



**MEETING MINUTES
MEASURE E CITIZENS' OVERSIGHT COMMITTEE
SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 2
TAHOE TRUCKEE UNIFIED SCHOOL DISTRICT**

Monday, September 30, 2019 – Kings Beach Elementary School

MEASURE E CITIZENS' OVERSIGHT COMMITTEE (COC) MEMBERS PRESENT:

Susan Griffith (Chair), Jim Phelan, Kirsten Keim, Jenn Ragan

MEASURE E CITIZENS' OVERSIGHT COMMITTEE (COC) MEMBERS ABSENT:

Sydney Earley, Johanna Monforte

IN ATTENDANCE FROM TTUSD:

Todd Rivera, Executive Director of Business Services; Kristin Hillmer, Project Manager for Tahoe Lake Elementary; Amy Sanders, Administrative Secretary – Bond Projects

1.0 Call to Order

Susan Griffith, Measure E COC Chair, called the meeting to order at 5:02 p.m.

2.0 Public Comment

No public comment.

3.0 Approve Minutes from January 30, 2019 Meeting

On a motion by Jim Phelan and a second by Jenn Ragan, the Measure E COC members unanimously approved the minutes from the meeting on January 30, 2019, with the revision to Section 4.0 Measure E Project Overview Updates, "Although we are still finding *issues with* existing conditions on the modernization side at this site, our goal is to complete this project over the summer of 2019 and move the kids back to the school in August."

4.0 Measure E Project Overview Updates

Todd Rivera introduced Kristin Hillmer, project manager for Tahoe Lake Elementary School, to the Measure E COC members. Mr. Rivera then gave a presentation on the status and progress of the Measure E projects.

Completed projects include the Kings Beach Elementary boiler replacement, the Tahoe Lake Elementary parking lot, fire panel upgrade, and boiler replacement.

We are still working on the Tahoe Lake Elementary Modernization & Addition project. Since our last meeting, we have encountered many issues at this school site. The first was lead contamination, which put a substantial delay on the project. We have also discovered dry rot damage, joists and structural beams that need to be repaired, windows on the old building that need to be replaced, concrete foundations that are below the existing soil and need to be raised, and lack of seismic separation

between buildings C and D, even though it was shown on the plans. Additionally, many of these unforeseen conditions have required abatement in areas we had not planned on disturbing. In our original financing plan, we included contingencies for unforeseen issues such as this.

The District recently decided that it was in our best interest to move forward with the Tahoe Lake project with a different construction management team, CORE Construction. While there was an additional cost associated with this, it has already paid for itself. CORE has done a great job in pushing the project forward and making sure it's on track. They have worked with subcontractors in rebuilding morale, they've built a safety program, worked on coordination and scheduling, and have been more efficient with processes.

CORE has been focusing on completing the building enclosure before winter arrives and working to get the site work done before October 15, as required by TRPA (Tahoe Regional Planning Agency). Steel decking has been constructed and windows, roofing, siding, and stonework are being installed in preparation for winter. They are working on enclosing the two connectors between buildings but these will not be completed before winter arrives. The goal is to finish this project by the end of next summer.

The Kings Beach Elementary School Addition & Modernization project is complete, with the exception of a few punch list items. This project included modernization and expansion of existing classrooms, new playground areas, and new huge kindergarten classrooms. New offices were completed in December 2018. The interior of the existing building was painted, and new flooring and air conditioning were installed. The entire site received new furniture, new carpet, and technology upgrades. We were able to get the project completed by the end of the summer and open on time for the start of the school year, allowing teachers plenty of time to set up their rooms.

The North Tahoe project has been pushed back until after Tahoe Lake Elementary is finished. Most likely, we will begin planning the North Tahoe project around the end of 2020. At that time, we will figure out what our needs are there.

5.0 Measure E Project Financial Updates

Todd Rivera, Executive Director of Business Services, gave the Measure E project financial updates. Measure E program expenses remained the same. All numbers reported are through September 20, 2019. The overall revised budget of the entire Measure E program is \$87.3 million dollars, of which we have \$76 million covered in contracts or have spent on the projects.

