

Date: April 05, 2023

Purpose: Citizen-Led Oversight Committee (CLOC) Meeting

Location: District Education Support Center (DESC) Media Center Room and Via Zoom

Committee Member Attendees:

Ray Warco, Richard Tritschler, Michael McNally, Daniel Clare

Beaufort County School District (BCSD) Representatives Present:

Robert Oetting, Louis Ackerman, Jennifer Hamblin, Alexander Marshall, Richard Geier

CBRE | Heery Attendees:

Robert Corbin, David Waggoner, Agustin Vargas, Mark Koll

Other Attendees:

Dr. Herbert Berg, Don Baus, Todd Hill

Meeting Minutes

1. Prior to the April 05, 2023 CLOC meeting, the following materials were distributed to the committee members via email: Meeting Agenda; Meeting 40 Presentation Materials; Public Comment Card; Draft Minutes from the 39th CLOC Meeting held on March 8th, 2023; Referendum Projects 2019 Financial Summary; BCHS Financial Details; MRHS Addition Financial Details; RRA Additions Financial Details; RSIA Replacement Financial Details; HHIMS Financial Details; Referendum Project Contingency Log; Cash Flow Projections vs Actuals; CBRE-Heery Contract Summary Update.
2. Mr. McNally called the meeting to order and announced that CLOC Chairman Ted Barber was off for the evening.
3. Mr. McNally opened the meeting with the Pledge of Allegiance.
4. Mr. McNally confirmed with Mr. Oetting that there were no public comments.
5. Mr. McNally asked for a motion to approve the draft minutes for the March 08, 2023 meeting. A motion was made by Mr. Warco and seconded by Mr. Oetting. The motion was approved by all. The approved meeting minutes will be posted to the CLOC website.
6. Mr. McNally introduced Dr. Herbert Berg and asked him to proceed with his future Bond Referendum update presentation.
7. Dr. Berg discussed having to head back to Alexandria, VA unexpectedly and apologized for not being at the CLOC meeting in person and attending via Zoom. Dr. Berg discussed how the CLOC oversight is appreciated by the Superintendent and Board and all that the CLOC has done for the citizens and community.

Dr. Rodriguez a few months ago had asked Dr. Berg to help put together the details for another potential Bond Referendum in November 2023.

Dr. Berg informed the attendees about the initial step for the next Referendum which was to put together a citizen review committee called the Community Project Review Committee or CPRC. This CPRC was created to meet consistently and reach a consensus decision to review the various potential projects that would be considered. The CPRC's job is to issue recommendations to the Superintendent based on their reviews.

Based on numerous site visits from the CPRC to schools in the District, as well as review of reports from various other groups, the CPRC generated a list that contains 21 potential projects for the upcoming Referendum. This list considers the budget constraints set for the Referendum and each individual potential project will be reviewed for cost as well as priority.

Dr. Berg explained that the CPRC, after prioritizing projects, identified 9 projects to have a high possibility to be a part of the next Referendum. The process is near conclusion for the selection of the projects. Out of the 9 projects identified, there are 3 large value projects being considered.

The first large value project is the rebuild/renovation of Hilton Head Island High School. The current Referendum carries the advanced design of this project, this way when the next Referendum is passed, the project will be ready to bid a few months after the Referendum passes. The current estimate for this project is approximately \$125 Million which includes a new 3 story building as well as modernizations to some of the existing facilities. This is the key project for the next Referendum and the number one priority of the CPRC.

The second large value project is the replacement of Lady's Island Middle School. The goal for this project is to construct a facility that is right sized for student population needs in the area. The existing facility was built to house approximately 800 students, currently the school has a population that ranges between 450 - 500 students. There are issues with the current facility due to it's conditions, on the aspect of the design, the existing layout is a concern for security which makes it difficult to monitor everything happening in the facility. The current estimate is approximately \$70 Million to build a new facility and demolish the old.

The third large value project is the Career and Technical Education (CTE) Expansions for the Beaufort High School, Bluffton High School, and Whale Branch Early College High School.

The remaining projects include security improvements, HVAC replacements and other improvements to the facilities throughout the District.

Dr. Berg shared that the current estimate for all of the proposed Referendum projects is approximately \$440 Million. Currently there is planning and cost estimates ongoing, and Dr. Berg advised the District's Superintendent, Dr. Rodriguez, with the following. Based the history passing a successful Bond Referendum in 2019 of \$344 Million, and even with inflation, there has been success with progressing the current set of Referendum projects.

