



**MINUTES**

**CALL MEETING TO ORDER**

Bond Oversight Committee Vice Chair Dale DeBolt called the May 16, 2018, Budget Committee Meeting to order at 6:03 p.m.

Present were:

Dale DeBolt	Bond Oversight Committee Vice-Chair	
Eric Aguinaga	Bond Oversight Committee Member	
Jerry Boehme	Bond Oversight Committee Member	
Rick Costain	Bond Oversight Committee Member	
Heath Kasper	Bond Oversight Committee Member	
Dawn Davis	Bond Oversight Committee Member	Arrived 6:05 p.m.
Russell Allen	Director of Business and Operations	
David McKay	Bond Program Director, HMK Company	

Committee Members Pat Eastman and Scott Pierson were absent from the meeting.

**PLEDGE OF ALLEGIANCE**

Committee Vice-Chair Dale DeBolt led the group in the Pledge of Allegiance.

**BOND OVERSIGHT COMMITTEE OPERATIONAL TASKS**

Mr. DeBolt stated that the minutes had been sent out and asked if there were any questions. There were none. He asked for a motion to accept the minutes. Committee Member Heath Kasper made a motion to accept the minutes as presented. Mr. Aguinaga seconded the motion. **MOTION CARRIED UNANIMOUSLY.** Ms. Davis arrived after the minutes were approved.

**BOND PROJECTS STATUS REPORT**

Mr. McKay started by asking if there were any questions on the April Board Bond update report that was sent out. Mr. Kasper commented that Forslund Crane Services was still not on the vendor list. Mr. McKay made a note to correct. Mr. Kasper then asked what the status was for NAMS. Mr. McKay responded that there are four concepts with minor changes to the classrooms to accommodate the principal's desire to have classrooms that are not landlocked. He shared that those concepts were presented to the principal last week and will give him some time to review. Mr. McKay commented that DLR is close to finalizing the design and the project will go out to bid in October. Mr. Allen commented that the delay was also because of the necessity of using the classrooms this year for the Oak Grove overflow. Mr. Kasper asked some more questions to which Mr. McKay responded.

Mr. Costain asked if there were any wetland issues for the Transportation Facility. Mr. Allen responded that he believes that all the permits that were needed are in place. He shared that the last hurdle was working

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through the City which was resolved last week and that once the designs are caught up, it's ready to go. He stated that he believes it will go to the Board on July 9 to bringing an updated cost estimate. They did not run into the same wetlands issues as Meadow Ridge.

Mr. McKay reported that there is now understanding as to what the wetlands hold up was for Meadow Ridge. He stated that there were several agencies reviewing the wetlands issue: Corps of Engineers, NOAA, EPA, Department of State Lands, and DEQ. He shared that DEQ's issue was because the Corps of Engineers didn't send the entire delineation plan to them for review, just parts. He reported that the DEQ has now been provided the rest of the information. The concern now is that they want us to take measures to ensure that storm water runoff gets to the wetlands. The new sketch has been approved by GAPS and is going back to the Corps of Engineers. We are not expecting any more issues.

Mr. Boehme asked if the school was then projected for a Christmas opening. Mr. McKay reported that the project is delayed by approximately a month right now and they need to assess what needs to be done. He stated that there is "float" included in the contract and a consultant will determine the actual float to see if opening the Fall of 2019 is still possible. He stated that everything is being done to keep the original Fall of 2019 opening.

Mr. McKay reported that the South Albany bid opening last Thursday did not have the outcome that was anticipated. It came in at 25% over budget which was significant. He stated that they have been working on trying to understand what happened. He reported that it was also over the cost estimate. He shared that there were another 12 projects bidding that day and 30 that week which could have had an impact. He shared that there were some bond premium bidding alternates included in the package. He stated that they are interviewing the contractors and are looking at options either to go with the low bidder with a lot of value engineering or go back out to bid in October. Mr. Allen commented that they will not be taking the bid to the Board for award, the value engineering and contract negotiations would need to take place first.

Mr. Boehme asked if there was any advantage to just rejecting the bids. Mr. McKay responded no, it is the sub coverage that is the problem not the major trades. Discussion ensued. Mr. Boehme asked if it was just the gym. Mr. McKay responded that the bid included VTE, storage, gym and some CFU projects that would make sense. He commented that they would bring a recommendation to the June 4 Board Meeting on how to proceed.

Mr. McKay commented that the good news was the Oak Grove site package came in at 20% under budget. This is where the CMGC is responsible for bidding and recruiting subs. He shared that it will be taken to the Board to award on Monday to a company out of Silverton. Ms. Davis asked if the site package included demo. Mr. McKay responded affirmatively.

Mr. McKay then shared that there are currently 35 construction projects underway around the District and all are moving along well other than bids have not been consistent. He stated that there have been some timing issues and have learned what works and what doesn't and have been working with subs to make things better. Mr. Boehme asked how the Pool was going. Mr. McKay responded that it was going well and that there were some challenges with the contractors and specifications. He reported that for roofing, Hammerquist was a good contractor and is pleased so far with the work. Mr. Boehme asked when it would be done. Mr. McKay responded that the work would be done over the summer and they are finding measures to keep the building operational when the mechanical does down for replacement. He emphasized there was no additional down time expected other than the normal week or so at the end of the summer. Mr. Boehme commented that any extra down time would be a concern.

