

**El Paso Independent School District  
Citizens' Bond Advisory Committee  
Meeting Minutes  
December 11, 2019**

**Present:**

Ana Elena Allen	Norma Chavez	Paul Masters
Alexsandra R Annello	Yolanda Clay	Ross Moore
Michael Apodaca	Kelvin Joel Kroeker, P.E.	Miguel S. Venegas
Angelica Bharat	Dan Longoria	
Bob Burns	Toni Lunsford	

**Not in Attendance:**

Samuel Morgan	Russell Wiggs
Debbie Trexler	

**Special Guest:**

Bob Geske, Board President – District 2  
Josh Acevedo –District 3

**Presenters:**

Carmen Arrieta-Candelaria-EPISD Finance and Operations  
Mayra Martinez-EPISD Internal Audit  
Jacobs Program Management Team  
Rose Lucero, Bond Outreach Coordinator

**1. Call to Order**

The meeting was called to order at 5:12 p.m. by Mr. Paul Masters, Chair. Mr. Paul Masters welcomed Board Member Mr. Josh Acevedo and ask that the committee keep Mr. Russell Wiggs in their prayers.

**2. Review of Meeting Minutes**

Ms. Mayra Martinez, Chief Internal Auditor, requested that corrections be made to the October 17, 2019, meeting minutes for item #3 Corrective Action Plan Activities 17 and 18. Ms. Martinez will provide those changes to Erika Siciliano for correction.

Mr. Kelvin Kroeker motioned to approve the August 29, 2019 and October 17, 2019, minutes with the specified corrections to the October 17, 2019, meeting minutes. Mr. Moore second. Motion was approved by members.

**3. Committee Attendance Update**

Ms. Carmen Arrieta-Candelaria, Deputy Superintendent for Finance and Operations, informed the committee that Mr. Samuel Morgan submitted his resignation. Ms. Arrieta-Candelaria added that she would work with Mr. Chuck Taylor, Board of Trustee, on a replacement.

Mr. Dan Longoria made the motion to accept Mr. Samuel Morgan's resignation. Ms. Norma Chavez second. Motion was approved by members.

**4. Internal Audit Update**

Ms. Mayra Martinez, Chief Internal Auditor, provided a status update on the recent Internal Audit relevant to the Bond.

- **Corrective Action Plan (CAP) Follow-up Review:** Bond Program Management Audit included four (4) findings, four (4) observations and eight (8) recommendations. A Corrective Action Plan was developed by management with 18 corrective action activities in response to the audit. Internal Audit is responsible on monitoring the implementation of these activities. At the time of this report six (6) activities were implemented and two (2) were pending additional evidence as of December 4, 2019. Subsequent to this date, documentation requested was provided and eight (8) activities were closed and one (1) activity was not implemented. This was discussed at the previous CBAC meeting, leaving nine (9) actives due January 31, 2020. Detail slides (19-25) were provided to the committee in their packet as reference to this audit.

Ms. Yolanda Clay referenced slide 19-recommendation three (3) and asked if Jacob's changes

to personnel were being made prior to notifying the committee. Ms. Martinez responded that Jacobs is required to notify management and obtain approval, Jacobs does not obtain CBAC's approval, and added that a process has been implemented for this recommendation by management.

Ms. Norma Chavez asked if corrective action was taken to establish the appropriate procedures on slide 23 for observation one (1). Ms. Martinez responded that a procedure was implemented and was provided on slide 25 which includes the dollar limitations and added that for projects over \$100,000, the information would be reported semi-annual to the Board Facilities Committee. Ms. Arrieta-Candelaria stated that an internal formal approval procedure was established for best practices which are administered by the Superintendent; they are not adopted by the Board unless it is incorporated into a local policy.

Mr. Miguel Venegas commented that the procedures made sense from preventing delays to decisions that need to be made.

Ms. Alexandra Anello stated that her concern was not having these procedures approved by the Board.

Mr. Bob Geske stated that the recommendations that were suggested by internal audit were put in place to tighten the controls and prevent any construction delays.

