



MEASURE A BOND OVERSIGHT COMMITTEE **SPECIAL MEETING**

DATE: June 24, 2019

TIME: **6:00 pm**

PLACE: District Office Hueneme Room

220 South 'K' Street

Oxnard, CA 93030

The special meeting of the Bond Committee will begin at 6:00 pm in the District Office Hueneme Room located at 220 South K Street, Oxnard, California. Pursuant to Government Code § 54956, no business other than what is set forth in this regular meeting agenda may be considered by the "Committee". In accordance with Government Code § 54954.3.

In accordance with requirements of the Americans with Disabilities Act and related federal regulations, individuals who require special accommodation, including but not limited to an American Sign Language interpreter, accessible seating or documentation in accessible formats, should contact the Superintendent's office at least two days before the meeting date.

A complete agenda packet is available at the District Office, 309 South K Street, Oxnard, California, and 72 hours prior to a regular meeting. Bond Committee agendas and minutes are available on the District's website at www.oxnardunion.org.

AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ADOPTION OF AGENDA
4. AUDIENCE TO ADDRESS THE BOND COMMITTEE
 - a. Those persons wishing to address the Bond Committee may do so at this time. Individual presentations are limited to three (3) minutes each, or in the case of a group of people speaking on a specific item, ten (10) minutes will be permitted
5. STATUS REPORTS
6. ACTION ITEMS
 - a. MEASURE A BOND OVERSIGHT COMMITTEE'S ADOPTION OF PROPOSED LETTER TO BOARD OF TRUSTEES RE: Loss of Matching Funds – Exhibit A PRESENTED BY WILLIAM HONNEFF
 - b. MEASURE A BOND OVERSIGHT COMMITTEE'S ADOPTION OF PROPOSED PUBLICATION PRESENTED BY DON PYNE - Exhibit B
7. FUTURE MEETINGS – LOCATIONS, DATES AND TIMES
8. ITEMS FOR FUTURE CONSIDERATION
9. ADJOURNMENT



MEASURE A OVERSIGHT COMMITTEE

309 South K Street • Oxnard, California 93030 • (805) 385-2500 • FAX (805) 483-3069

June 24, 2019

Committee Members

Rennee Dehesa
Chair

Barbara Wagner
Vice Chair

Butch Britt
Secretary

Nancy Ambriz
Rosa Balderrama
William Belcher
Kim Dawson
William Honnef
Mary McDonnell
Jeanne Nelson
Don Pyne

Dear OUHSD Board of Trustees:

The OUHSD Measure A Bond Oversight Committee would like to share a concern regarding the lack of matching state funds and the potential impact their loss will have on the Measure A project budgets. More specifically, the committee is concerned that the board will allocate Measure A funds in a manner which would be inconsistent with the original project estimates presented to voters of Measure A. We believe that this would be inconsistent with the plan OUHSD presented to voters.

The committee supports spending levels for both modernization of existing schools and the new construction of Oxnard HS #8 in accordance with the March 14, 2018, Measure A Project Lists.

Through OUHSD’s Measure A Project Lists document and related community meetings, taxpayers were specifically told how much of the Measure A bond funding would be allocated to each school. These figures were specified under the heading “Measure A Estimated Funding”. We believe that if the District is not going to adhere to the figures provided, the voters and communities of Camarillo and Oxnard must be adequately informed of the anticipated changes. A summary of the figures provided by the District through these original Measure A project list budget communications is shown below:

Budgets Provided by OUHSD to Voters

The district wisely anticipated a scenario where only \$350M would be available

	Estimated Projects Total	Measure A Estimated Funding
Adolfo Camarillo High School	\$61,641,754	\$46,491,838
Channel Islands High School	\$56,861,947	\$41,876,704
Frontier High School	\$10,790,000	\$2,396,000
Hueneme High School	\$57,264,205	\$43,267,000
Oxnard Adult School	\$2,570,000	\$2,570,000
Oxnard Growth High School #8	\$189,460,494	\$105,412,055
Oxnard High School	\$34,028,424	\$17,067,105
Pacifica High School	\$22,586,687	\$21,598,649
Rancho Campana High School	\$7,260,538	\$7,260,538
Rio Mesa High School	\$55,419,586	\$47,679,955
Total	\$497,883,635	\$335,619,844

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www.oxnardunion.org

The District told voters that Oxnard HS #8 would consume \$105M of the Measure A funds, while modernization of existing schools would receive \$230M in total. The current estimate to construct Oxnard HS #8 is more than \$200M.

We understand that all projects identified cannot be completed with Measure A funding alone. We understand that the district was hopeful that matching state funds could be secured to supplement the Measure A funds. Matching state funds for new construction, which could have been used for Oxnard HS #8, were fully committed to other districts by September of 2018. Matching funds for modernization of existing schools were fully committed to other districts by February of 2019. No additional matching funds will be available until a new statewide proposition can be passed through the state legislature and brought before all voters, which will not happen before November of 2020. The passage of a new measure to provide additional matching funds is not a certainty. In light of this information, how will the district allocate the \$350M available?

