

Date: September 01, 2021

Purpose: Citizen-Led Oversight Committee (CLOC) Meeting

Location: Zoom Meeting

Committee Members Attendees:

Ted Barber (Chair), Ron Groteluschen, Ray Warco, Carlton Dallas, Richard Tritschler, Derrick Coaxum

Beaufort County School District (BCSD) Representatives Present:

Robert Oetting, Freddie Lawton, Alexander Marshall, Tim Summers, Jennifer Hamblin, Richard Geier, Tricia Fidrych, Ingrid Boatright

CBRE | Heery Attendees:

Robert Corbin, Kevin Kelly, Mark Koll, Agustin Vargas, David Waggoner

Other Attendees:

Mark Pritchard

Meeting Minutes

1. Prior to the meeting, a meeting agenda and draft minutes from the August 4, 2021 meeting were distributed to the committee members via email. Also distributed were the following documents: Meeting 21 Presentation; Department of Labor Resources Report; Referendum Projects 2019 Financial Summary; BCHS (Battery Creek High School) Renovation Financial Details; MRHS (May River High School) Addition Financial Details; RRA (River Ridge Academy) Additions Financial Details; RSIA (Robert Smalls International Academy) Replacement Financial Details; HHIMS (Hilton Head Island Middle School) Renovation Financial Details; Referendum Project Contingency Log; Referendum Cash Flow Projection vs Actual Expenditures (Rev 2.1)
2. Mr. Barber asked if there were any changes to the agenda. No changes were brought forward.
3. Mr. Barber opened the meeting with the Pledge of Allegiance.
4. Mr. Barber thanked Mike McNally for chairing in his absence at the last CLOC meeting. Mr. Barber also announced that David Ames submitted his resignation from the CLOC, stating that his elected position on the Hilton Head Island Town Council is taking much of his time, and he needs to devote his time to that commitment. Mr. Barber thanked Mr. Ames for his service on the CLOC and said that Dr. Rodriguez will appoint his replacement, if that is what he desires to do.
5. Mr. Barber asked if there was a motion to approve the minutes for the last meeting. A motion to approve the minutes was made by Carlton Dallas and seconded by Ray Warco. The motion was approved by all.

6. Project Updates:

Beaufort Elementary School (BES) – McMillan Pazdan Smith Architecture (MPS) and H. G. Reynolds Co., Inc. (HGR)

Mr. Marshall reported on BES, which is under budget. HGR passed the Overhead and Final OSF Inspections in early August 2021. The Electrical sub-contractor is behind schedule but expects to be completed by the end of 2021. The new fire alarm system is expected to be in by the end of September 2021. HGR and Electrical sub-contractor are finalizing the schedule to complete the remaining electrical items. Four compressors in the Water Source Heat Pump (WSHP) units that were not working on the first day of school have been replaced, under warrantee. Cooling Tower #2 is scheduled to be operational by the end of October 2021. The remaining furniture from three manufacturers continue to report being "back-ordered". These orders include science tables, teacher's desk and some soft seating for the office. BCSD continues to monitor the updated shipment dates. The mobile classroom unit has been relocated to HHIMS. The connector between the gymnasium and the front hallway is expected to be turned over in October 2021. Extensive delays have been experienced due to lead time for the impact resistant glass. The fire riser pump room CDs have been submitted, excluding structural. We have architectural and MEP CDs. Civil is expected by the end of this week and structural by next week. We do have to resubmit to BJWSA, although it is not expected that we will need additional site permitting. We have to resubmit fire drawings to the State Fire Marshall's Office, with the new set of calculations. This process could take four to six weeks.

Mr. Dallas asked if the electrical sub-contractor performs work on any other BCSD projects and if so, it might be a watch point. Mr. Marshall responded that they are working on some projects in the southern portion of the county, and internal discussions have been taking place.

Battery Creek High School (BCHS) - Jumper Carter Sease Architects (JCS) and MB Kahn Construction Company, Inc. (MBK)

Mr. Marshall gave the report for BCHS, which is under budget and on schedule. The site utility relocation for the addition is under way. The kitchen demolition is almost complete. The biggest issue at BCHS is obtaining a delivery date for HVAC equipment due to material shortages. The rough-in is complete and will be tested over the next week. The electrical sub-contractor is working nights in order to install homeruns for temporary power sources. The locker rooms are coming along nicely. The furniture for Phase 1 has been ordered, and the delivery should be in line with the opening of those sections. The BJSWA site phasing plan has been submitted and approved. The site sub-contractor is on schedule to have utilities relocated by the end of September 2021. The building pad for the addition is scheduled to be completed by the end of September 2021.

