APPROVED

Magnolia Public Schools

Minutes

Audit/Facilities Committee Meeting

Date and Time
Thursday May 5, 2022 at 5:30 PM

Location
https://zoom.us/j/92205640153?pwd=cHNIWjlnY0dsQmxDTjZFa0pydzR0Zz09
Meeting ID: 922 0564 0153 **Passcode:** 013089
One tap mobile: +16699009128,,92205640153# US (San Jose)

Audit/Facilities Committee Members
Mr. Mekan Muhammedov, Chair
Ms. Diane Gonzalez
Dr. Umit Yapanel (alternate)

CEO and Superintendent
Mr. Alfredo Rubalcava

Committee Members Present
D. Gonzalez (remote), M. Muhammedov (remote)

Committee Members Absent
None

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 May 5, 2022 at 6:00 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.
J.Lara, Executive Assistant & Board Secretary, clarified the typo on the agenda and said that it is supposed to read as "Approval of Exercise of Third Option to Extend Due Diligence Contingency Period for Purchase of 7111 Winnetka Avenue."
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. Announcements from CEO & Superintendent and Committee Members

There were no announcements made from the CEO & Superintendent.

F. Approval of Minutes for MPS Audit/Facilities Committee - February 3, 2022

D. Gonzalez made a motion to approve the minutes from Audit/Facilities Committee Meeting on 02-03-22.
M. Muhammedov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

M. Muhammedov	Aye
D. Gonzalez	Aye

G. Approval of Minutes for MPS Audit/Facilities Committee - March 8, 2022

D. Gonzalez made a motion to approve the minutes from Audit/Facilities Committee Meeting on 03-08-22.
M. Muhammedov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

D. Gonzalez	Aye
M. Muhammedov	Aye

II. Recommended Action Items

A. Approval of the Authorization to Purchase Six Classroom Bungalows for MSA-1

M.Sahin, Facilities Project Manager, presented to the Committee the purchase of six bungalows for Magnolia Science Academy(MSA)-1 middle school parking lot site. He went over the proposals that were received and the reasoning behind moving forward with Mobile Modular as the best company to provide this service. A.Rubalcava, CEO & Superintendent, provided further context that the installation of the six bungalows would prove more space to MSA-1 since MSA-5 moved to MSA-1 location which eliminated available space for MSA-1 to function. The objective is to create more space to allow a stronger focus on individualized attention and with the money received form the Expanded Learning Opportunities Grant, which is to invest in more academic programs, the space is needed which the bungalow spaces would provide. He also added that the team would work closely with authorizer, Los Angeles County Office of Education and ensure that they are informed and have their facilities team review the project.
P.Ontiveros, General Counsel & Director of Facilities, added that they are in the process of getting permits from the City of Los Angeles and will continue to work closely with the consultants and city officials. Staff addressed Committee Members questions.
S.Budhraja, Chief Financial Officer, clarified finance related questions to the Committee Members.
M. Muhammedov made a motion to (1) approve the selection of Mobile Modular to provide six (6) bungalows for installation at the Magnolia Science Academy—1 (“MSA-1”) middle school parking lot site (Exhibit A- Site Plan) (the “Project”) in order to provide more space until Magnolia Science Academy-5 (“MSA-5”) moves from MSA-1 to their own campus and to spend up to $400,000 on the Project and (2) approves the execution of a contract that Staff may negotiate with such vendor for the Project, and (3) recommends and moves that the Board of Directors of MPS approve the same.
D. Gonzalez seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

D. Gonzalez	Aye
M. Muhammedov	Aye

B. Approval of the Authorization of Sale of Strip of Land to the City of Los Angeles

P.Ontiveros, General Counsel & Director of Facilities, presented the current update regarding the sale of strip of land to the City of Los Angeles and the Committee's recommended approval to move forward. He provided background of what has already occurred regarding negotiations with the City and added that a reappraisal was conducted to assess the value of the land. Both the City of Los Angeles Recreation and Parks Department and Magnolia reached a fair and reasonable price of $1,266,000. He addressed the typo on the motion that it is in fact $1,266,000 and not $1,265,000.
A.Rubalcava, CEO & Superintendent, added that the expectation is to work with the City

and provide exclusive access to the rink for Magnolia students during school hours and having the goal to use that space for practice with the idea that it can lead to students practicing competitively as a possible sport. P.Ontiveros, further added that they are currently speaking with the City regarding a Use Agreement to use the facility during school hours. The City has indicated in a letter that they were open and to negotiate in good faith. Staff addressed Committee Members questions.
M. Muhammedov made a motion to amend the existing motion and (1) subject to Staff obtaining all approvals needed to consummate such sale, approve the sale of a 25 foot wide strip of land on the east side of Magnolia Science Academy—1's high school parking lot parcels (see Exhibit A) to the City of Los Angeles for no less than $1,266,000 and the amendment of MSA—1's lease for the premises with MPM Sherman Way LLC to reflect the sale of the strip of land (2) approve the negotiation by the MPS CEO, or his designee, with the City of Los Angeles of such terms and conditions as he shall deem in the best interests of MPS and MSA—1 in order to consummate such transaction (3) approve the execution by the MPS CEO and Superintendent, or his designees, of such documents and instruments as may be necessary to undertake and complete the foregoing actions, and (4) recommend approval of the same to the Board.
D. Gonzalez seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

D. Gonzalez	Aye
M. Muhammedov	Aye

C. Approval of Exercise of Second Option to Extend Due Diligence Contingency Period for Purchase of 7111 Winnetka Avenue

At the approval of agenda, it was verbally announced that the there was a typo on the agenda title which should have read "Approval of Exercise Third Option..." P.Ontiveros, General Counsel & Director of Facilities, provided context of MPS being in escrow for the purchase of the property of 7111 Winnetka Avenue. Previously a Purchase and Sale Agreement was signed back in December and since that time due diligence was conducted and there was a seek for financing and speaking with authorizer, Los Angeles County Office of Education. An extension of the due diligence period was conducted twice before. He explained the conditions of extending the contingency period and clarified that they money released to the seller is applicable to the purchase price and is not an added amount. P.Ontiveros, clarified that the motion on the first point should read, "thirty day period from May 23, 2022 to June 22, 2022..." Staff addressed Committee Members questions.
M. Muhammedov made a motion to approve (1) the exercise by MPS of its option under that certain purchase and sale agreement signed by MPS dated as of December 15, 2021 for the purchase of the property located at 7111 Winnetka Ave. (the "Property") to extend its contingency/due diligence period for one (1) additional thirty (30) day period from May 23, 2022 to June 22, 2022, and in conjunction therewith, (2) the release by MPS of Twenty Five Thousand Dollars ($25,000.00) from the escrow established for the

aforementioned transaction as consideration for the exercise of the extension option, and (3) the execution by the MPS CEO and Superintendent, or his designees, of such documents and instruments as may be necessary to undertake and complete the foregoing actions. Staff further recommends that the Committee recommend and move that the Board adopt the same.
D. Gonzalez seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call	
M. Muhammedov	Aye
D. Gonzalez	Aye

III. 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 7:00 PM.

Respectfully Submitted,
M. Muhammedov