Financial advisors have also made recommendations that the District can pass a Referendum that is in the vicinity of \$400 - \$440 Million while keeping the tax millage rate in Beaufort County the same as it currently is which means no tax increases for the tax payers in the County.

Dr. Berg stated that on April 3rd the CPRC issued their report to the Dr. Rodriguez and he should conclude his review within 3 weeks so he can go over the details and fine tune the information that will be presented at the Friday, April 21st Board Workshop with recommendation from Dr. Rodriguez as to what the Board ought to do. The Board will then take it under advisement the recommendations made by Dr. Rodriguez. After which the Board will have 2 to 3 meetings to discuss what they feel should be accomplished in the next Referendum. The Board should then be able to meet by the second Board meeting in May and approve a resolution for specific projects, budget, tax rate and the November 2023 Referendum vote item for the upcoming election.

Dr. Berg informed the meeting participants that it appears to him that there are 10 out of 11 Board members that believe the Referendum is a good idea and are supportive of it.

Dr. Berg asked if there were any questions from the participants.

Mr. Warco asked Dr. Berg to recap the projects mentioned in the presentation. Mr. Warco recalls the cost for the HHIHS Rebuild/Renovation as well as the school replacement for LIMS. The last project which Dr. Berg reported on for Bluffton HS and Beaufort HS did not include the cost details as well as any detail for the smaller projects which would be a part of the Referendum.

Mr. Warco inquired as to what the approximate costs for the remaining projects, projects 3 through 9, would amount to.

Dr. Berg replied by saying the costs would approximate to an amount to \$200 Million

Mr. Oetting shared with the group the list of projects 3 through 9.

Project No. 3 – Land for a new high school in the Bluffton area which is approximately \$7.5 Million.

Project No. 4 – CTE for Beaufort HS, Bluffton HS, and Whale Branch ECHS which is approximately \$21 Million.

Project No. 5 – Safety and Security Upgrades which include vape detectors, gun detection devices, door contacts which would alarm the facility when doors are left open. These upgrades came in at approximately \$18.4 Million

Project No. 6 – New Elementary School at the May River Campus which is approximately \$68 Million. The project is currently out for Architect selection so that the advanced design can begin.

Project No. 7 – HVAC replacements throughout the district to replace older units with R-22 refrigerant which is approximately \$40 Million.

Project No. 8 – New gymnasium and office space along with the conversion of the existing gymnasium to a drama space at Riverview Charter School, cost is approximately \$17.6 Million.

Project No. 9 - New technology warehouse to process and store all technology equipment for the District, cost is approximately \$5.1 Million.

The current estimate for these projects totals an approximately \$387.1 Million.

Mr. Oetting added that the next project in the list, Project No. 10, are school modernizations which include replacement schools for Broad River ES, Lady's Island ES and Mossy Oaks ES for \$126 Million. At this point, the District would exceed the \$400 Million target amount.

Mr. McNally asked Dr. Berg to provide a recap on the timeline of events that would take place from now until when the bond referendum vote would take place.

Dr. Berg responded by stating that between now and April 21st, the Superintendent will take under advisement the projects reviewed and total dollar amount to present to the Board at the April 21st Board Workshop. The Board of Education will review for the next 3 weeks. At the first or second Board meeting in May, the Board will approve a resolution calling for an election in November 2023. Once the Board passes this resolution, there are rules that District employees and the Board of Education must follow within the South Carolina Ethics Commission rules to avoid violations. Meaning, once the resolution passes, District employees as well as the Board of Education must be careful that they don't promote the Referendum. On the other hand, there is a private citizens committee that is a separate entity from the District that will work on recruiting people to promote a "Yes" vote on the Referendum, as well as other methods to reach out to the citizens of Beaufort County. This is a private group so they are not held accountable by the rules of the South Carolina Ethics Commission.

Following the conclusion of the explanation from Dr. Berg, Mr. McNally asked if there were any other questions.

Mr. Tritschler asked what is the lowest millage in case that there is a retraction in the property values in the County.

Mr. Geier responded by saying that this is something that is in the works and is not something that can be discussed at the moment.

Dr. Berg responded by saying that this is not his line of expertise, but what he does know is that passing a Bond Referendum in the \$400 Million range would still maintain the same tax millage rates as today.

Mr. Geier added by saying that the current millage rate is 36.3 mills, and that the anticipation is that we can maintain that 36.6 millage rate and purchase the bonds necessary to fund a \$400+ Million Referendum. The District is still waiting on more data from the State, and for now, the Bond Council is very confident that we will be able to achieve the next Referendum with the same millage rates.

