

**AMENDED MINUTES OF THE SPECIAL MEETING GOVERNING BOARD  
GUSTINE UNIFIED SCHOOL DISTRICT  
JOINT STUDY SESSION WITH  
GUSD BOARD MEASURE P SUB COMMITTEE  
JANUARY 24, 2019**

**TIME AND PLACE**

The regular meeting of the Gustine Unified School District Board of Education was held on Thursday, January 24, 2019. The meeting was held in the Board Room, 1500 Meredith Avenue, Gustine, California.

**CALL TO ORDER**

The meeting was called to order at approximately 6:02 p.m. by Board President Kevin Cordeiro.

**BOARD MEMBERS PRESENT**

Mr. Kevin Cordeiro, Board President, Mr. Kevin Bloom, Ms. Pat Rocha, Mrs. Loretta Rose, and Mr. Gary Silva.

**BOARD MEASURE P ADVISORY SUB COMMITTEE MEMBERS PRESENT**

Mr. Jarrett Martin, Chair, Mr. Andrew Bloom, and Mrs. Loretta Rose. Mr. Rich Ford was absent.

**COMMUNICATION FROM THE PUBLIC**

None

**JOINT STUDY SESSION**

A. Measure P Workshop – Dr. Ballenger gave general information on the bond. From when the bond was first approved by voters, the bond sale series A, B, and C, and completed projects.

Master Plan - Mr. Mitch McAllister, from CA Design West explained the Master Plan. He began with the GMS Multi-purpose Project. The contractors are currently replacing the fire alarm system and working on the Multi-purpose/Gym. It will have a stage that can be used as a music room. When the district receives the money from the state the classroom will be built. There are other projects already in line such as the playing field upgrades depending on how far the money goes with the classroom building. If the district receives hardship funds, they will get that money back.

Phase 1 at the high school has been completed. Phase 2 is the science wing at GHS and Phase 3 is also at GHS for additional classrooms, an additional courtyard and a new cafeteria. All those projects have been submitted to OPSC as one project. Future phase, if there is funding would be to renovate the administration building, theater and wood shop. As the campus grows, they wanted to make sure that wherever they placed new buildings it wouldn't hamper future growth of the high school. As part of the growth, the district would need to purchase additional property, move the stadium and playing fields so the school can expand to the west. The reason for looking far ahead into the future was to prevent from blocking future growth potential. According to Mr. McAllister, the future plans aren't set in stone and can be changed if needed. At GES, they are currently replacing the fire alarm system and will be replacing the playground space. Phase 2 is the construction for a new classroom building.

At RES, they are also currently replacing the fire alarm system. They will be adding new classrooms there too.

Current Construction Report – Mr. Rick Bir, from Derivi Castellanos Architects stated that after prioritizing the projects they asked for bids. All three projects, GMS Multi-purpose building, GHS Fire Alarm System and the GES, GMS, RES Fire Alarm System, are going on concurrently. They had some hiccups at the middle school multipurpose building project. Existing utilities were not where the plans indicated. They are very pleased with the performance of BMY Construction. The first change order was to take the contingency away from BMY and put it on the districts side of the ledger. So now, the current contract is at \$5.1 million. All the fire alarm projects will be completed by March. There was a credit for the GES, GMS, RES Fire alarm project.

Project Costs/Funding/Hardship – Elona Cunningham from Jack Shreder & Associates gave a brief overview of the School Facility Program. The status of new construction funding is that all but one of the districts projects submitted to DSA met the deadline. She is hopeful that that project will fall under the bond authority. Funding for the District's projects is dependent on the number of applications which are removed from the list and the number of facility hardship and seismic projects that are submitted and processed prior to the District's application. In order to qualify for financial hardship the district must meet certain criteria and as of today, it does. However, the requirement isn't based on when you submit to OPSC, it's now based on when OPSC process the District's application. Right now, they are processing applications from 2014. As the district pays off bonds and COPs, the debt goes down and as new business or new homes are built, the bonding capacity goes up so there could be a chance that the district wouldn't meet the 60% threshold. That is the risk of the way everything is processed in the state right now based on when they process the districts application and if you qualify for financial hardship at that point. Looking at the outstanding debt and debt capacity calculations the district will no longer qualify for hardship in 2021.

During Elona's presentation, Mr. Martin stated that there is a lack of communication between the Measure P Sub Committee and the District. He also expressed his concern about his continued request for technical committee participation.

Developer Mitigation Agreements – David Soldani, Atkinson, Andelson, Loya, Ruud & Romo – He stated that twelve years ago many of developers from out of town wanted to build many houses in Santa Nella. Two agreements were accepted spread out over seven or eight developers. Six months after closing that deal, the housing market took a dive. As part of that original deal, these developers were supposed to frontload some of that contribution to help with planning costs. Some of the developers refused to sign the agreement. Those who have signed the agreement were taken to court to get that contribution fee. They have received that fee from a few of them. A few of them he has gotten a judgement against but those companies have since gone bankrupt. Now, one of those groups has a plan to build 1588 total housing units. The catch is that at that time it would have been \$26 million. The agreement has an adjustment clause in it that keeps adding up year after year. Doing the math now, that deal is actually worth \$36 million. The problem is that since that time it has come to light that in the Santa Nella area there's an extensive need for infrastructure that the developers did not take into account. Where there were

many developers to spread those costs, now there is only one group that's willing to do it now. They would like to be able to do this development but because they need to contribute additional funding, they can't make money. They have been meeting and talking about what an alternative deal would be. As a result of these discussions, they've come back with a proposal that's worth \$22.5 million and it's divided up amongst RES, GMS and GHS. On the GHS side, they are proposing to contribute some money for land acquisition. This amount would be contributed in chunks not in a lump sum. If the district would hold the company to the original deal, the money would come at a much slower rate. The Board need to discuss this further and counter the offer. The district also wants the time line of the contributions to align with the projects and when the funds are needed. Mr. Silva and Mrs. Rose were designated to meet with staff and builders in an effort to negotiate a higher amount.

Next Steps/Recommendations – Dr. Ballenger went over some ideas on spending the remaining \$460 thousand dollars in the bond fund. There are components to each modernization project that can be pulled out to be able to take care of them sooner. At the February Board meeting, the Board will take action on how they would like to proceed.

B. Nutrition Services Workshop – Lizett gave an overview of the nutrition services program. She also explained the differences between self-op and having a management company. The management company the district currently has a contract with is Chartwells. Every year the district needs to decide if they want to renew the contract. Every 5 years the district needs to go out to bid. The state has to approve the RFP. They have to approve the selection of the final contract before it goes to the Board for approval. With self-op, the Board approves the hiring of the director. There are other options in terms of purchasing the food where you enter into a purchasing agreement for just the food. You won't have the management contract with Chartwells or Sodexo. The district needs to prepare an RFP that they could send to the state that would give the district some of these options. Also, asking for the option of having a full time director or having a part-time or having an as needed consultant. Those results would be evaluated and a recommendation would be brought to the Board in April or May. Mrs. Rose stated that there a lot of thing needed to be able to go self-op, like more equipment and training. Ms. Rocha said that it's going to be hard to make a profit going self-op because we would also be paying for the director's salary. The Board has a lot of concerns and would like to see the numbers for each option before deciding in which direction to go.

#### **ADJOURNMENT**

Ms. Rocha made a motion to adjourn the meeting, seconded by Mr. Bloom. Motion carried, 5-0. Meeting adjourned at 9:24 p.m.

#### **APPROVED AND ADOPTED**

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Loretta Rose, Clerk