



**MINUTES**

**CALL MEETING TO ORDER**

The Bond Oversight Committee Chair Pat Eastman called the February 28, 2018, Budget Committee Meeting to order at 6:04 p.m.

Present were:

Pat Eastman	Bond Oversight Committee Chair
Dale DeBolt	Bond Oversight Committee Vice-Chair
Eric Aguinaga	Bond Oversight Committee Member
Dawn Davis	Bond Oversight Committee Member
Rick Costain	Bond Oversight Committee Member
Heath Kasper	Bond Oversight Committee Member
Scott Pierson	Bond Oversight Committee Member
Russell Allen	Director of Business
David McKay	Bond Program Director, HMK Company
Marcia Latta	Communications Consultant
Doug Pigman	Facilities Director

Jerry Boehme was absent from the meeting.

**PLEDGE OF ALLEGIANCE**

Committee Chair Pat Eastman led the audience in the Pledge of Allegiance.

**BOND OVERSIGHT COMMITTEE OPERATIONAL TASKS**

**Approval of Minutes of the January 24, 2017 Meeting**

Mr. Eastman stated if everyone had an opportunity to review the minutes that were sent out and asked if there were any corrections. There were none. Mr. Costain made a motion to accept the minutes. Ms. Davis seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

**BOND PROJECTS STATUS REPORT**

Mr. Eastman asked Mr. McKay to provide the Committee with a bond projects status report. Mr. McKay asked if everyone had received the Bond Report that was included in the packet. Everyone responded affirmatively. He stated that there had been eight bid openings and wanted to share that information with the Committee. Rather than going through the report he asked if anyone had any questions on it. Ms. Davis asked about a project that showed completed, with budget numbers listed, but there was a lot of money left over and asked if there were bills still to come in on that project. Mr. McKay stated that it was probably a self-performed project. He commented that any savings from a CFU project will stay in the CFU grouping and will help with any CFU project with shortfalls or are over budget. Mr. McKay added that the district is taking on these projects with the hope to save to money so that we can stretch those funds. Mr. Kasper asked about the Central Elevator project that was budgeted at \$17,000 and wanted to know what the real number was. Mr. McKay replied that it was a mistake, and thanked him for pointing it out. Mr. Kasper stated that it also does not provide any of the over/under information. Ms. Davis commented that this was her question moreso than whether the funds stayed in the CFU projects. Mr. Allen stated that staff would

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take a better look at those as we move forward. Mr. Kasper then asked about the roofing budgets running over. Mr. McKay responded that Calapooia came in at budget so his concern on that project did not prove true. He then stated in regards to updating the budgets, until the Board awards a contract; the budget adjustments will not show in the Board updates. He shared that there were scope problems with Memorial. Mr. Pigman explained that the original Tremco report was based upon a walk around review and assumptions based on what was seen. He stated that when the Bond passed, the district hired a consultant who used a GPS location device to look through the roof deck for a true moisture study. That study showed that there were clouds of water under the deck and the scope grew exponentially.

Mr. McKay clarified that the Tremco report was to salvage and recover where the independent study's report was to take it all off and start over. Ms. Davis asked if the change in scope would change or impact the schedule. Mr. McKay responded that no, the bid included the bid documents. He shared that roofing is always done in the summertime due to potential odors. Mr. Allen commented that there was an expectation that with the scope change that the bids were going to be higher than what the budget was, but it was also determined that repairing/replacing those roofs were going to be one of highest priorities of all of the CFU projects so it was done with the understanding that they were going to come in high, but they needed to get done even if that meant that there were CFU projects that were going to have to fall off on the back side. Mr. Eastman asked if the money for the overages going to come out of the CFU bucket. Mr. Allen and Mr. McKay both answered affirmatively. Mr. Allen stated that there are hopes that some of the CFU projects that come in under budget to help balance that out but at the end of the day there is only so much money in the CFU account and may mean that some of the lower high-priority projects can't be done. He shared that it was determined that we couldn't sacrifice the roofs.