Mr. Corbin added to the timeline and schedule discussions by pointing out the timing of the first bond package sale and the availability of funds. Even though the 2019 Bond Referendum was approved by voters in November, it took time to get the first bond sale done and the first infusion of those funds did not occur until April of 2020. A similar timeline should be anticipated for the next Bond Referendum.

Mr. McNally asked about the possibility of bond premiums with the next Bond Referendum.

Mr. Geier responded by saying that because the interest rates have gone up, the same amount of bond premiums can't be expected. In the current Referendum, Bond premiums were not factored in. Due to the lower interest rates, the District was able to receive a higher Premium, on the other hand, when interests are high, Bond Premiums are lower. The way to offset the lower premium will be to carry a strong contingency to assure that we will finish the next Referendum strong. The next Referendum will carry a 25% contingency based on recommendations that were received.

Mr. Clare asked for clarification from Dr. Berg on the use of the \$440 Million figure used earlier during the meeting.

Dr. Berg responded by saying that the target figure that the CPRC worked towards was \$400 Million. As the CPRC worked on their reviews and recommendations, the CPRC came up with a range of \$400 - \$440 Million.

Mr. Geier added that this figure depends on what we anticipate we will get for 36.3 mills, when we figure out what we can get without increasing the millage rate, that will be the high end that the Board will vote on.

Mr. Warco asked two questions:

1. Does Beaufort County Council have any override over this issue?

Mr. Geier responded by saying there is a pending lawsuit from the District that would allow fiscal authority to the District to be able to set millage without having to go to the County Council for their approval. The District just received a compromise that would allow for the District to set the millage rate. This compromise will go back to County Council for approval. If County Council approves, a joint statement will be made to get this changed in the State Statutes.

2. When the 2019 Referendum was planned out, the numbers were reasonably close in each of the clusters within the County, is this going to be the same case this time around?

Mr. Oetting responded by saying that the way the 2019 Referendum was laid out, it wasn't necessarily for the funds to be distributed evenly but for all of the schools to receive improvements. The previous CPRC did a good job at distributing the projects throughout the County. Current discussions with Dr. Rodriguez include discussions to be able to have each school to be able to receive improvements, examples of such items would be HVAC improvements etc. which would then affect all locations in the District.

Mr. Warco added that if voters were to see such distributions of projects, then it would be more likely that more votes to pass a Referendum would be likely.

8. Mr. Corbin addressed that Mr. Vargas was capturing the names of the meeting attendees and asked Zoom attendees to type their name in the chat box.

Mr. Corbin turned the meeting over to Don Baus with Little Diversified for the Hilton Head Island High School Advanced Design update that is being reported under budget and on schedule.

Mr. Baus discussed the selection of the Master Plan which occurred on March 10th and later presented to the High School faculty on March 14th and School Improvement Council (SIC) on March 16th, to review the current process with both groups as well as elicit additional feedback and input to the design. Mr. Baus reported on the Schematic Design which was completed on March 31st and concluded review with the District prior to the CLOC meeting. Little Diversified will proceed to the next Phase of the design with the comments gathered. Mr. Baus shared with the group that MBK was selected as the Construction Manager for the rebuild/renovation of Hilton Head High School.

Renderings for the rebuild will be provided to the district towards the end of April to help build support for the next Bond Referendum. The preparation of the Design Development Documents is scheduled to begin on April 17th.

Mr. Corbin added that at the next CLOC meeting, renderings will be added to presentation materials for the attendees to get an idea of what is being designed.

Mr. Oetting added that Little Diversified did an interview earlier during the day with WHHI, the local news station. Mr. Baus made a mention that the public survey so far has received over 1000 comments, the feedback continues to trickle in, this was shared with the local news station and Mr. Baus told the group that this was a project that is being designed by the community through their feedback.

9. Project Updates:

Mr. Corbin turned the meeting over to Mr. Marshall to provide updates on his projects.

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 media center is ready for opening. The gymnasium has been completed. Demo activities have begun in the auditorium. New signage is ongoing install. Work is ongoing in the band suite and art room as well as the Performing Arts Center (PAC) and CTE building. Currently the team is gearing up to do a Summer move-in, the team is making sure the IT and life systems are operational and tied-in. Punch list is currently anticipated to take a few months to correct due to some long lead times specifically when it comes to the HVAC systems as well as the large list of Architectural deficiencies.

