



## Magnolia Public Schools

### Audit/Facilities Committee Meeting

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#### Date and Time

Thursday March 7, 2024 at 6:30 PM PST

#### Location

Home Office: 250 E. 1st Street, Suite 1500, Los Angeles, CA 90012

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#### Access to the Board Meeting

Any interested parties or community members from remote locations may attend the meeting at any Magnolia Science Academy school, or the addresses where Board Members are joining from. Dialing information is included below:

By dialing into; 1-669-444-9171

**Meeting ID:** 922 0564 0153 - **Passcode:** 013089

Zoom: <https://zoom.us/j/92205640153?pwd=cHNIWjlnY0dsQmxDTjZFa0pydzR0Zz09>

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Any public records relating to an agenda item for an open session which are distributed to all, or a majority of all, of the Board Members shall be available for public inspection.

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## Public Comment Procedures

Magnolia Public Schools greatly values public comment during Board meetings. For members of the public who would like to speak, please fill out the Public Speaker Form which can be accessed at [magnoliapublicschools.org](http://magnoliapublicschools.org), there will also be speaker cards to be filled out prior to the beginning of the meeting. By law, the Board is only allowed to discuss or take action on items listed on the agenda. The Board may, at its discretion, refer a matter to MPS staff or add the issue to a future board meeting date for discussion. Public speakers are limited to three (3) minutes and speakers with interpreters up to six (6) minutes.

Please note that the agenda item times for when that item will be discussed or taken action on is subject to change on the day of the Board meeting to accommodate public speaker times indicated above. For any questions regarding this meeting please email [board@magnoliapublicschools.org](mailto:board@magnoliapublicschools.org) or call (213) 628-3634 ext. 21101.

## Audit/Facilities Committee Members:

Mr. Mekan Muhammedov, Chair

Ms. Diane Gonzalez

Dr. Salih Dikbas (alternate)

## CEO and Superintendent:

Mr. Alfredo Rubalcava

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## Agenda

	Purpose	Presenter	Time
<b>I. Opening Items</b>			<b>6:30 PM</b>
Opening Items			
<b>A.</b> Call the Meeting to Order			1 m
<b>B.</b> Record Attendance and Guests			1 m
<b>C.</b> Approval of Agenda	Vote		1 m
<b>D.</b> Public Comments			3 m
<b>E.</b> Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - January 18, 2024	Approve Minutes		1 m
<b>II. Information/Discussion Items</b>			<b>6:37 PM</b>

	Purpose	Presenter	Time
<b>A.</b> Facilities Project Updates	Discuss	Patrick Ontiveros	80 m
<b>III. Closing Items</b>			<b>7:57 PM</b>
<b>A.</b> Adjourn Meeting			1 m

# Coversheet

## Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - January 18, 2024

**Section:** I. Opening Items  
**Item:** E. Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - January 18, 2024  
**Purpose:** Approve Minutes  
**Submitted by:**  
**Related Material:** Minutes for Audit/Facilities Committee Meeting on January 18, 2024

APPROVED



## Magnolia Public Schools

### Minutes

#### Audit/Facilities Committee Meeting

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**Date and Time**

Thursday January 18, 2024 at 6:30 PM

**Location**

Home Office: 250 E. 1st Street, Suite 1500, Los Angeles, CA 90012

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**Audit/Facilities Committee Members:**

Mr. Mekan Muhammedov, Chair

Ms. Diane Gonzalez

Dr. Salih Dikbas (alternate)

**CEO and Superintendent:**

Mr. Alfredo Rubalcava

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**Committee Members Present**

D. Gonzalez, M. Muhammedov

**Committee Members Absent**

*None*

**Guests Present**

J. Lara

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**I. Opening Items**

**A.**

### **Call the Meeting to Order**

M. Muhammedov called a meeting of the Audit/Facilities Committee of Magnolia Public Schools to order on Thursday Jan 18, 2024 at 6:37 PM.

### **B. Record Attendance and Guests**

Refer to attendance information recorded above.

### **C. Approval of Agenda**

D. Gonzalez made a motion to approve the agenda as presented.

M. Muhammedov seconded the motion.

The committee **VOTED** unanimously to approve the motion.

#### **Roll Call**

D. Gonzalez      Aye

M. Muhammedov   Aye

### **D. Public Comments**

No public comments were made at this time.

### **E. Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - December 14, 2023**

D. Gonzalez made a motion to approve the minutes from Audit/Facilities Committee Meeting on 12-14-23.

M. Muhammedov seconded the motion.

The committee **VOTED** unanimously to approve the motion.

