

**Date:** March 4, 2020

**Purpose:** Citizen-Led Oversight Committee (CLOC) Meeting

**Location:** River Ridge Academy

**Committee Members Attendees:**

Ted Barber (Chair), Mike McNally (Vice Chair), David Ames, Derrick Coaxum, Carlton Dallas, Kim Fleming, Ron Groteluschen, Richard Tritschler, Ray Warco

**Beaufort County School District Representatives Present:**

Richard Geier (Board of Education), Dr. Frank Rodriguez, Robert Oetting, Reggie Murphy, Jim Foster, Alexander Marshall, Timothy Summers, Brian Ryman (Principal, River Ridge Academy)

**Guest Attendees:**

From CBRE | Heery: Rob Chomiak, David Waggoner, Robert Corbin, Leah Frazier (River Ridge Academy)

**Meeting Minutes**

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1. Prior to the meeting, interested parties were invited to walk to the end the hallways and view out the windows to observe the construction work in progress. Project Manager, Tim Summers, led the group and explained the need for a temporary egress during construction. Because of the heavy rainfall that was occurring at the time, exterior observations were not performed.
2. Prior to the meeting, a meeting agenda and draft minutes from the February meeting were distributed to the committee members.
3. Mr. Barber opened the meeting with the Pledge of Allegiance.
4. Mr. Barber asked for approval of the Agenda, and it was approved by all.
5. A motion was made to approve the February Meeting Minutes. It was requested that, on future meeting minutes, yes or no statements be provided for each project being on time and on budget. In addition, Mr. Dallas requested that brief budget information be presented for each project – total dollars budgeted, dollars spent, and dollars remaining. Everyone agreed with these requests, and the meeting minutes were approved. Also, a request was made to compare the cash flow actual expenditures to the cash flow projections.
6. Mr. Oetting introduced the guests from CBRE | Heery and each one introduced himself, and spoke of his experience, qualifications and role within the company, starting with David Waggoner, then Robert Corbin and Rob Chomiak.
7. Project Manager Tim Summers presented the construction update for River Ridge Academy. A detailed construction schedule dated February 28, 2020 was distributed. Even though the project has experienced about 2 weeks of delays due to the extensive rain, the contractor has indicated that the time can be made up, and therefore, the project is expected to complete on schedule.
8. It was requested that an executive summary be shown on the presentation with target dates along with the budget information. Definitions of budget terms were requested and agreed to be provided in the meeting minutes.

9. It was noted that the budget and schedule information was updated on the Bond Program website every two weeks, and notes that the projects are 'on budget' and 'on schedule' should be made.
10. Project Manager Alexander Marshall provided the May River High construction update. A detailed construction schedule dated February 27, 2020 was distributed. Even though the project has experienced about 2 weeks of delays due to the extensive rain, the contractor has indicated that the time can be made up, and therefore, the project is expected to complete on schedule.
11. Project Manager Alexander Marshall provide the update on the 2020 Summer Work. For the projects, Design Development (DD) submittals are expected between March 13-16, 2020. Guaranteed Maximum Prices (GMP) from the Construction Managers (CMs) will be submitted in late-April to early-May. Long-lead items (air conditioning equipment and glazing) need to be ordered as soon as possible. The CM-at Risk process has allowed the CMs to be involved during the design phases of the projects which has been helpful to the design teams. These projects have been through a fast-tracked design process – combining the Schematic Design (SD) and Design Development (DD) phases into one submittal. The Construction Document phase (CD) will be shortened, as well, with completion scheduled to occur in April 2020.
12. District staff noted that there was an Information Session today (March 4, 2020) at the Beaufort County Black Chamber of Commerce offices. It was a good meeting with over 40 people attending. Each of the CMAR firms were present, and the bond projects were briefly introduced. An informal, get-acquainted followed that allowed the small, minority and woman-owned firms to meet the CMAR firms. A follow-up meeting is tentatively scheduled for March 19 when the Design Development plans will be available for viewing by local, minority and woman-owned firms.
13. Mr. Tritschler inquired on the dollar volume of funds expected to be spent this summer. Mr. Oetting replied that the goal is to spend \$50M. This is made up of \$10M of 8-percent funding and \$40M of bond funding. The importance of tracking the funds separately and carefully was stressed – realizing that details will be forthcoming in the coming months.
14. Dr. Rodriguez noted that the work set for this summer is aggressive, and if needed, some components will be put off until the summer of 2021. Priority will be placed on the Information Technology projects.
15. Mr. Murphy provided the Bond Update stating that the previous night at the Board of Education meeting, the first bond purchase was approved for \$124M. It will take place on March 12, 2020 with the closing scheduled for either April 1 or April 15, 2020. This is the first of three bond purchases, with the other two set for this same time in the next two years. Of this first purchase of \$124M, it is a requirement to spend 85% of these funds within 36 months.
16. Mr. Murphy also presented a 2019 Referendum Budget tracking sheet dated February 29, 2020. The various columns and line items were explained in detail. An explanation legend was requested that will be provided in subsequent reports.
17. Mr. Warco asked about the funding that has been borrowed from the operating fund budget as a down payment to get projects started. Mr. Murphy and Mr. Oetting noted that this will be paid back once bond proceeds are obtained.