- **Bond Construction Audit:** Update provided on the Crockett Elementary School construction audit. The audit will include review of project costs and changes in work paid from May 2018 through November 2019. The audit is in the fieldwork phase and will be meeting with management to go over the questions on the preliminary findings and allow them an opportunity to provide documentation. Ms. Martinez added that a draft report is anticipated in January 2020 and will present findings to the CBAC at the February 20, 2020, meeting.
- **Following up on Complaints Reported to Internal Audit:** No comments.

## 5. Periodic Financial Reports

Ms. Carmen Arrieta-Candelaria, Deputy Superintendent for Finance and Operations, provided financial reports on the fund status balance, the financial recap to date, interest revenue and admin expenses as of October 31, 2019.

- The Fund Status Report as of the end of October 2019 was \$311,926,260.40. The detailed report by project provided the expenses, amended budget, and adjustments to the budget, transactions accrued to date, encumbrances (purchase orders that have been issued) and the balance.
- The Fund Balance reported an ending balance of \$311,926,260.40 with a remaining balance in the negative of \$13,017,859. Ms. Arrieta-Candelaria stated that the last bond issuance of \$218 million will be presented to the Board at the December 17, 2019, meeting for authorization and with this issuance the property tax rate would increase an additional five (5) to six (6) cents. Ms. Arrieta-Candelaria added that the original bond communication to voters indicated that the District would raise the I&S rate by 18.8 cents and the pro forma shows 17.818 cents, which is better than what was communicated to the voters.
- Interest Revenue/Administrative Expenses to Date Reported at \$11,995,389 with total expenses of \$2,060,486 for salaries, consulting fees, legal, movers and other administrative costs and the allocation of \$379,750 approved by the Board for a technology project, for a total of \$2,440,236 in expenses with a net revenue available of \$9,555,153 that may be used for this bond program, funds used from interest other than for administrative expenses will require Board for approval.
- Financial Recap to Date for EPISD managed projects included Crockett Renovations with a remaining balance of \$1,033,314, the final payment will be presented to the Board on December 17, 2019. The Bus Replacement program is complete. The Athletics Improvements indicate a balance of \$5,494,998 and Ms. Irene Ramirez, Executive Director Facilities & Construction, is working on the final group of athletic projects, with an anticipation of needing additional funding from interest which will be presented to the Board of Trustees and CBAC with outlined costs. The

Outdoor Learning project has a remaining balance of \$418,867, three additional playgrounds that were not anticipated due to the pricing were included and are being installed during the winter break. Technology Improvements and Equipment (Laptops) project indicates a balance of \$3,790,609. The Perimeter Security Initiative project shows a balance of \$221,308.

## **6. Projects Managed by Jacobs Update**

Ms. Madeleine Sara, Deputy Program Director for Jacobs, reported that Captain Gabriel Navarette and Coach Wally Hartley are currently in the procurement phase.

- Coach Wally Hartley will advertise January 10, 2020 with an anticipated bid opening of February 13, 2020.
- Captain Gabriel Navarette general contractor submitted their Guaranteed Maximum Price (GMP) which was not in alignment with Jacobs's original construction budget. Jacobs met with the consultant and general contractor and identified appropriate actions to be taken in order to bring this project back into budget. Jacobs anticipates submitting a finalized GMP to the Board in April or May of 2020.

Mr. Jason Colley, Program Director for Jacobs, added that Joseph Torres (Bradley) project is behind 66 days, the original completion was set for March 2020, with a recovery schedule the completion would be moved to May 2020. The consolidation will remain as August 2020. The time extension request for the 66 days will be submit to the Board for approval at the January 21, 2020, meeting.

Mr. Venegas asked if the students would be moved into the classroom in August. Mr. Colley replied that the new building (administration and classrooms) would be completed in January 2020, at which time the relocation of administration and students would occur and then proceed with phase two (2) of the project which is the renovation (abatement, paint, minor construction) of the existing campus and the library phase would begin in February 2020. Ms. Arrieta-Candelaria added that the target for completion of this project was fall of 2020, even though the project is 66 days behind schedule, the project is still on track.

Mr. Bob Burns requested that the report include the project's risk and impact. Mr. Colley responded that it will be added and presented at the next meeting.

Mr. Kelvin Kroeker commented that having the last two projects in procurement are an accomplishment and asked if they would be awarded by the February CBAC meeting. Mr. Colley responded that the Captain Gabriel Navarette project would be awarded in April 2020. As for Coach Wally Hartley (Hughey/Ross), Jacobs would first need to reach out to the contractor community to determine the best time to release in order to obtain the best numbers for the District.

