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# Bond Oversight Committee Quarterly Report

9<sup>th</sup> Report April 2022 – July 2022

## INTRODUCTION

On May 21st, 2019, the officially formed, voter approved, Bond Oversight Committee (BOC) adopted governing bylaws which covers the purpose, authorization, function, and responsibilities of the BOC for the duration of the Bond. Bylaws can be found on the District Website on the Bond Oversight Committee's webpage. The current BOC consists of the following individuals, each with long career experiences in construction management, project management, government finance & budgeting:

- Riley Cornelsen, Chair
- Mark Harting
- Sandi McMillan
- Dan Cornelsen
- Brian Lynch
- Joe Lupo
- Tristen Byers
- Mike Contezac – ALT
- Rick Strissel - ALT

## OVERVIEW

The BOC has met four times since the last report. We had one open position that was applied for and filled by Rick Strissel. Rick is a long-time community member and current superintendent for Dawson Construction. We feel at this stage (construction) Rick will add to the dialogue surrounding construction sequencing, cost management, and schedule.

The past few months continue to be primarily focused on the work of the major bond project; the New Ferndale High School.

## FOLLOW UP ON PREVIOUS REPORT

- Balance of funds related to work regarding “critical maintenance” and “safety & security”
  - Balance of fund is still currently unknown as there is remaining work to complete.
  - Any balance of funds realized will be reviewed, and possible uses recommended by the district and BOC to the board for final approval.
  - Effort has been made to provided alternate bid options so pricing for additional work is known in advance of review/approval

## KEY FUNCTIONS UPDATES (on time, on budget, with transparency)

### A. ON TIME (project schedule)

The Ferndale High School project is still tracking on schedule based on the presented and available ‘turnover map’ (attached to this report). Critical dates listed below as a reminder.

General Anticipated turnover dates for the various phases are;

- 1) Athletic Wing: Open for Fall 2022 school year
- 2) Academic Wing (inc. commons and Aux Gym: Semester break 2022/2023 school year)
  - a. Aux CTE facilities: late spring 2023
- 3) Grandstand & Field: Fall 2023 school year
- 4) CTE Wing: Semester break 2023/2024 school year

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Items of note with regards to the schedule:

- 1) Focus has been put on the critical portions of the project (gym/athletics) that is slated to turnover for use this fall. Selective overtime hours have been used by Cornerstone and other trade contractors to assure this date is met at an expense to the project. The BOC believes these costs to be reasonable to maintain schedule and were anticipated in some degree on the project. Additional care and attention should continue to be made by the district in final work areas as the schedule tightens as to not sacrifice quality for timeliness.
- 2) The supply chain crisis continues to be an issue for this project as is the case across the construction industry (and economy as a whole). FSD, Cornerstone, and trade contractors have continued to look to avoid significant impacts associated with this crisis and we are not aware of any major unforeseen cost or schedule impact to the project due to supply chain issues.
- 3) With portions of the new school available for use by the students and staff this coming school year. Additional 'way finding' & 'site safety' plans will be critical for both construction as well as student safety. The BOC understands that the FSD along with Cornerstone will be working to develop plans/signage/etc. to achieve this goal (see added info in TRANSPARACY below)

## **B. ON BUDGET (project costs)**

Staying on budget has always been a major focus for the BOC and the community in general. The BOC continues to receive a number of financial reports monthly, updated versions are attached to this report.

- 1) FHS Expenditure Summary (and accompanying detailed report)
- 2) Cashflow (which tracks the GMP line in above report monthly)
- 3) PCO Logs & Summary Logs

We review in detail monthly and regularly bring up questions on line items and discrepancies. The financial management of the project remains transparent and healthy, but critical review of costs and proposed changes to the project continue to be a focus of the BOC.

General comments:

- 1) Overall Contingency 'buckets' still look generally healthy considering the current state of the project as a whole. Balances of ~9% in Owner Risk, 67% in GCCM Risk, and 11% in Unawarded. The balance of the owner risk is slightly concerning on face value, but with further investigation into the 'ROM' allocation (\$2.17M/55%) there are multiple place holders for potential unforeseen conditions anticipated at the balance of the work to be completed (existing school demo, site work, parking lots/landscape, etc) It continues to be reiterated that changes within the current building and overall design cost more the closer the project gets to completion which warrants additional scrutiny by the FSD when approving design changes.