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 being reported under budget. The team is getting the project ready for overhead inspections which are scheduled to occur next month. Electrical switchgear has arrived and is installed. Startup is happening on April 6th. Water meter installation are scheduled to occur in early May. Numerous trades and personnel are currently in the building completing construction activities as well as installing all of the new data. MEP coordination meetings are continuing with startup planning throughout the facility.

Mr. Corbin added to the discussion by stating that the “yellow” light was removed now that the electrical switchgear has arrived and been installed.

Mr. Marshall continued his report of RSIA. Metal roof installations are ongoing throughout the facility. One last water line and storm drain remain to be completed on the North West portion of the facility. Monthly meetings with staff continue to take place to issue construction updates, discuss the move in plan as well as what day 1 is going to look like at the new facility. Once the new facility opens, parking will be one of the main issues. The new parking lot will not be built until the old facility is demolished with requires abatement for hazardous materials before the old facility can be demolished.

Okatie Elementary School (OES) – SGA|NarmourWright Design (SGA|NW) and Thompson Turner Construction (TTC)

Mr. Marshall gave the report for OES, which is under budget and on schedule. The Turf and playground are complete. The final payment application has been received and warranty information has been received. Safety/Security and Technology/Infrastructure 100% CD's have been received and TTC is working on providing a GMP Proposal as soon as possible.

MC Riley Elementary School (MCRES) & MC Riley Early Childhood Center (MCRECC) – Rosenblum Coe Architects, Inc. (RCA) and Contract Construction (CC)/ Ajax Building Company, LLC (Ajax)

Mr. Marshall reported on MCRES and MCRECC, which are under budget and on schedule. Structured Cabling continues to progress. Emergency electrical circuits are nearing completion at MCRECC. The new emergency electrical room that will support the new Generator is scheduled to be built over the Spring Break. Electrical panels will follow installation once the new room is built. The generator delivery is scheduled to occur at the end of the year.

May River High School (MRHS) – Quackenbush Architects and Planners, LLC (QAP) and Ajax

Mr. Marshall gave the report for MRHS, which is being reported under budget but with a “yellow” traffic light due to potential scheduling concerns with completion of the turf field and the first home football game scheduled for August 18, 2023. The new restroom building for the athletic fields which will be a premanufactured building is scheduled for construction in Fall 2023. Safety/Security and Technology/Infrastructure is scheduled to begin in June 2023.

Following the conclusion of Mr. Marshall's project updates, Mr. Corbin asked if there were any questions.

Mr. Warco stated that at the beginning of the project reports, Mr. Marshall mentioned an extensive punch list for Battery Creek HS. Mr. Warco asked the question if this extensive punch list is due to material shortages that occurred during construction?

Mr. Marshall responded by saying that when it comes to the door hardware, this issue has been exacerbated due to material shortages. Painting also has an extensive list which is not uncommon when it comes to new facilities and painting as there is always touch up necessary. The MEP punch list items will have to wait till summer to correct as this requires for a prolonged shut down of HVAC units that would otherwise disrupt normal school operations.

No further questions were received for Mr. Marshall.

Mr. Corbin announced that Tim Summers was not able to attend tonight's meeting. In Mr. Summers absence, Mr. Corbin presented his project updates.

Hilton Head Island Early Childhood Center (HHIECC) – SGA|NW and TTC

Mr. Corbin gave the report for HHIECC, which is being reported under budget, but with a “yellow” traffic light due to technology subconsultant delays with completion of the 100% Construction Documents. Thompson Turner Construction is preparing the GMP Proposal using current progress drawings and has been tasked to include an allowance for the unfinished technology scope.

GMP Proposal is scheduled to be received in April 2023 with work scheduled to commence in Q2 2023. Substantial Completion is scheduled to occur in Q4 2023. The playground equipment installation is coordinated to take place during Spring Break 2023.

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

Mr. Corbin gave the report for HHIES, which is under budget and on schedule. Infoview Monitors have arrived, and the installation is scheduled to be completed this month. The closeout documents continue to be submitted to JCS for review.

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

Mr. Corbin gave the report for HHISCA, which is under budget and on schedule. The PA/Intercom system testing and commissioning is scheduled to occur this month. Owner training will be coordinated once systems are commissioned and fully operational.

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

Mr. Corbin gave the reports for BLES and BLECC, which are under budget and on schedule. At BLES, the PA/Intercom Owner training is scheduled to occur in April 2023. At BLECC, the Phase 2 (West Wing) GMP Proposal for the remaining Safety/Security and Technology/Infrastructure scope has been received and is being evaluated.

