APPROVED

# Magnolia Public Schools

# Minutes

## Audit/Facilities Committee Meeting

**Date and Time**
Thursday October 6, 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
Mr. Daniel Sheehan
Dr. Salih Dikbas (alternate)

CEO and Superintendent
Mr. Alfredo Rubalcava

**Committee Members Present**
D. Gonzalez (remote), D. Sheehan (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 Oct 6, 2022 at 5:35 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.
D. Sheehan seconded the motion.
The committee **VOTED** unanimously to approve the motion.

**Roll Call**

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|---|---|
| D. Sheehan | Aye |
| M. Muhammedov | Aye |
| D. Gonzalez | Aye |

## D. Public Comments

No public comments were made at this time.

## E. Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - August 11, 2022

M. Muhammedov made a motion to approve the minutes from Audit/Facilities Committee Meeting on 08-11-22.
D. Gonzalez seconded the motion.
The committee **VOTED** unanimously to approve the motion.

**Roll Call**

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| M. Muhammedov | Aye |
| D. Sheehan | Aye |
| D. Gonzalez | Aye |

## F. Approval of Minutes from MPS Regular Audit/Facilities Committee Meeting - August 30, 2022

M. Muhammedov made a motion to approve the minutes from Audit/Facilities Committee Meeting on 08-30-22.
D. Gonzalez seconded the motion.
The committee **VOTED** unanimously to approve the motion.

**Roll Call**

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| D. Sheehan | Aye |
| D. Gonzalez | Aye |
| M. Muhammedov | Aye |

## II. Recommended Action Items

### A. Approval of the Closing of the Purchase of 7111 Winnetka Ave, the Assignment of the Purchase and Sale Agreement to MPS Sherman Winnetka LLC, and the Signing of a Lease for 7111 Winnetka Ave

P.Ontiveros, General Counsel & Director of Facilities presented the acquisition of the property for Magnolia Science Academy(MSA)-5 which is co-located at the MSA-1 campus. He gave background to the Committee of the journey so far in which he highlighted that since the Board's approval in 2021 for the purchase and sale agreement for 7111 Winnetka Ave, Magnolia Public Schools (MPS) have utilized 3 options to extend the due diligence period for that property. In that time they have worked with financial advisor, John Buck, to secure financing and ultimately went with CLI Capital. Part of the ask is for MPS to assign the purchase and sale agreement to MPM Sherman Winnetka LLC which will allow them to take title to the property once escrow closes and the LLC will lease the site under a lease agreement to MSA-5. Committee members asked various questions to which staff members were able to address. A question was brought up regarding Charter School Facility Program (CSFP) to which staff explained the process of applying, what the reward is based on and clarifying the use for this money for this project.

M. Muhammedov made a motion to approve the following actions: (1) the assignment by MPS to MPM Sherman Winnetka LLC (the “Winnetka Ave LLC”) of all its right, title and interest in and to that certain agreement for the purchase of the property located at 7111 Winnetka Ave in Winnetka (APNs: 2135-038-016 and 2135-038-016) (the “7111 Winnetka Ave Property”) including the right to take title to the Property and the good faith deposit made by MPS; (2) the execution by the MPS CEO, CFO or their designees, of a lease agreement by and between MPS and Winnetka Ave LLC (the “7111 Winnetka Lease”) for the use and occupancy of the 7111 Winnetka Ave Property by Magnolia Science Academy—5 (“MSA—5”); (3) under the 7111 Winnetka Lease, the payment by MPS to Winnetka Ave LLC of nonrefundable advanced rent in an amount not to exceed $350,000 consisting of the assignment of the good faith deposit made by MPS to escrow; (4) the execution by the MPS CEO, CFO or their designees, on behalf of Winnetka Ave LLC, as its sole manager of such documents and instruments as may be necessary in order for Winnetka Ave LLC to acquire the 7111 Winnetka Ave Property, including any loan documents; and (5) the execution by the MPS CEO and Superintendent, CFO, or their designees, of such documents and instruments as may be necessary to undertake and complete the foregoing actions. Staff recommends and moves that the MPS Committee recommend and move that the MPS Board adopt the foregoing resolutions.
D. Sheehan seconded the motion.
The committee **VOTED** unanimously to approve the motion.

**Roll Call**

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|---|---|
| D. Sheehan | Aye |
| M. Muhammedov | Aye |

**Roll Call**

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|---|---|
| D. Gonzalez | Aye |

### B. Approval of Updated Preferred Vendors' List

M.Sahin, Facilities Project Manager, went over the vendors to be added to the preferred vendor list. The last time this item was approved was in November 2021. He went over the 6 vendors to be added to this list and stated that Magnolia Public Schools was overall happy with the work they have done already for the schools. This preferred vendor list is to cover any projects below $90K. These vendors include:
EcoGrass
Aragon Asphalt
Rafael Franco Associate (RFA)
Express Modular System
Rabuild Commercial Services LLC
Power Plus

Committee members asked if the staff have done their due diligence is assessing these new vendors to which staff went over the work that these vendors have done so far for MPS. Other questions posed by the Committee were addressed.
D. Gonzalez made a motion to approve the list of vendors to be added to the existing Preferred Vendors' list to provide various services to Magnolia Science Academy -1, 7, Santa Ana and San Diego. Staff further recommends that the Committee move and recommend for the Board to adopt the same.
M. Muhammedov seconded the motion.
The committee **VOTED** unanimously to approve the motion.

**Roll Call**

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|---|---|
| M. Muhammedov | Aye |
| D. Gonzalez | Aye |
| D. Sheehan | 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 6:14 PM.

Respectfully Submitted,
M. Muhammedov