

Capital Asset Advisory Committee Meeting Notes

Thursday, November 5, 2020

Attending

Members: Gordon Calahan, Megan Castle, Kathy Hodgson, George Latuda, Tom Murray, M.L. Richardson, Brittany Warga, Jeff Wilhite

Staff: Steve Bell, Heather Frizzell, Jason Hendricks, Bruce Huxley, Berry Jones, Tim Reed, Tammy Schiff, Kristopher Schuh, Nicole Stewart, Maureen Wolsborn, Robin Acree

Guests: Kathleen Askelson, Brad Rupert

Location: FM Large Conference Room/Zoom, 809 Quail Street, Bldg. 4, Lakewood, CO 80215

Time: 8:00-10:00am

General-

- Kristopher Schuh attended the meeting for the first time as Interim Superintendent, board member Brad Rupert also attended. Members introduced themselves.
- Discussion:-Tim Reed sent an email 10/16, to CAAC members that noted that certain individuals are questioning the Capital Improvement Program progress, financial status and by implication CAAC is not providing adequate oversight of the Capital Improvement Program. In the email there were suggestions for consideration and discussion at today's meeting. Beside the email, attached was a document that explains the role of the committee and member duties and responsibilities.
 - Proposed is to move the CAAC meeting to the third Thursday of each month starting January 2021. This allows the committee an opportunity to review bids and other information and if there are any issues with scope or pricing.
 - Proposed is any project that exceeds the construction budget by \$500,000 be reviewed by the CAAC. After the CAAC review, the Committee will take a vote and make a recommendation to the BOE. The CAAC action will be noted on the BOE agenda material. Steve Bell said that it is important to validate the actions of the CAAC. The Committee has always operated by discussing projects, scope, cost and method of funding. An advisory or consensus statement from the Committee to the BOE is a way to establish that the CAAC has been informed of the projects and any deviations from the original intent.
 - George Latuda states that it would be helpful to present the BOE with a package of recommendations that include the budgets, bids and the bid tabulation. George also states that it is difficult for the BOE and community to understand the complexity involved in developing a construction budget.
 - There was conversation about contingency. Tim said that Heather Frizzell tracks contingency on a regular basis. Any contract or agreement over \$500K, requires the Board approve it. Tim said each project has a 10% contingency. There is also an unallocated program contingency, meaning it is not assigned to any particular project. Its status is in the material the Committee receives each month.

- Jeff Wilhite would like to see the same information that goes to the Board. Tim stated the information is there. The agenda items are very descriptive and are posted publically a week before the Board meetings. Putting information in front of CAAC sooner is the reason Tim proposes moving the CAAC meeting to the third Thursday of the month. CAAC will have an opportunity to see what projects have been bid and review those that are required to go to the BOE.
- Gordon Calahan stated that the Board might not understand the job the committee is doing. The bond was prepared a year or two ago (*more than three years ago-TR*). Everything the committee said they wanted to do is being done. Over the past few months there have not been big things that need a committee vote. Gordon said, “at this point our committee makes sure that we do what we say we are going to do and that we are on budget. If there is a problem, they need to be specific”.
- Megan Castle asked if the BOE was looking at the bond language itself and what the citizen advisory committees’ responsibilities are. She would like clarification on what oversight means? With the 10/16 email the responsibilities and requirements of members was included. Is the committee doing what they are supposed to do? Performance audit, what does that mean for CAAC?
- M.L. Richardson stated that she would like the following information provided to CAAC along with definitions:
 - Scope of work
 - Cost
 - Variation to the scope of work
 - Cost of variation, increase or decrease
 - Final cost
 - Source of funding
 - Bond premium breakout
 - Definitions: bond funding, program and bond contingency, capital transfer
 - Explain exactly what the source is
- Tim stated that all the CAAC reports, presentations and meeting notes are on the Jeffco public website. Communications is working on a Flipbook model to show the work that has been accomplished. A couple of articulation areas showing a proposed format were shown. Other features would show whether the project was over or under budget and the revised Facility Condition Index.
- Question posed by Steve Bell, “Do we need to engage a 3rd party auditor, separate from the district’s independent auditor, to do a performance audit that would review if designated scope is accomplished and see every dollar spent?” Currently, the annual external audit includes the capital improvement program.
 - M.L. asked if the current firm we use could make a recommendation about the bond.
 - Tom Murray requested that possibly a statement saying, “We take the money and spend it on a project. If there is money left then we add scope. If we get a premium on a bond, we then take that money and add scope or projects”. CAAC does not need all of the details for each project, they just need to know of the changes so they can make recommendations.