Red Cedar Elementary School (RCES) – RCA and Charles Perry Partners, Inc. (CPPI)

Mr. Corbin reported on RCES, which is under budget and on schedule. The Safety/Security and Technology/Infrastructure 100% CD's are scheduled to be received in April 2023. CPPI has begun pricing items and has informed the PM that they are working to provide the GMP proposal prior to the end of April 2023. Work is scheduled to commence in Q2 2023 and to be Substantially Complete by the end of December 2023.

River Ridge Academy (RRA) – JCS and CPPI

Mr. Corbin reported on RRA, which is under budget and on schedule. 100% CD's have been issued to CPPI for GMP pricing. The GMP Proposal is scheduled to be received in April 2023.

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

Mr. Corbin reported on HHIMS, which is under budget and on schedule. Overhead Mechanical, Plumbing and Electrical work has been completed. Thompson Turner is addressing 3rd party overhead inspection comments. Installation of new security cameras is 95% complete. The interior painting is 50% complete. Site grading has been completed. Window and storefront installations are scheduled to begin when materials arrive the week of April 17th. Testing of structured cabling is completed. The remaining PA/Intercom device installations for the modular classrooms are scheduled to be completed once Audio Enhancement equipment arrives on site.

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

Mr. Corbin reported on HEMMS, which is under budget and on schedule. The PA/Intercom system is being recommissioned in April 2023 due to corrections needed for the InfoView hallway monitors. Owner training for the new PA/Intercom occurred in March 2023. A follow-up training will be coordinated once the recommissioning of the system is complete to train the staff on the full system.

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

Mr. Corbin reported on HHIHS, which is under budget and on schedule. The presentation slide was updated after it was originally distributed with the rest of the CLOC materials. The project report has a yellow traffic light due to delays from the technology subconsultant which is holding up the completion of the 100% CD's. MBK is using the current progress drawings to prepare a GMP proposal and will include an allowance for the portion of the documents that need to be updated by the technology subconsultant. The gym bleachers are scheduled to be installed during Summer Break 2023. The baseball dugout renovations and fencing are coordinated to begin at the end of the baseball season which will be in April 2023. Demolition has begun on the fieldhouse.

Bluffton High School (BLHS) – JCS and MBK

Mr. Corbin reported on BLHS, which is under budget and on schedule. Accent brick for the Fieldhouse and Wrestling room is scheduled to arrive the week of April 3rd. Overhead Mechanical, Electrical and Plumbing (MEP) scope is complete. The designer is coordinating overhead inspections with OSF. The existing fire alarm system is currently going through some maintenance troubleshooting. Although the existing fire alarm system is fully functional, the fire alarm panel is reporting a "trouble" condition that must be corrected before the final BDA testing can be completed by the local fire department.

Following the conclusion of Mr. Summers' project updates, Mr. Corbin asked if there were any questions.

Mr. Warco asked if 3rd party inspections are done on every project? Mr. Corbin responded that it depends on project scope, but most projects include 3rd party inspections.

Mr. Tritschler asked what were some of the discrepancies? Mr. Corbin stated he did not have this detail, however no significant discrepancies were reported by Mr. Summers.

No further questions were received for Mr. Summer's projects. Mr. Corbin turned the meeting over to Mr. Koll for updates on his projects.

Riverview Charter School (RVCS) – QAP and TTC

Mr. Koll reported on RVCS, which is under budget and on schedule. The GMP Proposal for Safety/Security and Technology/Infrastructure is scheduled to be received from Thompson Turner by next week. Approval of the GMP Proposal is tentatively scheduled to occur at the May 2nd Board meeting with construction scheduled to occur during Summer Break 2023.

Coosa Elementary School (CES) – LS3P and TTC

Mr. Koll reported on CES, which is under budget and on schedule. Structured cabling is nearing completion. Audio Enhancement and Allied Universal Systems are scheduled to be complete in May 2023. System switchover is scheduled to occur during Summer Break 2023.

Mr. McNally asked about electrical switchgear long lead times and if any of Mr. Koll's projects were experiencing similar delivery challenges to that experienced for the RSIA project? Mr. Koll responded that he is seeing long lead times for new emergency generators. Mr. Corbin stated that all PMs are aware of supply chain issues related to their projects. Mr. Corbin added that the generators Mr. Koll mentioned are not associated with providing a temporary power source but are needed to keep emergency systems operational in the event of a power outage. Mr. Corbin added that PMs are applying lessons learned to avoid issues with equipment that have long lead times.