18. Mr. Barber requested a glossary of acronyms be provided as an aid to the Committee, and it was agreed that this will be provided.
19. Mr. Oetting noted that this report will be provided at each CLOC meeting, and that this report only tracks the 2019 Bond Referendum. The 8% funding is tracked separately. Mr. Barber stated that a review of the 8% funding is not included in the charge of the CLOC, but if desired, the CLOC would provide oversight – if agreed upon.
20. Mr. Groteluschen asked about putting some sort of schedule notes on the report so it would be obvious when certain projects and funds are planned and spent. Mr. Oetting presented options on ways to include notes on the schedule. Later discussions concluded with an agreement to create a schedule spreadsheet similar in format to the referendum budget format. Tracked on this schedule spreadsheet will be the 'Design Start', 'Actual Design Start', 'Construction Start', 'Actual Construction Start', etc. The Committee agreed to this two-spreadsheet format.
21. Mr. Murphy presented an explanation on the 8% funding noting that the state allows school districts to borrow up to 8% of the total assessed value as provided from the county. Currently, the 8% outstanding debt is \$126M with an availability of \$27M. This is low because, over the last few years when no bond referendums were passed, this 8% funding was used for much-needed capital improvements. The amount available will grow quickly over the next few years – up to \$87.7M in 2023 (based on a spend rate of \$20M/year).
22. Dr. Rodriguez stated the goal is to have and keep a \$75M debt capacity for emergency needs.
23. Mr. Barber suggested that the CLOC be sub-divided into working sub-committees. One is the Communication Sub-committee and would include David Ames, Derrick Coaxum and Kim Fleming. The activities include:
  - a. Provide quarterly updates to the public
  - b. Present quarterly updates to the Board of Education
  - c. Prepare quarterly press releases
24. The second is the Finance Sub-committee and would include Carlton Dallas, Ron Groteluschen, Rich Tritschler and Ray Warco. The activities include:
  - a. Provide periodic reviews of contracts
  - b. Assure the school district has the processes and people in place to execute the program
  - c. Review projects' schedules and costs
  - d. Communicate this information quarterly to the public
25. The last subcommittee is the Project Sub-committee, and this includes Ted Barber and Mike McNally. The activities include:
  - a. Oversee CBRE | Heery
  - b. Review details of each project
26. Mr. Oetting introduced the Principal of River Ridge Academy, Brian Ryman, who welcomed the committee to the school and provided an overview of the school stating there are 1,200 K-8 students in the school. The 16-classroom addition under construction will be welcome, so the portable classrooms could be removed.

27. Mr. Oetting provided an overview and background of the CBRE | Heery procurement process and contract. A Request for Proposal was issued, and three firms submitted proposals. CBRE | Heery was selected and an initial contract was agreed upon and approved by the Board of Education. This allowed for an hourly-based contract to be used for a short term while needs are assessed to determine the needs of the District and present a more-detailed proposal for the longer term. It is the goal to negotiate this plan and present it to the Board of Education for approval on April 7, 2020.
28. Mr. Barber indicated he was surprised by the newspaper article that appeared last on February 28, 2020 and noticed that the newspaper reporter was not in attendance at the meeting tonight. He asked if the cost of a program manager was factored into the budgets that were prepared, and Mr. Oetting answered that it was included in the total amount of the referendum. Mr. Barber said the CLOC realizes that the District needs assistance to make the program successful.
29. Mr. Barber requested an explanation from CBRE | Heery regarding the statements in the newspaper article regarding the company's work for Broward County Public Schools.
30. Mr. Chomiak gave a summary of the company's work at Broward County Public Schools and provided detailed facts about the company's fee and the projects' budgets and schedules.
31. The CLOC requested the details of Mr. Chomiak's statements be put in writing and attached to these meeting minutes and be presented to the Board of Education. The CLOC requested to be kept informed of the negotiations with CBRE | Heery. The CLOC also requested some industry metrics so comparisons can be made to other programs and other program management in other districts.
32. Mr. Oetting indicated that, during the procurement, all references for CBRE | Heery were 'glowing'. He also recently called Broward County Public Schools and asked if they would hire CBRE | Heery again, and they said they would.
33. The CLOC will make the first Quarterly Report to the Board of Education on March 17, 2020
34. It was suggested that the next meeting be held at May River High School. For the agenda for the next meeting (Wednesday, April 1, 2020), the CLOC requests:
  - a. Tour of May River Construction Site
  - b. Approval of Previous Meeting Minutes and Agenda
  - c. Construction Project Updates
  - d. Referendum Bond Update
  - e. Budget Update
  - f. Schedule Update
  - g. Feedback on the CLOC Quarterly Update to the Board of Education
  - h. Status of the CBRE Heery Agreement
  - i. Committee Reports