



CORVALLIS SCHOOL DISTRICT BOND OVERSIGHT COMMITTEE 2018-19 ANNUAL REPORT



*Report drafted by district staff liaisons to Bond Oversight Committee
Reviewed by Bond Oversight Committee on 10/21/2019 and 1/21/2020
Approved by Bond Oversight Committee on 1/21/2020*

BACKGROUND

In May 2018, Corvallis voters approved a \$199,916,925 capital construction bond to transform an aging school infrastructure and provide more innovative and equitable opportunities for all students. The primary goal of the bond program is to support future generations by building and renovating school facilities that foster best practices for teaching and learning, inspire our students to achieve their educational goals, exceed community expectations, sustain our resources, and enhance our community.

The intended scope of the 2018 Facilities Bond Projects includes two new elementary schools which will replace Hoover and Lincoln Elementary Schools, the replacement of 21 modular classrooms across the district's elementary schools with permanent classroom facilities, the addition of multi-purpose dining commons at four elementary schools, capital repairs district-wide, safety upgrades district-wide, and the modernization of teaching spaces district-wide.

An important part of the bond program is the Bond Oversight Committee, an independent community-based body in charge of monitoring the planned improvements, costs, schedule and progress of the bond program. The committee actively monitors the bond program to:

- Ensure bond revenues are used only for the purposes consistent with the voter-approved 2018 bond measure and consistent with state law.
- Reduce long-term maintenance, construction costs and improving efficiency and longevity, and innovative practices.
- Actively communicate key information related to the bond to ensure transparency to all stakeholders.
- Review bond program performance and financial audits; may inspect school facilities and grounds related to bond activities accompanied by district staff.
- Review quarterly reports produced by the district each year the bond proceeds are spent in order to assess general compliance with the bond measure approved by voters.

BOND OVERSIGHT COMMITTEE MEMBERS

The committee is composed of seven members and an ex-officio representative from the school board.

Rich Arnold, Chairperson
Amy Crump
Brad Hamlin

Jennifer Richmond
Chris Rochester
Emily Valdez

Gordon Zimmerman
Jay Conroy, Board Liaison

SUMMARY OF COMMITTEE ACTIVITIES

The committee convened on October 22, 2018 and met two additional times in 2018-19 (January 28, 2019 and April 22, 2019). The chairperson worked with district staff liaisons to plan committee



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meetings. Meeting notes are available on the district's website at <https://www.csd509j.net/bond-program/bond-oversight-committee>.

OVERALL ASSESSMENT OF BOND PROGRAM

The 2018 Facilities Bond Program Management Plan provides the strategies and procedures that are being implemented by the district to successfully execute the bond program. This plan establishes an organizational framework, roles and responsibilities of key participants, decision making protocols, cost management strategies, and reporting requirements. The plan is available on the district's bond website at <https://www.csd509j.net/bond-program#about>.

The district is providing timely and thoughtfully prepared information about all aspects of the bond program. The committee receives updates that are shared with the school board on a monthly basis. Documents and reports are easy to read and available on the district's website. Progress highlights from 2018-19 include:

- The district contracted with Wenaha Group to provide project management services for the bond program, DLR Group to design the replacement of Lincoln and Hoover Elementary Schools and renovations at the remaining elementary schools, and Pivot Architecture to design the renovations at all secondary schools.
- Design Guidance Teams developed district-wide design principles that will be considered for all projects included in the bond program. District staff and technical experts worked together to develop technical standards, including sustainability standards.
- Design Advisory Committees for Garfield, Lincoln and Hoover were formed to be the sounding board for district staff and architect teams through the design process leading up to the start of construction.
- The district selected Fortis Construction to serve as the construction contractor for all elementary school renovation projects, and Gerding Builders to serve as the construction contractor for all secondary school renovation projects. The selection of construction contractors for the elementary replacement projects (Hoover and Lincoln) is currently underway.
- The district hosted a Bond Expo community information night on April 24, 2019 to share current design activities taking place at multiple school sites. Approximately 50 parents, staff, and community members attended the Bond Expo and had the opportunity to talk with district leaders and the architects and contractors.
- The master schedule was updated to extend the bond program through 2022 to account for the time needed to engage staff and the community in the design process. Several projects were rescheduled to a time of year that is less disruptive to schools operations and student learning, provides for more favorable bidding given current market conditions, and creates efficiencies with the simultaneous similar scope projects scheduled together (Adams/Jefferson/Wilson).
- The June 20, 2019 school board meeting included a design review of all major projects. Project work planned for summer 2019 includes seismic upgrade work at Adams, Jefferson, and Wilson Elementary Schools, artificial turf field installation and track resurfacing at Crescent Valley High School, and track resurfacing at all other secondary schools.