Mr. Warco asked if it costs us extra for the crews to work at night work. Mr. Marshall and Mr. Oetting responded that while the night work costs extra, it was budgeted in the contract.

Robert Smalls International Academy (RSIA) – LS3P Associates, Ltd. (LS3P) and JE Dunn Construction Company (JE Dunn)

Mr. Marshall gave the report for RSIA, which is again on schedule and under budget. The Value Engineering (VE) exercises were completed in August and the total cost reduction for the project was \$1,707,877. The JE Dunn Amendment No. 02, the GMP for Replacement School, Sitework/Landscaping and Demolition plus GMO for Multipurpose Alternate) was approved by the BCSD Board on August 17, 2021. The prior yellow light for the schedule due to steel lead times has been returned to green status. The revised Construction Milestone dates have been vetted with the BCSD Board and the school administration. The Phase 1 (Replacement School) Substantial Completion is now July 6, 2023. The Phase 2 (Demolition and Site Restoration) Substantial Completion is now December 21, 2023. The Final Completion shall occur within 60 days of each Substantial Completion Milestone date. LS3P is scheduling pre-construction meetings for site and utilities to occur as quickly as possible. They are also preparing a detailed project schedule. Site activities are anticipated to commence in November with completion of the building pad expected by the end of February 2022.

Mr. Corbin added that with the addition of contingency funds of \$3,281,943 on August 17, 2021, the project is back under budget. As stated last month, the plan is to utilize project construction contingency funds for Phase 2.

Hilton Head Island Elementary School (HHIES) – JCS and MBK

Mr. Summers gave the report for HHIES, which is under budget and on schedule. The cable tray installation has been completed. The Bi-Directional Amplifier (BDA) installation is roughly 85% complete.

Hilton Head Island School for the Creative Arts (HHISCA) – JCS and MBK

Mr. Summers gave the report for HHISCA. The cable tray installation has been completed. The purchase order for Churchich Recreation & Design has been issued for playground equipment. The materials are scheduled to arrive in October 2021 and installation is scheduled to occur in November.

Bluffton Elementary School (BLES) and Bluffton Early Childhood Center (BLECC) – JCS and MBK

Mr. Summers gave the report for BLES and BLECC. Cable tray installation has been completed. Installation of the BDA is 95% complete.

MC Riley Elementary School (MCRES) – Rosenblum Coe Architects, Inc. (RCA) and Contract Construction (CC)

Mr. Summers reported on MCRES, which is on schedule and under budget. Construction of the MDF/IDF rooms is 95% complete. The cable tray installation has been completed.

Hilton Head Island Middle School (HHIMS) – LS3P and Thompson Turner Construction (TTC)

Mr. Summers reported on HHIMS, which is on schedule. The DD cost estimate from TTC indicates a potential cost overage of approximately \$4M, therefore cost reduction meetings have commenced. TTC has provided their GMP Amendment request to install the mobile unit that has been relocated from BES. We are waiting on permits to complete the sitework. Utility connections are scheduled to take place in November 2021. Construction is scheduled to commence Quarter1, 2021.

H.E. McCracken Middle School (HEMMS) – JCS and MBK

Mr. Summers reported on HEMMS, which is under budget. Cable tray installation has been completed. Installation of the BDA is 85% complete.

Hilton Head Island High School (HHIHS) – MPS and HGR

Mr. Summers reported on HHIHS, which is under budget. Phase 1 Stadium Lights installed by MBK has been completed and the final closeout documents are being reviewed. Phase 2 Athletics scope includes turf field, addition for new field house, renovations for locker rooms and press box. The turf field is 30% complete. The turf is set to be installed on September 30, 2021. Plans for the new field house, locker room renovations and press box are at 60% Construction Documents (CDs). The school administration has requested plan revisions which has delayed completion of CDs. Construction is now scheduled to commence in Quarter 4, 2021.

Bluffton High School (BLHS) – JCS and MBK

Mr. Summers reported on BLHS, which is under budget and on schedule. The turf field schedule has been postponed until after football season. This has been coordinated with the school principal and athletic director. The previously reported yellow light has been returned to green. The installation of the bullet resistant film at the school entry has been completed. Construction of the IT rooms is 20% complete. The installation of the cable tray and BDA is scheduled to commence in September 2021.

