

COMMUNITY BOND OVERSIGHT COMMITTEE
Meeting Summary
April 28, 2009

Committee Members in Attendance

Cari Clark
Nan Clayton
Ashton Cumberbatch
Staley Gray
Jackie Hawkins
Morris Hoover
Lawrence Huang
Bobby Jenkins
Cindy Lara
Rashaanne Lewis
Beverly Mendez
Carolyn Merritt
Sarah Price
Jim Recek
Steve Rogers
Jeff Walker
Kennard Wright
Peck Young

Absent Members

Willis Adams
Ramon Alvarez
Margarito Aranda
Mary Ann Auster
Mark Boyden
Roseanne Brazeal
Eliza May
Mary Ann Neely
Horace Willis

Staff Members in Attendance

Mario Alaniz
Randy Baldwin
Norman Barker
Andrew Clements
Bruce Davis
Craig Estes
Maria Guerra
Deborah James
Bill McClure
Florence Rice
Pat Rossett
Scott Rouse
Curt Shaw
Tony Silva
Velupillai Sivalingam
Paul Turner
Terry Wadsworth
Idella Wilson

Others in Attendance

Steve West-AISD CFO
Laura Kunz-TateAustinHahn
Patti Summerville-TateAustinHahn

Agenda

- I. Call to Order and Approval of Minutes
- II. Technology Bond Funding
- III. Subcommittee Meetings
- IV. Subcommittee Reports
- V. Survey Subcommittee Follow-up
- VI. Follow-up on Commissioning Process
- VII. FF&E Explanation
- VIII. Follow-up of CBOC Report to Board of Trustees
- IX. Updates and Agenda Items for Next Meeting

I. Call to Order and Approval of Minutes

Ashton Cumberbatch called the meeting to order. He informed the committee that Eliza May was absent because she was still involved with the Hispanic Quality of Life Project but she would be present at the May CBOC meeting. Tri-chair Bobby Jenkins will not be in attendance in May or June. He and his brothers are participating in a 2300-mile bike ride to Calgary, Canada as a fundraiser for Caritas. The committee members wished him well. Ashton Cumberbatch invited questions and modifications of the agenda from other CBOC members. The March 24, 2009, minutes were approved as written.

II. Technology Bond Funding

At the March meeting, members had requested information on why technology items were included in the 2008 Bond Program. Historical data was provided in the mail out and Steve West, Interim Chief Financial Officer for AISD, was present to answer questions relating to why long-term debt was being used to pay for items with a five-year or less life span.

- Mr. West first noted that best practices dictate that the debt should not outlive the life of the asset.
- He explained that there were two ways in which the District could pay for technology items:
 - from Maintenance & Operations (M&O), the district income from local real and personal property taxes that is used for the annual budget, or
 - from Debt Service, the fund that accounts for debt service taxes and other revenues collected for the purposes of retiring bond principal and paying interest on long-term general obligation debt.
- 84% of the total M&O budget goes towards teacher and staff salaries, leaving only 16% of the budget to cover all other expenses.
- Paying annually for technology needs out of M&O would cost approximately \$15 million a year and there are not sufficient funds to fund technology out of the M&O budget.
- Many school districts across Texas are also using bond funds to pay for technology items and upgrades.
- Mr. West noted that the cost for operating and managing the technology infrastructure is paid out of the M&O funds.
- By funding technology needs through interest and sinking (debt service), there is no deduction for state mandated recapture, which requires that 25-30% of the revenues collected from the District's the maintenance and operations budget be sent to other school districts. Revenues collected for the interest and sinking portion of the budget are not reduced for recapture purposes.
- The District plans to stack most of the debt over the first five years, which would allow the debt to coincide with the life-span of the technology items.

- The District's current tax rate is 12.3¢. The 9%-11% increase in property value over the last several years has allowed the District to maintain this rate for the past several years.
- There are minimal funds available from the state. Currently, the state-wide technology fund provides only \$27 per student per year.
- Members commented that the District needs to consider other options for paying for technology items because this is a cost will be continually incurred, and they were not comfortable with the idea that bond funds would always be needed to pay for technology items and upgrades.

III. Project Managers' Reports

The Committee met in geographical subcommittees (north, central and south) to review the status of the projects in their assigned areas. Members received updated information from AISD senior project managers and individual project managers in the following areas:

- Project schedule
- Project budget
- General project information
- Project environmental components

IV. Subcommittee Reports

At the conclusion of the subcommittee meetings, the Committee reconvened for a large group project discussion. Highlights of the individual subcommittee reports include:

North

- There are only 28 projects because many have already been completed.
- There is still no site for the north central elementary school.

