



MINUTES

CALL MEETING TO ORDER

The Bond Oversight Committee Chair Pat Eastman called the July 19, 2017, Budget Committee Meeting to order at 5:58 p.m.

Present were:

Pat Eastman	Bond Oversight Committee Chair
Dale DeBolt	Bond Oversight Committee Vice-Chair
Jerry Boehme	Bond Oversight Committee Member
Dawn Davis	Bond Oversight Committee Member
Rick Costain	Bond Oversight Committee Member
Stacy Koos	Bond Oversight Committee Member
Scott Pierson	Bond Oversight Committee Member
Heath Kasper	Bond Oversight Committee Member

Russell Allen	Director of Business
David McKay	Bond Program Director
Jon Witherspoon	Bond Program Planner
Andy Bean	District Legal Council

PLEDGE OF ALLEGIANCE

Mr. Eastman led those present in the Pledge of Allegiance.

BOND OVERSIGHT COMMITTEE OPERATIONAL TASKS

1. Introductions. Mr. Eastman asked everyone to introduce themselves which they did.
2. Approval of Minutes from July 17, 2017. Mr. Eastman stated that the minutes from the last meeting were at each committee member's place and asked if everyone had a moment to review them. He thanked Jerry Boehme for providing those minutes. He asked if there was a motion to approve the minutes as written. Ms. Dawn Davis made a motion to approve the minutes as provided. **MOTION CARRIED UNANIMOUSLY.**

ROLES, RESPONSIBILITIES, EXPECTATIONS AND COMMITTEE GOVERNANCE

The District's attorney, Andy Bean, from Weatherford Thompson was present to provide an overview of public meeting laws especially on how it relates to what can be discussed outside the meeting itself. Mr. Bean explained that as a committee, this group has been tasked by the Board with bringing recommendations or providing feedback to the Board and therefore is considered a public meeting and public meeting laws are applicable. He shared that if there are items to be discussed or decisions made then it would come under the public meetings law; therefore the meeting must be announced and published as a public meeting. He also covered social gatherings compared to a quorum of committee members meeting. Mr. Bean emphasized that the bottom line comes down to how it looks to the public. He also shared information regarding keeping e-mails a one-way communication to share information as a group but not to discuss via e-mail.

Mr. Allen stated that he believes as a general rule, that the Committee has two tasks. The first is to ensure that the money from the Bond is being spent with fidelity and to ensure that the project expenses are in line with what was expected or anticipated (being spent in a way that it was intended). Mr. Eastman commented that the committee is not to reinvent the wheel but to make sure that the wheel is presented efficiently and properly. He stated that it was not their responsibility to tell Project Manager David McKay what to do or not do, but to listen to his information to see how it relates to how the money is being spent. It is basically following up on what was said to the public to get the Bond passed. Mr. Allen stated it is to hold our feet to the fire to do what we said. He stated that legally what matters is what was listed on the bond title.

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Mr. Allen handed out an organization chart that was provided by HMK Company and reviewed it for the Committee. He shared that the direct contacts for the Committee were David, Kathie, and himself to provide information for the Committee. He stated that, like the Budget Committee, if a member asks a question where there is any possibility that it would be of interest to the rest of the group we would respond to that person in an e-mail and copy the entire group.

Mr. Eastman stated that he and Mr. McKay talked and he asked Mr. McKay to carve out opportunities for Committee members to be involved in various projects. Mr. McKay stated that cost estimates are being done in 4 phases and others in 3 phases that the Committee might be interested in sitting in during the reconciliations to help understand the full process. Mr. Allen stated he would like to think that primarily their role in the list of opportunities that Mr. McKay is creating is as an observer. He stated that the Committee Members are not muzzled, but also not coming into the middle of a project to change things with new ideas. Mr. Eastman added that this is not the beginning of the process; work and decisions have already been started.

HOW DID WE GET HERE

Mr. Witherspoon began by stating that with the \$159 million bond, there were some additional dollars for this Committee to talk about. He stated that there has been a five step process that started in 2014. First were facility assessments where architect firms and engineers were hired to go through every facility identifying specific items. They then interviewed the facilities department, principals and staff at the buildings and then provided a report for the District Facilities Advisory Committee (DFAC). Second was where the DFAC Committee was convened. They looked at physical assessments and programs for the district coming up with goals to add to the document prioritizing them. Third, HMK was hired in November to do cost confirmations and take a deeper look at the big ticket items. Fourth were discussions at the workshops and meetings that led to the Board authorizing \$159 million worth of projects based on the previous three steps. The fifth and last step has taken place over that last few months, where programming and predesign has been ongoing with architects, engineers, educational planners, and staff. We are now at the point where we are moving into preserving the goals and promises stated in the \$159 million bond. He stated that this is also where additional items have been identified if there were any additional funds available. Mr. Witherspoon stated that this has been a deliberate process in refining numbers with cost control, schedule control, and scope control.

Mr. McKay talked about the “drop box” and the folders available for the Committee. He talked about program goals and what was promised to the community. He shared that buildings were being designed and built to be durable, long-lasting and easy to maintain. He discussed standards set by the district that would be shared with the Committee. He explained that these standards must be used to design by the architecture firms and distributed to all engineers.

