

Date/ Time: February 12, 2025 at 6:00 PM

Purpose: Citizen-Led Oversight Committee (CLOC) Meeting

Location: Okatie Elementary School Media Center and Via Zoom

Committee Member Attendees:

Mike McNally, Ray Warco, Richard Tritschler, Daniel Clare, Michael Swiecicki

Beaufort County School District (BCSD) Representatives Present:

Robert Oetting, Carol Crutchfield, Freddie Lawton, Alexander Marshall, Tonya Crosby, Jennifer Hamblin, Lou Ackerman, Richard Geier, Carlton Dallas, Victor Ney

Turner & Townsend Heery Attendees:

Jessica Killian, Agustin Vargas, Mark Koll, Ben Froemming

Other Attendees:

Halie Cooler, Olivier, Inc.

Todd Hill, Stage Front

Meeting Minutes

- Prior to the February 12, 2025, CLOC meeting, the following materials were distributed to the committee members via email:
 - Meeting Agenda
 - Meeting No. 60 Presentation Materials
 - Public Comment Card
 - Referendum Projects 2019 Financial Summary
 - BCHS Financial Details
 - MRHS Addition Financial Details
 - RRA Additions Financial Details
 - RSLA Replacement Financial Details
 - HHIMS Financial Details
 - Referendum Project Contingency Log
 - Cash Flow Projections vs Actuals.
- 1. Mr. McNally called the meeting to order at 6:00 PM requesting introductions including the name, title, and organization from all present. The Pledge of Allegiance followed.
- 2. Mr. McNally confirmed that there were no public comments.
- 3. Mr. McNally asked for a motion to approve the 2019 Bond Referendum CLOC meeting minutes from December 11, 2024.
- Mr. Clare made a motion to approve the meeting minutes and Mr. Warco seconded the motion. The approved meeting minutes will be posted on the CLOC website.

4. BCSD GMP Bidding Process (Mr. Oetting)

- Mr. Oetting recapped on the Construction Manager At Risk (CMAR) Process. The CMAR process begins by hiring an architect and shortly after hiring an architect, the solicitation for the CMAR is put out and after receiving the proposals, a selection committee makes the final decision as to who the CM will be on the project. The advantage of having this method is that as the design progresses, the CM's review the design documents to provide estimates, constructability reviews, and recommendations on more efficient ways to build to meet the desired results as well as the owner budget. This occurs through the SD, DD and CD Phase until the final GMP is achieved and a contract is put in place.
This process helps identify project issues early on, and results in less disruptions to the schedule and potential change orders to the owner during construction by identifying constructability issues early on during the design phase.
- Questions on Bidding Process
- Mr. McNally asked how the selection of the CM is conducted
 - Mr. Oetting stated the process is an open bid which any contractor can submit for the project. The process is then broken out into two phases. Phase 1 is based on qualifications. This includes checking for references for the contractor to ensure that they have worked on projects of similar scope and scale as part of what was submitted in their materials. The CM's must receive a certain score to then move to phase 2 of the process which is the bid package review. The bid package review is a thorough review of the fees for preconstruction and construction. The selection is then made based on the qualification, preconstruction and construction fees.
Questions on Bidding Process
- No further questions were received

5. Project Updates:

- Mr. Vargas stated that all projects are progressing towards full closeout with a few projects finalizing minimal scopes of work related to the cameras and intrusion alarm systems. That includes six project locations. Going forward the updates will focus on the closeout section of the reports.
- Mr. Vargas provided the Project Closeout updates. One Project was closed out in December 2024. Twenty-four (24) project closeouts remain. Two hundred eighteen (218) financial commitments have been completed to date.
- Mr. Vargas emphasized that while there are 24 projects remaining, the list will continue to shrink as CM's continue to finalize scopes, receive final invoices from subcontractors, and process payment applications. This in turn allows for the CM's to submit fund reconciliations to return unspent funds back to the District. As closeouts progress, this is what is to be expected.