Mr. McKay shared that when he and Mr. Pigman sat down to prioritize the CFU projects, they prioritized the first year as having the highest priority projects and those following would have a lower priority each year. He stated that they will continue to evaluate because things keep changing and more information is gained each year. Mr. Pigman added that it will be a constant re-evaluation as we see the magnitude of the overs and unders because something might end up falling off the end because of too many over budget expenses. He stated that he wanted to be sure that those are either ones that can be dealt with through capital improvement dollars or that they are really the lowest priority item that there is. Mr. Costain asked if that meant that some of the schools may not be touched. Mr. McKay suggested keeping track of the schools that we are doing work in, and as we get to the lower priority projects, we want to make sure that we do our best to do work in every school too.

Mr. McKay suggested using the term Bond Plan rather than Bond Promise any longer because at this point we need to set a plan and do our very best to accomplish it, recognizing that there may need to be some adjustments. Ms. Latta agreed. Mr. Pigman stated that because of the market that we are in, we can't make promises at this point but will do our very best to be as frugal as we can.

Mr. McKay reported that roofing has seen the highest escalation of all trades at 30 percent more than last year. He stated that he has learned that the job needs to be bid in October for summer work. Mr. Eastman asked if it was increases in materials. Mr. McKay responded that it was part in materials, part in labor, and part in that they are just able to charge more because of the market. Mr. DeBolt was concerned that if the project was delayed, the labor costs will go up again. Mr. McKay stated that many were booked until September already. Discussion ensued.

Mr. Kasper asked about the new Transportation Building and stated that he hadn't seen it included anywhere. Mr. McKay stated that it is in the planning phase. He shared that it has not been seen much because it is not being funded by Bond funds but HMK is managing it. He added that he was waiting for a few more bits of information so he could include it in the total project report for the board. He reported that there is a planning commission meeting on Tuesday night. After that is done, then he will establish the budgets for the transportation project. Mr. Allen suggested an extra report page to separate it out as a non-bond project.

Mr. Eastman asked about where things were with West Albany High School. Mr. McKay responded that West was on hold as they currently working through schematic design cost estimation because the cost estimates had come out much higher than anticipated. He anticipates revised numbers next week. Mr. Eastman then asked Mr. Pigman if he

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anticipated any potential noise issue at the back of the performing arts building after discussions about the boiler room. Mr. Pigman stated that with the information that he received from the engineer, he feels comfortable with the location. He cautioned that they will have to keep a close eye on the specifications to make sure the right equipment and sound barriers are used. Discussion ensued regarding the term of balcony being used on the drawings. Mr. Allen confirmed that it should not be referred to as balcony. Mr. Eastman emphasized that this is a test model for South and he wants it knocked out of the park. Ms. Davis agreed.

### Roofing

Mr. McKay sent a handout around to the committee. He stated that this is one of the projects that the Board awarded on Monday night. He shared that "MAC" means Maximum Allowable Construction cost. He stated that there were two bids, one from Anderson Roofing and Umpqua Roofing. He reported that the low bid from Anderson was \$329,000 over budget and Umpqua was much higher. He referred to previous discussion, the original estimates were Tremco estimates and then were bumped up after cost estimates from Snyder and then it was determined that the roof was not salvageable and went to a remove and replace situation. Mr. Eastman asked if these were the bids that were out of the norm. Mr. McKay stated that these are the highest priority 2018 projects long with roofing projects that go along with the Calapooia and Memorial projects. He shared that the Board awarded a contract to Anderson roofing for these projects.

### Paving

Mr. McKay shared that staff had recommended awarding all the paving projects to Knife River except South Shore which was awarded to Wildish. He reported that bids came in under budget by \$501,000. Mr. DeBolt asked why Knife River was not doing South Shore. Mr. McKay responded that when the bid was put together, they weren't sure if a paving contractor would want all of it, and recognized that some local excavators that might want to take two or three, so what they did was structured it in such a way that the projects could be awarded separately. He did have a discussion with Wildish regarding the savings by placing the entire group with Knife River, they shot it down and he determined it was best to keep them on that project. He stated that next time he will add a line item for the contractor to bid all. Discussion ensued.

### New

Mr. McKay began sending around another handout. Mr. Allen stated that the next handout contained new bids that had come in that the Board hadn't seen and that they would be presented to the Board at their next meeting. Mr. McKay reported that there were three projects bid yesterday: Timber Ridge, the Albany Community Pool, and the generator project.