Right Choices (RC) – LS3P and TTC

Mr. Koll reported on RC, which is on schedule and under budget. The Technology/Infrastructure work and the sound enhancement system have been completed. Final system turnover is scheduled for mid-September 2021. Removal of the existing camera system is scheduled to occur in September 2021.

Coosa Elementary School (CES) – LS3P and TTC

Mr. Koll reported on CES, which is on schedule and under budget. Construction of the IT rooms has been completed. TTC is in the process of obtaining additional proposals for the modified cable tray layout. The remaining Technology/Infrastructure bid packages have

required some modifications based on reviews and field conditions, however TTC still anticipates provision of GMP proposals in September 2021. Playground material delivery delays has postponed the installation until September 6, 2021. This schedule has been vetted with school administration. It is anticipated to take three weeks to install the playground.

Beaufort Middle School (BMS) – MPS and HGR

Mr. Koll reported on BMS, which is on schedule and under budget. Construction of the IT rooms is 90% complete. Demolition associated with the Athletics Phase 1 scope is now scheduled to begin after the end of football season and this has been vetted with school administrators. The demolition was not able to commence this summer due to asbestos testing and permits. The testing report has been issued, and no asbestos was found. The remaining Technology/Infrastructure bid packages have required some modifications based on reviews and field conditions, however HGR still anticipates provision of GMP proposals in September 2021.

Lady's Island Middle School (LIMS) – LS3P and TTC

Mr. Koll reported on LIMS, which is on schedule and under budget. The Technology/Infrastructure work and the sound enhancement system have been completed. Final system turnover is scheduled for mid-September 2021. Removal of the existing camera system is scheduled to occur in September 2021.

Beaufort High School (BHS) – LS3P and TTC

Mr. Koll gave the report for BHS, which is on schedule and under budget. The Technology/Infrastructure work continues to make good progress. The cameras and sound enhancement system installations are proceeding as scheduled. Construction of the wrestling/weight room continues, with structural steel in place and roof framing and dry-in complete. Brickwork and interior mechanical and electrical work are proceeding on schedule.

Mr. Corbin added that this building was originally designed to use bar joists for the roof, however with the increased price of steel and the long lead times associated with it, the decision was made to use beams instead. This has saved time in the schedule.

Lady's Island Elementary (LIES) – MPS and HGR

Mr. Vargas reported on LIES, which is on schedule and under budget. The construction of the IT rooms is 90% complete. The cable tray installation and the corridor ceiling installation have been completed. The OSF overhead inspection passed last month. The doors and door hardware are now scheduled to arrive in September 2021, due to shipment delays. Design for the remaining bid packages (Phase 2 of the Technology/Infrastructure scope) was initially expected to be issued for pricing in August 2021, but now they are expected to be issued in September 2021, due to required modifications based on reviews and field conditions. HGR anticipates being able to provide GMP proposals in September 2021, as originally scheduled.

St. Helena Elementary School (SHES) – MPS and HGR

Mr. Vargas reported on SHES, which is on schedule and under budget. The construction of the IT rooms is 90% complete. The cable tray installation and the corridor ceiling installation have been completed. The doors and door hardware are now scheduled to arrive in September 2021, due to shipment delays. The purchase order for Playworld is being processed for the Playground equipment replacement and turf areas. Lead times for materials and equipment are being confirmed, and installation will be coordinated with school administration. Design for the remaining Technology/Infrastructure bid packages was initially expected to be issued for pricing in August 2021, but now they are expected to be issued in September 2021, due to required modifications based on reviews and field conditions. HGR anticipates being able to provide GMP proposals in September 2021, as originally scheduled.

Broad River Elementary School (BRES) - LS3P and TTC

Mr. Vargas reported on BRES, which is on schedule and under budget. Construction of the IT rooms is 90% complete. The HVAC installation the IT rooms is 80% complete. TTC is obtaining additional proposals for the modified cable tray layout. Doors and door hardware shipping date has been confirmed to arrive in October 2021. Installation will take one to two weeks. The revised schedule has been vetted with school administration. The basketball court and the turf installations have been completed. Design for the remaining Technology/Infrastructure bid packages was initially expected to be issued for pricing in August 2021, but now they are expected to be issued in September 2021, due to required modifications based on reviews and field conditions. TTC anticipates being able to provide GMP proposals in September 2021, as originally scheduled.

