	10,242,966	27.76
2014	2,728,000	7,924,676	10,652,676	27.76
2015	2,835,800	8,242,974	11,078,774	27.76
2016	2,948,400	8,573,517	11,521,917	27.76
2017	2,915,400	9,067,385	11,982,785	27.76
2018	3,037,400	9,424,688	12,462,088	27.76
2019	3,170,750	9,789,813	12,960,563	27.76
2020	3,303,000	10,175,977	13,478,977	27.76
2021	3,445,750	10,572,377	14,018,127	27.76
2022	3,593,000	10,985,844	14,578,844	27.76
2023	3,744,000	11,417,989	15,161,989	27.76
2024	3,903,000	11,865,460	15,768,460	27.76
2025	4,069,000	12,330,190	16,399,190	27.76
2026	4,241,000	12,814,149	17,055,149	27.76
2027	4,418,000	13,319,346	17,737,346	27.76
2028	4,604,000	13,842,832	18,446,832	27.76
2029	4,792,750	14,391,946	19,184,696	27.76
2030	4,998,250	14,953,826	19,952,076	27.76
2031	5,203,750	15,546,400	20,750,150	27.76
2032	5,423,250	16,156,898	21,580,148	27.76
2033		22,443,345	22,443,345	27.76
2034		23,341,070	23,341,070	27.76
2035		24,274,705	24,274,705	27.76
2036		25,245,684	25,245,684	27.76
2037		26,255,503	26,255,503	27.76
2038		27,305,715	27,305,715	27.76
2039		28,397,935	28,397,935	27.76
2040		29,533,844	29,533,844	27.76
2041		30,715,189	30,715,189	27.76
2042		31,943,788	31,943,788	27.76
2043		33,221,531	33,221,531	27.76
2044		34,550,383	34,550,383	27.76
2045		35,932,390	35,932,390	27.76
2046		37,369,677	37,369,677	27.76
2047		38,864,456	38,864,456	27.76
2048		40,419,026	40,419,026	27.76
2049		42,035,778	42,035,778	27.76
2050		43,717,201	43,717,201	27.76
<b>Total</b>	<b>102,741,400</b>	<b>825,897,418</b>	<b>928,638,818</b>	

# Present Value of Issuance Scenarios

The issuance schedule impacts the present value of the bond funds

Issue Date	Scenario 1A		Scenario 1B		Scenario 1C		Scenario 4	
	Issuance	PV <sup>(1)</sup>	Issuance	PV <sup>(1)</sup>	Issuance	PV <sup>(1)</sup>	Issuance	PV <sup>(1)</sup>
10/16/2007	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000
8/1/2008								
8/1/2009					122,100,000	111,879,754		
11/1/2009	100,000,000	90,518,743						
2/1/2010			50,000,000	44,710,672				
3/1/2010								
8/1/2010			50,000,000	43,633,148	85,900,000	74,961,748	80,000,000	71,246,806
10/1/2010	108,000,000	93,484,314						
1/1/2011			54,000,000	46,175,481				
6/1/2011								
8/1/2011								
9/1/2011			54,000,000	44,697,705				
8/1/2012								
4/1/2013							40,000,000	30,647,971
8/1/2013								
3/1/2014							43,000,000	31,505,522
8/1/2014								
<b>Total</b>	<b>268,000,000</b>	<b>244,003,057</b>	<b>268,000,000</b>	<b>239,217,005</b>	<b>268,000,000</b>	<b>246,841,502</b>	<b>268,000,000</b>	<b>231,105,504</b>

<sup>(1)</sup> Discounted at 5% annual rate.