

Ferndale School District No. 502
Bond Oversight Committee
Meeting Minutes November 17, 2020
Recorder: Tammy Longstaff

The Bond Oversight Committee met November 17, 2020 at 6:00 p.m. via Zoom video conference.

1. CONVENE

1.01 Call to Order by Chair

Riley Cornelsen called the meeting to order at 6:07 p.m.

1.02 Roll Call of Committee Members

Committee members present: Riley Cornelsen, Anya Milton, Sandi McMillan, Brian Lynch, Mark Harting, and alternate committee member Joe Lupo.

Also present were Ferndale School District Assistant Superintendent Mark Deebach, Ferndale High School Principal Jeremy Vincent, Facilities and Maintenance Director Jamie Plenkovich, Administrative Assistant Tammy Longstaff, Construction Services Group Representatives Tex Ladish and Ken Kuiken and Ferndale School Board Member Andrew McLaurin.

1.03 Adopted the Agenda

Riley suggested changes to the agenda to include:

- Removal of 3.04 – BOC Quarterly Report
- Update to 4.01a – Review bond related spending for “October 2020” instead of September 2020

Anya Milton moved to approve the agenda as modified. Brian Lynch seconded the motion. The motion carried

1.04 Approval of Minutes

Mark Harting moved to approve the October 2020 minutes as written. Anya Milton seconded the motion. The motion carried.

2. PUBLIC COMMENT

2.01 Receive Public Comment

No public comment was received

2.02 Shared Public Comment Received During the Past Month

No public comment to share.

3. UNFINISHED BUSINESS

3.01 How do we communicate with the public?

Dashboard on district's website is current for new FHS

Updated Quarterly cash flow document has been shared to the BOC SharePoint site.

Riley stated that the photos of the finished product on the Secure Vestibule project look amazing. He wanted to emphasize it is a story that should be shared and it is a major win for the District, the Bond, and the Community. He highly recommended that these photos and stories about this project get pushed out to the public.

Mark Harting added that it would be good to do the same thing with the new high school project as things progress and to include the community in the process.

Riley suggested that we also involve the public in the heritage preservation part of the project at Ferndale High. He suggested presenting the public with a list of items being considered and asking for community input on which of the items presented would they like to see preserved.

3.02 Observations and Concerns

Brian had questions for Jamie about comments made during the October 2020 BOC meeting with regard to needing the community's support behind us in funding facility and maintenance costs. Brian feels the community does support the district when it comes to maintaining facilities and wonders where we are falling short.

Jamie explained that the Facilities Advisory Committee disbanded in 2014 and that he was speaking more to the fact that in the long range plan which included replacing facilities, when you don't pass bonds, the funds are not available to replace the facilities as scheduled. Once you fall behind, you are in the hole. Development of a long term maintenance plan is something we are working with CSG on but it may require a capital projects levy to fund implementation of the plan. Jamie added that this is why he was stating that we need the support of the community on any plan that we come up with, whether it is a facility replacement plan or long-term maintenance plan.

Mark Deebach will share a PowerPoint presentation with the BOC members that was prepared by the Facility Advisory Committee that included the 30-Year Capital Facilities Plan. It recaps the four years of work that they did and hits all of the main points that you are talking about. We are currently three or four bonds behind in terms of where we are supposed to be right now with regard to the high school. We are currently 8 to 10 years behind on the plan.

The capital facilities plan is going to require bond money. We need the public to pass tax measures to be able to do the major remodels of the facilities. Several of the facilities are in need of major remodels and we cannot do this work within the operational maintenance budget. Ken and CSG are working to develop a preventative maintenance plan that will support the district in keeping up with the day to day maintenance and operation of the buildings. However, it is not going to be provide enough funds to get the buildings up to a modern standard and replace the major building systems like electrical, HVAC, etc. There are two separate things that need to be working hand in hand. One we can fund internally and one we can't.

Anya inquired if the school district has thought about creating a foundation that is solely focused on fundraising for capital projects, mainly with building relationships with local businesses.

Mark stated there has been talk about foundations for other programs but not solely for the purpose of facility modernizations. Ken added that this was part of a discussion that he and Jamie had. Jamie shared that they were talking more about volunteer projects where you get community involvement on a project that we can do together. It is possible but there are some hurdles and part of that would be union clearance requirements.

Anya added she was referring to long-term partnerships with businesses that are in Ferndale and want to invest in the future of Ferndale. If this is

something the District is interested in the future, Anya would like to help make introductions and connections.

Mark Deebach added that it is a conversation that we should involve booster clubs in as there is a competing interest for fundraising. Mark is uncertain of the capacity of the community and added that we don't want to cannibalize other programs.

Anya stated that in her experience with resource development, it is about having good rich deep conversations with businesses that have the deep pockets and are invested in the community. This isn't about donating a couple thousand dollars here and there; it is a much deeper and bigger ask than most of the fundraising taking place currently.

