

Date: August 4, 2021

Purpose: Citizen-Led Oversight Committee (CLOC) Meeting

Location: Zoom Meeting

Committee Members Attendees:

Mike McNally (Acting Chair), Ron Groteluschen, Ray Warco, Richard Tritschler, Kim Fleming, Carlton Dallas

Beaufort County School District (BCSD) Representatives Present:

Robert Oetting, Freddie Lawton, Reggie Murphy, 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, Rachel Jones

Meeting Minutes

1. Prior to the meeting, a meeting agenda and draft minutes from the July 7, 2021 meeting were distributed to the committee members via email. Also distributed were the following documents: Meeting 20 Presentation; 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. McNally opened the meeting with the Pledge of Allegiance.
3. Mr. McNally asked if there were any changes or corrections to the minutes for the last meeting. No changes or corrections were requested. A motion to approve the minutes was made by Ray Warco and seconded by Richard Tritschler. The motion was approved by all.
4. Mr. McNally noted a press release stating that BCSD received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA).
5. Project Updates:

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

Mr. Marshal reported on BES, which is under budget. HGR passed OSF Overhead Inspection on August 3, 2021. There was a deficiency list and all of those items are to be corrected by August 5, 2021. The sprinkler head installation is 90% complete. The fire riser is also 90% complete. The engineer of record has submitted plan changes that add a fire riser and fire pump for the sprinkler system due to recent flow tests taken from hydrants

around the school. HGR believes these changes can be funded with Construction Contingency. The OSF Final Inspection has been rescheduled for August 11, 2021. There is a lot of cleaning and electrical work that still has to be completed prior to that inspection, which is why there are yellow lights on the schedule. The condenser units for the cooler and freezer are scheduled to be installed the week of August 2nd. The HVAC start-up is scheduled to be completed by August 9th. The furniture has been installed in all but five offices. The mobile relocation has been delayed until this month due to poor weather the week of July 26th. The connector will be turned over in the fall of 2021. Teachers will not be entering the building until August 12th. There is a contingency plan in place to house teachers at Beaufort Middle School. The playground turf and the exterior wall is scheduled to be completed by the first day of school.

Mr. McNally asked if the schedule lights will be back to green by the end of this month. Mr. Marshall responded that this is the goal.

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 demolition is almost complete. Underground plumbing rough-in should be completed and tested over the next week. MBK is continuing to work with submittals and buyouts. There is an issue with manufacturers holding on to submittals due to scarcity of product. Metal studs and HVAC ductwork are being installed in "D" Hall. Condenser water lines for the Locker Room Water Source Heat Pump (WSHP) are being run. The BJWSA and Beaufort County preconstruction meetings have been held. The blanket easement was approved by the BCSD board on August 3, 2021. We are moving forward with installing all utilities.

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

Mr. Marshall gave the report for RSIA, which has yellow lights for both Budget and Schedule. Mr. Marshall reported that the JE Dunn Amendment No. 01 for the Early Steel Package was approved by the BCSD Board on August 3, 2021, locking in the tonnage rate. The material lead time is approximately 10 to 11 months, which will impact the schedule significantly. Construction is now scheduled to begin in the Spring of 2022. Completion of the new school is scheduled for July 2023. Demolition of the existing building, grading and site improvements will begin after completion of the new school. Value Engineering (VE) meetings are ongoing. The goal is to be able to submit Amendment No. 2 for the GMP (without Athletics and Concessions Building) at the next BCSD Board meeting in August. The plan will then be to award the GMP for Athletic Fields and Concessions Building prior to completion of the replacement campus construction using unused project construction contingency and program level contingency as needed. The new principal at RSIA has been kept up to date on the project plans.

Mr. McNally asked if it is still the plan to utilize unused project contingency funds from closed out projects for the cost overruns on this project. Mr. Corbin responded that although good progress has been made with cost reduction exercises, it is expected that contingency use will be required around \$2,000,000.

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 is 100% complete. The Bi-Directional Amplifier (BDA) installation is roughly 30% complete.

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

Mr. Summers gave the report for HHISCA. The cable tray installation is 100% complete. The principal approved the proposal for the playground and the purchase order for Churchich Recreation & Design is being prepared. Materials are scheduled to arrive in October 2021.

Mr. McNally requested an update on the yellow lights for Technology/Infrastructure. Mr. Summers and Mr. Corbin responded that the goal has been to complete mission-critical work for the summer and then address the other Technology/Infrastructure work at the school.