This committee feels that the District was very clear about their intention for the allocation of funds by school, both with and without state matching funds. We believe it would be a misrepresentation to the voters to reallocate funds away from existing schools in order to fill the budget shortfall for Oxnard HS #8.

We understand that approximately \$20M in state matching funds from Measure H was approved by the state on February 4, 2019, and will be available for Oxnard HS #8, but this alone does not close the budget gap.

The committee is hopeful that additional state matching funds will one day become available so that all projects can be fully funded. We respectfully request that the board reaffirm the budgets totaling \$336M will be honored and that fully funding the modernization project budgets and also building the much needed Oxnard HS #8 at the Estimated Measure A Funding levels will not be contingent upon a new state matching fund measure.

Thank you.

Sincerely,

Measure A Oversight Committee

EXHIBIT B

Background:

CA Proposition 39 was approved by voters on November 7, 2000. The proposition lowered the voter approval levels of School funded bonds from 66 2/3% to 55%. For this decreased voter approval percentage, the proposition required the appointment of oversight committees to “report on the proper expenditure of taxpayer’s money for school construction”.

Bond Measure A (Bond) was passed by 56% of the Oxnard Union High School District (District) voters on June 5, 2018. It provides for \$350 Million for “improvements and repairs” of existing schools and the “(Bond) proceeds could also be used for construction of a new high school in Oxnard”.

As required within 60 days of Measure A’s passage the OUHSD (Board) appointed the Measure A Oversight (Committee).

Shortly after Measure A’s passage the OUHSD requested management to negotiate a “Project Labor Agreement” (PLA) with the Tri Counties Building & Construction Trades Council (Union). This organization is a union organization and does not represents most of the construction workers or contractors in the Tri County area. No building contractors or other public participation attendance was part of the negotiations of this PLA agreement. To date, no other Ventura County school district, community college, University or any other government agency has elected to implement a PLA (although another Oxnard District is considering a PLA). Most studies and OUHSD management itself recognize there are additional costs associated with PLA’s. The amount of the increased costs has been requested by the Measure A oversight committee repeatedly. As of this date OUHSD says they are unable to provide us with those costs.

Our Committee was provided a copy of the PLA on Monday June 3, 2019. A special committee meeting was convened on Thursday June 6, 2019 to analyze the PLA.

Our review includes the following highlights from the agreement:

- The PLA does not allow competitive or free market bidding on any of Measure A’s expenditures. In almost all construction contracts with public agencies all qualified contractors are allowed to submit bids. This method has historically resulted in the lowest competitive cost for construction projects.
- The PLA requires all contractors to become obligated to pay expenses to the (Union). Those expenses, described in Article 10, include, “shall be required to pay contributions to the applicable trust funds” “..such as pension and annuity, health and welfare, vacation, apprenticeship and training funds”.
- Article 9.3 & 9.3.2 Employment of District Residents establishes “a goal of 51% of the total work hours performed on the Project shall be from Local Residents”. Although this section does not have a direct expenditure impact, it is very desirable for the benefit of our local economy. All compensation paid to District residents will likely generate additional local jobs supporting those workers and add to sales tax revenues benefiting our community.

- Oxnard's Bond Measure H had a goal of employing 30% or more of local construction workers. Measure H oversight committee nor the District believes they were able to achieve that goal.
- Some of the reasons that the employment goals were not achieved may include; The 2014 U.S. Department of Labor, Economic Daily reports 85% of County construction workers are non-union, construction unemployment is almost non-existent, union paychecks withhold union dues, pension and other benefits which only those workers remaining in the union for 20 or more years will benefit by. The withholding reduces the amount of the weekly paycheck due the workers and therefore reducing the motivation to leave larger take home payment jobs.
- Arguably, competitive bidding is much more likely to increase the percentage of District workers employed on this Bond's projects.
- Article 17 of the PLA provides for an apprenticeship program. This program has been crafted to assist local high school graduates the opportunity to receive training in the construction trades which we commend.
- The citizens of our District will pay for the bond until "2048-2049". The payment is directly from increased property taxes and indirectly from increased rent cost (from the pass through of the tax) to non-homeowners.

District management has provided the Committee with a list of projects and new construction. This list exceeds the \$350 million Bond by over \$220 Million. The District had hoped that it would receive matching State funds. However, at present all matching funds have been committed. District management hopes an additional State bond will replenish the matching funds account in the future if approved by voters.

The Committee has no authority to approve or disapprove of this PLA. Only the Board has that authority. However, the Committee is obligated under Proposition 39 (which created the governance of CA oversight committees) to inform the public about the possible costs under this PLA. Unfortunately, we are unable to quantify the cost but likely in the millions of dollars. Any additional costs caused by the PLA will result in reduced funds available for what voters had approved. We are only charged with the responsibility to inform you of potential cost issues and not social benefits which the PLA will or may provide.

We are providing this information to you so that on or before the final vote is taken on the PLA you can contact your Board to express your views. We are informed that the Board may vote on the PLA at their regularly scheduled meeting of June 26, 2019.