



**MINUTES**

**CALL MEETING TO ORDER**

The Bond Oversight Committee Chair Pat Eastman called the March 21, 2018, Budget Committee Meeting to order at 6:08 p.m.

Present were:

Pat Eastman	Bond Oversight Committee Chair	
Dale Debolt	Bond Oversight Committee Vice-Chair	(Arrived 6:20 p.m.)
Dawn Davis	Bond Oversight Committee Member	
Rick Costain	Bond Oversight Committee Member	
Scott Pierson	Bond Oversight Committee Member	
Russell Allen	Director of Business	
David McKay	Bond Program Director, HMK Company	
Chris McKay	Project Manager New School, HMK Company	
Marcia Latta	Communications Consultant	

Mr. Jon Dilbone was present in the audience at the meeting.

Jerry Boehme, Eric Aguinaga, and Heath Kasper were absent from the meeting.

**PLEDGE OF ALLEGIANCE**

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

**BOND OVERSIGHT COMMITTEE OPERATIONAL TASKS**

Since there was not a quorum of the Committee there was no action taken on the Minutes from the February 28, 2018 meeting. Mr. Eastman asked Project Manager David McKay to proceed with his portion of the agenda.

**BOND PROJECTS STATUS REPORT**

Mr. McKay asked if anyone had questions of the month-end report that was sent out in the packet. Mr. Pierson asked if contractors were more responsive after the discussion at the last meeting. Mr. McKay responded no. Committee Members commented that they had contacted different contractors to ask why they didn't bid. It seems that many are so limited with staff that they can't take on much more. Discussion ensued.

Mr. McKay went on with an overview of the projects included in the packet. He shared that the Board awarded the bid for Calapooia to Baldwin. He reported that the next day there were three prime contractors going to bid on the Memorial Project and at bid close, there was only one; from Dalke at \$1.8 million over budget. He shared that when asking other contractors why they did not bid, the response was that they didn't get any roof bids to complete their package. Mr. McKay reported that for the one bid that was received from Dalke the roofing bid that was included was from a vendor he had never heard of and after more investigating he found they were not a qualified installer for the roofing and he wasn't sure that they could get the 20-year Non-Diminishing Limit (NDL) warranty. He stated that the recommendation to the Board was to reject the Memorial bid and to go back out to bid in October for a Summer 2019 project. He shared that the Board agreed to this recommendation. Mr. McKay stated that he still believes that the bid will be over budget, but is hopeful that it will not be as much over budget.

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He commented briefly on the projects talked about at the previous meeting on which the Board took action.

Mr. McKay then went on to discuss the fire doors. He stated that looking at recent research he believes that there is a potential to reuse some of the roll-up assemblies and just replace the door itself for significantly less cost. This showed up when researching what to do at South where they have a 30-foot area in Building 6 and that there is no way to replace the current type of door with swinging fire doors. This added an opportunity to reevaluate the project to see if there is another way to accomplish the same goal as well as a cost savings. Ms. Davis asked if the whole project was being reviewed again. Mr. McKay answered affirmatively and that the facilities department was taking on that project and believes that they will be able to get much closer to budget by performing the work. Ms. Davis asked if it made a change in the bid timeline and/or work timeline. Mr. McKay responded yes. Mr. Eastman asked if this caused a problem with the Fire Department. Mr. Allen responded that there were discussions with the Fire Department and they agreed to a signed document stating that the work would be done this summer. He reported that they were not enthusiastic when they heard about the delays, but were agreeable after receiving the signed document with the timelines. He stated that there are a few schools, that some of the doors can pass the test right now, but will still need to be replaced at some point soon. He stated that those that are the worst will be prioritized and fixed first. He was thankful that the Fire Department was willing to continue to work with the School District. Mr. Eastman commented that they have been very generous over the last 20 years and was sure that their patience was wearing thin. Ms. Davis asked if the estimated projected savings having the facilities department doing the work would be a savings over the expected costs. Mr. McKay responded that he hoped it was significant.