Jamie added that you would need an exciting project in order to attract interest. He is not sure that upgrading an HVAC system or a maintenance project will attract a lot of dollars. Investors may wonder why we haven't completed the work on our own.

Anya shared it is a much larger picture than fundraising efforts currently taking place in the district and long-term maintenance is folded into that. She reminded participants about previous conversations that took place regarding the importance of building relationships with community businesses to help tell the story of why we need support to help sponsor different aspects of the bond projects. She stated we need the help for sure and it is not just the individual donors, but businesses too. There are definitely ways to do it.

Brian was under the impression that we could do more out of the operational budget if more was budgeted to the operational budget. Andrew said given our current financial situation that would be money that comes at the expense of something else.

Mark Deebach said it would be a trade off. No matter how much money we could move, we would not have enough to do major modernizations without some additional funding that is voted on by the public, whether it is a Capitol Projects levy or a bond.

Brian asked who decides how much money goes into maintaining facilities and how do they arrive at that figure. Mark Deebach shared it is the same process we go through to determine how much money goes to other programs and expenditures. The State has a funding formula that allocates how much money goes to staff and then the rest of it is MSOCs (Materials, Supplies, and Other Costs). We have a formula that allocates a dollar amount per student that comes into the system that we use to buy

computers, textbooks, pencils, paper, electricity, water, and all things that are not people costs. This would include maintenance and grounds budget items as well. There is no specific amount of money that is earmarked for the maintenance of facilities, it is a competing interest with everything else.

Ken shared that one of the things he discussed with Troy of CSG who previously was the Facilities Manager at Longview Kelso School District was facility maintenance. He said it was common for that district to run a facilities levy every four years which established their budget beyond the normal funds available and was dedicated to facility maintenance. However, it took an ongoing advisory committee and campaign that was demonstrated to the public why those additional funds are sorely needed.

Based on some research Ken was doing, he added that 10% of the district's budget should go to facilities maintenance and management but typically across the country, they are underfunded by at least 23%. Different districts have made it a priority campaigning for it on an ongoing basis. He is going to continue exploring things to share with the group.

Ferndale School District has not run a capital projects levy for several years.

Anya asked what the plan is for the Facility Advisory Committee and if there are future plans for getting them back together. Mark Deebach said not at this time. Anya asked if the School Board could put this into motion and in June of 2021 so we could start talking about this?

Andrew said facility maintenance is something they have talked about but they haven't brought it back because of the other things they are dealing with. He added, the history of any type of levy or bond has not been met with a great amount of enthusiasm during his time serving on the board. He stated the bond for the new high school was an exception and we are appreciative that we are able to build the new high school.

Anya inquired if advisory committees only exist to inform a particular initiative. Andrew said that has been his experience.

Mark Deebach added that the facility advisory committee met for about four years. Their first topic of discussion was whether or not to continue the lease of bingo hall for Windward High School. They were involved in the research to close Mountain View and the Facilities Condition Assessment/Study that we talked about earlier performed by CSG. He added that this group invested 100s of hours over multiple years advising and developing the 30-Year plan. They started out as a committee that

was assessing what the situation was and how we could maximize the use of our dollars to get the most we could out of our facilities. They wrapped up and transitioned out and gave way to the Bond Task Force because they got to the point in order to move forward, they needed a tax initiative. They couldn't do anything more without the funding. That is where we are at right now as we haven't had funding for some of the projects we are working on right now.

Anya asked Jamie if we were to have another initiative move forward to fund something, if he knows what needs to be done moving forward or do we need to have another committee formed to assess that. Jamie said that he does not need a committee but he would utilize CSG to help map out a plan and identify priorities. We would need a committee to help us sell that to the public.

Mark Deebach added that the work was outlined by the previous committee so it is a matter of doing the work that they outlined which is a facility assessment which is the work that Ken Kuiken is currently doing. This will tell us what needs to be done after the bond work is completed and what order it should happen, and how much money it will cost. The specific projects have changed but the outline for how to proceed hasn't changed; just the order in which it happens.

Sandi McMillan asked if the BOC committee could see that work. Mark Deebach will share the PowerPoint with the committee during the next meeting. Sandi asked if there is any future interest in running capitol levies. Mark replied if you look at the 30-Year plan that came forward from the FAC, it makes use of capital projects levy funds. This was part of the overall consideration and I think it could be a very valuable tool. You have to look at what the tax capacity is of the community and make some assessments. If you pass the levy, what does it do to your next bond issue because you have competing tax measures. I think there is real merit to it. When the bond failed the first time, we discussed the idea of not running another bond and just doing a capital facilities levy.