Joseph S. Shanklin Elementary School (JSES) – RCA and CC

Mr. Vargas reported on JSES, which is on schedule and under budget. Construction of the IT rooms is 90% complete. The cable tray installation has been completed. Rerouting of MEP to accommodate the IT rooms has also been completed. Playground materials have been delivered to the site. The playground turf installation is 40% complete. Design for the remaining Technology/Infrastructure bid packages was initially expected to be issued for pricing in August 2021, but now they are expected to be issued in September 2021, due to required modifications based on reviews and field conditions. CC anticipates being able to provide GMP proposals in September 2021, as originally scheduled.

Davis Early Childhood Center (DECC) – RCA and CC

Mr. Vargas reported on DECC, which is on schedule and under budget. Construction of the IT rooms is 90% complete. The cable tray installation, the rerouting of MEP to accommodate the IT rooms and the BDA installation have all been completed. Design for the remaining Technology/Infrastructure bid packages was initially expected to be issued for pricing in August 2021, but now they are expected to be issued in September 2021, due to

required modifications based on reviews and field conditions. CC anticipates being able to provide GMP proposals in September 2021, as originally scheduled.

Whale Branch Elementary School (WBES) – RCA and CC

Mr. Vargas reported on WBES, which is on schedule and under budget. The playground shade structure and soccer field installations have been completed. The Technology/Infrastructure Phase 2 construction commencement is pending review of Architectural Supplemental Instructions (ASI) from the construction manager and coordination with the new school administration and the sub-contractors. The Phase 2 electrical scope is 25% complete. This work is being completed after school hours. The emergency generator will be completed upon the arrival of the equipment. The current lead time for the equipment is six months.

Whale Branch Middle School (WBMS) – RCA and CC

Mr. Vargas reported on WBMS, which is on schedule and under budget. The construction of the dugouts has been completed. The weight room equipment has been ordered and is scheduled to arrive in October 2021. Some pieces have arrived and have been installed. The new security vestibule construction has been completed. The Technology/Infrastructure Phase 2 construction commencement is pending review of Architectural Supplemental Instructions (ASI) from the construction manager and coordination with the new school administration and the sub-contractors. The Phase 2 electrical scope is 25% complete. This work is being completed after school hours. The emergency generator will be completed upon the arrival of the equipment. The current lead time for the equipment is six months.

7. Mr. Corbin presented the update for the Referendum Mid-Program Reset. The Reset Presentation will go to the Operations Committee on September 15, 2021 and to the BCSD Board on September 21, 2021.

*Note – Subsequent to the meeting, the schedule for presentation to the BCSD Board changed to the second meeting in October.

Mr. Corbin recapped the goals of the Reset. He also presented a progress update, which included a consideration for a recommendation for extending out the current Referendum construction for another year. The BCSD financial advisor is also recommending postponing the next referendum to 2024, rather than 2023. Mr. Corbin's presentation also included a funding summary and a high-level recap of remaining unencumbered funds. Mr. Corbin noted that the unencumbered amounts will decrease significantly upon execution of the JE Dunn Amendment No. 02, in the amount of \$61,698,567.

Mr. Warco asked if the proposed 2024 Referendum would be for totally new projects and would not be used to fund any projects that were passed in the 2019 Referendum. Mr. Corbin responded that he has not been involved in any discussions to indicate that it would be for anything other than totally new projects.

Mr. Dallas commented that extending the next Referendum out to 2024 presents financial risk, due to rising interest rates, and it might rise warrant a closer examination. Mr. Dallas also asked if we surveyed any global markets for steel and other materials. Mr. Oetting responded that we have looked at Canada, however they present the same issues.

Ms. Fidrych asked if there would be any legal restrictions against extending the current Referendum projects out for an extra year. Mr. Oetting responded that there was no time set for the Referendum; it was a schedule we imposed on ourselves.

Mr. Barber commented that an extension of the current Referendum timeframe will require a detailed communications plan that presents to the public the excellent work that has been done with the Referendum during these trying times. He suggested it should be presented to the public how these difficult times have impacted anyone who has tried to buy even household items (e.g. 8 months to receive a refrigerator).

Colonel Geier commented that The BCSD financial advisor's rationale for looking at 2024 was to be able to structure debts to have the next referendum paid for without having additional millage rate imposed. Keeping a consistent millage rate is a recommended strategy to limit changing tax rates on the tax paying public.

Ms. Boatright advised that Hilton Head will need strong communication and outreach regarding this Reset, because it will be impacting that area's planned projects, and we need strong support from Hilton Head to pass a Referendum.