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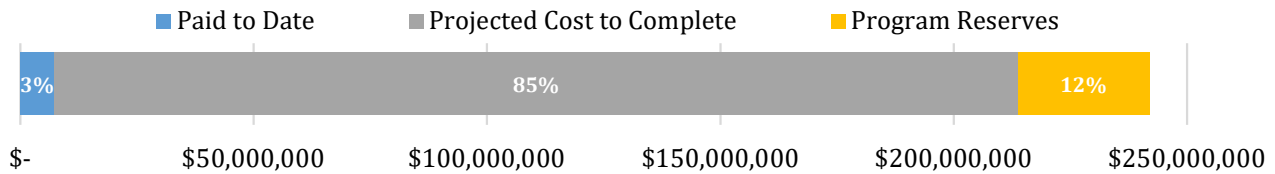
FINANCIAL SUMMARY AS OF JUNE 30, 2019

Voter Approved Issuance Authority	\$ 199,916,925
Bond Sale Premium	28,699,499
Bond Interest Earnings	5,258,879
OSCIM Grant ¹	6,234,147
Other Funding ²	1,811,116
Total Resources	\$ 241,920,566

Paid to Date	\$ 7,274,000
Projected Cost to Complete	206,551,104
Total Projected Cost	\$213,825,104
Program Reserves	28,095,462
Total Requirements	\$241,920,566

¹ **Oregon School Capital Improvement Matching (OSCIM) Grant.** The district qualified to receive a matching grant through this state program. These funds are restricted to the Lincoln Elementary project.

² **Other Funding.** Additional grants and reimbursements are available from several sources including energy conservation reimbursements from the SB 1149 program and from the Energy Trust of Oregon, and seismic rehabilitation grants. These funds are restricted to specific projects.



BUDGET SUMMARY AS OF JUNE 30, 2019

	Original Estimate	Current Budget (based on total issuance authority)	Other Funding Sources ¹	Projected Total Cost	Paid to Date
Adams Elementary	\$ 12,165,241	\$ 11,594,457	\$ -	\$ 11,594,457	\$ 326,194
Garfield Elementary	21,435,804	20,431,066	4,484,416	24,915,482	584,511
Hoover Elementary	37,084,000	35,345,308	2,961,297	38,306,605	548,829
Jefferson Elementary	12,928,559	12,322,158	-	12,322,158	321,239
Lincoln Elementary	36,917,098	35,185,922	2,900,823	38,086,745	554,539
Mt View Elementary	9,341,711	8,904,029	-	8,904,029	19,200
Wilson Elementary	12,388,876	11,807,766	-	11,807,766	217,357
Franklin K-8	9,335,022	8,897,336	-	8,897,336	9,334
Cheldelin MS	10,759,962	9,992,479	-	9,992,479	302,664
Linus Pauling MS	400,000	400,000	-	400,000	24,795
Corvallis HS	8,375,406	7,982,711	-	7,982,711	631,527
Crescent Valley HS	17,025,447	16,226,898	3,561,643	19,788,541	490,036
Harding Center	11,759,799	11,208,697	-	11,208,697	299,301
Program Administration	<i>included in estimates above</i>	9,618,098	-	9,618,098	2,944,474
TOTAL	\$199,916,925	\$199,916,925	\$ 13,908,179	\$213,825,104	\$ 7,274,000

¹ **Other Funding Sources.** Includes bond sale premium, bond interest earnings, OSCIM grant, and other funding such as energy conservation reimbursements from the SB 1149 program or Energy Trust of Oregon, and seismic rehabilitation grants.



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PROJECT PROGRESS

	Key Milestones (% complete)			Comments	Architect	Contractor
	Pre-Design	Design & Permitting	Construction			
Adams	20%	0%	0%	seismic work not reflected	DLR Group	Fortis
Garfield	100%	33%	0%		DLR Group	Fortis
Hoover	100%	35%	0%		DLR Group	TBD
Jefferson	20%	0%	0%	seismic work not reflected	DLR Group	Fortis
Lincoln	100%	35%	0%		DLR Group	TBD
Mt View	5%	0%	0%		DLR Group	Fortis
Wilson	20%	0%	0%	seismic work not reflected	DLR Group	Fortis
Franklin	5%	0%	0%		DLR Group	Fortis
Cheldelin	80%	15%	0%		Pivot	Gerding
Linus Pauling	n/a	90%	0%		Pivot	Gerding
Corvallis High	10%	15%	0%	initial CTE planning	Pivot	Gerding
Crescent Valley	100%	40%	0%		Pivot	Gerding
Harding	100%	33%	0%		Pivot	Gerding

SCHEDULES

The original sequence of projects was driven using the lens of equity. Adjustments to the master schedule have been made to reflect current market conditions, team capacity and impacts to school operations.

SPENDING TRENDS

Some bid packages are coming in higher than originally estimated. The district has been conservative with contingency funds including project contingencies and program reserves.

COST PROJECTIONS

The project management team has been very proactive about projecting costs and getting information to the school board in advance.

RECOMMENDATIONS FOR BUDGET CHANGES

The district is “reserving” a prorated portion of bond reserves for most projects that could be used as designs are developed. The use of bond reserves would still require board approval but provide some flexibility to achieve bond promises.