

BOND UPDATE #125

09.17.21

Here's what's going on with our bond projects:

1. On Wednesday of this week, September 15, Mark Deebach and I participated in a bond pre-pricing call with our financial advisors in preparation for our third and final sale of bonds. Our legal counsel, Cynthia Weed, began the conversation by telling us we had selected a "superb time to sell our bonds." She said the interest rates were exceptionally low, which will translate into tax savings for Ferndale property owners. Our municipal advisor, Scott Bauer, also played an active role in the pre-pricing conversation. In addition, he had met with the DA Davidson team in advance to help design a pricing structure that would most likely yield the best deal for Ferndale taxpayers without scaring away potential bond buyers. Mark and I appreciated his insights and advice.
2. On Thursday of this week, September 16, at 7:30 am, \$27,730,000 of our local Ferndale bonds went on the market. By 9:30 am, orders had been placed for all of them at prices Mark and I gladly approved. Cynthia Weed's prediction had come true. It turned out to be a superb day to sell bonds. We achieved an aggregate interest rate of \$1.31 per thousand, which is significantly lower than the \$1.66 per thousand we projected when we proposed the bond to Ferndale voters. In addition to this lower rate, we are going to be able to pay off the bonds in 17.22 years, rather than the projected 20 years, which will result in another huge savings to taxpayers. We are thrilled with the results!
3. On Tuesday, September 28, once all of the sales have been verified and completed, our financial advisors at DA Davidsson, will be depositing \$33,252,173.55 on our behalf with the Whatcom County Treasurer. This amount equals the sale price of our third batch of bonds (\$27,730,000) plus the premium paid by the purchasers (about \$5,500,000). With this deposit, the District will have received all of the \$112,000,000 approved by Ferndale voters in the February 2019 election, and, once we receive state matching dollars, we will have what we need to finish the work on the new Ferndale High School project.
4. Speaking of the new Ferndale High School project, work is proceeding according to plan. This is a summary of what's happening in the construction process:
 - a. Damp-proofing and foundation drains are being installed around the perimeter of those areas where foundations have been completed. This process will continue to follow the foundation as it is constructed.

- b. Most of the floor slabs in the academic wing and commons area have been completed. The commons area was poured on Wednesday of this week (September 15).
 - c. The corridor floor slab in the academic wing is being prepared this week and will be poured next week. This will essentially complete all of the slabs in this section of the campus.
 - d. Underground plumbing and electrical work is continuing in the kitchen, locker room, and main utility rooms. We anticipate this work will be completed by the end of the month, allowing backfill and slab preparation to begin during the first two weeks of October.
 - e. Gravel backfill is currently being placed in the location of the new gym, which will prepare that area for pouring the floor slab.
 - f. As all of this suggests, we will soon have floor slabs completed in almost all of the building. The exception is the CTE area, which will be completed later in the project.
 - g. We are anxiously looking forward to the first deliveries of structural steel next week. The following week, we will see steel starting to be installed and our new building taking shape. This will be another major milestone for our project
5. Compliments of Cornerstone General Contractors, I have once again included several photos from the FHS construction site at the end of this week's update.
6. One of the reasons we selected Cornerstone as our General Contractor was the company's commitment to promoting equity and diversity and hiring local workers when possible. Earlier this week (September 16), Cornerstone hosted a "virtual" outreach event for MWBE Contractors of America, Inc., which is a minority-owned (MBE/WBE/DBE) company specializing in residential and commercial construction projects, project management, property maintenance, land maintenance and consulting. The main focus of the event was to attract and support MWBE subcontractors who are interested in doing business with Cornerstone. Highlights included (1) instructions for submitting bids; (2) an overview of resources provided by Cornerstone to MWBE subcontractors; (3) the location of information about upcoming Cornerstone projects; (4) requirements for bonding, insurance, and certification; and (5) and Cornerstone's desired qualifications for subcontractors. More than 50 MWBE subcontractors participated in this week's event, which represented one of many ways Cornerstone is reaching out to the MWBE subcontractor community to encourage participation in school projects in Ferndale. They are also reaching out to Lummi to recruit Lummi subcontractors to our district.
7. We have set the dates for the Ferndale High School Furniture Fair: It will take place November 8-19, 2021. The purpose of the Fair will be to give everyone (staff, students, and community members) an opportunity to see the various furniture

options that match our budget for the new high school and to give their input on which we should choose. All of the furniture samples will be located in the foyer of the Performing Arts Center for the entire two weeks. Once the Fair has been set up, we will invite people to stop by, review the various styles, experience them, and provide their feedback through a survey.

8. During next week's Every Thursday Facebook Live program (September 23), at 4:00 pm, we will be unveiling the updated Ferndale High School logo and color palette, which was developed by a committee of current and past Ferndale students, staff, coaches, and advisors, working with professional graphic designers from Dykeman Architects. You can tune into the District Facebook page to watch the program live, or view a recorded version at a later date. Here is the link:
<https://fb.me/e/4fAgVhuOP>
9. Information about the next Bond Oversight Committee (BOC) meeting, along with directions for attending such meetings, are posted on the District website under the tab labeled "BOND." The BOC's next meeting will be held on Tuesday, September 21, 2021, at 6:00 pm in the Vista Library and will also be available to view via Zoom. Information about the BOC can be found at this link:
<https://www.weareferndale.org/committee/>
10. The Bond Oversight Committee will be delivering its next quarterly report to the School Board on September 28. Once the written version is completed, the report will also be posted on the District website, along with previous reports, which can be accessed at this link (scroll down to the bottom half of the page):
<https://www.weareferndale.org/committee/>

If you have questions or comments about any of the content of this update, please feel free to reach out to me or one of my colleagues.

Linda