8. Mr. Corbin presented the slide for the Project Closeout updates. Updates are noted in the "Comments" section. For many projects, we are down to the final step of preparation of the reconciliation amendment. Mr. Corbin advised that project managers are reminded every week to try to close out their projects. OSF has approved code compliance for the pumphouse at RRA, and the contractor is moving forward with completing this and closing out the project.
9. Mr. Corbin presented the Financial Updates. Reports were distributed prior to the meeting, which included the Project Contingency Log. With approval of the JE Dunn Amendment No. 02 in August, we used \$3,281,943 to award amendment. The table has been updated. The current estimated forecast of funds to be returned to contingency from project closeouts is \$5,878,627 and the estimated forecasted contingency balance is \$8,049,581.44. Other projects are expected to return significant funds to contingency, but it is premature at this point to forecast those amounts.
10. Mr. Corbin presented the Cash Flow vs Actual Expenditures slide. The cumulative total projected for the end of August 2021 was \$88.77M and the actual amount spent was \$71.67M. Mr. Corbin advised that the difference in these figures can be largely attributed to the RSIA project not moving forward as was originally planned. He feels that once we complete the mid-program reset, there will be an opportunity to remodel the Cash Flow Projection. Mr. Corbin also noted that last week alone, we receive \$5.5M in additional invoicing from summer work. Mr. Corbin also explained that some invoices were paid in August for work that was completed prior to the end of the fiscal year, which was June 30,

2021. These payments were accrued back to the 2021 fiscal year and shown in the June column, taking the actual amount spent through June 2021 from \$65.86M to \$71.11M.

11. Mr. Corbin presented the Community Outreach activities.
 - Project update with RSIA School Administrators is scheduled to occur on September 1, 2021. The Community Meeting for RSIA project will be scheduled following this meeting. The date for the Community Meeting will be shared with the CLOC. Mr. Barber commented that we need to communicate clearly at the Community Meeting the reasons for the delay and the cost increase for this project.
 - The League of Women Voters Referendum Forum will be held on September 22, 2021 at MRHS at 5PM. They are requesting that one or two members from the CLOC participate in this meeting. Mr. Dallas and Mr. Warco volunteered to participate.
 - Beginning conversations for planning meetings with the HHIMS principal and the SIC.

12. Mr. Tritschler presented the Finance Sub-Committee report. They reviewed and tested the 519 report for the previous month. Specifically, the sub-committee ensured that all budget dollars for the projects equal the dollars for the Referendum, the July 31, 2021 appropriations amount per project did not change from the initial budget, any budget that was adjusted was absorbed by the Referendum contingency, the budget dollars for all projects were mathematically correct, the dollars spent did not exceed the budgeted amount, and the dollars spent per project did not exceed estimated project percent completed. There were no exceptions identified. The Sub-Committee continues to discuss the project contingencies and they also plan to discuss these further with the District. The Sub-Committee will report back to the CLOC after they meet with the District. Mr. Dallas performed research into a new steel manufacturing process in Sweden that does not use coal and passed the information on to Mr. Oetting and Mr. Corbin. Mr. Dallas advised that one of benefits of looking at global markets for materials is that innovation occurs in unsuspected places. This could result in lower costs, improved quality of materials and/or faster delivery time.

Mr. Tritschler requested clarification on the sub-committee's previous inquiry about being on track to meet everything in this Referendum scope with the funds that are available. Mr. Oetting said that this is the purpose of the reset. He advised that we do not have a definitive answer, however it appears that it is still achievable.

13. Mr. Coaxum reported on the Communications Sub-Committee. He advised that he plans to meet with Ms. Fleming to make talk about communicating the current direction of the Referendum. Mr. Coaxum said that they will have an update on this for the next meeting. Mr. Barber advised he will talk to Dr. Rodriguez regarding the plan to replace David Ames' position on the CLOC.

14. Mr. Barber reported that the Projects Sub-Committee members plan to make site visits to three separate sites in September 2021. Mr. Oetting and Mr. Corbin are working on the schedule for these visits. Mr. Corbin's suggestions for visits are to BCHS, BHS and BES. HHIHS is also a possibility or WBMS. Mr. Barber invited other CLOC members to attend visits when they are scheduled.

15. Forward Looking Items - Mr. Corbin said that the CLOC's last quarterly update was June 29, 2021, and it is time to plan the next quarterly report at the end of September. Mr. Oetting will ensure this is on the agenda for the second BCSD Board meeting in September, which will be held on Hilton Head Island.
16. Mr. Barber advised the standard agenda items will stand for the October CLOC meeting. Mr. Corbin suggested adding an item to recap Mr. Barber's Quarterly Update to the BCSD Board. Mr. Barber agreed.
17. Mr. Barber adjourned the meeting.