Sandi stated that during the last meeting, it was shared that the City of Ferndale would be incorporating the district's capital plan into their comprehensive plan. She asked if this was because they wanted to have global look at the tax base. Mark Deebach shared that no, that is not the reason and that it's a requirement and we have been doing this for years. It is time for an update and they offered to help us out which is much appreciated since we are short staffed.

Andrew added that at the Board study session last week, one of the topics was the 30-Year plan and the need to update it. We have had

Ferndale School District No. 502
Bond Oversight Committee
Meeting Minutes November 17, 2020

conversations about it throughout the spring and summer but it hasn't been the time to focus on it with everything else that is changing. Even now, it will be a stretch with people's time but we did ask Linda to take another look at the 30-year plan and start working on an update.

Anya appreciates learning more about that as it provides context and perspective to the oversight committee. Anya said while this is not a direct remit of the Bond Oversight Committee, it is a direct connection. Hearing the back story of the Facility Advisory Committee for the facility and maintenance side helps give perspective and let us know that it has been done. It helps us move forward and have a better understanding. She added that we need to do more things proactively than reactively.

Andrew stated that from the School Board's perspective, it feels like there is the assumption that nothing has been done coming from the Bond Oversight Committee and there is lots of planning and looking to the future that has occurred. If you want to know what has been done, you can ask about it rather than making statements like "have you ever thought about it". There is a lot of work that has gone into all of this for the last 10 years. We want to be transparent about it, just ask us for information and don't assume that we haven't done it.

Mark Harting shared his opinion that he felt like they have asked about the long-term planning and did not receive a straight answer. Mark acknowledged that they do not always ask the right way but added this is the first he knew a plan exists. Andrew added that the plan is out of date and will need to be updated. CSG was involved in the facility assessment that was done for the district in 2011.

Riley acknowledged there is a lot of work that needs to be done in the district. Having the right plan in place so we are not in the same situation where we are 3 failed bonds and 10 years behind and trying to play catch up is what we want to avoid. Even though the Capital Planning is not in our remit, looking forward to passing capital levies or bonds is one of the main reason that this committee exists.

Sandi inquired about wanting a debrief from the school board meeting last week. Andrew stated the board discussed the letter from the BOC during their study session last week but they were not able to prepare a formal written summary in time to get into the minutes so it is not on the agenda. We can certainly put it on the agenda for the December meeting. Sandi shared that she appreciated how Andrew detailed the BOC's thought process and summarized it for the board.

4. NEW BUSINESS

4.01 District Comments/Input

a. Review Bond Related Spending for October 2020

- Sandy inquired if there will be a cash flow issue relating to the SCAP process since school districts are required to pay the money up front and then get reimbursed.
- Mark said there is no concern of a cash flow issue

Expenditure summary received for October 2020

- Riley asked what is included in the \$511,000 spent on contingencies as shown in the expenditure report. Tex said it was presented by Heidi several meetings ago and he cannot remember what it is for. Tex will have an answer at the December meeting. Riley's point of concern is that \$4,000,000 was spent and \$500,000 is in contingencies.

b. Review Cash Flow Plan

- Mark stated there was a document that was shared on the BOC SharePoint site. He added that Heidi will need more time to help put this together. She said that once Cornerstone is providing more updates, it will be easier to pull the information together.

c. Receive an Update on Items Related to the Bond from Ferndale School District and Construction Services Group

CSG Monthly Report – Heidi Hansen (Presented by Tex)

- Dykeman got the permit set of documents completed and submitted to the City of Ferndale's Building Department. Both plans and specs are 85% complete. We will now await their review and feedback. Joe asked what third party engineering firm the City was using. He suggested that we should find out in case there are any issues so they can be addressed right away.

Ferndale School District No. 502
Bond Oversight Committee
Meeting Minutes November 17, 2020

- This Monday, the constructability review process was launched with a very large team of engineers, contractors, and experienced professionals in all aspects of construction. There were 15-20 people involved in the kick-off call on Monday. This is a three week process and the goal and commitment is to have all comments in by December 4th. This will provide an opportunity for those changes to be incorporated into the final construction documents.
- The intent was for the 85% plans and specs to be uploaded on the Bond Oversight Committee SharePoint site. Tex will forward Tammy the link so that she can share with the committee members.
- Ken shared investigative work has been taking place at the PAC for the needed seismic upgrade. To be able to finalize the design, we need to perform an exploration and prior to doing the exploration, we needed to determine if there were any hazardous materials in the way of that exploration. We met last Monday onsite with ESHI who are the Hazmat Surveyors, Cornerstone, and Geotest and reviewed means and methods for opening up the wall and how to get the inspector up there. The results of the EHSI hazmat survey are favorable. The only thing we found was vermiculite in the exterior brick walls which we knew existed. There was a black gooey substance found in speaker boxes that contained asbestos.
- This will allow Cornerstone to setup staging and cut things open for GeoTest to perform their special inspection. Feedback will be provided to the structural engineer so they can complete their design and Cornerstone can put a cost to the project.
- Heritage Preservation - Jeremy did a walkthrough of the FHS campus to identify items they may want to move to the new facility or replicate in a certain way as a way of preserving them. Below is a list of items discussed:
- Ground Memorial Plaques – 3 Each, one is outside of the PAC near ceramics for two young men that passed away in 2000, one outside of Old Main from the 1950's but we are not sure who it is for but we assume she was a teacher. There are benches outside of the gazebo in honor of Chelsey Ebert and Rod Brudwick.
- Stadium – It's a Matter of Pride – Plywood on a beam. We will want to replicate