#### **Roll Call**

M. Muhammedov   Aye

D. Gonzalez      Aye

## **II. Recommended Action Items**

### **A. Approval of 2022-23 Annual Audit Report for all Magnolia Science Academy Schools and the Home Office**

S. Budhreja, Chief Financial Officer went over the annual audit report to the Committee Members and inspected the audit and its reporting. He was joined by Jonathan Clement, Senior Manager at Eide Bailly - a certified public accounting firm which has worked with MPS's auditing. S. Budhreja, briefed the Committee on the reporting procedures and guidelines and based on the report, he noted that there has been compliance with all instructional minutes' requirements, no adjustments or restatements to fund balance from unaudited actuals, and it is a unmodified report. He briefed the Committee on all school sites and the Home Office. E. Acar, Chief Academic Officer and A. Milteer, ELOP Coordinator, provided background on a reporting issue that was identified and reported to

the Committee the steps to address the reporting and procedures set up moving forward. The Committee's questions were addressed by staff and Jonathan.

M. Muhammedov made a motion to approve the 2022-23 Annual Audit Report for all Magnolia Science Academy (MSA) schools and the Home Office (MERF). Furthermore for the Committee to move and recommend that the Board approve and adopt the same.

D. Gonzalez seconded the motion.

The committee **VOTED** unanimously to approve the motion.

**Roll Call**

D. Gonzalez Aye

M. Muhammedov Aye

**III. Information/Discussion Items**

**A. Facilities Updates**

M. Sahin, Facilities Project Manager, briefed the Committee on the various facilities projects for Magnolia Science Academy-1, 2, 5, 7, Santa Ana & San Diego. He commented on the completion of projects for MSA-Santa Ana and San Diego and explained all next steps. Committee Members questions were addressed by staff.

**IV. Closing Items**

**A. Adjourn Meeting**

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 7:17 PM.

Respectfully Submitted,

M. Muhammedov

# Coversheet

## Facilities Project Updates

**Section:** II. Information/Discussion Items  
**Item:** A. Facilities Project Updates  
**Purpose:** Discuss  
**Submitted by:**  
**Related Material:** II\_A\_Facilities Project Updates - Updated.pdf  
Magnolia MSA5 Presentation.pdf





Agenda Item:	II A: Information/Discussion Item
Date:	March 7, 2024
To:	Magnolia Educational & Research Foundation dba Magnolia Public Schools (“ <b>MPS</b> ”) Audit & Facilities Committee (the “ <b>Committee</b> ”)
From:	Alfredo Rubalcava, CEO & Superintendent
Staff Lead(s):	Patrick Ontiveros, General Counsel & Director of Facilities Mustafa Sahin, Project Manager Katrina Jimenez, Assistant Project Manager
RE:	Facilities Project Updates

**1. Action Proposed:**

This is an informational item, there is no action.

**2. Purpose:**

Facilities Department monthly update report to give an update on the existing projects at each campus.

**3. Updates:**

MSA1

- JAM Building
  - Plumbing, Roofing, Dry wall, Electric, and Mezzanine work ongoing.
  - MSA 1 staff identified change orders that will enhance the functionality of the gym. These will not impact the completion date of the project. Expected completion is June 17, 2024. Please see below for specifics:

	Description	Amount
1	Back Stops for extra 4 hoops	\$34,256.00
2	Gymnasium Divider	\$33,099.00
3	Acoustical Elements	\$17,000.00
4	Mural	\$4,000.00
5	Rough Carpentry	\$21,101.02
6	Electrical (Divider Backing)	\$8,210.00
	EPI (General Contractor) Mark Up Fee @ 4%	\$4,706.64
	TOTAL	\$122,372.66

- Bungalows
  - LADWP energized Bungalows on February 14.
  - IE Alarm and ADT to complete the Fire Alarm on March 8.
  - Next steps:
    - Fire Department Inspection
    - Building and Safety Final Inspection
    - LACOE Inspection
- Alley Closure
  - Application was submitted February 02, 2024.
    - 12-18 months for review.



## MSA-2 -16600 Vanowen

- CUP Application was submitted on January 24, 2024.
- Started Community Outreach – 2 neighbors requested meeting.

## MSA-5 - 7111 Winnetka

- Demolition is expected to commence in April 2024.
- Modular Classroom Design
  - Interviewed two vendors (February 21)
  - Selection committee directed Facilities Department to follow up with due diligence items:
    - Updated schedule
      - Gateway provided updated schedule shows October 2025 completion. – Exhibit A.
    - Updated budget
    - Reference checks
    - Financial health
    - Site visits
  - Goal is to select a vendor to provide a modular version of the DLR design for submission to DSA. Looking to receive items asap in partnership with Gateway.
- CDE site approval
  - Met with Pierce College for the 2<sup>nd</sup> time (February 27) to finalize addendum for a long-term agreement to take our students to Pierce campus to decrease MSA 5 site density. Goal is to increase approval from 351 students to 460 students.
  - Pierce expected to get back to MPS in 2 weeks (March 12).
- MPS Staff is pursuing advanced site acquisition funds.
  - Met with CSFA (California School Finance Authority) to go over financial soundness determination analysis. Goal is to re-submit updated documents by the end this week (March 8).
  - CSFA may base financial soundness determination on 460 students instead of 552 students. May ask foundation to be guarantor.
- MPS Staff will ask the Board at its March 14 meeting to approve and adopt an initial study and negative declaration in compliance with CEQA requirements.

