

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

Purpose: Citizen-Led Oversight Committee (CLOC) Meeting

Location: Okatie Elementary School Media Center and Via Zoom

Committee Member Attendees:

Ray Warco, Richard Tritschler, Mike McNally, 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 via email:
 - Meeting Agenda
 - Meeting No. 11 Presentation Materials
 - Public Comment Card
 - Draft Minutes from December 11, 2024, CLOC Meeting
 - Project Design and Construction Schedules
 - 2023 Bond Referendum Financial Summary Report
 - 2023 Bond Referendum Project Level Financial Reports
 - Cash Flow Projections vs Actuals
 - 2023 Bond Referendum Contingency Log
1. Mr. Warco called the meeting to order at 6:44 pm.
 2. Mr. Warco confirmed there were no public comments.
 3. Mr. Warco asked for a motion to approve the 2023 Bond Referendum December 11, 2024 meeting minutes.
 - Mr. Clare made a motion to approve the meeting minutes and Mr. Tritschler seconded the motion. The approved minutes will be posted to the CLOC website.

4. Bond Sale Update (Mrs. Crosby)

- Mrs. Crosby stated for the 2023 Bond Referendum there was a \$50M Bond Anticipation Note (BAN) sale that closed on August 29, 2024.
 - A BAN is borrowing funds in anticipation to borrow more funds to pay off within a one-year short term period. The district did not get a long-term bond due to the 3.15% interest rate which the district felt was much higher than what has been seen in past years. In order to offset that, the strategy was to issue a short term bond at a lower rate of 2.75%.
 - The \$182.5M Referendum Bond was scheduled to sell in late January 2025. Due to the long term bond market being in an unfavorable position in January 2025. The district consulted with bond council to modify the strategy and take advantage of the short-term rates. As a result of the delay, the district is forecasting to save approximately \$1.5 million in interest costs.
 - February 15, 2025 will be the closing of a \$50.7 million Bond to pay off the BAN in full in March 2026. The district anticipates it will issue a \$131.8 million Bond in May/June of 2025. At that time the district and its consultants are anticipating long-term rates to be more favorable at that time.
 - The credit rating affirmed at current rates is AA1 from Moody's and an AA from Standers and Pores which are the highest ratings for a school district the size of BCSD.
- Questions about Bond Sale
- Mr. McNally asked how long the short term bond will be for and what the effect in dollars on the 3.15% vs. 2.75% is.
 - Mrs. Crosby responded by saying the short term bond is a 12 months or less. The bond being issued on February 15th is a 13-month bond and will be paid off in one year. The millage rate allows for the district to pay the bond fully at the end of the period.
 - Mr. McNally asked how the BAN is treated and how it is paid off.
 - Mrs. Crosby stated that the BAN would be paid through the millage. The district anticipates a certain number of principal and interest payments at the set millage rate to establish a certain amount of revenue that the district expects to collect to make the payments.
 - No further questions were received.

5. January 2025 Master Schedule Updates (Mr. Vargas)

- Mr. Vargas stated that there are no updates to report on for the schedules.

6. Project Updates

May River Elementary School (MRES) – Quackenbush Architects and Planners, LLC (QAP) and Thompson Turner Construction (TTC)
Alexander Marshall, Project Manager

- Reported under budget and a yellow light for the schedule.
- A permit from the Town of Bluffton is on hold until the Palmetto Bluff Property Owners Association (POA) encroachment is negotiated
- Submittals are ongoing

**May River High School (MRHS) – Quackenbush Architects and Planners, LLC (QAP)
and Thompson Turner Construction (TTC)
Alexander Marshall, Project Manager**

- Reported under budget and on schedule
- Site pad is complete for the CTE addition
- Sewer relocation scheduled to occur in February 2025
- Foundations scheduled to occur in February 2025

**New Early Learning Center – Hord Coplan Macht (HCM) and McKnight Construction Co., Inc
Alexander Marshall, Project Manager**

- Reported under budget and on schedule.
- SD's are scheduled to be received in Q2 2025
- Design team is scheduled to present multiple site layout options on February 7th

➤ Question on Mr. Marshall's Projects:

- Mr. McNally asked for clarification on the encroachment issue with the POA
 - Mr. Marshall responded by saying that the POA owns New Riverside Road, which is a private road.
 - Mr. Oetting added the encroachment is a driveway encroachment which would allow BCSD property to tie into New Riverside Road. The district must get approval from the POA as they own the road. Negotiations are being finalized, once completed, the district will be able to receive the final permit to break ground.
- Mr. Vargas asked if there were any further questions regarding Mr. Marshall's updates.
- No further questions were received.
- Mr. Vargas provided updates on Mr. Summers' projects.