Ferndale School District No. 502
Bond Oversight Committee
Meeting Minutes November 17, 2020

- State Championship Sign – Different way to show it now but want to keep the original 2005 sign as well.
- The Last Plaque – War Memorial Stadium Plaque. It has the Lummi Nation Thunderbird on it. It is a special plaque and we want to keep the original and possibly replicate it somewhere too.
- Donated Items like large wood eagle in lounge and other things that have been donated by previous graduating classes.
- South Side of Gymnasium – Eagle Pride – want to keep the message.
- Scoreboards – 3 nice ones that we want to repurpose.
- Photos – Take picture of old campus before it gets taken down to make into a mural similar to what was done in Anacortes and LaConner.
- Sandi was interested in what was happening with the old main bricks and preserving the old façade. Jeremy said that the façade is falling apart but there was talk about printing on the bricks and selling them to the community as a fundraiser. Brian wanted to be sure that there was no asbestos on them. Sandi mentioned there was a suggestion by the design committee to print Ferndale Pride on the backside of the gymnasium so you could see it from the freeway.
- Tex shared that as we get closer to construction, the safety of the kids is of the utmost importance. Ken showed the plan for access to the school for trucks during construction. He is working with the railroad to try and get access off of Washington Street utilizing leased property by Carlisle that they use for staging trucks. Carlisle is agreeable to allow us to use this as an access point but we need to get approval from Burlington Northern Santa Fe's leasing company. This would reduce the number of trucks going through student occupied areas and reduce their travel through residential neighborhoods.
- This access would require removing a canopy from the CTE building and taking down a couple of trees. This would be the primary access for the majority of the onsite deliveries. Ken walked the property with Cornerstone and Sam Comer and their superintendent who both felt that the railroad site access would work.

- The second location being considered is access from Diane Court. There is a 30' easement which grants ingress and egress to the school district. This could be used in special circumstances when there are longer trucks that may not be able to access the construction site from the railroad property. The other idea is to cut through the School districts property near the bus parking area to avoid passing by as many houses as we can.
- This process is still in the works.
- Joe suggested contacting the Fire Department on Washington Street. He said if you take out a couple of Fir Trees it would be a straight through shot. It will be more truck and trailer setups coming through than there will be a tractor with a trailer. Ken commented that he sees the point Joe is making and he will look into that option as well.
- Joe asked if they have considered measures to deal with the kids that work on projects in the CTE building or green house. He wants to make sure we are thinking about the kids and keeping them safe. Ken said that Cornerstone is developing their phasing plans and for each plan, they will have a plan for truck access that addresses student safety. Joe added that he has the utmost respect for Cornerstone as they build schools and work around kids all of the time.
- The design team finished responding to all questions and the responses have been posted on the BOC SharePoint site on the DD Document. Sandi asked if a decision was made with regard to the storm water and if a different option was decided upon. Tex said the new design will be on the plan set that will be shared.

Critical Projects – Secure Vestibules - Tex

- The Secure Vestibules Access Control and Security Cameras are complete and up and operational. The change order proposal update was included in tonight's meeting packet. There are a couple of minor punch list items to complete and it will be finished.
- The critical projects schedule is still being worked on. Tex is populating the dates of when tasks were completed and will share as soon as it is finished.

- The roofing at Vista Middle School is complete. The manufacturer will be onsite to perform a warranty inspection accompanied by CSG.
- The Fire Alarm panels are complete and photos were included in your packet.
- The heat valves at Vista are complete. The hot water tank project is ongoing and work is being performed as the maintenance team's schedule allows.
- CSG is working on the roofing projects at Central and Custer and the masonry for next summer. Quotes have been received and they are working through them now. HVAC and DDC (direct digital controls) will be broken up into several phases. The pneumatics will be done first. CSG is working on the RFP process at this time.
- Anya commented that the Vista Middle School roof looks awesome.

Security Project - Tex

- Security Fencing at Skyline and Horizon is 98% complete. The remaining work is on gates and hardware.

The next meeting will be December 8, 2020 at 6:00pm due to the district's holiday closure.

5. ADJOURNMENT

The meeting adjourned at 7:27 p.m.