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Mr. Aguinaga commented that there was a discussion at the last Board Meeting regarding CFU funds versus the rest of the Bond projects. Mr. Allen commented that Board Member Kim Butzner was asking if it was wise to go ahead and approve these projects while there were still issues with South and unknown costs on two other large projects. He shared that the response given was that with the approval of the CFU projects, they are less than \$10 million that what was budgeted for CFU. He reported that holding off on any of these projects now will cost more in the long run. He commented that the Board will have plenty of opportunity to discuss the remaining CFU down the road. Ms. Davis stated that she assumed that the CFU projects were prioritized. Mr. Allen responded that some of it is logistics but generally the 18/19 summer projects are clearly the priority. Ms. Davis commented that the viewpoint of debate is more about which is more important, South and/or West versus CFUs. Discussion ensued. The Committee felt that it is important for the CFUs to be taken care of because the public won't be happy if those items were not completed.

Discussion then moved to Bond premium funds. Mr. McKay reported that both South and West had chunks of those funds allocated to them along with Meadow Ridge and Oak Grove to date. He added that bond premiums were also included in the Timber Ridge and Calapooia bids. Mr. Boehme asked how much construction excise tax was coming in and could it be used as a supplement. Mr. Allen responded that there was approximately \$2 million in that fund and it was certainly an option for the Board to consider. He shared that there are several projects that have identified the construction excise tax fund as a funding source but there is not enough there for all of them.

Mr. Boehme asked what other sources of funding were available to the Board. Mr. Allen shared that the district did not receive the seismic grant and other than the Construction Excise Tax, one option would be that the Board underlevied the Bond by \$7.5 million and could go back and change it and at the end of the project, and another option is that there will probably be significant dollars in the form of interest that could be used if necessary. More discussion ensued on the South bid and bid alternates.

Ms. Davis asked if it was necessary to get all new fixtures for the new Oak Grove School. She stated that there were many items in the school that were functional, not enough to fill all the classrooms but some of them. Mr. Allen responded that the original plan was for Oak Grove to get all new fixtures but it has changed to that if anything in the building is relatively new and is not going to stand out, it will be saved and reused in the new building. He stated that they haven't gone so far as to move in all the old furniture and fill in the rest. Ms. Davis stated that being in the school all the time, there are some really solid old wood desks that are quite serviceable. Mr. Allen stated that Ms. Matuszak has been very reasonable throughout the project.

Ms. Davis asked about work being done at West with the bond premium covering a possible wing but heard it was moved to an auxiliary gym. The response was that the Board determined to use bond premium dollars at West for an auxiliary gym as well as additional classrooms. The classrooms are for Health Occupations classes. Even without the auxiliary gymnasium, there would not have been sufficient resources to bring over whole complementary departments from the existing building (e.g., math/science).

Mr. McKay asked if there were any other questions. There were none. Mr. McKay moved forward sharing that bidding will start in October for upcoming Summer 2019 projects. Mr. Boehme asked if any work would be going on during Christmas break. Mr. McKay responded that he did not know of any at the moment. Mr. Allen commented that self-performed work would be active at that time for sure. Mr. Aguinaga asked that if South was rebid in October and could be awarded quickly, could construction begin at Christmas. Mr. McKay stated they would have to see what could be done. Mr. Costain asked if South was rebid with a delayed start, what influence it would have on other projects coming after it. Mr. McKay replied that there were possibilities that the project could be broken down into smaller projects. Mr. Allen cautioned the group

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to keep South discussions quiet until after the Board has a chance to discuss their options. Mr. Allen stated that regardless, the schedule for South has slipped and will not make the fall 2019 timeline.

Mr. Boehme asked if CMGC managed projects were less expensive. Mr. McKay responded that in his experience it increases costs.

Mr. DeBolt commented that he had discussions with angry parents who had the impression that Bond dollars were going towards the change of mascot at South. Mr. McKay emphasized that no bond dollars were being used for this. Mr. DeBolt commented that he believes that it is the way individuals are reading the article. Mr. Allen emphasized that absolutely NO bond dollars are being used for the mascot change. Mr. DeBolt raised concern that the way the rename choice was handled, having the student choose without public input will hurt for the next bond; he emphasized that there should have been some community involvement. Discussion ensued.

Mr. Allen announced that the Oak Grove groundbreaking ceremony would be held on June 1 at 10:00 a.m. behind the quad. It was requested that staff send a reminder e-mail to the Committee.

Mr. DeBolt commented that he didn't see any meetings scheduled in June on the agenda. Mr. Allen responded that there is one scheduled for June 27, 2018 at 6:00 p.m. Ms. Davis asked how often the Committee was expected to meet as time moves forward and if there was a recommendation on frequency. Mr. Allen responded that the charter says once every other month. Mr. McKay responded that he felt that it would be well into Fall before he would suggest any changes in the meeting frequency. Mr. Boehme commented that generally it starts busy and lets off after some time.

### ***ADJOURN***

Mr. DeBolt adjourned the meeting at 7:13 p.m.

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Dale DeBolt  
Bond Oversight Committee Vice-Chair

Recorded by Kathie Vosper