MEETING MINUTES
MEASURE E CITIZENS' OVERSIGHT COMMITTEE
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2
TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT
Thursday, June 22, 2017 (5:00 PM)

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

ALSO IN ATTENDANCE:
Todd Rivera, Executive Director of Business Services; Mark Button, Director of Facilities; Thomas Kleffman, Bond Program Fiscal Contract Analyst; Amy Sanders, Administrative Bond Secretary.

1.0 Call to Order
Susan Griffith, Measure E COC Chair, called the meeting to order at 5:00 p.m.

2.0 Public Comment
No public comment.

3.0 Approve Minutes from January 30, 2017 Meeting
On a motion by Sydney Earley and a second by Warren Wagner, the Measure E COC Members unanimously approved the minutes from the meeting on January 30, 2017.

4.0 Measure E Project Overview Updates
Mark Button, TTUSD Director of Facilities, gave a presentation on the progress of the Measure E program projects and answered related questions.

Tahoe Lake Elementary School Modernization and Addition is the biggest project for the Measure E bond. Roebbelen Construction is our construction manager. After bidding out all of the trades and receiving bids that were high, we went out to bid a second time. These bids came in closer to our budget, although they were still higher than what we had hoped. This was mainly due to the competitiveness in the market, as the abundance of construction activity in Sacramento and Reno is forcing costs to go up in the Truckee/Tahoe area and to be competitive.

The scope of the project includes new classrooms, administration front door, science greenhouse, parking lot and drop-off area, a kindergarten play area, and furniture. Modernization includes the upgrade of existing school buildings, technology infrastructure, fire alarm system, security system, and resurfaced hard courts.

Construction starts next week, and the project will be completed by the winter of 2018. Students will then move back to Tahoe Lake Elementary from the Rideout Facility.

Kings Beach Elementary School plans will soon be submitted to the DSA. Construction will begin in June of 2018, and will include the modernization of existing buildings and upgrading building systems. There will be a new kindergarten area and classrooms, a science greenhouse, new parking lot and drop-off, campus quad, fire alarm upgrade, exterior lighting, flexible furniture, technology infrastructure, and resurfaced hard courts. The new construction, including the new administration area, will be completed in the winter of 2018. The remainder of the project will be completed in the fall of 2019.

The Maintenance & Operations Building is finished. It was funded equally by Measure U and Measure E. The facility replaced several old buildings that could not be upgraded and were removed: loader barn, warehouse, old District Office, old bus barn, and wood shop. Loaders will be kept in the new Maintenance & Operations Building, as will refrigerators/freezers, and a container for dry storage. There are also new offices for maintenance staff.

We are looking at 2022 to address the North Tahoe project. At North Tahoe High School, there will be a new band room, modernization, new furniture, and technology upgrades. At North Tahoe School, there will be band room enhancements, modernization, new furniture, and technology upgrades.

Did we do anything to make the guidelines easier for contractors to bid? Mark Button said that the bidding process actually has become more restrictive. Contractors were required to go through a detailed pre-application process in order to bid, which was necessary if we wanted to receive state funding. Roebbelen helped us get more trade contractors to participate in our projects by soliciting bidders.

Todd Rivera explained that when there is an abundance of commercial and residential projects for contractors to choose from, public education projects do not look as attractive because there are many compliance issues to deal with, such as prevailing wage pay and DSA inspections.

5.0 Measure E Project Financial Updates

Tom Kleffman, Bond Program Fiscal Contract Analyst, gave the Measure E project financial updates and answered related questions. We've received the majority of our funding to date.

We could gain another $250,000 in interest earned from what's in our Facilities Implementation Plan (FIP) initial budget. This is good news, as the economy is improving so we are earning higher interest rates on funds available.

Today, the budget balance available in program expenses is $1.7 million, program escalation reserve is at $3.5 million, and in program reserve there's another $600,000 left to manage the remaining part of the program.

Jim Phelan asked why the revised budget went up almost $10 million for Tahoe Lake Elementary? Will we have enough money to pay for the project as planned? Sydney Earley also shared her concerns. Todd Rivera explained that part of this was escalation which we moved from escalation reserves into the program budget. Mark Button stated that when we originally allocated the project costs, we did not have escalation and program reserves built into these numbers. They were really

the base level project amounts, and they were based on 2014 numbers, not 2017 numbers. We knew when we started that when the Facilities Implementation Plan was done, we would be allocating that money back into the project. Reserves were used when we went back to the design team to build out the final design. This was always the plan, this was always anticipated. If we did not use these numbers, the scope of work for this project would be significantly less.

Mr. Phelan said that we are so early in the project, he is really concerned that, in one year from now, are we going to have enough money to pay for the project as planned, and what are we going to cut? Where will we get more money? Mr. Phelan asked Mr. Button if he firmly believes in his heart that this project can stay within the budget with the way the costs are accelerating right now, and if he feels comfortable that we're not going to bust our budget? Mr. Button said that he does feel comfortable with the budget, and assured Mr. Phelan that we have the funding to pay for the project as planned and we will not have to cut anything from the scope. Construction numbers are locked in, contract numbers are established for the trade contractors, and he does not anticipate anything outside of our budget to cause it to increase at this point. The only things that could cause the numbers to increase would be additional scope or unforeseen conditions, which is included in the construction costs.

Mr. Rivera said that the program escalation reserve that was put into the overall Measure E program was just under $10 million initially, and the majority of that escalation was going to be put into Tahoe Lake Elementary and Kings Beach Elementary. Originally, we had expected about a 4% increase on an annual basis of what our 2014 budget was, until the job was bid out. However, because of the bid climate, it's exceeded that quite a bit, so it's taken up more escalation reserve than we originally anticipated. Internally, we have allocated escalation amounts for Kings Beach Elementary to make sure that we know what we have to work with in the end. As of now, we feel comfortable that we will be able to complete both projects with the funds we have available.

If it looks like the budget is starting to get out of hand and blow out the contingency money early on, Mr. Phelan would like to know what our plan is to deal with it. Mr. Rivera explained that we've done the proper planning and managing, and tried to make scope reductions early on in the process to stay within the budget. When we initially bid out the Tahoe Lake project, the bids came in very high for five trades. We then rebid these packages, and ended up saving $2 million from what we saw on the first round of bids. We also looked at the projects to see where our priorities were, and Tahoe Lake Elementary and Kings Beach Elementary have always been at the top of the priority list. We've already decided that, if need be, money can be reallocated from the North Tahoe project, into these projects. North Tahoe will still be getting new furniture and technology upgrades. Other projects at North Tahoe, such as expansion of the band room and common areas, will be delayed for a few years until we have additional funding sources. We always want to make sure that the core projects that we promised to the taxpayers to get the bond passed, are completed as presented.

Mr. Rivera stated that he feels comfortable that we will be able to complete both the Tahoe Lake and Kings Beach projects with the funds that we have available. He also said that we are hoping that there are additional monies available through FEMA (Federal Emergency Management Agency) and from structural retrofits from Tahoe Lake Elementary. At some point, we expect to be receiving about $500,000 for this school site through state funding.

To date, on two bond issuances we've had $309,000 in expense with a remaining balance of $491,000. We don't expect for our final issuance to cost more than $150,000 to $200,000. This is an additional funding amount that we can apply later to North Tahoe.

6.0 Other Items
The Measure E COC Members would like to schedule the next meeting for some time in September to get updates on the progress of the projects done over the summer.

7.0 Adjourn
Susan Griffith, Measure E Citizens' Oversight Committee Chair, adjourned the meeting at 5:54 p.m.

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