Mossy Oaks Elementary School (MOES) – QAP and TTC

Mr. Koll reported on MOES, which is under budget and on schedule.

Structured cabling is ongoing, completion is scheduled to occur in April 2023. Audio Enhancement and Allied Universal Systems are scheduled to be completed in Q2 2023. System switchover and Project Completion is scheduled to occur during Summer Break 2023.

Port Royal Elementary School (PRES) – RCA and Ajax

Mr. Koll reported on PRES, which is under budget and on schedule. The GMP Proposal from AJAX has been received and is under review. Approval of the GMP Proposal is tentatively scheduled to occur at the May 2nd Board meeting with construction scheduled to begin during the Summer 2023.

Pritchardville Elementary School (PVES) – JCS and TTC

Mr. Koll reported on PVES, which is under budget and on schedule. The GMP Proposal from Thompson Turner has been received and is under review. The project is scheduled for the Board of Education meeting for May 2nd with construction scheduled to begin in Summer 2023. Remaining playground installation is being coordinated with school activities and is scheduled to be completed during Summer 2023.

Beaufort Middle School (BMS) – MPS/HGR and SGA|NW/TTC

Mr. Koll reported on BMS, which is under budget and on schedule. Safety/Security and Technology/Infrastructure: Structured cabling is approximately 95% complete; Audio Enhancement and Allied Universal Systems are scheduled to be completed in Q2 2023. Completion of Safety/Security and Technology/Infrastructure scope and system switchover is scheduled to occur during Summer Break 2023. Baseball/Softball Dugouts and fencing are complete, restrooms are complete and pending the tie in for the water utilities from BJSWA. The premanufacture concessions building is scheduled to be received in May 2023.

Beaufort High School (BHS) – LS3P and TTC

Mr. Koll gave the report for BHS, which is under budget and on schedule. Commissioning of the Audio Enhancement and Allied Universal Systems is ongoing. Owner training is scheduled to occur in April 2023.

Whale Branch Early College High School (WBECHS) – QAP and CPPI

Mr. Koll gave the report for WBECHS, which is under budget and on schedule. Phase 1 Referendum scope closeout is ongoing. Phase 2 Raceway and penetrations are completed. Cable tray and structured cabling scope continues to make progress. Completion of the Phase 2 Safety/Security and Technology/Infrastructure scope and system switchover is scheduled to occur in Summer 2023

Following the conclusion of Mr. Koll's project updates, Mr. Corbin asked if there were any questions for Mr. Koll.

No questions were received on Mr. Koll's project updates. Mr. Corbin turned the meeting over to Mr. Vargas for updates on his projects.

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

Mr. Vargas reported on LIES, which is under budget and on schedule. Structured cabling is 95% complete. Electrical rough-in is complete. Exterior lighting is scheduled to begin during Spring Break week. PA Intercom wiring installations are complete with device installs scheduled for completion in April 2023.

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

Mr. Vargas reported on SHES, which is under budget and on schedule. Front office renovation is scheduled to resume during Spring Break which includes the installation of the new casework. The remaining work is scheduled to occur during Summer Break 2023. Structured cabling for the main building is complete; Electrical rough-in is complete. Gymnasium and Transportation Suite IT Updates: PA/Intercom, Bi-Directional Amplifier and Radios are operational; Structured cabling in the gym is scheduled for completion in April 2023; AJAX is working with Allied Universal to restore card readers as soon as possible. Exterior lighting at 50%.

Broad River Elementary School (BRES) - LS3P and TTC

Mr. Vargas reported on BRES, which is under budget and on schedule. Final cost of the work has been received and the final cost of the work amendment is being routed for signatures PA/Intercom installation continues to progress and is approximately 80% complete; Completion is scheduled to occur in March 2023. Network switchover is scheduled to occur during Spring Break 2023. PA Intercom transfer planned after switchover. Project Completion is scheduled to occur in early August 2023.

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

Mr. Vargas reported on JSES, which is under budget and on schedule. Structured cabling is complete. Interior and exterior penetrations for the exterior horns, strobes, speakers, and exterior lighting are complete. Electrical rough-in is complete. Automatic Transfer Switches (ATS) installation has begun. Ajax is scheduled to complete case work in rooms adjacent to IDF rooms during Spring Break 2023.