Mr. Geske asked that Mr. Colley provide an explanation as to what happened with Coach Wally Hartley's GMP. Mr. Colley explained that the CM at Risk (CMAR) contract was awarded and when the GMP was being finalized, an agreement could not be made between the contractor and owner. The general contractor wanted to maintain a contingency as a slush fund, which would not allow the District control. Therefore, the contract was terminated and the project was changed to a Competitive Sealed Proposal (CSP) since there is no value to the District to bid as a CMAR.

Mr. Masters asked how much of a risk could be seen since there are now other bonds coming out for Ysleta and other entities. Mr. Colley responded that it would be the same issue, they are currently dealing with and the reason Bradley is behind schedule is due to limited manpower (subcontractors.) Mr. Colley added that Jacobs monitors the progress of projects closely and when there is a sign of "slippage," they immediately contact the contractor and begin a recovery plan.

Mr. Burns stated that it looks like there are some capacity issues already and there should be some preparation on what to do to mitigate when it does happen.

Mr. Alonzo Parra, Project Controls Assistant for Jacobs, presented the Program Budget through October 31, 2019. This presentation included, the Contingency Report which identified no changes to report, the negative remains at \$512,256.00.

Mr. Kroeker asked if the \$15 million from contingency for Captain Gabriel Navarrete brought the contingency into the red. Ms. Arrieta-Candelaria provided a history on how the contingency was established to include what had been previously approved and discussed at previous meetings. Mr. Colley added that a program contingency overview will be provided at the next meeting and reminded the committee that these are worst case scenarios and will not have actual costs until bids are received for the remaining projects.

Ms. Toni Lunsford asked if any interest funds had been used. Ms. Arrieta-Candelaria responded that the interest has been used for legal services, special reports required, administrative salaries for the program, she added that the only time interest was used, was for those outside costs and were approved by the Board such as for the technology project in the amount of \$379,750.

Ms. Lunsford asked if the interest gained would go back to the schools for additional programs needed. Ms. Arrieta-Candelaria responded "Yes", and would only be contained within the bond program.

Ms. Lunsford asked if these funds could be used for the Burges concession stand. Ms. Arrieta-Candelaria responded "Yes", the bond states improvements to Burges High School, although it was not on the original scope of work. Ms. Arrieta-Candelaria further added that there is a list of items that the school advisory committee has requested but did not make the budget. As a result, these items will be reprioritized.

Mr. Venegas asked if the projected savings at Jefferson was the result of revisions to the scope of work. Mr. Colley responded that it was due to negotiations with the architect in order to fulfill the scope of work without over designing and remaining within the CCL (Construction Cost List) budget.

**Jacobs Project Managers presented on their assigned projects:**

The following projects are assigned to and were presented by:

Mr. Jose Carrera (Jacobs Project Manager)

*Bobby Joe Hill School– (no question/concerns)*

*Captain L. Navarrete – (no question/concerns)*

*Irvin High School – (no question/concerns)*

The following projects are assigned to and were presented by:

Ms. Luz Favela (Jacobs Project Manager)

*Dr. Josefina Villamil Tinajero PK8 – (no question/concerns)*

*General Douglas MacArthur PK-8 – (no question/concerns)*

*Charles Q. Murphree Pk-8–* Mr. Masters asked if the project is 5% construction. Ms. Favela responded "Yes". Mr. Colley added that only work that has been completed is paid to the contractor.

The following projects are assigned to and were presented by:

Ms. Norma Soto (Jacobs Project Manager)

*Don Haskins PK8 – (no questions/concerns)*

*Burges HS– (no questions/concerns)*

*El Paso High School – (no questions/concerns)*

The following projects are assigned to and were presented by:

Mr. Mauricio Chavez (Jacobs Project Manager)

*Dr. Joseph E. Torres ES—(no questions/concerns)*

*Coach Archie Duran ES— (no questions/concerns)*

*Andress High School —(no questions/concerns)*

The following projects are assigned to and were presented by:

*Mr. Oscar Garcia (Jacobs Assistant Project Manager)*

*Coach Wally Hartley Pk8 – (no questions/concerns)*

*Austin HS-(no questions/concerns)*

The following projects are assigned to and were presented by:

