

BOND UPDATE #79

10.02.20

Here's what's been going on during the past week:

1. Cornerstone received bids for the ground improvements under the new buildings. Due to the composition of the soils and the high groundwater table on the Ferndale High School campus, we have to take extra measures to ensure that the soil under the buildings will support the weight of the new structures. We are currently confirming the details of the bids, and we anticipate awarding the contract within the next week or so. This ground preparation work will take place in the Spring of 2021.
2. We published a request for qualifications (RFQ) from special testing and inspection firms who are interested in working on the high school and other Ferndale capital projects. Submittals are due by the end of this week, and we hope to select a qualified firm within the next two weeks.
3. The project team continues to refine the scope of work on the Performing Arts Center (PAC). You may recall that the bond included \$2 million designated specifically for the PAC. The priority for those dollars is to complete the needed life safety improvements, which include structural (seismic) upgrades and replacement of the stage curtain. To the extent the budget allows, we will also complete mechanical and electrical upgrades in the PAC.
4. I was asked this week when we can expect to break ground and start construction on the new Ferndale High School facility. The answer is Summer 2021, which is right on schedule with the timeline we published at the outset of the project.
5. At their meeting on September 29, 2020, the Ferndale School Board discussed the use of a Financial Advisor to oversee the District's sale of bonds this past August (2020). Since that was the first time the District had ever employed a Financial Advisor for a bond sale, and since the Bond Oversight Committee has requested the Board require such practice for all future bond sales by writing it into policy, Board President Andrew McLaurin asked the Board to engage in a discussion about the value added by the Advisor. Mr. McLaurin posed the question: What did the financial advisor do and how helpful was his support? Assistant Superintendent for Business Services Mark Deebach recounted the conversations and meetings in which the advisor participated, noting that he made no substantial change in any of the District's processes or decisions, but he did serve as oversight to guarantee that the processes the District used and decisions they made were most effective for getting the best possible deal for taxpayers. Mr. Deebach referenced the financial advisor's report to the School Board (which can be found at the following link:
[https://go.boarddocs.com/wa/ferndale/Board.nsf/files/BTVQG669311A/\\$file/Financial%20Advisor%20Letter%20-%20Ferndale%20SD%20-%20UTGO%202020.pdf](https://go.boarddocs.com/wa/ferndale/Board.nsf/files/BTVQG669311A/$file/Financial%20Advisor%20Letter%20-%20Ferndale%20SD%20-%20UTGO%202020.pdf)).

His findings, in short, are that the District got a very good deal on its bond sale. Mr. McLaurin posed a second question: Were the services of the financial advisor worth the \$5500 cost to Ferndale taxpayers. The members of the School Board and District Administration concluded that this is a question for the community, as represented by the Bond Oversight Committee. If the oversight of a financial advisor builds trust in the community that the District is serving as an effective custodian of the public fund, then the service may very well be worth the cost.

As always, please reach out to me or one of my colleagues if you have questions.

Linda