

## FINANCIAL/RISK ANALYSIS OF ONGOING AND FUTURE PROJECTS

Project Name	Current Budget	Financial Risk Analysis	Recommended Adjustments	Adjusted Budgets
Beaverton High School	\$253,630,000	As the largest bond project, the BHS rebuild represented the largest risk. However, the project is now under contract with a guaranteed maximum price (GMP), and we are progressing very well on the project. We feel confident that the existing project contingencies will be adequate to fulfill the voter commitment. We are expecting this project to finish under budget.	\$0	\$253,630,000
Raleigh Hills Elementary	\$68,027,022	As the second largest project, Raleigh Hills also represented a significant budget risk. However, as with BHS, we have a GMP, and we are quite far along in construction. As such, we are past many of the major budget risk points. We expect this project to finish on budget.	\$0	\$68,027,022
Allen Transportation	\$13,900,000	The Allen Transportation Facility is scheduled to start construction in 2026. Our current design estimates are tracking closely to the budget.	\$0	\$13,900,000
Barnes Cafeteria & Gym	\$7,500,000	Budget comparisons with the gym at Stoller and the upcoming cafeteria at Beaver Acres suggest that the current budget will not be adequate to complete the scope of adding a gym and cafeteria/kitchen. This budget increase is based on a recent cost estimate. We will be looking for ways to reduce this cost.	\$6,500,000	\$14,000,000
Southridge HS SB/BB Turf	\$5,200,000	This project is complete and no longer represents a program budget risk.	\$0	\$5,200,000
Aloha HS SB/BB Turf	\$9,000,000	This project is currently under construction and is tracking well.	\$0	\$9,000,000
Westview HS SB/BB Turf	\$4,000,000	This budget was increased in fall 2024.	\$0	\$4,000,000
Beaverton HS SB/BB Turf	\$2,500,000	There are some efficiencies related to the school rebuild, and this is currently tracking on budget.	\$0	\$2,500,000
Sato Classroom Addition	\$2,864,804	This project is complete, and already returned savings to the program contingency.	\$0	\$2,864,804
Oak Hills	\$4,733,717	This project is under construction with a GMP	\$0	\$4,733,717

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Classroom Addition		and no longer represents a significant budget risk.		
Stoller MS Gym & Classroom	\$11,211,054	This project is complete and has finished under budget. We are still working on closeout, and will have a more exact number soon.	\$0	\$11,211,054
Aloha HS Office Relocation	\$6,952,659	This project is complete.	\$0	\$6,952,659
WHS Office Relocation	\$3,562,082	This project is complete.	\$0	\$3,562,082
Cooper Mountain Office Relocation	\$2,040,930	This project is substantially complete.	\$0	\$2,040,930
Athletic Facilities	\$7,586,462	The athletic building at Westview HS is complete. The athletic buildings for Aloha HS and Southridge HS are in design and the \$2M budgets for each should be adequate.	\$0	\$7,586,462
Outdoor Learning	\$5,000,000	In fall 2024 this budget was increased to include an outdoor learning area at the Capital Center. All of the projects currently included in this category are in good shape.	\$0	\$5,000,000
Seismic Upgrades	\$80,767,433	This is the most significant area of risk for the bond. We have been unsuccessful in obtaining additional state grant funding, as there is too much demand and our schools are in relatively good shape compared to other school districts. This budget increase is for the Cedar Park MS Seismic & Roof project.	\$18,000,000	\$90,767,433
Modernization	\$21,805,732	These projects are being managed to their existing budgets and represent very little risk to the overall program.	\$0	\$21,805,732
Deferred Maintenance	\$80,981,046	Deferred maintenance remains a critical priority. Currently, we are managing dozens of projects within a fixed overall budget.  This proposed budget increase is for the following projects: Kinnaman ES Roof: \$2,500,000 Terra Linda ES Roof: \$2,500,000 Paging Upgrades: \$2,000,000	\$15,500,000	\$96,481,046