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- 2) SCAP funding (financial reimbursement by the state beyond the local bond funding) was a topic during the last quarter. Based on those discussions, CSG anticipates, the district should be able to exhaust all of the allocated funds. (~\$20.9M)
- 3) The BOC had recommended, and the school board adopted, a policy for large corporate donations. We, again, continue to encourage the district to work and reach out to local community businesses with the hope and anticipation of partnerships that may work towards an end goal of both improving the bond related work and district facilities as a whole.

### C. With TRANSPARENCY (public communication)

The BOC spearheaded dashboards, on the District webpage, continue to visually track bond progress in the following areas: High School, Cash Flow, Critical Needs Projects, and Security Upgrades. These dashboards continue to be updated monthly, or as critical dates are met.. All of these dashboard can be found and accessed by the general public at <https://www.ferndalesd.org/bond/bond-2019>. In addition to the dashboards, there is also a web cam, a virtual tour, aerial photos, project photos, and a link to all of the past weekly bond updates and historical documents associated with the bond work. Moving forward the BOC has recommended additional schedules, phasing maps, and flow graphics be created and added both digitally to the website, as well as physically to site. This will allow students, staff, and visitors to be aware of routing, access and egress, and also allow the greater community to see the timeline and transition into the new school.

The BOC, as well as other district parties (teachers, admin, support staff, etc.) continue to receive tours of the new FHS buildings at various intervals. These tours have been incredibly informative and have helped the attendees gain a larger and better understanding of the intricacy and scale of the bond related work. The BOC is happy to report that a virtual tour has been recorded and uploaded to the website for public viewing. As the academic wing of the project gets closer to completion in the fall, a “finished” virtual tour may be a positive way to further engage the public.

The weekly “Bond Updates” continue to be a great way to communicate with the public as well as create a historical record of events associated with the bond. I believe we are up to weekly update #165 which is an amazing timeline to consider in retrospect.

A ‘partially staffed’ booth is scheduled to be up during Old Settlers Weekend (7/29-7/30). We are hopeful that there will be positive engagement with the public and any questions will be able to be answered or brought back to the BOC/FSD for discussion.

The BOC continues to be open to receiving questions from the public, answering those directly, and then puts those Q&As onto the website. While no ‘official’ questions have been sent in to be answered and posted on the website in the past year, many questions develop organically in the community and those items are brought up at the BOC meetings and discussed. The major topic over the past four months has been centered around the re-purposing of any of the existing components of the high school, specifically the gym floor.

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While large portions of the floor are going to be re-purposed in the new high school, we are happy to report that Cornerstone donated some man-hours to the district to remove additional gym flooring that has been donated to the booster club and will be auctioned off to the public.

## **SAFETY/SECURITY & CRITICAL MAINTENANCE UPDATE**

The majority of the larger safety/Security and critical maintenance needs projects are complete. Still left to complete are the remaining secure vestibules with access controls at Beach and North Bellingham, finalizing the standardization of HVAC controls across the district, continuation of hot water tank replacement by the maintenance department, DDC controls at Skyline and Custer, and lastly a main entry canopy and signage at Custer.

To reiterate from last quarter; financially, this portion of the bond allocated dollars have performed well and the district should see a balance of funds. What to do with that potential balance is a decision yet to be made. It has been requested that the district provide a list of possible options to the BOC for recommendation and that, that list be relayed to the board for consideration and final decision. As of right now the proposed items include but are not limited to; 1) Vista MS DDC control upgrades (wired and wireless) and 2) Dedicated entry construction at Custer Elem.

## **CONCLUSION**

The Ferndale High School project is now over 50% complete financially and heading into completion of the first phase of building turnover in August. The BOC is happy to see the results thus far both financially and physically. The school district along with their contracting parties (CSG, Cornerstone, Dykman, etc.) have all shown a willingness to be open and transparent and we expect that communication to continue throughout the remainder of the project(s). We will continue to monitor all aspects of the bond and want to see ongoing focus on behalf of the district to use the bond dollars allocated to their best value possible. We are looking forward to hitting more milestones on the schedule while continuing to use a critical eye on behalf of the constituents in this community.