Timber Ridge: Mr. McKay reported that the apparent low bidder for Timber Ridge was Columbia Construction at about \$174,000 under budget. He shared that he has a meeting scheduled with Columbia on Monday to be sure that they didn't miss anything since it was a significant amount under budget. He stated that he had talked to the contractor after the bid opening who felt good at the time. Discussion ensued. Mr. Allen asked Mr. McKay to share what the \$479,000 was for. Mr. McKay responded that the base project is the CTE component with 2 classrooms downstairs and two alternates all of which will be recommended to the Board. Discussion ensued.

Calapooia: Mr. McKay then went to Calapooia, stating that it was just bid tonight. He passed out another handout. He stated that there was only one bidder and he was going to make some phone calls out to see why. He reported that Baldwin Construction was the one bidder. He stated that the base bid contained the remodeling of the wood shop and the remodel of the foods room. He shared that it included CFU projects of replacing plumbing figures and piping, galvanized pipe, restroom rehabilitation, new lockers, providing ADA showers, seismic reinforce the gym and cafeteria, seismic bracing on corridors, and demo boiler chimney and new roof. Mr. McKay stated that in regards to the middle schools, the work being done at Calapooia was from an equity position not an equality position. Ms. Davis asked if there was a reason that an electrical contractor couldn't be used for Alternate 1. Mr. McKay responded that it could be and that he would look into that further. Discussion ensued.

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Albany Community Pool: Mr. McKay handed out information on the Pool. He stated that there were two bids received which were about \$19,000 apart. He shared that the MAC was \$698,000 and stated that this was an example of where the bids came in significantly over budget so is there a way to accomplish the same goal for less? The answer is no. He shared that it is a good 30-year system, easy to maintain and if we were going to put dehumidification into it, the cost would have been another \$250,000-\$300,000 more. Mr. Pigman shared that they had design contingencies in place to make sure that it had ample ventilation and enough contingency to be able to heat the pool and the building in cold weather. Mr. Eastman asked why the costs were so far out of line with the MACC. Mr. McKay responded that the budget was based on the gLAs facility assessments and Wisner's review. Discussion ensued.

Generator Projects for Calapooia and Memorial: Mr. McKay reported that this project was for generators for storm water pumps and emergency systems at Calapooia and Memorial Middle Schools. Mr. Kasper asked if something changed in the scope. Mr. Pigman responded no, that it is a generator and they had kept the specs on this as tight as they could. Discussion ensued. Mr. Pigman interjected that with lots of the jobs that come in over budget those projects are looked at to see if his team can do it and if it can be done during the summer to see if it can be done at a lower cost. He countered that they also have to be sure not to over commit their time on these projects when they have other regular projects within the district that they need to do too. More discussion ensued including why some vendors didn't bid. Mr. Pierson asked if it would be appropriate for Committee members to ask the vendors why. It was determined that it would probably be more effective than it coming from HMK. Mr. McKay followed up by stating that with all of the school bonds that have been passed, we are in a favorable position to get the best values right now. He stated that he was concerned about holding off because of other districts going out for bids this fall. He shared that he doesn't see the economy or market slowing down. Mr. Pigman stated that you don't see a lot of fluff in CFU projects.

Fire Doors: Mr. Pigman stated that this has been a hot button with the fire department for several years. He stated that there has been an agreement with them that when we had funding come available, this would be a priority item. Mr. Allen explained that there are fire doors in buildings that are currently inoperable and the fire department could have red-tagged the buildings but have worked with us and have been very generous which is why these are high priorities. Mr. Eastman acknowledged that this was the case in his experience. Mr. Allen commented that this explains the criticality of the project not the numbers. Mr. McKay responded that he did not have an explanation as to why the bids came in so high. He shared that there were two bidders. Mr. Pigman added that there was a bunch of framing and firewalls that get built around it along with other required pieces. Mr. Costain asked if these doors add to the security of the building. Mr. Pigman responded that some of them do. He shared that the ones that can, are positioned in such a way that they can fall shut so that in an event of an active shooter the building could be compartmentalized. He commented that this was only possible if there is an active egress path within 30 to 50 feet for code. Mr. Kasper asked about the MAC. Mr. McKay responded that he did and couldn't see where the problem was, it was just under budgeted by the gLAs facility assessment and the Wisner review during bond planning. Mr. Pigman stated that after he looked at doing this project in-house he felt there were pieces missed in the original process.