Mr. DeBolt arrived at the meeting at 6:20 p.m.

Mr. McKay asked if there were any more questions. There were none.

Mr. Costain commented that at the last meeting there was a question about the possibility of the electrical work at Calapooia going to an electrical contractor rather than a general contractor to save money and asked if that had been looked at. Mr. McKay responded yes, the facilities department was going to take that piece on. He reported that Mr. Pigman believes he will be able to save about \$30,000, and Mr. McKay commented that he believes it will be closer to \$40,000. Ms. Davis commented that it seemed that every self-performed project was turning out to be significantly under budget. Mr. Allen responded that they all seemed to be tracking that way.

### ***BOND OVERSIGHT COMMITTEE OPERATIONAL TASKS***

Mr. Eastman asked the Committee if he could back up and take care of the minutes now that there was a quorum. Everyone was in agreement. He commented that he assumed that everyone had an opportunity to review the minutes provided in the packet and asked if there were any corrections. There were none. He then stated he was open for a motion. Ms. Davis made a motion to accept the minutes. Mr. DeBolt seconded the motion. **MOTION CARRIED UNANIMOUSLY.**

### ***NEW ELEMENTARY SCHOOL***

Mr. McKay commented that when there was good news about a project he invites the project manager of the project to the meeting to share information with the Committee, if it is bad news, he prefers to provide that news. He referred to Chris McKay who is the Project Manager for the New Elementary School.

The younger Mr. McKay reported that last Thursday there was a bid opening for the New Elementary School. He shared that there were four pre-qualified contractors expected to bid. He stated that he was pleased to report that the bid came in under budget. He shared that the total bid was very close between Gerding and Todd Construction by about 0.25%. Chris McKay stated that they are recommending awarding the contract to Todd Construction including all alternates. David McKay commented that unfortunately statute does not allow the district to award the contract to Gerding when it is a hard bid project. He did comment that not all the projects have been awarded and there are still projects for Gerding to bid on and win.

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Mr. Costain asked about cost over runs, and who was expected to cover them. Mr. McKay responded that it is on the contractor unless there are additional requirements imposed by the authorities having jurisdiction, omissions in the drawings, unforeseen conditions or owner changes. He reported that he has set aside a 5 percent contingency in soft costs which will be used for change orders. Mr. Allen stated that actually every once in a while, there is a change order that saves the district money. Ms. Davis commented that she felt that it is important to share with the community how much effort the district has spent to keep the projects local. Ms. Latta commented at this time the district's web site is linking to Mr. McKay's web page but thinks it should be a little more detailed. Mr. McKay suggested extracting the local contractor list currently under contract from the Board Report and put it as a separate document to publicize. Discussion ensued.

### ***BOND SUMMARY***

Mr. Allen provided a summary to the Committee and shared that he and Mr. McKay were going about summarizing project costs differently and wanted the Committee's input. He stated that the bottom line was the same but the difference was in how it was put together. He explained how his document was breaking out premium dollars and alternates and how Mr. McKay's was looking at them on a project basis. After extensive discussion, it was determined that it would be best to use the summary example presented by Mr. McKay and the detail would still be tracked behind the scenes that could be provided on a case by case basis when needed.

Mr. Pierson stated he was more concerned with if we are not able to accommodate the growth of the new school with the growth of the community. He stated that he wants to be prepared to answer the questions that will come up if all the projects listed in the bond don't get accomplished. He doesn't want any answers to get buried. Mr. Allen agreed and responded however, that he wanted to keep the summary succinct. He shared that at the moment there is one large project that has bid, another large project on deck (OG), and then a medium sized project with South and West is following close behind. He stated that with the one large project (new elementary school) having come in at or under budget he believes that by the end of the project there will be some savings that can be used as contingency someplace else. Mr. Allen shared that the only area that is struggling at this point are the Critical Facility Upgrades (CFU). He reminded the Committee that the CFU's are being treated within a self-contained bucket. He stated that all of the other projects are going to have to be taken care of before we would ever look to shoring up a deficit in the CFUs; at this point if CFUs continue down the path that they have been going, the lowest priority projects (CFUs) are not going to get done. He emphasized that the deficit in the CFU bucket will not take away from Middle School CTE, West or South projects.