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# **FERNDALE HIGH SCHOOL REPLACEMENT PROJECT - EXPENDITURES**

As of: 6/30/22

## **Master Budget - Construction Phase with Secured OSPI SCAP Funds**

	BUDGET @ CD	EXPENDED	REMAINING	Secured State Match
<b>CONSTRUCTION COST</b>				
Guaranteed Maximum Price (GMP)	\$ 92,630,426	\$ 46,617,960	\$ 46,012,466	\$ 18,074,753
WSST - Local Sales Tax (8.8%)	\$ 8,151,477	\$ 4,097,455	\$ 4,054,023	
<b>Total Construction Cost (GMP + Tax)</b>	<b>\$ 100,781,903</b>	<b>\$ 50,715,415</b>	<b>\$ 50,066,489</b>	<b>\$ 18,074,753</b>
<b>INDIRECT COST</b>				
Architect/Engineer Professional Services + Add Svc 1-5	\$ 6,795,700	\$ 5,646,148	\$ 1,149,552	\$ 1,134,926
GC/CM Pre-Construction Services	\$ 742,096	\$ 699,051	\$ 43,046	---
Site Investigations	\$ 494,103	\$ 494,096	\$ 7	---
Permitting & Impact Fees	\$ 1,075,000	\$ 490,224	\$ 584,776	\$ 1,051
Testing & Inspection (Construction)	\$ 399,205	\$ 234,695	\$ 164,510	\$ 141,098
Hazardous Materials Abatement Contingency	\$ 467,099	\$ 40,569	\$ 426,530	---
Value Engineering Services	\$ 169,000	\$ 84,049	\$ 84,951	44159.34
Constructability Review Services	\$ 338,000	\$ 297,440	\$ 40,560	\$ 72,299
Building Commissioning Services	\$ 370,522	\$ 191,900	\$ 178,622	\$ 72,299
Project Management	\$ 2,547,337	\$ 1,648,173	\$ 899,164	\$ 604,663
Legal Services	\$ 18,500	\$ -	\$ 18,500	---
Furnishings & Equipment - includes tech/phone	\$ 4,617,637	\$ 198,305	\$ 4,419,332	\$ 722,990
Builder's Risk Insurance (by District)	\$ 195,000	\$ 188,925.00	\$ 6,075	---
Grandstand (via KCDA), incl WSST and bond	\$ 1,579,351	\$ 754,078	\$ 825,273	---
<b>Total Indirect Cost</b>	<b>\$ 19,808,550</b>	<b>\$ 10,967,653</b>	<b>\$ 8,840,896</b>	<b>\$ 2,793,486</b>
<b>GRAND TOTAL PROJECT COST</b>	<b>\$ 120,590,453</b>	<b>\$ 61,683,068</b>	<b>\$ 58,907,385</b>	<b>\$ 20,868,238</b>

### Funding Sources:

Bond Proceeds	\$ 105,000,000	Total Anticipated Fiscal Impact to District
Secured State Match Funds	\$ 20,868,238	Max reimbursement amount
<b>Total Funding Available</b>	<b>\$ 125,868,238</b>	
Owner Contingency Budget	\$ 9,150,226	
Contingency Used	\$ (3,872,441)	
	<b>\$ 5,277,785</b>	<b>Contingency Remaining</b>

### **Notes:**

Updated construction cost based on final GMP, which includes accepted alternates.

WSST increased from 8.7% to 8.8% on 7/1/21

Budget reflects all signed agreements with consultants.