Re-piping: Mr. McKay stated that the bid results on this project followed along with the others. He stated that it was a huge project and the re-piping project is really a swag because we really don't know what is in the walls or have a lot of details. He shared that we hired an excellent architecture firm that performed due diligence and did a good job. He stated that if we did only one school this year, it would be a pilot project for us so we could understand budgets as we move forward with the others. Mr. Pigman stated that the important part from a facilities perspective, is that if you're going to do a project, do it right the first time so it can be checked off as done. He shared that the beauty of doing a "gut job" is we should know what our piping projects should look like as we move forward so then we can start prioritizing other buildings. Mr. Eastman asked who DSL was. Mr. McKay responded that it is a contractor from Salem, made up of a group of retired Iraq/Afghanistan veterans. He shared that they had done a remodel at Sprague HS and have bid on a number of projects. Mr. McKay reported that we are not getting bids from Portland contractors but are getting them from Salem and Eugene contractors and are attracting a diversity of contractors large and small which is working for us.

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### Summary

Mr. McKay stated that the question that he believes the Committee has is show do we fund these projects? He stated that he didn't have an answer yet. He stated that there has been discussion about taking the lowest high-priority projects and moving them forward, hoping some will be bid under budget next time. He shared that there are still some projects that are due to bid tomorrow so they will have to be reviewed and then a presentation needs to be planned for the Board. He stated that it is important to bring them the numbers and show where everything came in at. Mr. Pierson asked if the cumulative numbers were over. Mr. McKay stated he was still tallying the bids so didn't know for sure yet. Mr. Pierson suggested that staff speak with those who served on the Bond Oversight Committee and those who worked on the Pre-Bond to see where they would prioritize the projects after being provided the updated information. He stated that it would be hard to expand schools when the infrastructure needs to be updated. He commented that at some point the community is going to say that there was a \$25 million premium and why wasn't some of that allocated to critical facility upgrades? He emphasized that the projects need to be looked at in the full depth and breadth and not at individually. Discussion ensued.

Mr. McKay reported that the bids for the New Elementary School are to come in next week. He stated that that will be a better indicator as to what the market is doing overall. He shared that they are keeping up on the pulse of bids that are going on around us. Mr. Eastman stated that there is an extra layer of assistance by bringing Gerding in on this project than on the others. Discussion ensued. Mr. Pierson suggested to the group to be thinking about the worst case scenario and if the increases shown so far is a trend, then the Committee needs to be coming up with some recommendations for the Board. Discussion ensued.

### Communications

Mr. Eastman then asked Ms. Latta to share her information. Ms. Latta handed out a Draft 2017 Bond Implementation Communication Plan and stated that her goals are simple, she stated it is to make sure that the district is letting people know what we are doing a bond because one would be shocked at how many people out there that have no idea that a bond was passed and that Oak Grove was being replaced. She stated that her strategies are to work with the schools to make sure that they (the staff, the parents and community) know what is going on so they can also share what is going on. She shared that this also shows good stewardship for the next bond. She referred to the back of the page and stated that it was a non-targeted work plan because her goal as a part-time staff member is basically to take any information she can get her hands on and make sure that it is shared in a comprehensible way in whatever channels she has. She showed a new page on the web that LBL ESD has helped design that is easier to work with. Ms. Latta shared that she will continue to feature bond projects in the community newsletter coming up soon. She also stated that she is working on one-page flyers like she used for the Bond Election that is a profile for each school but feels that she needs to wait a bit longer for the bid results to be reviewed and action taken before she can really expand on them. She shared that she welcomed any pictures or filming that the contractors may be using because she doesn't have all the equipment to do so.