## MSA-7

- No updates.

## MSA-Santa Ana

## Digital Sign

- Plan was approved by DSA.
- Stanford Sign (vendor) ordered the screen, expected to receive by April 2024.

## MSA-San Diego

## Digital Signs

- Two digital signs were installed February 12, 2024.
- Parking lot improvement was done February 24, 2024.



4. **Exhibits**

- MSA-5 Modular Schedule

#	Name	Duration	Start	Finish	1st Quarter 2024			2nd Quarter 2024			3rd Quarter 2024			4th Quarter 2024			1st Quarter 2025			2nd Quarter 2025			3rd Quarter 2025			4th Quarter 2025			1st Q
					Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	
1	<b>Magnolia Project</b>	<b>458 d</b>	<b>3/4/2024</b>	<b>12/4/2025</b>																									
2	Sitework	422 d	3/14/2024	10/24/2025																									
3	Demolition	40 d	3/14/2024	5/8/2024																									
4	Grading	45 d	5/8/2024	7/9/2024																									
5	Water	45 d	7/8/2024	9/6/2024																									
6	Sewer	45 d	7/8/2024	9/6/2024																									
7	Storm Drain	60 d	7/8/2024	9/27/2024																									
8	Electricity	70 d	7/8/2024	10/11/2024																									
9	Road/Curb/ Sidewall	30 d	9/6/2024	10/17/2024																									
10	Phone-Fibre	30 d	9/6/2024	10/17/2024																									
11	Parking Lot	45 d	7/9/2024	9/9/2024																									
12	Storm Water Retention	30 d	9/6/2024	10/17/2024																									
13	Crane Pad	14 d	9/6/2024	9/25/2024																									
14	Flatwork	30 d	9/1/2025	10/10/2025																									
15	Landscaping	30 d	9/1/2025	10/10/2025																									
16	Play Area	40 d	9/1/2025	10/24/2025																									
17	<b>Modular Project</b>	<b>418 d</b>	<b>3/14/2024</b>	<b>10/21/2025</b>																									
18	Board Design Approval		3/14/2024																										
19	Contract w Silver Creek	10 d	3/14/2024	3/27/2024																									
20	Contract w DLR	10 d	3/14/2024	3/27/2024																									
21	Modular Design	60 d	3/28/2024	6/19/2024																									
22	Coordination with DLR	60 d	3/28/2024	6/19/2024																									
23	DSA Submission		6/20/2024																										
24	DSA Plan Check	88 d	6/20/2024	10/21/2024																									
25	DSA Approval		10/21/2024																										
26	RFP Preparation	5 d	10/21/2024	10/28/2024																									
27	RFP Publication/Bidding	15 d	10/28/2024	11/18/2024																									
28	Opening Bids		11/18/2024																										
29	Financial Budget	1 d	11/19/2024	11/19/2024																									
30	Awarding Contracts	10 d	11/18/2024	12/2/2024																									
31	Modular Foundation	45 d	12/2/2024	1/31/2025																									
32	Materials Procurement		10/1/2024																										
33	Modular Fabrication	65 d	12/2/2024	3/3/2025																									
34	Modular Crane	5 d	3/4/2025	3/10/2025																									
35	Complete Finalize	120 d	3/11/2025	8/25/2025																									
36	Test systems	5 d	8/26/2025	9/1/2025																									
37	Install Casework/Technology	30 d	9/2/2025	10/13/2025																									
38	Finalize DSA/Commission		10/14/2025																										
39	Install FF&E	5 d	10/14/2025	10/20/2025																									
40	Building Occupancy		10/21/2025																										
41	<b>Gym Project</b>	<b>458 d</b>	<b>3/4/2024</b>	<b>12/4/2025</b>																									
42	Board Timing Decision		3/14/2024																										
43	Contract w DLR	10 d	3/4/2024	3/15/2024																									
44	Gym Design	75 d	3/18/2024	6/28/2024																									
45	DSA Submission		7/1/2024																										
46	DSA Plan Check	100 d	7/1/2024	11/15/2024																									
47	DSA Approval	0 d	11/15/2024	11/15/2024																									
48	RFP Publication	15 d	11/15/2024	12/6/2024																									

