

The Olentangy Facilities Committee Meeting
March 1, 2023 @ 6:00 p.m.
Olentangy Administrative Offices- Berlin Room

In attendance for the Facilities Committee were:

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| <input checked="" type="checkbox"/> Bryant, Angie | <input type="checkbox"/> Rogers, Greg |
| <input type="checkbox"/> Eisenhower, Frank | <input type="checkbox"/> Scott, Mark |
| <input type="checkbox"/> Hart, Bob | <input type="checkbox"/> Smith, Wesley |
| <input checked="" type="checkbox"/> Jurawitz, Sharon | <input checked="" type="checkbox"/> Troxell, Joe |
| <input type="checkbox"/> King, Dave | <input checked="" type="checkbox"/> Totzke, Steven |
| <input type="checkbox"/> McCaughey, Kevin | <input checked="" type="checkbox"/> Yanka, David |

Also in attendance were Brandon Lester (BOE Representative), Clay Keith (Robertson Construction), Bruce Runyon (Fanning Howey), Bill O'Sullivan (Construction Analysis), Jeff Gordon (OLSD Director of Business Management and Facilities), Madison Ratliff (OLSD Asst. Treasurer) and Michelle Murphy (OLSD).

Sharon Jurawitz called the meeting to order and asked for a motion to approve the night's agenda and the minutes from the January 4, 2023 and February 1, 2023 meetings.

David Yanka moved and Angie Bryant seconded the motion to approve the agenda. Motion carried.

Angie Bryant moved and David Yanka seconded the motion to approve the minutes of the January 4, 2023 and February 1, 2023 meetings. Motion carried.

New Facility Planning

Jeff Gordon was pleased to share that the school district will likely be able to take possession of Berlin Middle School by the middle of March 2023. The facility is almost complete.

Mr. Gordon shared that the GMP #2 process for Elementary #17 is underway and should be ready for Board of Education (BOE) approval at the March 23, 2023 meeting.

The BOE recently provided approval for Fanning Howey to commence with design work for expansion of the district's Academy Facility. Updates will be given as plans for the project become more complete.

Future buildings for the district were discussed. Sharon Jurawitz provided a timeline detailing levy and construction scenarios for proposed future buildings. Input from the district's leadership team will be needed to better plan for the timing and type of new facilities needed. Jeff Gordon will invite Todd Meyer and Jack Fette to the next Facilities Committee meeting scheduled for April 5, 2023 to discuss timeline and facility needs with committee members.

Building Inflation Costs

Jeff Gordon shared construction inflation scenarios with the committee that he, Bill O'Sullivan (Construction Analysis), Bruce Runyon (Fanning Howey) and Clay Keith (Robertson Construction) discussed and put together for the purpose of projecting costs for the district's future buildings. Committee member Mark Scott, who works with facilities at OSU, was also kind enough to put together some calculations based upon what he sees trending regarding his construction projects.

OLSD's cost projection scenarios included calculations using the "Turner" index, actual OLSD project costs from the past, OFCC costs, OSU costs and to some degree some educated predictions based upon recent trending. Mr. Runyon shared that the OFCC costs tend to run a little low. The group commented that the costs provided by OSU seemed to be running a little high. Mr. O'Sullivan mentioned that the "Turner" index and past costs for the district have generally served the district well in developing cost projections, but in this case may not for the next five years or so due to Intel (and related) projects currently underway in central Ohio. It was shared that Dublin is currently projecting construction costs at about \$400.00 per square foot for its new buildings. However, their specifications differ markedly at times from those used by OLSD.

Mr. Gordon shared that OLSD's Elementary #16 was completed approximately 2 million dollars under budget. However, he believes the pricing to have been artificially low for the project due to contractors trying to secure long-term work at the start of the pandemic. Currently, the costs for Elementary #17 are more reflective of the current market costs. It will be interesting to see where the final project costs settle out for Elementary #17. At this time, it is thought that Elementary #18 would need to open in 2025. This means that work on the site and construction would need to start by the summer of 2024. As a result, finalized price projections are needed for this project in the near future.

The group discussed that, unfortunately, we are in unprecedented times with the current construction market. Inflation has not been trending consistently since COVID and supply chain issues continue to be an issue. Construction, specifically in the central Ohio area, is booming (largely due to the Intel project) which continues to make both labor and materials scarce and more expensive than would typically be experienced. Members in the room were uncertain as to how long the Intel project would continue to have an impact on the local construction market.

Member Joe Troxell shared that Indiana was also getting a chip manufacturing plant. As a result of the commercial activity in our region, he did not realistically see costs coming down anytime soon for district projects. He and Sharon Jurawitz stressed the importance of securing contingency funds within a bond package to offset any unforeseen circumstances that might escalate costs even further. Sharon would also like to see a permanent improvements and operations component included again in the next levy. Mr. Troxell shared that he has an estimator in California that he might be able to send district cost projections to for review once they are further developed.