James J. Davis Early Childhood Center (JJDECC) – RCA and CC/Ajax

Mr. Vargas reported on JJDECC, which is under budget and on schedule. Structured cabling installation is 50% complete. Electrical rough-in for the emergency power is 50% complete with a goal to complete by the end April 2023. Emergency electrical room panels have arrived and installation is ongoing.

Whale Branch Elementary School (WBES) – RCA and CCI

Mr. Vargas reported on WBES, which is under budget and on schedule. Commissioning of PA/Intercom system is complete. Additional training for the staff is pending coordination.

CCTV and Access Controls scope has resumed and is 90% complete with a completion goal of end of April 2023. Awaiting final 3rd party reviews before contacting OSF for final inspections.

Whale Branch Middle School (WBMS) – RCA and CCI

Mr. Vargas reported on WBMS, which is under budget and on schedule. CCTV/Security Camera remaining punch list items are scheduled to be complete in April 2023. Final testing and commissioning are scheduled to occur in April 2023. Final inspections with OSF pending.

Bluffton Middle School (BLMS) – SGA|NW and TTC

Mr. Vargas reported on BLMS, which is under budget and on schedule. Construction of the new emergency electrical room is scheduled to occur during Spring Break 2023. Construction for the Safety/Security, Technology/Infrastructure, Athletic Field Lighting is scheduled to occur during Summer Break 2023.

Following the conclusion of Mr. Vargas's project updates, Mr. Corbin asked if there were any questions for Mr. Vargas.

No questions were received for Mr. Vargas's project updates, but Mr. Warco did have an overall general question for the group regarding school security after the school shooting that took place in Nashville, TN.

Mr. Warco did asked if this event will cause any adjustments to the current safety/security implementations in regards to bullet resistant film that may have already been completed or are scheduled to be completed. The question came up since the assailant in Nashville shot their way through the front entry which was not reinforced in any way granting the perpetrator easy access to the facility.

Mr. Oetting replied that without having any details of the situation. However, Mr. Oetting did add that most of the classroom doors have side lights which could be seen as a potential safety concern.

Mr. Geier added that at all District schools, the side entrances are all solid, and he has yet to come across a side entrance that is not.

Mr. Tritschler requested that if we are to have a safety discussion that could potentially expose weak points in the facilities, that the conversation please be held offline for the safety of the building occupants.

Mr. Geier responded to the group that in short, we do not have side entrances that are not solid.

10. Mr. Corbin presented the slide for the Project Closeout updates. Information is being reported for 26 projects, 17 of which have been completed to date. Updates on the status of closeouts are noted in the “Comments” section.
11. Mr. Corbin presented the Financial Updates. Standard monthly reports were distributed prior to the meeting. Mr. Corbin asked the CLOC if the reports provided for the additions at MRHS and RRA which are complete, does the CLOC want for the materials to continue to be furnished or removed?

Mr. Warco responded by saying that if there are no changes going forward and the materials are not needed, that the materials be removed.

Mr. Tritschler requested that the materials continue to be furnished.

Mr. Corbin stated that in his belief, we should keep the documents in case anyone wants to review the data in the future.

A consensus was reached to keep the financial reports for MRHS and RRA Additions as part of the materials that are distributed with monthly CLOC materials.

Mr. Corbin continued his report. Transfers to contingency in March totaled \$28,794. Contingency use in the month of March totaled \$11,806. The total remaining available Contingency including Program Contingency from Question 1, Question 2 and Bond Premiums (as of March 31, 2023) is \$8,807,285.

12. Mr. Corbin presented the Financial Summary which is being reported with a “green” traffic light. As of March 31, 2023, the Current Budget is \$375,710,000. The paid and committed funds total \$335,816,424 (89.38%). The Total Remaining Funds to Commit (Including Contingency) total \$39,893,575 (10.62%). Remaining contingency funds total \$8,807,285.
13. Mr. Corbin presented the Cash Flow Projections vs. Actual Expenditures slides. The forecasted paid to date figure through the end of March 2023 was \$244.8 Million. The actual total funds paid to date were \$218,920,708.
14. Mr. Corbin presented a recap for the Community Outreach. Upcoming activities include the ribbon cuttings at the following facilities:

Robert Smalls, August 9th, 2023 at 3pm. Awaiting confirmation on the date and time.

Hilton Head Island Middle School, August 30th, 2023. A time is pending and details will be provided once the time is coordinated.

Battery Creek High School, date still pending, 3 dates were proposed from the administration team at the school. Coordination is ongoing.