**Hilton Head Island High School (HHIHS) – Little Diversified Architectural Consulting, Inc. (LDA) and MB Kahn Construction Co., Inc. (MBK)
Tim Summers, Project Manager**

- Reported under budget and on schedule
- **Phase 1:**
 - contractual Substantial Completion date is June 19, 2026
- **Phase 1A: Construction of a 3-story classroom addition:**
 - Steel for phase 1A is complete

- **Phase 1B Includes selective demolition and initial renovations, Group restroom improvements, Modifications of corridor walls and finishes:**
 - Scheduled to commence in June 2025.
- **Phase 2 Demolition of the “B” and “C” wings (Academic Spaces); Construction of a new cafeteria and CTE addition; and remaining renovations/improvements to the “D” wing:**
 - Substantial Completion date is to be established in Q1 2025 when GMP proposal is approved.
- **Phase 3 renovation of both existing gymnasiums, existing JROTC and existing cafeteria:**
 - Substantial Completion date is to be established in Q1 2025 when GMP proposal is approved.
- **Phase 4 renovation of the existing Performance Arts Center (PAC):**
 - Substantial Completion date is to be established in Q1 2025 when GMP proposal is approved.
- Mr. Vargas asked if there were any questions regarding Mr. Summers’ updates.
- No questions were received.

Technology Warehouse & Imaging Center – Jumper Carter Sease (JCS) and Shoreline Construction

Mark Koll, Project Manager

- Reported under budget and on schedule.
- GMP pricing is scheduled to be received in February 2025

New Lady’s Island Middle School (LIMS) – Quackenbush Architects (QAP) and Thompson Turner Construction (TTC)

Mark Koll, Project Manager

- Reported under budget and on schedule.
- TTC SD pricing review occurred on January 29, 2025
- Pre-Application meeting with the City of Beaufort occurred on February 4th, 2025

Beaufort High School (BHS) – Jumper Carter Sease (JCS) and Thompson Turner Construction (TTC)

Mark Koll, Project Manager

- Reported under budget and on schedule
- Review of SD’s is complete
- DD’s are scheduled for completion in February 2025; DD pricing is scheduled to be received in March 2025

Port Royal Elementary School (PRES) - Jumper Carter Sease (JCS) and Thompson Turner Construction (TTC)
Mark Koll, Project Manager

- Reported under budget and on schedule
- HVAC unit for the art room is scheduled for replacement during Spring break 2025
- Mr. Vargas asked if there were any questions regarding Mr. Koll's updates.
- No questions were received.

Whale Branch Elementary School (WBES) – Jumper Carter Sease (JCS) and Ajax Building Co. (AJAX)
Mark Koll, Project Manager

- Reported under budget and on schedule
- HVAC installation is scheduled to occur during Summer 2025

Safety/Security Improvements
Ben Froemming, Project Manager

- Reported under budget and on schedule
 - **JSES:** Construction is scheduled to begin in February 2025
 - **RSLA:** Boring is scheduled for completion in February 2025; IT room HVAC is in place
 - **HHIMS:** Cameras at parking lot and Athletic Fields, Access Controls, Intrusion Alarm are complete
 - **BHS:** Boring is scheduled for completion in February 2025; Cabling is scheduled to begin after boring is completed
- Questions on Mr. Froemming's Projects
- Mr. Tritschler asked if there are concerns regarding the threat of tariffs and whether there is anything that the district can purchase ahead of time to mitigate any impacts of escalated costs as a result of tariffs.
 - Mr. Oetting responded by saying that any of the new construction projects that are currently ongoing are not too far in development to be able to determine which type of equipment is needed in order to do an advanced purchase.
 - Mr. Vargas added that a follow up will be done with each of the CM's to assess any potential advanced purchases that could possibly be done at the current moment, but there is not much that can be promised being that a lot of projects are just now getting started in the design phase, or have not yet begun.
 - Mr. Vargas asked if there were any further questions regarding Mr. Froemming's updates.
 - No further questions were received.

