



A meeting of the board's School Improvement Bond Committee meeting came to order at 4:31 pm at the call of Committee Chair Andrew Scott in the Willamette Conference Room at the Blanchard Education Service Center, 501 N Dixon Street, Portland, Oregon, 97227.

There were present:

Committee Members

Chair Andrew Scott, Director Scott Bailey, Director Amy Kohnstamm

Staff and Other Attendees

Kara Bradshaw- Executive Assistant, Board of Education

Catherine Brady- Sjoberg Evashenk Consulting Inc.

Marina Cresswell- Senior Director Office of School Modernization

Claire Hertz- Deputy Superintendent of Business and Operations

Cynthia Le- Chief Financial Officer

James Loveland- Senior Director of Student Support

Lien Luu- Sjoberg Evashenk Consulting Inc.

Rosanne Powell- Senior Board Manager

Kevin Spellman- Bond Accountability Committee

Rita Moore- Board Director

Julia Brim-Edwards- Board Director

Office of School Modernization Quarterly Update

Marina Cresswell presented an update from the Office of School Modernization. The current modernization projects are in varying stages; Kellogg Middle School has some concrete walls up, Madison High School foundation is being laid, Lincoln High School improvements are still in the design stage and Benson High School improvements are in the design implementation stage. There are other projects lined up for the summer, including roof projects. The Madison High School abatement process is complete and an abatement report will follow.

Bond Accountability Committee Report

Keven Spellman shared an update from the Bond Accountability Committee (BAC). The Bond Accountability Committee has heard from the Office of School Modernization that there will be a prompt closeout of the Grant construction contract. The Grant project was more expensive than originally planned, and there will be a report that addresses the overages. There will be additional work done on some windows at Roosevelt High School and possibly some additional concrete work at Franklin High School. There were savings from the 2012 bond, and all promised outcomes were achieved. The 2017 Bond is currently over budget. The construction estimate for the Benson High School improvement was originally over budget, but has been brought back into budget. There were 158 million dollars dedicated to health and safety in the 2017 bond. As of October 2019, 55 million dollars had been spent on health and safety, not including management costs, which will be included in the end. The performance plan for 2020 will look at the management of the health and safety work, as a matter of course, not because there are concerns. It was requested that the health and safety data be translated into a map with all of the schools that makes it easy to see all the sites that have been worked on. Mr. Spellman stated that the Community Budget Committee has no exceptions to the external audit recommendations that were received.

He noted that it is taking longer to get the security upgrades completed across the district because the district is struggling to find companies to bid on the work. This is because there are many other school districts doing similar work, as well as a generally busy building market in the city. It was noted that capacity should be considered when planning for the next bond the capacity of the workforce.

2017 Bond Performance Audit Report

Catherine Brady summarized the Year One – Phase Two audit report. They started their processes by talking to the Office of School Modernization, The Bond Accountability Committee, the School Board, Stakeholders, and cost estimation firms, as well as gathers and reviews documentation to them to make a decision regarding where to focus their work each year. The first audit was done in two phases. Phase One was regarding the initial funds received and the cost estimate methodology for the bond. Phase Two reviewed the cost estimates and project management framework.

She stated that overall the bond program had good results. The report includes an executive summary to make it easier for the public to get an idea of what was being recommended. All 2012 Bond projects were delivered as promised. So far, the 2017 Bond projects are on schedule, but are expected to cost more. It was recommended that the PPS develop a written plan for identifying and incorporating additional funding options. The Office of School Modernization has improved their cost estimation methodologies, but further improvement on cost variance documentation is needed. They found that appropriate financial management occurred, but recommended that reconciliations could be done more promptly. Manuals for bond project processes should be completed and shared with all staff working on the project. It was recommended that there should be formal training on document management so that it is easier to retrieve documentation. Potential Educational Specification changes should be stored where everyone who is working on the project can access the information. The Office of School Modernization created a Lessons Learned document. Ms. Luu noted that the document was not user friendly, and recommended that it be better organized and shared more widely. The Year Two Audit Report is schedule to be completed and presented in June 2020.

Teen Parent and Health Clinics

Marina Cresswell explained that Teen Parent and Health Clinics are currently built into the building Educational Specifications, but that there have been some questions regarding whether they are necessary spaces. She stated that the current need within the city limits has decreased, and there are limited provider resources. The space at Grant remains empty, due to the inability to find a provider. It was noted that there is value in offering the services, but more students with private insurance, the county based health center are shifting east. It was noted that students are likely to go to the health centers for things that they would not want to go to their parents for. The school district currently does not subsidize the health clinic financially. Director Scott stated that the conversation should be had by the full board. He suggested that the committee scope is to look at what should be done with current. Claire Hertz asked for the committee to change the language of the Educational Specifications to state that the modernized schools “may include” Teen Parent and Health Clinics, as opposed to that they “will include” them.

Bond Planning Update

Cynthia Le shared focus points from current bonds fund that have not been released yet and current and project levy rates, based on a variety of scenarios from Piper Jaffery. The district will be going to the board to ask for permission to issue the remaining 2017 Bond funds, for \$441.5 million dollars, which bring the 2021 projected bond rate to \$2.50. If the district does not request a new bond program, the levy rate will drop in 2022 and will continue to drop in subsequent years. The bonds are structured to keep tax rates the same, regardless of how the district decides to proceed with future bonds, including if the district asks for an eight year bond (as opposed to a four year bond). A decision about future bonds need to be made by January 2020. A roughly estimated outline of a 2020 Bond timeline was requested. It was noted that the board would additionally go to the community and ask what they would like.

Public Comment

Paul Anthony: Some claims were made at the last meeting that were not true. Roosevelt was built for 1300 students at 100% utilization, but 100% utilization is not possible. The principal last year expressed that at 1100 students, the school was at capacity. There is not enough classroom space at Roosevelt and the common areas don't hold enough students. The only way to increase the space at this time is to add portables, which should be added right away. Additionally, has some information on the Student Health Clinics if anyone is interested.

Committee Chair Andrew Scott Adjourned the meeting at 6:33 pm.