➤ Questions on Project Updates

- Mr. McNally asked when the district anticipated for the 2019 Referendum finalize.
 - Mr. Oetting responded by saying that the Referendum completion will depend on the reconciliation of funds from CM's and architects. There will be internal discussions within the district to determine how the funds that are returning should be addressed.
 - Mrs. Crosby clarified that the bonds issued to date cannot be used to pay off debt. Mrs. Crosby will be doing a follow up with the district bond council to determine how the funds can be used as to ensure the funds are being used appropriately.
 - Mr. Vargas clarified with the CLOC that the scope of the 2019 Referendum was completed as outlined therefore not leaving any unfinished scope. The discussions going forward will revolve on ways to spend the funds to enhance what has already been completed while keeping uniformity and equity across the district for the use of these funds.
- Mr. McNally inquired if the 2019 Referendum has been fulfilled, then what additional items would the district look into doing.
 - Mr. Oetting responded that this will be determined after the internal discussions progress. There will be a follow up with the CLOC once the discussions conclude.
- Mr. McNally inquired where this would put the closeout of the 2019 Referendum.
 - Mr. Oetting stated that there will be a follow up once a determination is made as to how the remaining funds will be addressed. The goal is to bring items to the table that would take no longer than a couple months to complete in order to get a closeout of the 2019 Referendum in 2025.

6. 2019 Bond Referendum Financial Update (Mr. Vargas)

- Reported with a “green” traffic light as of January 31, 2025.
- Current Budget remains at \$375,710,000.
- The Paid and Committed Funds total \$373,610,236 (99.44%).
- Total Remaining Funds to Commit (including Contingency) total \$2,099,765 (0.56%).
- Contingency Activity in January 2025 included \$432 in returned savings.
- Contingency used was \$321,708.
- The remaining available contingency is \$884,692

➤ Financial Updates Questions/Comments

- Mr. Geier commented on transparency and how the CLOC and District could relay to the public how the bond funds including premiums are being monitored.
 - Mrs. Crosby added to the discussion by stating that before bond premiums were utilized, the district contacted the bond attorneys to see what could be done with the premiums to ensure that the use of the funds fell under the confines of the approved Referendum. When Turner & Townsend Heery was hired as the program manager for the 2019 Referendum, there was a demand for an accounting position and a document control position. These positions would have as part of their responsibilities the review of payment applications to ensure the billings from contractors and consultants were following regulations set forth by government entities as well as the district, in addition these reviews are also to look for mathematical errors and to ensure that billings are done correctly.

This helped refine the payment application process and has put many checks in place in addition to not just requiring the approval from these two positions, but also other personnel at the district from operations and the finance departments. This generates a thorough review of each pay app to ensure everything is in order before the payment application is paid.

- Mr. Warco asked about the bond premiums which added 31.1 million to the original 2019 Referendum budget, what are the limitations to the expenditure of those funds.
 - Mrs. Crosby responded by saying that she will do a follow up with the district's bond council to verify those details and get the CLOC a response.

7. 2019 Bond Referendum Cash Flow Projections vs. Actual Expenditures (Mr. Vargas)

- The Referendum funds paid as of January 31, 2025, totaled \$351.69 Million.
- The forecasted expenditures through January 31, 2025, was \$375.71 Million.

8. 2019 Bond Referendum Community Outreach (Mr. Vargas)

- Mr. Vargas stated that there is no community outreach to report on for the 2019 Bond Referendum.

9. CLOC Sub-Committee Reports/Updates (Mr. McNally)

➤ **Project Sub-Committee (Mr. McNally)**

- Mr. McNally stated that there are no reports on for the 2019 Bond Referendum.

➤ **Finance Sub-Committee (Mr. Warco)**

- Mr. Warco provided the Finance Sub-Committee report on the financial information received at the December 31, 2024, meeting, Comments received were:
 - i) In relation to the soft landing, Mr. Warco asked Mr. Vargas if he expects to return additional cost savings to the program contingency that are currently being held at the project level.

Mr. Vargas responded by saying yes.
 - ii) Mr. Warco also addressed the analysis carried out by the Finance Committee regarding the difference between the percentage of work completed versus percentage paid to date. The number of projects where this difference is 18% or greater is down to one (1) project.
 - iii) Mr. Warco reported on the 519 report that was prepared by the district. The CLOC Finance team has concluded that everything looked good after cross-reference project numbers. No issues were reported.

12. 2019 Bond Referendum Forward-looking items (Mr. McNally)

- Q4 2024 CLOC Board Update
 - Mr. McNally stated that he would like to wait on his report until everything is completed in the 2019 Bond Referendum
 - Mr. Oetting suggested the update be coordinated once we have a better idea on a target for closeout.
 - Mr. McNally agreed that this could be arranged in the coming CLOC meetings.

13. Mr. McNally discussed the date for the next CLOC meeting. The group agreed to hold the meeting on March 12, 2025, at Okatie Elementary School at 6:00PM in the Media Center.

14. Mr. McNally asked if there were any more questions or items to discuss.

- None were brought up. A motion was made by Mr. Clare to adjourn the meeting and second by Mr. Tritschler. The meeting was adjourned at 6:44pm.