Central

- There are 34 projects; ten are in the planning stage; two are under construction.

House Park

- Additional fire hydrants are being required by the fire department.

Austin High School

- The campus is rethinking its master plan in light of the new addition that will be constructed.

Bus Terminal

- Site selection is close to completion.

South

Diane Gorzycki (Southwest) Middle School

- The City of Austin has agreed to put a sidewalk up to Barstow.
- Staff is working with the City of Austin's Transportation Department requesting another review of the speed limit on Slaughter Lane in front of the school because of continued community concerns.

Menchaca Elementary School

- The roadway project was submitted for review to the City of Austin.
- The time necessary for the City's review process has delayed the project until next summer.
- The construction is too disruptive to school operations to take place during the school year; therefore, the project will be constructed during the summer.

Parking Lot Issues

Site Discussion:

- A member asked what would be the consequences if a new school were not constructed.
- Another member responded that the CBOC's responsibility is to monitor and ensure that any project delays are for legitimate reasons and that good faith efforts are being made. For example, the problem with finding a site for the north central elementary school is not due to lack of attempts or effort, but rather the lack of open land or suitable sites in that area. This is a legitimate problem and efforts are ongoing.
- Another member noted that not fulfilling the promises made in the bond elections would be a problem, but that legitimate delays are acceptable.
- It was noted that credibility becomes an issue, particularly for future bond elections.
- Curt Shaw commented that real-estate discussions were confidential and conducted by the Board in executive session in order to avoid price hikes by owners of potential properties and maintain the ability to negotiate reasonable costs.
- Mr. Shaw noted the lack of options in the north central area. The District spent nine months negotiating on an open site that had radio towers, but because of FCC regulations, the site could not be accessed for five years, which would further delay the construction of the school.
- The District is currently looking at a site that, with some creative solutions, may prove suitable.
- There are commercial properties available in the area but the owners want the value of improvements for the existing structures added to the cost of the property. The District would have to demolish those structures in order to build a school, incurring the costs of the value of existing structures and the costs of demolishing those same structures, increasing costs substantially. In addition, the location of commercial property is often adjacent to a major thoroughfare, which is not a suitable site for elementary school children.

- The Board meets in executive session on May 18th to consider a site proposal for the north central elementary school.
- Another member asked about a site for the Linder Early Childhood Center.
- Paul Turner explained that a couple of sites were being studied. One option involved a property owner who did not want to sell.
- He also stated that staff met weekly with real-estate consultants to find sites.
- Mr. Turner said that architects were doing feasibility analysis on some sites for the Linder Early Childhood Center.
- A member asked if information on site selection could be placed on the web to keep the community informed.
- Sites are needed for the following projects::
 - Performing Arts Center (PAC)
 - Site proposals are being reviewed.
 - Bus Terminal
 - Site selection is almost completed.
 - North Central Elementary School
 - Site options will be determined with the Board on May 18th.
 - Southeast Middle School
 - Site selection is almost completed.
 - Linder Early Childhood Center
 - Site options will be discussed with the Board on May 26th.
 - South High School
 - A presentation is projected for an executive session on high school population patterns.

V. Survey Subcommittee Follow-up

- Mary Ann Neely has accepted the position of chair of the subcommittee and sent her regards to the committee from Cozumel, Mexico, where she was vacationing.
- Patti Summerville and Laura Kunz of TateAustinHahn, reviewed the letter that will be sent to the principal of the schools surveyed.
- Members received a copy of the letter in the mail out material.
- The letter will include the bond-related survey comments and feedback from the project managers.
- Members were asked to send Pat Rossett any feedback by next Tuesday.

VI. Follow-up on Commissioning Process

Randy Baldwin provided a handout summarizing the commissioning process to members and reviewed the information.

- Commissioning is primarily the process of arriving at the appropriate design of mechanical, electrical and plumbing systems, and confirming that the system, as it was designed, is properly installed and operational.
- Commissioning is broadly classified into two categories:

- Fundamental commissioning, which includes most construction phase activities dealing with mechanical, electrical and plumbing (MEP) systems. This is the basic requirement for buildings to be rated under the Austin Energy Green Building Program (AEGBP).
- Enhanced commissioning, which includes design phase activities and documentation. This contributes two credits toward AEGBP rating.
- The full range of commissioning activities are accomplished within five consecutive phases:
 - Design input and reviews
 - Construction submittal reviews
 - Construction reviews before equipment installation
 - Construction reviews after equipment installation
 - Functional testing of equipment
- The commissioning of automated controls of HVAC systems has proven to be quite difficult and as a result, the entire commissioning process has not been completed on numerous projects.
- This has created a backlog. In response to the backlog:
 - District staff and key stakeholders have revised and enhanced procedures and HVAC controls specifications.
 - Both district and key stakeholders have increased staff assigned to these projects.
 - Bi-weekly progress and coordination meetings are held.

