



Meeting Minutes

Pursuant to notice made by posting on the Board's public notices webpage and emailed to persons on the mailing list, a meeting of the Bond Accountability Committee was held virtually and streamed live at: <https://www.youtube.com/@ppsbondmodernizations>

The materials for this meeting were posted on the Committee's Webpage <https://www.pps.net/Page/466>.

Attendance

Committee Members Present:

Greg DiLoreto (Committee Chair)
Chris Dunning
Ryan Kinsella
Travis George
Jonathan Truit
Norm Dowty (Virtual)
BOE liaison Director Christy Splitt

Absent:

Cara Turano

Other Attendees:

TJ Hopkins - Senior Program Director, RISE
Michelle Morrison - PPS Chief Financial Officer (Virtual)
Sarah Norman - Executive Director, RISE
Janise Hansen - PPS Senior Internal Performance Auditor
Maya Litauer - Chan PPS Senior Finance Manager
Tom Odgers - Chief Integration Officer
Chris Lueneberg - Senior Manager-Bond Communications
Derek Henderson - Program Coordinator
Russell Adamson - Senior Director Digital Transformation
Liz Large - Contracted Senior Legal Advisor

Called to Order

The meeting was called to order at 5:40pm by Committee Chair Greg DiLoreto.

Introductions

Welcome; Committee and staff introductions.

Public Comment

The BAC received public comments from four individuals (3 written, 1 in person). Topics addressed included:

- The renaming of the Center for Black Student Excellence (one comment, in person).
- The necessity for the BAC to be involved in decisions regarding the allocation of funds

for seismic improvements (two comments, written).

- The recent restructuring within the Office of School Modernization and its effect on workload following program staff reductions (one comment, written).

Bond Sale Update:

Michelle Morrison, PPS Chief Finance Officer

Discussion:

- A bond sale is scheduled for February 10th, with debt service not to exceed ballot authorization. Moody's downgraded the District's bond rating from Aa2 to Aa3 due to a low operational fund balance (5%, down from 14% in 2022-2023), a weak local economy, and declining student enrollment. Standard & Poor's maintained its AA- rating. This downgrade may slightly increase the District's borrowing costs for the February 10th bond sale.
- Reports: Chris Dunning requested links to the reports. Staff confirmed the links are published and will be sent out.
- Bond Spending Tracking: Travis George inquired about the interface between the finance group and the Office of School Modernization (OSM) for tracking bond spending. Greg suggested this topic needed a dedicated meeting. Chief Morrison offered to provide a written summary detailing the collaborative process.
- Chief Morrison also provided enrollment update, projected levy rates, discussion on levy rates clarified and presented numbers table
- She also discussed premiums on bond sales being used for ballot measure projects vs. redistributing to general bond work.

Bond Program Administration Update:

TJ Hopkins, Sr. Program Director, Bond Program Update: 2012, 2017, 2020 and 2025

Discussion:

- 2012 Program discussion. Chair DiLoreto expressed interest in proposing project savings return to contingency for reallocation to seismic projects as top priority.
- Staff discussed ongoing capital construction projects, including three high schools and the Grice-Adair Center for Educational Excellence.
- Clarification was provided that the projects approved by voters in the 2020 ballot specifically included the three high schools and the Center for Black Student Excellence (now Grice-Adair Center)..
- Members emphasized the importance of accurately describing which projects are being funded and constructed under voter-approved measures.
- Discussion noted that construction will extend over multiple years, increasing the importance of consistent and transparent communication.

Grice-Adair Center for Educational Excellence:

Schedule and Progress Update and Project Highlights

Discussion:

- The property acquisition was completed in mid-December. The pre-planning process is scheduled to begin with meetings involving key stakeholders. Staff is currently collaborating with PPS Procurement to solicit third-party services, including geotechnical, civil, and structural engineering.
- A question was raised about recent media coverage concerning the Center. Liz Large provided an update that PPS learned of a complaint submitted to the federal Office of Civil Rights from the media, as well, but no official federal action had been initiated as of that date.

2020/2025 Modernizations:

Jefferson High School Schedule and Progress Update and Project Highlights

Discussion:

- The budget for Jefferson High School is currently set at \$466 million, with funding coming from both the 2020 and 2025 bond measures. Source reference; Ebuilder financial reports produced 12/31/2025.

Ida B. Wells High School Schedule and Progress Update and Project Highlights

Discussion:

- The budget for Ida B. Wells High School currently stands at \$432 million. The 50% design drawings are proceeding as scheduled and align with the existing budget. Source reference; Ebuilder financial reports produced 12/31/2025.
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Cleveland High School Schedule and Progress Update and Project Highlights

Discussion:

- Cleveland high school is currently budgeted at \$449 million, up from the most recent budget of \$442 million. However, the value engineering process is underway to reduce costs below the budget. Source reference; Ebuilder financial reports produced 12/31/2025.

Risks and Mitigation Strategies (applicable to all modernizations):

Discussion:

- Potential risks to project schedules and budgets include delays in securing necessary permits, which could postpone the start of construction. To address this, PPS is collaborating with the City of Portland through a Major Project Group to collectively refine design details during the design phase. The City of Portland has agreed to a 16-week review and approval timeline.
- Another identified risk is the availability of mass timber. Mitigation for this involves diversifying the supply chain to ensure the District's simultaneous projects do not create internal competition for the same production resources.

BAC Charter Revisions: Update on Process

Janise Hansen, Sr. Internal Performance Auditor, PPS

Discussion:

- Janise presented the Committee with information and suggestions about its charter. This report is the same presentation presented to the FIOC Committee meeting the week prior and reflects recommendations from the bond performance audits on potential updates to the BAC charter and some additional recommendations.
- The Committee members received a copy of the presentation and a draft of the revised charter. The Chair requested that a special meeting be scheduled to specifically discuss the proposed revisions.
- Liz Large reported on the process for BAC charter amendment by the Board of Education.

Committee Feedback

- Members asked to be informed promptly if any project name, scope, or description changes, and requested that such changes be clearly documented.
- The committee encouraged staff to view accurate messaging as a matter of public trust and accountability.
- General appreciation was expressed for staff efforts, alongside encouragement to maintain transparency over the duration of construction.
- Members discussed the role of the committee in oversight and expressed interest in having a clearer, more defined role in reviewing and understanding project decisions.

Motions and Votes

- No formal motions/votes were recorded.

Action Items

- Public comments submitted in writing for the meeting to be distributed to committee members for review.
- Staff to schedule meeting for Charter update discussion
- Request for discussion (as agenda item at regular meeting or potentially a special meeting) regarding unallocated seismic and early planning for project savings at a future date.

Adjourn

Chair DiLoreto adjourned the meeting at 7:35pm.

Submitted by:

Derek Henderson
Program Coordinator