Funding to date for Measure E projects is \$64.8 million which reflects bonds that we issued and interest earnings we received, and developer fees that were allocated. Expenditures to date are \$56 million. Encumbrances to date are \$18.2 million. The budget balance available is \$12.2 million; this includes the Certificates of Participation (COP) that we issued to pay off debt. This was higher than what we anticipated a year and a half ago.

The original bond issuance is \$62 million. Interest earnings originally budgeted are \$993,000. The original developer fee allocation was \$1.7 million; last year, we allocated an additional \$1 million. Total funding from DROPS (Drought Response Outreach Program for Students) is \$189,113 for stormwater prevention and planning.

The Kings Beach Elementary budget went up to \$26.6 million, an increase of over \$3 million since our last meeting. Total expenditures for this project are \$21 million. Since punch list items still remain, we continue to withhold retention on some contracts until all of the items have been addressed.

The Tahoe Lake Elementary budget went up to \$49.3 million with the changes, schedule extension, unforeseen conditions, and additional contingencies, which is an increase of \$13.6 million since our last Measure E COC meeting. This includes lead cleanups, extension of the project, and the District-directed design of new corridors. Total expenditures to date are \$29 million, which is an increase of \$10 million since our last meeting.

The North Tahoe High School and North Tahoe School budgets were increased by \$1.2 million each. Money was put back into these budgets as money was taken out to initially fund Tahoe Lake Elementary's overages. We have already purchased some 21st century technology for these sites and a reroof of the gymnasium, which was in the original plan and came in much higher than anticipated. We will still be purchasing new furniture, and will determine at a later date what else is needed at these sites.

For a while now, we have discussed in these meetings our need for a financing plan to cover the budget shortfalls. The District always knew that we would need bridge financing for anticipated state funding since the state is slow to release those funds. We knew that when we bid out Tahoe Lake Elementary and Kings Beach Elementary, and those bids came in several million dollars over budget, that this was going to be part of the financing plan. The District and the Board of Education agreed that even though the projects were going to cost more than anticipated, everyone wanted to move forward with them and deliver projects to the community as promised.

We have tried and continue to anticipate anything that could result in additional costs. We added contingencies just in case there were other unforeseen issues that came up, such as the seismic separation at Tahoe Lake Elementary.

The District is financing these shortfalls through Certificates of Participation, paying them back using Developer Fees and funding for facilities from redevelopment agencies for capital improvements. We are comfortable paying the debt service on an annual basis for a 30-year debt. There is a general call provision built in so that if we find additional funding sources at seven years, we can refinance the debt or pay it off without any obligations to investors. We have a special pay provision linked to our state funding which allows us to use this money to pay off chunks of debt as we receive this funding over the next seven years. Mr. Rivera hopes we can pay this off early.

The financial report shows some pretty large changes in the budget. Measure E budgets have only increased to reflect the escalation reserves and program reserves moved into them, but they were not adjusted for the unforeseen issues.

Jim Phelan asked about the credit to the projects for the IT Server Project. Mr. Rivera said that we allocated the amount each site would pay towards this project. Some of this was funded by Measure A. Mr. Rivera believes that this number represents a credit back to the bond funds but he will research this further and get back to Mr. Phelan and the other Measure E COC members about this number.

6.0 Seeking One New Member

The District is seeking one (1) Measure E Citizens' Oversight Committee member who is active in a senior citizens' organization. We will be advertising this seat in local publications until it is filled.

8.0 Other Items

Amy will send out a Doodle Poll for the next meeting, which will most likely be after the holidays, in January 2020. The next meeting will include the Proposition 39 bond audits.

Jim Phelan suggested that we look into Superfund, which is a U.S. federal government program designed to fund the cleanup of sites contaminated with hazardous substances and pollutants. Todd Rivera is unfamiliar with this program and will research it further.

The state facility program has a hardship grant for matters related to health and safety hazards, such as structural deficiencies. We need to put together expert documentation saying that lead contamination issue was a hardship.

When this meeting adjourns, Todd Rivera will give the Measure E COC members a tour of the new and improved Kings Beach Elementary School.

9.0 Adjourn

Susan Griffith, Measure E Citizens’ Oversight Committee Chair, adjourned the meeting at 5:56 p.m.

Todd Rivera
Executive Director of Business Services
Tahoe Truckee Unified School District

Susan Griffith
Measure E Citizens’ Oversight Committee
Chair
SFID No.2