15. Mr. Corbin turned the meeting over to David Waggoner for the Quarterly report from CBRE Heery. Mr. Waggoner discussed the March update in a handout presented to the CLOC members. Mr. Waggoner stated that the Year 3 numbers have been updated since the last time the information was presented. Actual savings for Year 3 total \$202,764. Savings are projected for Year 4 and based on invoices from January and February 2023, savings are currently forecasted to be \$31,668.

16. Mr. Corbin turned the presentation over to Mr. Warco for the Finance Committee report.

Mr. Warco reported that the finance sub-committee met prior to the CLOC meeting to review the 519 report.

The Finance Committee brought forward the following three (3) items for discussion:

- i) Mr. Warco shared that there was one exception to the testing that had been done which relates to project 98 – Bluffton High School. The analysis indicated the payments towards construction exceeded the percentage of completion. The payments were 54.6% while percentage of completion was 53%. 1.6% was paid ahead of what was completed.

Mr. Corbin responded that for project 98, the reports that were distributed in the materials show the percent paid to date at 37.8% and the percent of work completed to date at 53%.

Mr. Warco and Mr. Corbin agreed the numbers need to be reviewed. Mr. Corbin believes this could be a mathematical error.

- ii) Mr. Warco asked if there would be a deficit in contingency at the end of the Referendum?

Mr. Corbin responded that data still indicates that the remaining Referendum scopes can be completed within the remaining available funds.

- iii) Mr. Warco also addressed that there are still projects where there is a greater than 18% spread between work completed and payment for that work. The number of projects in this situation has been reduced to 7 projects from the previously discussed 9 projects. The Committee asked for assurance that the District is not holding payments, and that the issues lie with the Contractors due to not submitting complete and accurate invoices in a timely manner.

Mr. Corbin responded that this is a vendor matter and that the district is making prompt payments when complete and accurate invoicing is received.

17. Mr. McNally reported on the forward-looking items and events. The Q1 2023 Quarterly CLOC update to the Board will take place at the May 2, 2023 Board meeting. Mr. McNally urged CLOC members to attend if they can in order to support Mr. Barber; Chairman of the CLOC. Following the conclusion of the upcoming CLOC meeting on May 10, 2023, there will be a special meeting to review the future Bond Referendum Program. Mr. McNally asked that the project managers on their project updates discuss projects that may be of concern, otherwise report everything is going well so that the discussions can move towards the future Bond Referendum Program.

Mr. McNally would like to conduct site inspections with some of the new CLOC members.

Mr. Corbin will work with the Project Manager to issue recommendations for site visits in June or July.

Mr. McNally inquired about the next meeting's agenda items.

Mr. Corbin replied that the agenda items should be the same except for the item for the discussions by Dr. Berg on the status of the future Bond Referendum which was discussed at this meeting.

Following the conclusion of the discussions, Mr. Tritschler had a question for the group.

Mr. Tritschler asked about the \$40 Million dollars in HVAC being discussed for the next Referendum if the district does a rainy-day fund, or contingency savings, or planning for future expenses to start putting money aside instead of borrowing money for something that would be considered an expendable item? Is there a fund for regularly scheduled items that need to be replaced?

Mr. Corbin and Mr. Ackerman replied to Mr. Tritschler by saying the 8% Capital funding for each year distributes \$25 Million to the Operations and Facilities side. These funds include some HVAC repairs/replacements as well as other capital improvements that do not fall within the category of HVAC.

Mr. Oetting added that while he understands what Mr. Tritschler is inquiring about, there is still a \$40 Million dollar need for HVAC, the district does not have \$40 Million on hand that can be appropriated solely for addressing HVAC concerns at the current time. The borrowing capacity is what would be considered a "rainy-day" fund. The District's borrowing capacity is in good shape, currently bond council advises for the district to borrow between \$20 - \$25 Million for Capital Improvement projects which address maintenance issues within the facilities. The District does have the ability to borrow more should the need ever arise. Mr. Oetting explained that the District builds up their ability to borrow more than the ability to have cash on hand.

Mr. Oetting explained that the District has been working towards a goal to be able to receive the bulk of funding (Have cash on hand) at the beginning of the year so the District can pay off debts at the beginning of the year and not have the need to get a tax anticipation note.

This requires the District to borrow funds to pay for those expenses due to the fact that funding for the District does not become available until later in the year. The \$40 Million that is needed for the HVAC is to replace units that use R-22 refrigerant which is being phased out and will no longer be produced.

No further questions were asked.

18. Mr. McNally adjourned the meeting.