Member Steven Totzke shared that his development company is seeing inflation trend at about 5 to 7.5% nationally for the year 2023. He is projecting the following impacts in labor costs because of the expected increased demand in the area created by the Intel project.

- Concrete: 31.25%
- Electrical: 20%

- Plumbing at 25%
- HVAC at 10%
- Asphalt: 13%
- Roofing: 10%
- Masonry: 9%

Looking at the inflation models presented by OLSD's group, he agreed with the assessment that construction pricing has increased since pre-pandemic levels on a national level of between 20-30%. Additionally, he indicated special consideration should be given to local pricing because of the expected shortages related to Intel. He recommended that we look at targeted labor line items that would have expected shortages and adjust them accordingly. Clay Keith shared that he believes OLSD will be competing for the construction vendor work force for at least the next 5-6 years. He believes that companies paying the higher rates will get the trades/workers for their projects.

Mr. Totzke advised that when looking at the historical project budget data, that the inflation increases the district realized were significantly higher than the national average for construction pricing, and that we should not expect that trend to continue into the future. He recommended that we collaboratively figure out a hybrid approach of considering the actual increases seen by the district and the national increases.

Mr. Totzke also noted that he expects construction timelines to be significantly impacted by the large amount of construction projects in process, particularly in the central Ohio market. He has seen on average a fifteen percent increase in construction timelines overall. However, preconstruction, time to slab-on-grade, and concrete slabs are predicted to take about 20% longer than previous projects. He indicated that it is extremely hard to predict how these shortages will manifest, but is typically something as simple as a supply house running out of electrical wiring or plumbing supplies. These common jobsite issues are expected to be amplified by the demand caused by the higher-than-national average construction activity in the central Ohio market, and further amplified by the Intel factor. Both trades are also struggling to maintain a sufficient labor force.

Bill O'Sullivan shared that chiller units are still running 63 to 64 weeks out from order to install (for Elementary #17). Switchgears are still averaging about 50 weeks to obtain. Other construction items are also still trending way over the past timeline norms to secure. This means that the district will need to continue to move construction bids forward to accommodate for these long lead times.

Jeff Gordon shared that the district is currently considering the possible need and cost for three additional elementary schools (18, 19, and 20), an additional middle school (#7) and another high school #5). Current price projections place the estimated total cost for these facilities between 300 to 350 million dollars at this time.

Clay Keith expressed concern for the district's possible desire to build multiple new buildings in the same year. He believes that there may not be enough trades/labor in the area for the district to meet its construction timelines. It may be feasible to complete two elementary schools in the same

year, but he would advise against an elementary school and a middle school (or a high school) under construction in the same calendar year.

As a positive, Mr. Keith does believe that the district has benefitted from its replication of building floor plans. He believes that the trades like bidding on “known” projects that they have been involved with before. The district’s floor plan replication appears to have benefitted the district with a larger volume of bids during a time when the labor market is so tight.

Mr. Gordon again noted that he will invite Todd Meyer and Jack Fette to attend the April 2023 Facilities Committee meeting for a more in depth discussion on the future facilities needed by the district and the timing for them. He will also confirm that Ryan Jenkins is able to attend the meeting. Members discussed the merit of delaying or removing Middle School #7 from the project list. If it can be avoided for now, it may be beneficial from a levy and overall cost standpoint.

Mr. Runyon stressed the availability of land with infrastructure at the site (or nearby) will be key in moving forward with some of the projects identified. Mr. Gordon shared that land costs were not included in the construction projections discussed at this evening’s meeting. Mr. Gordon advised that the district will not be able to purchase land with any of the previous bond funds that might remain from the 2020 levy projects. Language for land purchases was not included in the 2020 bond language. However, language for land purchases might be included in future bond requests moving forward.

OFCC

Mr. Gordon discussed that he would like to possibly proceed using a program through the OFCC to construct new buildings for the district. There would likely be some different design requirements and additional paperwork through the construction process to do so, but the district would likely be eligible for some return of funding at the completion of the projects. A presentation was given to the Board of Education regarding this proposed OFCC program. Mr. Gordon will have a video link of the BOE presentation sent to members for review prior to the April Facilities Committee meeting.

Influencers

Intel continues to be the largest influencer on the district at this time. Intel and related projects continue to impact construction pricing, labor availability and product lead times.

The Board of Education is also currently searching for a new superintendent to replace Mark Raiff, who recently announced his retirement from the district. Updates will be provided as the Board completes its search and interview process.

Sharon Jurawitz called for a motion to adjourn the meeting.

Joe Troxell moved and Angie Bryant seconded the motion. Motion carried.

The Facilities Committee meeting adjourned at 7:40 p.m.

The next monthly meeting is tentative scheduled for 4/5/2023.

Respectfully submitted,
Jeff Gordon