Ms. Latta shared that in addition to the communications that she is also working on including upcoming events to keep present in providing information to people about their bond and that we are doing a good job with their tax money. She stated it is her goal to include everything that she can to reach people however we can and as often as we can. She referred to the draft website. She stated that she is going to feature the schools as well as a bond area which features bidding, local contractors, and announcing upcoming bid packages. She asked about the name for the new elementary school. Mr. Allen stated that it had not yet been decided. Ms. Latta stated that she would leave it as the New Elementary School near Timber Ridge. She stated that she would also have a recap of the monthly happenings and she is looking at the possibility to create a bond newsletter that folks can sign up for. She stated that it is difficult do to on a part-time basis.

Mr. Pierson stated that he had brought something up in the past in that he believes there is an opportunity to add columns to this as mechanism or avenue in how she was going to communicate. He stated that at our age we think about how to reach us and not how to reach a student in an elementary school that they are part of this project that

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they are buying into it because Bond Phase 2, that is a voting age individual. He emphasized that we need to use our social media not just our web site, time-lapsed photography and involving students in the breaking ground and dedication ceremonies to catch all of our young kids and middle schoolers who will be voters for the next bond.

Ms. Latta responded that she did not disagree, and that social media is part of everything. She stated that she loved his optimism for younger voters, but for her particular situation, she is half-time and doesn't have the capacity to do it all. Mr. Pierson stated that he was directing this more at the administration not at her directly. He suggested that with the tear down of Oak Grove, wouldn't we want to have a pole up with a camera that saw the whole thing being demolished and then building. Ms. Latta asked Mr. McKay if the contractors were doing that. Mr. McKay stated that he was working on that for any of the major construction projects. Mr. Pigman stated that it might be possible for the district to do a live feed on West and Timber with its current bandwidth but it would be up to Technology to see if they could maintain it. Mr. Eastman commented that there are some potential business partnerships in town that would give serious consideration to doing this. Discussion ensued on millennial voters.

Mr. Costain added that he felt that it is still critical to have regular presentations to civic groups to keep them thinking about for the next 10 years. Ms. Davis commented that another group to continue connecting with are PTCs. She stated that although not many people may attend, the information trickles down through parents who are connected to those who are not. Mr. Eastman added that athletic events are another place to share information. More discussion ensued. Mr. Eastman asked Mr. Allen what the status was of better public relations and communications that was a directive from the Board when the new superintendent was hired. Mr. Allen responded in a perfect world, hiring an individual to do only that would meet that directive. He stated that in the next budget year, it would be unlikely that the district could increase their resources in that area because the district would be in a reduction mode. Ms. Latta shared that the jobs of just figuring out what the information is, making sure it is accurate, reaching the right people, and then putting a package together that is understandable, it wouldn't matter whether the district had 20,000 kids or 2,000 kids, it is the same amount of work and does take time. She stated that she welcomes volunteer help. She emphasized that along with the bond information, people are also tied to this district because of their students; they like to hear about student achievements and achievements of teachers in programs. She stated that she is doing her best to build visibility that the district is doing cool things for kids and being responsible for funds. Ms. Davis commented that she feels that a mix of bond and other news are the strongest path to win by being interconnected.

Mr. Allen summarized that the one take away is that the district has to do more outreach, he referred to Ms. Latta's work plan as a starting point with a lot of good ideas that have been shared. He stated that the district just needs to figure out with the resources available and then prioritize the comprehensive list and do more. Mr. Eastman stated that this will be an ongoing conversation.

Mr. Allen stated that the next meeting was scheduled for March 14<sup>th</sup>. He shared that the Board has only one Board Meeting in the Month of March and that bids for the new school are scheduled to be opened on the 15<sup>th</sup>. He asked if the Committee would want to move their meeting to a later date so they could get this information early on. The Committee decided to move their meeting to the 21<sup>st</sup> at 6:00 p.m.

Mr. Eastman thanked Marcia for her information. Ms. Davis also thanked her for her efforts. Discussion ensued on other possible communication efforts. Mr. Eastman reminded everyone that the next meeting would take place on Wednesday, March 21 at 6:00 p.m. here at the district office. He then adjourned the meeting at 8:06 p.m.

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Pat Eastman  
Bond Oversight Committee Chair

Recorded by Kathie Vosper