VII. FF&E Explanation

In response to questions on how the Furniture, Fixtures and Equipment (FF&E) budget is determined, information was provided in the mail out materials and reviewed by Curt Shaw with the committee.

- FF&E generally refers to items that are not attached to the building, such as student desks, chairs, and computers.
- Items that are attached to the building, such as the casework in a science classroom, are generally part of the construction budget.
- Items purchased with FF&E funds should not be consumable items and should have a life expectancy of at least two years.
- The FF&E budget is approximately 5% of construction costs.
- Other issues are also considered. For example, a school may have items that can be reused so that new ones do not have to be purchased.
- Principals receive their FF&E budget and are responsible for ordering FF&E items but have to follow the guidelines established by the Material Management Department and Educational Specifications regarding approved items and vendors.

VIII. Follow-up of CBOC Report to the Board of Trustees

- The tri-chairs presented the CBOC report to the Board on March 30, 2009.
- The Board once again reiterated its appreciation for all the work done by the CBOC.

- The tri-chairs thanked staff for their support in developing the report.
- Members were provided with a summary of Board comments in their mail out materials.
- The Board asked about HUB efforts in bond programs, but also in the District's general procurement practices.
- Mr. Torres informed the tri-chairs that graduate students in his program, who have conducted research regarding the correlation between indoor air quality with TAKS results, have substantiated that better air quality enhances learning. He wanted to thank the Construction Management Department for all its efforts in this area.
- The Board complimented the CBOC on the increase in survey responses and encouraged members to continue their efforts to increase survey participation.

IX. Agenda Items for Next Meeting

- Next meeting is May 26, 2009-Location-**DELCO ACTIVITY CENTER**
- Subcommittee Meetings
- Subcommittee Reports
- Brief Report on Environmental Stewardship Envisioning Committee

Member Requests

- Update on the Facility Condition Assessment

Lessons Learned

- A. Pre-Election Activities/Bond Program Planning:
1. Identify new schools using the description of schools to be relieved, rather than geographic designations.
 2. For larger, more complex projects, enlist paid services of architects, engineers, and appropriate construction professionals to conduct extensive and comprehensive site analysis to determine the scope and budget for the project.
 3. As the AISD gears up for the next bond program, it should utilize the oversight model established in the 2004 Bond Program.
- B. CBOC— Establishment and Procedures:
1. Appoint CBOC members immediately after the bond initiative is passed.
 2. A thorough discussion of committee processes, procedures and charge is needed when the CBOC is first appointed.
 3. A simple English statement of what the charge is would help future committees.
 4. Responsible stewardship involves providing adequate resources to maintain and operate new schools and new construction properly.
 5. The process used by the CBOC to establish its structure and working committees was very successful.
 6. Schedule a retreat immediately after the CBOC is appointed and completes the self-evaluation tool at least twice annually.
 7. The Survey Committee should develop its own list of “lessons learned”.

- a. There should NOT be different surveys for each campus due to the need to compile data. Therefore, one survey will be created with all campuses listed and the first question will ask them to select their campus. Note: There will still be personalized emails, with individual project descriptions, sent to each campus.
- b. One person should have central responsibility for collection and distribution of surveys.

C. Program Management:

1. An additional 15% of square footage should be added to the educational specifications to allow for circulation. (Barton Hills)
2. Front load the implementation of the bond construction program. Spending funds earlier helps reduce the impact of inflation on available bond funds.
3. Differentiate between the dates for the completion of construction and when a building can be occupied. The general public believes the “completion of construction” date is the same as the date a building can be occupied.
4. Establish a process with well-delineated criteria for determining the use of contingency funds.
5. Since contingency funds are more readily available in earlier projects and less available for projects scheduled in later phases, committee and staff need to be mindful of maintaining equity for all projects.
6. Because principals are key participants in the success of a construction project, a training workshop by construction management staff should be provided to new principals who have no experience with construction projects.
7. Projects should be broken down into smaller packages to allow smaller contractors to bid these projects. The benefits of this approach are that bids would be at or below the project budget, and the District would be less dependent on the large contractors.
8. In order to better deal with problems related to obtaining permits from the City of Austin, which have caused numerous delays and have increased the number of change orders, CBOC members recommended that staff:
 - o Research the city requirements before establishing a budget for renovations.
 - o Have the Construction Management staff and City Health Department conduct a survey of the kitchens to determine in advance what an architect should include in the design.
 - o Have a debriefing session with city officials at the director level and strategize on how to improve the permitting process.