MEETING MINUTES
MEASURE E CITIZENS' OVERSIGHT COMMITTEE
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2
TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT

Wednesday, October 24, 2018 - Rideout Community Center

MEASURE E CITIZENS' OVERSIGHT COMMITTEE (COC) MEMBERS PRESENT:
Susan Griffith (Chair), Kirsten Keim, Warren Wagner, Jenn Ragan, Johanna Monforte, Sydney Earley
MEASURE E CITIZENS' OVERSIGHT COMMITTEE (COC) MEMBERS ABSENT:
Jim Phelan

ALSO IN ATTENDANCE:
Todd Rivera, Executive Director of Business Services; Thomas Kleffman, Bond Program Fiscal Contract Analyst; Jorge Rojas, Director of Facilities, Maintenance & Operations, Amy Sanders, Administrative Secretary – Bond Projects

1.0 Call to Order
Susan Griffith, Measure E COC Chair, called the meeting to order at 5:04 p.m.

2.0 Public Comment
No public comment.

3.0 Approve Minutes from April 30, 2018 Meeting
On a motion by Kirsten Keim and a second by Warren Wagner, the Measure E COC members unanimously approved the minutes from the meeting on April 30, 2018.

4.0 Measure E Project Overview Updates
Jorge Rojas, Director of Facilities, Maintenance & Operations, gave a presentation on the progress of the Measure E projects. It included an overview of current projects, upcoming projects, and those completed last year.

As we discussed in the last meeting, we've had some challenges on the Tahoe Lake Elementary School project. As a result, the schedule has changed due to unforeseen issues. We are now looking for construction to be completed by the time school starts in August 2019, which is a half of a year behind what we had originally planned. We have communicated this to the public and so far, there hasn't been any pushback. The District is still hoping to get this done before that timeline. This past summer, we did about $3.6 million worth of work. It included abatement of hazardous materials in several areas and the cost to monitor the work.

The Measure E COC members wanted to know how the budget is affected with the added year of work. The District needs to look at the schedule, the soft costs, and various ways of funding the project. We are currently working on a financing plan to cover the shortfalls.

Right now at Tahoe Lake Elementary, we are pushing to get the administration area, new classroom wing, elevator, and staircase addition enclosed as quickly as possible. With the exterior of the building complete, work can continue inside during the winter.

The Kings Beach Elementary School Addition & Modernization project is underway. It is scheduled to be complete in the fall of 2019. We did close to $9 million worth of work this summer. We renovated the east classroom wing, painted the modulars, and repaired the play area. An outdoor learning area was added, as well as a new ball wall and concrete ramps. Construction of the new classroom wing has begun and we will be focusing on this over the winter. The new administration area should be completed in December. We hope to have furniture in place by December/January. The push right now is to get the building enclosed before the winter so that work can continue in the interior. At this point, we are pretty much on schedule with this project.

The North Tahoe project is slated for 2022. While we have used some of this budget to move other projects forward, we did redo the roof on the multi-purpose gym. Some of the new 21st century technology has been installed. The schedule to get the work done this past summer was fairly aggressive.

Kirsten Keim said she didn't realize just how committed the school system is to stepping in and being creative in finding ways to fund the projects when additional money is needed. She feels that the public should be aware of this as a confidence measure.

5.0 Measure E Project Financial Updates

Tom Kleffman, Bond Program Fiscal Contract Analyst, gave the Measure E project financial updates. All numbers are through September 30, 2018. Funding to date is $64.4 million. Expenditures to date are $30.4 million. Encumbrances to date are $34.4 million. Budget balance available is $1.4 million.

We've received all $62 million of the Measure E funds. As of this report, we've received $434,000 in additional interest earned. We are probably looking at another $150,000-$200,000 in interest earnings, which will go into the funding source for project shortfalls.

We did a developer fee allocation of $1 million towards Tahoe Lake Elementary to address the lead issues, and for additional monitoring and testing. We've also allocated $815,000 in Prop 51 state bond funds to the Kings Beach project for going over budget on bid day.

To date, 77% of the Measure E budget has been used for construction hard costs. We have 2% contingencies remaining for hard costs and 21% remaining in soft costs for architect and consultant fees.

The revised budget for the Measure E projects is $66.2 million. This has increased by $1.8 million since our last meeting. A portion of this was from the $1 million in developer fees that were allocated to Tahoe Lake Elementary, and the $815,000 in state bond funds that we embedded into the projects. Encumbrances have increased by $11.9 million since our last meeting, mainly from the Kings Beach Elementary construction contracts that we fully executed and encumbered. Expenditures that we have incurred since our last meeting are $10 million; the majority of this is from Kings Beach Elementary construction costs.

The program escalation reserve is currently showing a zero balance since we moved that all into the Kings Beach Elementary project. We have $4,000 in the program reserve. The escalation reserve and program reserve were there for unanticipated bids that came in and for unforeseen conditions which we have already allocated. Part of the District's finance plan is to put some money back into the contingencies for future unforeseen conditions.

The total revised program budget has decreased by $4 million since our last meeting, which has been moved into the projects. The amount encumbered has increased by $208,000; most of this has gone to project management and payroll. We've had increased legal fees for lead issues and miscellaneous since our last meeting.

When we started the Measure E bond program, we had in-house project managers. Jorge Rojas was the project manager for Tahoe Lake and Kings Beach. When he took on the role of Director of Facilities, we contracted someone from Roebbelen Construction, our construction manager for these projects, to provide additional project management services. This did not work out as we had hoped, so we have since contracted someone from Cumming Construction to take of the role of project manager for Tahoe Lake Elementary School. The District feels that this will help ensure that we have dedicated support there to watch over the project and provide us with updated information on a daily basis.

Over the past several months, we have paid a significant amount of money towards legal fees pertaining to lead issues at Tahoe Lake Elementary, to help us deal with the lead issues at hand, get expert advice on figuring out what caused the problem and how to move forward with it, and work with our current construction management team and hazardous materials consultant to develop those plans. We always have to make sure that we are in compliance with the law and that these same issues do not recur. The District has also paid legal fees for resolving architectural disputes on Measure E projects.

6.0 Other Items

In September, Todd had external auditors come in to do their annual District-wide audit and the Proposition 39 audit specific to the bond program. Preliminary information from the auditors shows that there were no indications of any findings. When we receive the final audit documents, the District will share the reports with the Measure E COC members.

7.0 Adjourn

Susan Griffith, Measure E Citizens' Oversight Committee Chair, adjourned the meeting at 5:55 p.m.

Todd Rivera	Susan Griffith
Executive Director of Business Services	Measure E Citizens' Oversight Committee
Tahoe Truckee Unified School District	Chair SFID No.2