Mr. Pierson suggested a summary that reflects that we are on pace and there is nothing alarming or if there is something alarming, what is in jeopardy. Mr. Costain stated that the one at the end of the list is West Albany and that is where the biggest question will be. He stated that if the fears can be waylaid, then everyone will feel much better. Mr. Allen replied that everything at this time relative to West is on track and there is not a single project that has taken anything from that. Mr. Eastman added that things like the maintenance of the buildings are huge from the Bond Surveys and therefore, we need to be sure that those types of things get done. Mr. Allen responded that his hope and expectation is that at the end of the day, we will complete all the projects, and then be able to shore up the CFU projects. Mr. Pierson emphasized that it is important for the community to know that the decisions were done right and that we are on pace and should there be money left over that we are able to reinvest them in current projects rather than scope creep. Mr. Allen responded that in the current bidding environment it is critical to keep the scope creep under control. More discussion ensued. Mr. Allen stated that he appreciated everyone's input and will have the next best attempt to provide that information at their next meeting.

Mr. Eastman asked if there was anything to report on the progress at West. Mr. McKay responded that he believes they have a plan to move forward into the design development phase and continue to hold tight the process of aligning budget and scope. Mr. Eastman stated that the opportunity for meetings is getting smaller and he understood that the projects were getting bid. Mr. McKay reported that there were a lot of meetings on the West project that were pulled off the table. He stated that they have spent the last 6 weeks or so trying to do the design cost reconciliation. He shared that he did not want to move forward until that was completed and that they felt good

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about the budget. He stated that the meetings will start showing up again next week. As designs are finishing there are far fewer meeting to participate in.

Mr. Pierson added in response to last meeting when some projects looked grim, he suggested that it would be helpful to the committee if the reports would reflect how staff feels about how things were going at the time. It will help us judge the mood and share that with others.

Mr. Costain asked about the Bond website. Ms. Latta stated that she is still working on it and is still on the main web page. She reported that they have completed discussion on the last pieces to get it updated and running. Mr. Debolt asked what had transpired in regards to the pictures of buckets collecting water (before and after pictures). Mr. Allen stated that a request had been sent out for those pictures. Ms. Latta stated that she has some in her files. She asked if we still needed to sell that information. The Committee felt that it will be very important to have that type of information at the end to show what was accomplished. Discussion ensued. Ms. Davis emphasized that it is important that in the end, with the New Elementary School, Oak Grove, and West showing up as beacons, the small projects don't get forgotten.

Mr. Costain commented that at the last meeting Mr. Kasper questioned the costs for the elevator at Central and asked if the correction had taken place. Mr. McKay responded that it would show in the March update. Mr. Eastman asked if the memorial generator thing worked out. Mr. McKay responded that it was awarded to North Side Electric for \$216,000 which was about \$110,000 over budget but it is covering emergency lighting, storm water and critical infrastructure.

Mr. Eastman asked if there were any more questions. There were none. Ms. Latta asked Committee members to e-mail her any questions that come up. Mr. Allen provided another summary page and explained this was another attempt to what the Committee might find acceptable. He reviewed it for the Committee and stated that he believes it paints an accurate picture right now that the "sky is not falling". He stated that it shows that projects are bidding ok and that there are concerns in the CFU areas. Mr. McKay shared that for those who had participated in the cost estimating meetings; he reported that the results for the New Elementary school came in 11% under the cost estimators. He shared that this is something to be looked at as we move forward on the other projects. Mr. Costain asked if the same cost estimators were used for all the projects. Mr. McKay responded yes and that there are two.

Mr. Eastman shared that the next meeting would take place on April 25 and that he would be absent for the May 16 meeting. He adjourned the meeting at 7:12 p.m.

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Pat Eastman  
Bond Oversight Committee Chair

Recorded by Kathie Vosper