 Phase     
  Deadline     
  Link  
 Task     
  Milestone

#	Name	Duration	Start	Finish	1st Quarter 2024		2nd Quarter 2024			3rd Quarter 2024			4th Quarter 2024			1st Quarter 2025			2nd Quarter 2025			3rd Quarter 2025			4th Quarter 2025			1st Q
					Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
49	Opening Bids		12/6/2024																									
50	Final Budget	1 d	3/14/2024	3/14/2024																								
51	Awarding Contract	5 d	12/6/2024	12/13/2024																								
52	Construction Process	200 d	12/13/2024	9/19/2025																								
53	Complete Finalize	44 d	9/19/2025	11/20/2025																								
54	Test systems	5 d	11/20/2025	11/27/2025																								
55	Finalize DSA/Commission		11/27/2025																									
56	Install FF&E	5 d	11/27/2025	12/4/2025																								
57	Building Occupancy		12/4/2025																									
58	Finance Module	246 d	3/4/2024	2/10/2025																								
59	1st Apportionment Funding	1 d	3/4/2024	3/4/2024																								
60	CDE Plan approval		6/20/2024																									
61	DSA Plan approval		6/20/2024																									
62	OPSC Review	90 d	9/20/2024	1/23/2025																								
63	CSFA Meeting		1/24/2025																									
64	Placement on Approved Funding		1/25/2025																									
65	Funding Availability	10 d	1/28/2025	2/10/2025																								

 Phase     
  Deadline     
  Link  
 Task     
  Milestone

# MAGNOLIA MSA5 PRESENTATION

**3/7/24**

# AGENDA

***Introduction***

***Investigation Status from Interviews (15 min)***

***Project Challenges***

***Schedule (20 min)***

***Time (3 min)***

***Scope (5 min)***

***Budget (2 min)***

***Requests & Takeaways (10 min)***



# INTERVIEW INVESTIGATION FOLLOW UP



# INVESTIGATION RESULTS SO FAR

## SILVER CREEK

1. Greg's informational responses
  - Financial Statements
  - Bonding Capacity
  - Company Structure and History
2. James' reference check and status
3. Mark's Responses and Photos
4. Others

# INVESTIGATION RESULTS SO FAR

## SITE ISSUES

- Exterior Sign Size and Cost
- Modules number and sizes and a potential compromise with DLR and Silver Creek
- Combining parts of Increment's 1 and 2 to save costs and time
- Utility extensions into site and the timing and costs associated
- How to deal with the public bid process to cut down on time, RFI's, etc.



# SCHEDULE

# THE POSSIBLE SCHEDULES

## SCHEDULE ISSUES

- There are four project schedules. We will deal with the realistic model to begin with.
  - One...the ideal or optimistic schedule—completion 7/31/25
  - Two... the realistic schedule based upon current research—completion 10/20/25
  - Three...the potential what if schedule—completion even later (material issues, weather, financial, inspection, or other issues)

FOR THIS EXERCISE I AM GOING TO USE THE REALISTIC OPTION AND SHOW HOW IT CAN CHANGE.





# TIMING

# TIMING TO THIS POINT

## HISTORIC TIMING

- Gateway approved as CM on 12/14
- Team Review of Plans and Project for possible VE options-Jan 24
- Trip to SACTO for IMOD Review 2/16
- Modular candidate interviews 2/20
- Debrief with Magnolia Staff 2/21
- Meetings with Ryan and Mark 2/15-3/5

# ANALYSIS OF CONTROL

## REASONABLY CONTROLABLE

- Submission dates for CDE/DSA
- Bidding & Contracting Processes
- Early Procurement and Fabrication
- Cash flow analysis once scope and budget information are finalized
- Interior Finish Decisions vs Schedule
- Demo and Site Work timing, costs, and scheduling

## UNCONTROLABLE

- ❖ To get from the realistic budget to the optimistic budget a lot of work needs to be completed
- ❖ DSA and their timing
- ❖ Drilling down into total project scope, time frames, costs, and timing
- ❖ Weather
- ❖ Utility companies for their installation
- ❖ We need to preserve a place in line for fabrication of the modular project



# REQUESTS AND TAKE AWAYS



# REQUESTS AND TAKE AWAYS

## REQUESTS

- Schedule Acceleration Direction
- Contract and RFP creation
- Early Procurement and Fabrication
- We need to review the design and how we approach the building
- Interior Finish Decisions vs Schedule
- Demo and site Work
- VE meetings to try to find other project savings

## TAKE AWAYS

- ❖ To get from the realistic budget to the optimistic budget a lot of work needs to be completed
- ❖ Efforts need to be made to drill down into total project scope, time frames, costs, and timing
- ❖ The team will need to obtain quick responses if there is any chance of an July 31, 2025 completion
- ❖ We need to define and complete Increment #1
- ❖ We need to preserve a place in line for fabrication of the modular project



# THANK YOU