- Legally, the bond stipulates that the funds only are spent on capital improvements. The district cannot take those dollars and apply them to General Funds or other accounts. There are checks and balances to ensure the money is spent appropriately. If in the future, there were going to be changes on what account the money could go to and how it is spent, it would have to be done legally.
 - Steve requested each member of CAAC vote on whether they wanted a performance audit:
 - Tom Murray-no,
 - M.L. Richardson-no, she would like to see the existing firm issue language stating “due to unforeseen circumstances we have to change the scope”.
 - Gordon Calahan-no
 - George Latuda-no
 - Jeff Wilhite-yes, with the caveat, “If the current auditor is meeting the requirements of the bond, then it’s okay”.
 - Kathy Hodgson-no, would like to see a comment from the existing firm.
 - Megan Castle-no, would like to see a letter from the current auditor.
 - Brittany Warga-no
 - Jeff Wilhite proposed that a review of the bond contingency be performed to focus on preparing information to be presented to the BOE on how the contingency has been used to this point in the bond program. Jeff proposed that he, Megan Castle, George Latuda could make up this team. There was no discussion from the remaining members of the CAAC on moving forward with this proposal. The suggestion has been taken under advisement.
- Discussion-Steve Bell said that an email this morning regarding Calahan Construction stated that the company received preferential treatment for the relocation of modular classrooms to D’Evelyn Jr./Sr.
 - Tim stated that the district has very strict guidelines on how Jeffco Schools request bidders for projects. Bidders must be prequalified, multiple bidders are solicited and all bids are read publically. For the D’Evelyn temp project, three potential prequalified bidders were contacted and two submitted proposals. Calahan Construction was the low bidder.
 - Citizens serving on Jeffco Schools’ committees are not restricted in the performance of their outside work. The expectation is that any goods or services they may provide is in compliance with district procurement policies and requirements.
- CIP Update-Presentation
 - Expenditures increased from September’s \$205.6M, to October’s \$224.2M. Encumbrances declined to \$117.5M from \$126.8M.
 - Two projects bid in October. Foster ES addition/renovation low bid was \$4.1M and was \$26K under budget, Lumber ES addition/renovation GMP was \$6.165M and was \$484.8K over budget.
 - \$10.8M in contracts on 11/5/2020 BOE agenda
- Construction Work in Progress Report-Presentation

Communications

- Groundbreaking events at Warren Tech South, Wayne Carle MS, Ribbon Cutting at Wilmot ES.
- Upcoming Groundbreaking: Jefferson H.S.-Friday, Nov. 6
- Flipbook is being modified to show the community the work that has been accomplished at each school site by category.

Planning/Property Management Update

- Preliminary enrollment numbers from the October count shows a 3,700 drop in students. Surrounding districts are showing a 3-5% enrollment drop as well. Out of 80,000 student within Jeffco, 25% (21,000) students are 100% remote learning.
- In preparation for the annual Enrollment Report, the plan is to base it on full occupancy for 2021-2022 schools year. Currently Planning/Property is working with Student Data to evaluate if there are a varying articulation area declines or consistent decline across the district.
- Due to the decline in enrollment, the district will not be opening five new preschools for the start of 2021-2022.

Construction Management Update

- PM3 position filled; starts Nov. 9. PM from Jacobs.
- H/G-Bond-bond programs, defined over half of projects-in design, closeout or construction.
- 19M Program-FF&E and small project.
- 20M Program-last year's projects, soon to closeout.
- 21M Program- established and defining projects.