

ITEM FOR ACTION**2022 BOND BUDGET UPDATE****SUMMARY**

We are approaching the halfway mark of the 2022 Bond, and most of the major projects have been committed on budget. The bond program includes a \$73.9M contingency that is meant to ensure the voter commitments are met. In order to achieve these commitments, we have a number of projects that will need budget adjustments to be completed properly. This is the purpose of the program contingency. Budget adjustments to existing bond project areas are proposed that will not impact the ability to complete the other projects.

BACKGROUND

The bond program initially included \$43M in contingency. This is in addition to project contingency within each individual project. Our practices require that the school board approve any use of program contingency over \$1M or any new projects. Over the past two years, the contingency has significantly increased thanks to bond premium, interest earnings, various energy reimbursements, and project savings. During this time, we have also made significant progress towards delivering projects on budget. This means that some of the contingency funds can be allocated with little risk to the rest of the bond program.

Recommended budget adjustments:

- Allen Transportation \$2.9 M
- Aloha HS Athletics \$7.0 M
- Westview HS Athletics \$2.0 M
- Outdoor Learning \$2.0 M
- Security Upgrades \$11 M
- Nutrition Services Upgrades \$10 M
- Total \$34.9 M

The bond budget risk document provides additional information to support this recommendation:

- Background information on recommendations for budget adjustments
- Financial/risk analysis of ongoing and future projects

RECOMMENDATION

The superintendent recommends the board approve the allocation of \$34.9M in bond program contingency to the projects outlined in the supporting documents.

SUGGESTED MOTION

I move to approve the allocation of the 2022 bond program contingency as submitted.

Belong. Believe. Achieve.