*Ms. Rosa Fonder (Jacobs Project Manager)*

*Coronado – (no questions/concerns)*

*Jefferson/Silva* – Mr. Masters asked Ms. Fonder how much she anticipates we may get back from the \$3,119,358. Ms. Fonder responded that the architect cost proposal is questionable and is working with them to bring it within the budget for the baseball field at Washington Park. Mr. Colley added that the preliminary number from BPK Architects was \$5 million, the architect was asked to review the design and has provided a new estimate of \$2.5 million. A meeting is scheduled with the architect and management to review these numbers.

Mr. Longoria asked how it went from \$5 million to \$2.5 million. Ms. Sara responded that it was due to the architect over designing.

Ms. Anello asked what was the over design of the baseball field. Ms. Sara replied that the architect added extras such as a plaza, restrooms, concession stand, press box, scoreboard, batting cages, and irrigation system. Ms. Anello asked that a list showing the original designed items and what was cut out be presented at the next meeting, to see what was over designed.

Ms. Norma Chavez asked if the City would be contributing to these costs. Ms. Arrieta-Candelaria responded that the City provided the land.

Mr. Venegas asked if this would be a UIL field. Ms. Sara responded that it would be UIL compliant and at walking distance from the Jefferson campus. Ms. Arrieta-Candelaria commented that they will be bringing the softball field to the Jefferson site, which the lady foxes are currently playing on the field across from Henderson Middle School, and added that they were unable to place the baseball field at the Jefferson site due to ponding issues.

Ms. Anello asked if the Washington Park Agreement had been approved. Ms. Arrieta-Candelaria responded that the agreement is with the District's legal department and hope to have it approved by the Board in January 2020.

## **7. Projects Managed by EPISD Update**

Ms. Arrieta-Candelaria, Deputy Superintendent for Finance and Operations, presented an update on the District managed projects. This presentation included Crockett Renovations, Athletic Upgrades and Outdoor Learning Playgrounds.

- Crockett Renovations. Construction is complete and the final payment to Dantex Contractors will be presented to the Board on December 17, 2019, for approval. The City of El Paso has an issue with the fire panel at another part of the campus, which they have given the District a year to complete. A ribbon cutting ceremony is forthcoming, the first under the 2016 Bond Program.
- Athletic Upgrades. Track Turf Phase 5 is complete. The Chapin track is pending completion.

Mr. Moore asked why Irvin was highlighted. Ms. Arrieta-Candelaria responded that updates from the previous meeting are highlighted to indicate a change.

- Outdoor Learning Playgrounds. Phase 3 is the Powell canopy shelter and is 85% complete. The playground and shelter for Aoy, Tom Lea and Whitaker will be installed during the winter break. There is a possibility for one more playground with the available funds.

## **8. Community Engagement Update**

Ms. Rose Lucero, Bond Outreach Coordinator, presented update on the following:

- Bond Project Ground Breakings and Community Events at Jefferson and General Douglas (Macarthur)
- Signage at Schools
- Banner “Building the Future” will be placed at all 2016 Bond Sites
- Telling Our Story - Students voting for new mascot and the Chapin engineering students tour
- Enhancement to the 2016 Bond Construction Project header to include percentage of project completion, highlighted scope of work, mascot, colors and construction photos, these changes are anticipated to be completed by Friday, December 13, 2019, a link will be sent to the committee for their viewing.
- Ribbon Cutting Ceremony for Crockett and El Paso High School tennis courts
- Upcoming Story of New Building at Bradley
- Beam Signing Ceremony
- Working on Burges Tour - CBAC members will be invited.  
Ms. Chavez asked that she is interested in this tour.

Mr. Moore asked if clicks to the website are tracked and if he could get an idea at the next meeting on how many visits are made to the website. Ms. Lucero responded that they do and will provide at the next meeting.

## **9. 2020 Meeting Schedule**

Mr. Masters presented the 2020 meeting schedule.

Ms. Chavez moved to adjourn meeting, Ms. Annelo second. The motion was approved.

## **Adjournment**

The meeting adjourned at 6:40 p.m.

Date Approved by CBAC Secretary: January 17, 2020

Date Approved by Chair: January 17, 2020