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		<p>Sunset HS HVAC: \$6,500,000 Other deferred maintenance: \$2,000,000</p> <p>As previously discussed with the board and the Bond Accountability Committee, if there are additional savings later in the bond, it is recommended they should be allocated to deferred maintenance.</p>		
Security Upgrades	\$21,000,000	This budget was increased in fall 2024 to implement updated security standards. The current budget for this category remains sufficient.	\$0	\$21,000,000
Nutrition Services Upgrades	\$15,300,000	The budget for Nutrition Services improvements was increased in fall 2024 to include the Beaver Acres ES cafeteria. The current budget for this category remains sufficient.	\$0	\$15,300,000
Critical Equipment	\$11,650,000	This is a fixed budget, and is in good shape. The school board allocated \$3.9M of bond funds to be used for curriculum in spring 2025.	\$0	\$11,650,000
Management & Overhead	\$49,263,102	We are on track with this budget.	\$0	\$49,263,102
Bus Replacements	\$10,000,000	This is a fixed budget, and is in good shape.	\$0	\$10,000,000
Technology	\$44,000,000	This is a fixed budget, and is in good shape.	\$0	\$44,000,000
SPED Upgrades	\$1,307,436	This is a fixed budget, and is in good shape.	\$0	\$1,307,436
Kinder Upgrades	\$1,000,000	This is a fixed budget, and is in good shape.	\$0	\$1,000,000
Contingency	\$55,551,409	<p>The bond originally included a contingency balance of \$43M, representing 5.8% of the initial program budget. This adjustment would leave program contingency of approximately \$15.5M, which now reflects 7.0% of the current uncommitted budget. It is likely that we will continue to accrue interest earnings over the course of the bond.</p> <p>This proposed alignment ensures we continue to manage risk responsibly while preserving flexibility for unforeseen needs as the bond progresses.</p>	-\$40,000,000	\$15,551,409

## **BACKGROUND INFORMATION ON RECOMMENDATIONS FOR BUDGET ADJUSTMENTS**

### **Barnes ES Cafeteria & Gym**

- Background: The bond commitment is to create a new gym and cafeteria/kitchen at Barnes ES. The existing cafeteria/kitchen is very old and located in the basement. It is not very accessible, and the infrastructure is at the end of its life. The gym is in poor condition seismically, and undersized relative to the educational specifications.
- Major cost impacts: There are a number of cost impacts that were not adequately included in the initial budget estimate. We did not fully capture the scope related to some of the secondary project impacts — for example, the playground and covered play structure will need to be relocated. As this project is at the end of the bond, it is significantly impacted by cost escalation that was not factored.
- Recommended adjustment: We recommend increasing the budget by \$6.5M.

### **Cedar Park MS Seismic & Roof**

- Background: The bond commitment is for seismic upgrades. We have been using these projects as an opportunity to make other upgrades at the same time. We could reduce this scope, but we can realize significant efficiencies by doing these upgrades now.
- Major cost impacts: The main additional cost is related to the roof; it was not originally included in the budget, but it is needed. We have recently increased the standard of quality for our roof specification, and this has led to some additional cost. Also, our bond plan assumed some success with the Seismic Resiliency Grant Program (SRGP), but we have been so far unsuccessful in obtaining this state grant funding.
- Recommended adjustment: We recommend increasing the budget by \$18M (\$10M for seismic and \$8M for the roof).

### **Kinnaman ES Roof & Terra Linda ES Roof**

- Background: These roofs are both at the end of their lives and need replacement. There are currently 2 roofs on each, meaning these are a full tear-off.
- Major cost impacts: The full tear-off triggers a few other requirements, such as increasing the roof insulation to current code levels. Additionally, while we have the roof off, we will install the necessary roof level seismic improvements. This will substantially reduce the cost when we come back to do the rest of it.
- Recommended adjustment: We recommend increasing each project's budget by \$2.5M.

### **Paging Upgrade**

- Background: The paging systems in our schools are critical for daily operations. More importantly, they are the primary communication tool for our emergency notification system. Previously we had inconsistent speaker coverage, and aging head end units. We are doing upgrades to the paging system at all schools.
- Major cost impacts: The initial budget was just a rough estimate. Now that we have been completing schools, we have a much better idea of the total project cost.
- Recommended adjustment: We recommend increasing the budget by \$2M.

### **Sunset HS HVAC**

- Background: Part of our goal in the deferred maintenance program has been to have the ability to control the temperature at all schools. The deferred maintenance budget was based on an

assumption of \$20M/year, and not on specific scope or estimates. The need has exceeded this, so we have been spending the deferred maintenance budget faster than expected.

- Major cost impacts: There was no initial conceptual design or estimate. We have that information now, so that is what this recommendation is based on.
- Recommended adjustment: We recommend increasing the budget by \$6.5M.

#### **Other Deferred Maintenance**

- Background: We use this budget to deal with numbers issues related to deferred maintenance in our buildings. With the deferred maintenance budget largely exhausted, we lose a bit of flexibility in responding to ongoing issues. This budget will help support those ongoing issues.
- Major cost impacts: This group of projects mostly ends up being HVAC or related to our kitchen equipment.
- Recommended adjustment: We recommend increasing the budget by \$2M.