



## Bond Oversight Committee Meeting Notes January 18, 2022 5:30-7:30 pm

The meeting was held online due to COVID-19. All committee members were provided with a link to participate in the meeting via Zoom.

	Rich Arnold, Committee member	x	Terese Jones, School Board Liaison
x	Amy Crump, Committee member	x	Ryan Noss, Superintendent
x	Brad Hamlin, Committee member		Kim Patten, Director of Facilities & Transportation
x	Jennifer Richmond, Chair	X	Olivia Meyers Buch, Director of Finance & Operations
x	Erin Martin, Committee member	x	Brenda Downum, Communications Consultant
x	Emily Valdez, Committee member	x	Dale Kuykendall, Wenaha Group
x	Gordon Zimmerman, Committee member		

### 1. Welcome and Member Updates/Community Feedback

Chair Richmond invited comments/feedback from the committee members- there were none. She noted that the work at Kathryn Jones Harrison is visible and exciting for the school community. Superintendent Noss shared that the school board recently received a request from the Franklin PTA to look at the design work as they have some questions about the plan. He and Dale Kuykendall will meet with representatives from this group soon to address their questions.

### 2. Bond Update slide presentation (included Project and Financial updates)

Dale Kuykendall presented the slides that were shared at the January 13, 2022 school board meeting. The slides are available [HERE](#). Some highlighted items are listed below.

Bessie Coleman opened to students on January 6, 2022. The layout of the school is similar to Lincoln but with different color scheme. A temporary main entrance is in use for the remainder of this year while the old school is demolished. Throughout the construction process—similar to the Lincoln Elementary project—sub-contractors are separating and recycling construction materials to divert from the land-fill. The district will repurpose reusable building equipment and materials from the old school when possible.

The District's final five projects are coming into view. Mt View, Adams, Franklin, and Cheldelin Guaranteed Maximum Price (GMPs) have all been approved by the school board with only the Harding Center/College Hill project remaining. Bond promises continue to be in the forefront of decision-making. The Harding/College Hill design is being refined and District leadership anticipates meeting bond promises at all schools with the available funds.

Director of Finance and Operations Olivia Meyers Buch reviewed bond financials with a focus on Bond Reserves. She noted two significant changes in the report compared to last month. Between the October and November 2021 bond financial reports, unallocated program reserves decreased by \$1.2 million. This is primarily due to a decrease in interest earnings of \$1.5 million to exclude the recording of the annual fair market valuation of the bond program investment portfolio as these are not "actual" resources and should not be included in the calculation of bond program reserves.

In addition to the accounting adjustments, cost forecasts were evaluated and adjusted for multiple projects based on known costs and on new Guaranteed Maximum Prices that were established and approved by the school board. Total remaining unallocated program reserves are \$3,050,888.

A detailed construction cost forecast for Crescent Valley HS was reviewed by Dale Kuykendall. There are a number of procurement contracts on this project and the change order costs are slightly less than 10% above the estimated costs which is within an acceptable range for this type of complex project. A question was asked if this increase was covered by reserves and Dale shared that it was within the contingency fees allocated to the project.

The Harding Center/College Hill design process was started a couple of years ago but was put on hold to allow for other projects to bid to determine if the expanded scope of seismic upgrades to the two-story portion of the building would be a viable option. It has now been determined that the seismic upgrades are not feasible and the design is being refined. The two-story portion of the building will continue to be used for current purposes and the new design will meet all of the original bond promises. Bidding is targeted for April with construction scheduled to start this summer.

A question was raised about cutting projects at Harding Center/College Hill and if the reduction of \$2.6million for that project was due to allocations needed for other projects resulting in not achieving the bond promises at the Harding Center/College Hill. Superintendent Noss spoke to the concern and noted that the original bond promises will be met but the stretch goal of upgrading the two-story portion of the building isn't feasible with available funds. The bond team is continuing to work closely with school staff to refine the new design. It is also important to remember that this is the final project to go out to bid and the District expect to fully meet the bond promise at Harding Center/College Hill and all other school sites.

### **3. Communications**

The District's bond program web pages have been updated, including the FAQ pages. Committee members are invited to provide suggestions for additional questions.

Community tours of the renovated Garfield Elementary and the new Bessie Coleman Elementary have been put on hold until a later date due to COVID concerns. We are looking forward to hosting tours as soon as we can.

### **Key Messages**

- The bond teams have kept bond promises in the forefront of decision-making and all projects under contract will meet the promises. The Harding/College Hill design is being refined to make sure bond promises are met with available funding.
- With one project left to go out to bid, total remaining unallocated program reserves are \$3,050,888. This figure decreased by \$1.2 million between the October and November 2021 bond financial reports. This was primarily due to a decrease in interest earnings of \$1.5 million to exclude the recording of the annual fair market valuation of the bond program investment portfolio as these are not "actual" resources and should not be included in the calculation of bond program reserves. In addition to the accounting adjustments, forecasts were evaluated and adjusted for multiple projects based on costs and on new Guaranteed Maximum Prices that were established and approved.
- Bessie Coleman Elementary opened to students and remaining sitework will continue through the spring and summer. Tours will be planned for the community at a later date. The District's final five projects are coming into view. Mt View, Adams, Franklin, and Cheldelin GMPs have all been approved by the school board with Harding Center/College Hill remaining. The District anticipates meeting the original bond promise at College Hill but will not be completing the seismic upgrades in the two-story portion of the building.

### **4. Committee Business**

The next scheduled meeting is Tuesday, February 22 to avoid a conflict with the Presidents Day holiday.

Meeting adjourned at 6:21 pm

Notes compiled by Brenda Downum