



## **BOND REPORT – OVERVIEW OF PROGRESS**

### **POLICY ISSUE/SITUATION**

In May 2014, voters approved a capital bond program for the students of the Beaverton School District. The Board of Directors established a Bond Citizen Accountability Committee (BAC) to assist in monitoring the progress of executing the bond program and requested that the Committee provide periodic reports.

### **BACKGROUND INFORMATION**

The Bond Citizen Accountability Committee report for the fourth quarter of 2016 will be presented to the School Board by the Chair and Vice Chair of the Committee.

### **RECOMMENDATION**

It is recommended that the Beaverton School District Board of Directors receive the Bond Program Review Report and provide comments and guidance to the Committee, the Superintendent and staff.

**District Goal:** WE empower all students to achieve post-high school success.

The Beaverton School District recognizes the diversity and worth of all individuals and groups. It is the policy of the Beaverton School District that there will be no discrimination or harassment of individuals or groups based on race, color, religion, gender, sexual orientation, gender identity, gender expression, national origin, marital status, age, veterans' status, genetic information or disability in any educational programs, activities or employment.

## Bond Citizen Accountability Committee Report for the Fourth Quarter of 2016

Section 4.f. of the Committee's charter specifies:

*The Committee Chair will draft and submit a written report quarterly, or more often if requested, to the Superintendent and School Board. The report will be structured to address the topics in Paragraph 1(a)–(g) and represent a consensus of committee members. The School Board may request reporting at a regular School Board Business Meeting or School Board Work Session. The committee reports are due from the chair to staff not later than seven days prior to the Business Meeting or Work Session.*

At their January 23, 2017 meeting the committee discussed the content of their report for the fourth quarter of 2016. The following comments reflect committee consensus regarding each element of the bond program of concern to the committee, as listed in Section 1 of their charter:

***a. Ensuring that the bond revenues are used only for the purposes consistent with the voter-approved bond measure ballot and consistent with state law;***

Based on information that has been provided to the committee on the bond program for the fourth quarter, committee members were satisfied that this is being done.

***b. Alignment with the Bond Program Goals approved by the School Board and Board policies;***

Committee members agreed that the goals were met by program staff during the fourth quarter. The committee was especially pleased to see the increase in equity performance (MWSDVE participation) for contractors during the quarter, which stood at 17.3%, well above the Board goal of 10%. The committee commends staff efforts to realize this improvement.

***c. Reducing long term maintenance, construction costs and improving efficiency and longevity, and innovative practices that achieve these; consistent with district standards and best practices;***

Program staff have described technical, education and security standards that are being applied to projects under the bond program. The committee is assured staff has processes in place to meet this objective.

***d. Communicating key information related to the bond to District stakeholders.***

The committee received a presentation from staff on their outreach activities for the bond program at both their November and January meetings. This is a standing item on committee meeting agendas.

Staff also noted that they intend to provide information to the public explaining how maintenance projects listed in informational documents provided in advance of the election on the bond program have been addressed.

The committee agreed that it should be communicated to the public that bond program staff have been responsive to committee concerns and suggestions as well as recommendations from the Cornerstone Management Group review of the bond program.

***e. The committee will receive and review copies of bond program performance and financial reports, and has the option to inspect school facilities and grounds related to bond activities when coordinated with and accompanied by District staff;***

The committee was satisfied with the quality of and the information in the reports they received from staff on the status of the bond program during the quarter. Staff has highlighted changes in the budget or schedule status of a project from the previous report and explained the reason for each change. As of the end of December none of the projects listed in the report for the month were in trouble (signified by a red mark in the report) although a few, including Mountainside High School, were showing yellow (watch list) from a schedule perspective and one, the new K-5 in North Bethany, was yellow from a budget perspective. The schedule concerns were largely due to the recent severe winter weather, which is being addressed by staff as well as possible.

***f. The committee will review monthly reports produced by the district in order to assess general compliance with the purposes set forth in the capital improvement program as approved by the voters;***

The committee received and reviewed each of the monthly status reports on the bond program prepared by staff for the quarter, and had an opportunity during each of their meetings to ask questions about the reports. The committee finds that, based on the information received, the program is in compliance with the purposes set forth in the information about the program provided to voters in advance of the 2014 election.

At the January 23 meeting staff and committee members discussed the status of project contingency funds and uncommitted program reserves (previously described as program contingency). It was agreed that for future reports the amount of money in each category will be graphically portrayed so that changes over time in levels of project contingency and program reserves can be ascertained.

***g. The committee will perform other reasonable duties requested by the School Board or Superintendent.***

At their October and November meetings (the committee did not meet in December) the committee discussed amendments to the April 2016 draft of the proposed *Bond Cost Management and Control Plan* with staff. After the November meeting staff invited the committee chair to meet with them to further discuss amendments, and staff also invited the chair's comments on proposed amendments, especially to Table 1 of Appendix A, relating to budget management controls and responsibilities. Additionally, in a conference call in January staff solicited thoughts on a draft of the table from the chair and a committee member with extensive experience in management of public capital projects. The chair appreciates staff's willingness to work with committee representatives in drafting the plan.

On January 23 staff presented their proposed changes to the April draft of the plan to the committee. The committee discussed the changes and was satisfied with them. A motion was made and seconded to recommend the school board's approval of the modifications to the *Bond Cost Management and Control Plan* as recommended by staff. The motion was approved unanimously.

#### Recommendation

The committee's sole recommendation for this report is that the school board approve the revised *Bond Cost Management and Control Plan*.

The committee chair and vice-chair are willing to present this report to the school board at an upcoming business meeting or work session if requested, and answer any questions the board may have.