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 is 100% complete. Installation of the BDA is 20% complete. Portions of the Technology/Infrastructure scope are being rescheduled to occur after the Summer of 2021. The yellow lights on the slide refer to this issue.

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 has commenced on the MDF/IDF closets. The cable trays are 100% complete.

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

Mr. Summers reported on HHIMS, which is on schedule and under budget. TTC is preparing the cost estimate that correspond to the SD documents. TTC is also finalizing their GMP Amendment request to relocate the mobile unit from BES to HHIMS. Not all of the permits have been obtained yet due to there being a species of protected pine tree at the proposed site. Construction is scheduled to commence in Quarter 1, 2022. An arborist has been engaged to assist, and the Town of Hilton Head is working with us to determine how to proceed.

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

Mr. Summers reported on HEMMS, which is under budget. Cable tray installation is 100% complete. Installation of the BDA is 20% complete. Portions of the Technology/Infrastructure scope are being rescheduled to occur after the Summer of 2021. The yellow light on the slide refers to this issue.

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 have been received. Phase 2 Athletics scope includes turf field, addition for new field house, renovations for locker rooms and press box. The turf field permitting issues have been resolved and the previous yellow light has returned to green. The field is scheduled to be completed prior to the first scheduled home football game. The Construction Documents for the new field house, locker room renovations and press box continue to be developed. Construction is scheduled to commence in Quarter 3, 2021. The entrance to the school vestibule is now a long lead item due to metal framing material and manufacturing delays. As we do not want to tear up the front of the building and then have to wait for materials, the plan now is to complete this section when all materials are here and we have time, such as during winter holiday. Mr. Oetting noted that the Safety/Security schedule light should be changed to yellow due to this issue.

Bluffton High School (BLHS) – JCS and MBK

Mr. Summers reported on BLHS, which is under budget. MBK Amendment No. 34 for Safety/Security was fully executed on July 19, 2021, and installation commenced in July. Construction Documents for Technology/Infrastructure have been received. The associated MRK Amendment No. 41 is being routed for signatures. Installation is scheduled to commence in August 2021. The construction for the turf field is being coordinated with the school principal and athletic director so as not to interfere with home football games. The schedule light is yellow for this reason.

Right Choices (RC) – LS3P and TTC

Mr. Koll reported on RC, which is on schedule and under budget. Technology/Infrastructure work is 95% complete. The sound enhancement system is scheduled to be completed in early August 2021. Removal of the existing camera system is scheduled to occur in August 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 is 80% complete. The cable tray layout is being revised to reduce the cost. The remaining Technology/Infrastructure bid packages are rescheduled to be issued for pricing by August 15, 2021. The playground installation is scheduled to begin August 5, 2021. It is anticipated to take three weeks to install.

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 completed. Demolition associated with the Athletics Phase 1 scope is now scheduled to begin in August 2021. There has been some delay with this due to asbestos

testing and permit. The remaining Technology/Infrastructure bid packages are scheduled to be issued for pricing by August 15, 2021.

Mr. McNally asked if the asbestos testing is expected to result in any extraordinary costs.

Mr. Koll responded that he did not expect any extraordinary costs.

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 is 95% complete. The installation of the new switches and completion of the sound enhancement system are scheduled to occur in early August 2021. The removal of the existing camera system is also scheduled to occur in early August 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 foundations and slabs in place. The roof steel erection is scheduled to begin in early August 2021, and the roofing is scheduled to begin in late August 2021. TTC is also finishing underground utilities in the front of the school, which will allow the bus loop to be turned back over to the school in time for school to start.

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 80% complete. The cable tray installation is 100% completed. The corridor ceiling installation is 75% complete. There is an OSF inspection scheduled for next Monday. The doors and door hardware are scheduled to arrive in August 2021. Design for the remaining bid packages (Phase 2 of the Technology/Infrastructure scope) is to be completed in August 2021.

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

Mr. Vargas reported on SHES, which is on schedule and under budget. Construction of the IT rooms is 80% complete. The cable tray installation is 100% complete. The corridor ceiling installation is also 100% complete. There is an OSF inspection scheduled for next Monday. The doors and door hardware are scheduled to arrive in August 2021. The playground equipment replacement and turf areas are being coordinated to take place during the 2021-2022 school calendar. Design for the remaining bid packages is scheduled to be completed in August 2021.

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 80% complete. The HVAC installation the IT rooms is scheduled to begin the first week of August 2021. The fence installation is completed. The basketball court is 90% complete, with only the goal post remaining to be installed. The playground equipment

installation is completed, and the turf installation is 50% complete. Design for the remaining bid packages is scheduled to be completed in August 2021.