Mr. McKay stated that there were some other program goals that were needed for elementary schools, middle schools, and high schools in addition to the scope of what was addressed in the Bond. He stated that any changes requested would be reviewed for the reason and for what is pushing the design, the request or the program. It was clarified that for the West Albany project, the intended goal is that when the first half of the Bond rolls off in 10 years, the District would go back and ask for enough to do at least the rest of West and other new schools or projects therefore, it is smart to get as close to half way done with it as possible because it will be much more expensive later.

Mr. McKay shared that there are 300 distinct CFU (Critical Facility Upgrade) projects (also known in the community as safe, warm and dry) purposefully identified and 70 of those are currently under design. Mr. Witherspoon shared that because of the size of these projects, it has created an opportunity to reach out to the local designers, engineers, and contractors to be involved because of smaller bonding capacities. After discussion in regards to local contractors, it was determined that “local” would be businesses from Corvallis, Albany, Lebanon and Sweet Home.

There was discussion on how much work could be done in-house now and to grow on for the future. Mr. McKay commented that the projects that would relate to these types of workers would generally need to be done by people coming out of the Portland area and emphasized that the district has very qualified workers ranging in the top 3 or 4 districts in the state with qualified individuals in their maintenance department. Mr. Allen shared that when the projects are up and running then the Board can have conversations on how to look at their maintenance department budget.

RESOURCES FOR THE COMMITTEE

Mr. Allen shared that there was an additional \$28 million in bond premium and that the School Board had asked for the Oversight Committee to make suggestions as to how they could best be allocated. Mr. McKay referenced a new document for the committee and that he had a suggestion for what might help to stay within the bond goals. What are the budget deficiencies that we see now that allows us to continue to be aligned with the bond goals and what are those projects? He stated that these would be the things that the design team needs to work on to refine the scope, bring more detail, and get stronger numbers for the projects. Mr. McKay suggested setting aside \$6 million to \$7.5 million to hold until all the projects are bid. This gives an added

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assurance that once the bids are received; we are able to do everything we said we were going to do. At that point, the money could be allocated to alternate projects, set aside until the projects are further along; or look for more input.

Mr. McKay shared that the information on the page is feedback from the architects that are interviewing staff and working through the pre-design phase. These are items that are the real needs that we don't believe we have budget to do. Mr. McKay reviewed the list. Discussion ensued on the list of projects. It was determined that Mr. McKay would provide information as requested and in priority order. It was also discussed that one of the largest problems is in student population growth in the future and housing those students. After discussion regarding the new elementary school's gym, it was determined that Mr. McKay would bring back information on the pros versus cons on a second or larger gym.

Mr. McKay stated that the middle school projects are directly related to improving the CTE and went over the projects. Discussion ensued regarding the bullets on the lists not being CTE but CFU related. Mr. McKay stated that it includes upgrades in existing facilities to accommodate CTE. Mr. McKay went over the information for the high schools with discussion. Mr. Pierson stated that during discussions, the group found that there was just no way to keep within the existing walls to offer the needed programs at South. Mr. McKay stated that they were checking the scope received from the professional cost estimator that built the cost models

Mr. McKay went on to West Albany High School stating that the goal is to ease the lift for the second phase in 10 years by doing more now. He stated that it could be the start of a general education classroom wing; single or double story that would be easily added to and then the final build out in Phase 2. Discussion ensued.

Mr. Boehme made a suggestion that was not on the list; an elevator at Central. Mr. Allen stated that there is money budgeted for a lift to get from the front entry up to the main floor. After discussion, Mr. Allen shared that staff is gathering more information on options to share with the Board and Committee. There was then discussion on schools that would not meet the upcoming PE requirements. Ultimately it was determined that there was only one building that is not being addressed at this time NAE. Mr. Boehme shared that it was difficult because the Board was concerned that when it was time to rebuild the school, that it may not be rebuilt in its current location. Mr. Allen stated it would be best to check with Tonja Everest, Assistant Superintendent as to how she sees NAE dealing with the new PE requirements and if they can't, what the ramifications are.

PRIORITIES FOR THE DISTRICT AND COMMITTEE

Mr. McKay stated that one thing he heard was to get these items prioritized with information from the design teams and the schools and bring that back to the next meeting. He stated he would get the price on the Central elevator, and asked if there was anything else. There was support for Mr. Boehme's position in regard to creating economy of scale in construction and design to funnel a little more money towards West Albany High School because of the inflation expected in the 10 years.

Mr. Boehme stated that he was concerned with the modulares throughout the district and that this might be an opportunity to replace some of them although he wasn't sure if it was outside the scope of what was passed in the Bond or not. Discussion ensued and was it was agreed that it would be worth suggesting it to the Board and to let them make that decision instead of the Committee. It was determined that as far as current conditions, the district is working on those at South Shore. The upgrade would include roof, windows, exterior envelope and HVAC. Mr. McKay will look into the delta between upgrading or replacing the modular and bring that information back to the Committee.

Because of time, the next items were tabled for the next meeting. There was discussion regarding the next meeting and it was determined that it would take place on August 3, at 6:00 p.m. giving enough time for their draft of projects and priorities to be taken to the Board at their August 14 meeting. There were no more questions or comments.

ADJOURN

Mr. Eastman adjourned the meeting at 7:50 p.m.

Pat Eastman, Bond Oversight Committee Chair

Recorded by Kathie Vosper