



Minutes

- Meeting:** Community Bond Oversight Committee
- Location:** In-person at South Salem High School and online TEAMS meeting
- Date:** Monday, 4/26/21 at 5:30 p.m.
- Present:** Marty Heyen, Debbie Gregg, Jesse Lippold Peone, Mark Shipman, Nancy MacMorris-Adix, Lisa Harnisch
- Absent:** Adriana Miranda, Michelle Vlach-Ing, Danielle Bethell, Jay Mundo, Tom Hoffert, Leanette Mabinton, Chelsea Anderson
-

5:30 p.m. – Tour of South Salem HS construction

CBOC members were led on a tour of the construction site by Grant Eldridge, project manager.

6:15 p.m. – Bond program update

The Committee reviewed the list of schools completed, under construction and in design, and reviewed budget adjustments per project. All projects are rated as low-risk on the risk ranking matrix. Hayesville quality issues noted at the previous meeting have been resolved. The district is experiencing some market volatility in product costs, and lead-times to procure some materials are expanding. Mitigation practices are in place.

Discussion of the R Cubed program described allocating an initial \$45 million from program contingency to the program. R Cubed has been established to address repairs, replacements and renovations as planned projects are closed out. The R Cubed program will help address projects that were identified in the Capital Improvement Plan portion of the Long Range Facilities Plan but were removed in the process of prioritizing projects to fit in the final \$619.7 million package. R Cubed fits within work described in the voter-approved ballot title. An example of work included in the R Cubed program is \$6.4 million to address the HVAC system at McKay. The addition brings the total approved bond program amount almost \$746 million.

In the 2008 program, CBOC recommended against defeasance of unspent bond funds, in part because the district still had work that needed to be addressed and postponing the work is more expensive due to cost escalation, and therefore less cost-effective management of the taxpayer's dollars. At the meeting, CBOC agreed with the 2008 approach and would like more information on the defeasance process to ensure they have done due diligence. Staff followed up with CBOC co-chairs after receiving an analysis from Piper Sandler to confirm the direction of establishing the R Cubed program.