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 85% complete. The cable tray installation is 80% complete. Rerouting of MEP to accommodate the IT rooms is 60% complete. The BDA installation is scheduled to be completed prior to the teachers returning on August 9, 2021. Delivery for the playground materials is scheduled for the end of August 2021. Design for the remaining bid packages is scheduled for completion in August 2021.

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 85% complete. The cable tray installation is completed. The rerouting of MEP to accommodate the IT rooms is 60% complete. The BDA installation is 70% complete. The Design for the remaining bid packages is scheduled to be completed in July 2021.

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 are complete, and the punch list items are currently being addressed. The Technology/Infrastructure Phase 2 construction is scheduled to begin after the Referendum work is completed at WBMS, due to constraints of available swing space.

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 is completed. The weight room equipment has been ordered and is scheduled to arrive in October 2021. The new security vestibule construction is 70% complete. The Technology/Infrastructure Phase 2 construction is pending issuance of Architectural Supplemental Instructions (ASI).

6. David Waggoner, CBRE – Heery, presented the Referendum Mid-Program Reset, which was part of this meeting's PowerPoint presentation. Mr. Waggoner reviewed the background of the Referendum Program, the significant events since the program's inception, the goals of the Reset and the approach/schedule for implementing the Reset.

Discussion ensued regarding the information presented and the proposed plan. Suggestions for labor shortages and material cost increases included asking contractors to share subcontractors, using subcontractors from other states, engaging the State and Federal Labor Departments to assist us in procuring skilled labor and exploring the global marketplace for less costly raw materials.

Mr. McNally asked if we are working at all on the schedule for the next Bond issue and how this information will impact how the bonds are sold as well as the price of those bonds. Mr. Oetting responded that schedule changes will impact the next time we will need additional funds.

Mr. Warco and Mr. Tritschler asked if we are going to be able to complete all that we have promised with this Referendum with the available funds. Mr. Waggoner and Mr. Corbin responded that the goal is to maintain the scope voted on by the citizens and this is an achievable goal.

7. Mr. Corbin presented the slide for the Project Closeout updates. Updates are noted in the "Comments" section. We are currently going through the process of receiving the final change orders to reconcile any allowances or construction contingency use. Once these change orders have been fully routed and executed, we will be reporting projects as closed. Many projects are down to the final step of preparation of the reconciliation amendment. MRHS is now completed, with a return of \$606,477 to the Program.
8. Mr. Corbin presented the Financial Updates. Reports were distributed prior to the meeting, which included the Project Contingency Log. There has been no use of Program-Level contingency since April 2021. The estimated forecast of funds to be returned to contingency from project closeouts is \$5,878,627 and the estimated forecasted contingency balance is \$11,331,524.44. With the execution of the final change order for the MRHS project, we will be able to return in excess of \$3M. This will cover the contingency that will be needed to award the GMP for RSIA.
9. Mr. Corbin presented the Cash Flow vs Actual Expenditures slide. The cumulative total projected for the end of July 2021 was \$76.77 Million and the actual amount spent was \$65.99 Million. Mr. Corbin added that some invoices were paid in July 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 \$62.90M to \$65.86M.
10. Mr. Corbin presented the Community Outreach activities.
 - o Community Meeting for RSIA project will be scheduled following the resolution of budget and schedule concerns. The date will be shared with the CLOC.
11. Mr. McNally reported that the Projects Sub-Committee members plan to make various site visits in September 2021.
12. Mr. Warco presented the Finance Sub-Committee report. They reviewed and tested the 519 report for the previous month, and there were no issues to address back to the District. 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. The Sub-Committee made the recommendation to the District that they develop a benchmark list of material costs from sources outside the present contracts in order to validate the cost increases that have been encountered.

13. Forward Looking Items - Mr. Corbin said that next month we are looking at a similar agenda to tonight's meeting, with any additional recommendations of agenda items from the CLOC. Mr. McNally requested an updated report on the next Referendum Bond issue. Mr. Oetting suggested waiting until the October CLOC meeting, when any Mid-Project Reset changes will have been established and approved. Mr. McNally agreed with this.

Mr. Dallas requested, for the next meeting, a report of any findings that have been made with the exploration of various Departments of Labor at the National and State level, as well as any progress with the investigation of the international steel marketplace, outside of Canada.

Mr. Oetting advised that teachers come back in five days and students return in twelve days.

Mr. Dallas thanked the "collective team" for all of the collaboration and great work they have done.

14. Mr. McNally adjourned the meeting.