School Furniture Replacements (Mr. Lawton)**Mossy Oaks Elementary School (MOES):**

- Reported under budget and on schedule.
- Phase 1 is complete; Phase 2 is scheduled to take place in Summer 2025

Port Royal Elementary School (PRES):

- Reported under budget and on schedule.
- Phase 1 is complete; Phase 2 is scheduled to take place in Summer 2025

Joseph S. Shanklin Elementary School (JSES):

- Reported under budget and on schedule.
- Phase 1 is complete; Phase 2 is scheduled to take place in Summer 2025

- Mr. Vargas asked if there were any questions regarding Mr. Lawton's updates.
- No questions were received.

7. 2023 Financial Reports and Summary (Mr. Vargas)

- Reported with a "green" traffic light as of January 31, 2025, the Current Budget remains at \$439,035,000.
- The Paid and Committed Funds total \$178,810,697 (40.73%).
- The Total Remaining Funds to Commit (including Contingency) total \$260,224,303 (59.27%).
- No Contingency use or savings were reported for January 2025
- The remaining available program contingency is \$11,413,366.
- The original project level contingencies started at \$17,060,756
- The current project level contingencies total \$13,945,460

8. 2023 Bond Referendum Cash Flow Projections vs. Actual (Mr. Vargas)

- Referendum funds paid as of January 31, 2025, totaling \$17.41 Million.
- Total forecasted expenditures through January 31, 2025, were \$15.26 Million.

9. 2023 Bond Referendum Community Outreach (Mr. Vargas)

- A Groundbreaking ceremony was held for MRHS CTE on February 11, 2025

10. 2023 Bond Referendum CLOC Sub-Committee Reports/Updates:**➤ Project Sub-Committee Updates (Mr. McNally)**

- Mr. McNally stated that all the Project Sub-committee members were present for the site inspection. At HHHS there is a lot of progress being made. The placement of the steel is ongoing, concrete slabs are being put in place and the shell of the masonry stair towers and elevator shafts are in place. The project is currently progressing on schedule and after discussions with the contractor, they had little to no concern with regards to the progression of the construction and had no issues reported with the ongoing daily operations of the occupied high school.

➤ Finance Sub-Committee updates (Mr. Warco)

- Mr. Warco provided the Finance Sub-Committee report on the financial information received at the December 31, 2024, meeting
- The 2023 Bond Referendum budget totals \$439,035,000 million.
- The Finance Sub-Committee cross analyzed the 513 report to make sure that all the projects add up to the total 2023 Bond Referendum Budget and everything matched.
- The Finance Sub-Committee reported that the total contingency currently sits at approximately \$25 million, this includes Program contingency, Project contingency and Design Contingency.
- Mr. Warco 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 zero (0) projects.

➤ Questions on the Sub-Committee Updates:

- Mr. Geier recalled the vandalism incident that occurred at the Hilton Head Island school cluster during the 2019 Bond Referendum. With materials being stored on site, there is a concern for site security. What are the construction teams doing to ensure that there is little to no risk of something occurring on site that would set the projects back.
 - Mr. Oetting responded by saying that a follow up from the project manager, Mr. Summers, would be needed to confirm what security measures are in place aside from the site being barricaded. Mr. Oetting did clarify that the CM's are fully aware that they have liability should any issues occur due to their negligence in properly securing the sites.
- Mr. McNally asked if there is any type of surveillance in place by the contractors to ensure that the site is monitored 24/7.
 - Mr. Oetting responded by saying there are currently cameras located on the exterior of HHHS that face the construction area. Mr. Oetting is not aware of anything that the contractor has in place for surveillance and will follow up with Mr. Summers to provide an update.
- No further questions were received.

11. 2023 Bond Referendum Forward Looking Items and Events

- Q1 2024 CLOC Board update will be coordinated to occur in Q2 2025.

12. 2023 Bond Referendum next meeting is scheduled for March 12, 2025, at Okatie Elementary School at 6:00PM in the Media Center.

Mr. Warco asked if there were any more items to discuss.

- No further items to discuss were brought up. A motion was made by Mr. Clare and seconded by Mr. Tritschler. The meeting was adjourned at 7:28PM.