Architect fees based on signed Dykeman contract, plus Add Service 1-5

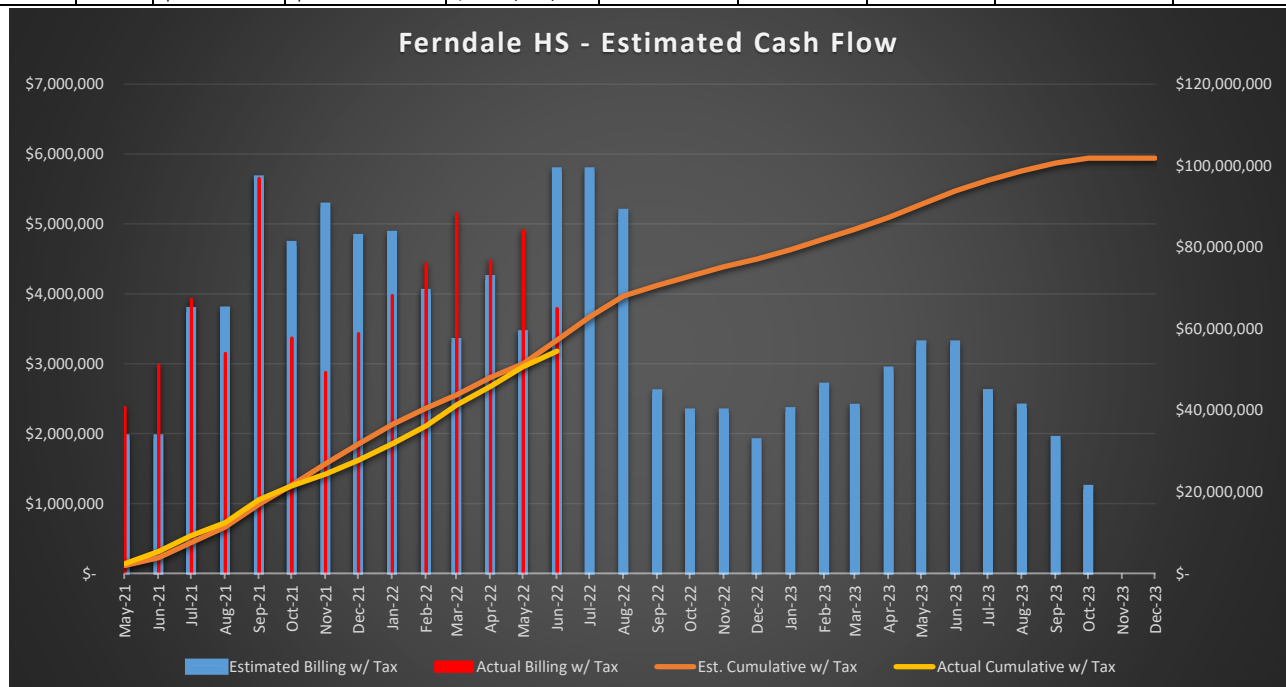
State match based on secured amount per OSPI D-10, Sept 2021 - actual reimbursement amount received will depend on eligible expenses

Cornerstone holds an additional 3% contingency within the GMP (\$2.36M)

Ferndale High School  
Cashflow Analysis  
July 8, 2022



Ferndale High School Cashflow									
QTR	Month	Estimated Billing w/ Tax	Estimated Billing w/out Tax	Est. Cumulative w/ Tax	Est. QTR Pre Tax	Actual Billing w/ Tax	Actual Billing w/out Tax	Actual Cumulative w/ Tax	Act. QTR Pre Tax
21Q2	May-21	\$ 1,922,290	\$ 1,768,436	\$ 1,922,290	\$ 3,536,872	\$ 2,375,923	\$ 2,183,753	\$ 2,375,923	\$ 4,925,809
	Jun-21	\$ 1,922,290	\$ 1,768,436	\$ 3,844,580		\$ 2,983,357	\$ 2,742,056	\$ 5,359,280	
21Q3	Jul-21	\$ 3,744,137	\$ 3,441,303	\$ 7,588,717	\$ 12,045,580	\$ 3,924,031	\$ 3,606,646	\$ 9,283,311	\$ 11,699,910
	Aug-21	\$ 3,751,020	\$ 3,441,303	\$ 11,339,737		\$ 3,149,757	\$ 2,894,978	\$ 12,433,069	
	Sep-21	\$ 5,627,643	\$ 5,162,975	\$ 16,967,380		\$ 5,655,735	\$ 5,198,286	\$ 18,088,804	
21Q4	Oct-21	\$ 4,689,609	\$ 4,302,394	\$ 21,656,989	\$ 13,501,687	\$ 3,369,832	\$ 3,097,272	\$ 21,458,635	\$ 8,899,480
	Nov-21	\$ 5,237,867	\$ 4,805,383	\$ 26,894,856		\$ 2,879,389	\$ 2,646,497	\$ 24,338,024	
	Dec-21	\$ 4,789,363	\$ 4,393,911	\$ 31,684,219		\$ 3,433,414	\$ 3,155,712	\$ 27,771,438	
22Q1	Jan-22	\$ 4,833,748	\$ 4,434,631	\$ 36,517,967	\$ 11,134,843	\$ 3,978,166	\$ 3,656,358	\$ 31,749,604	\$ 12,465,423
	Feb-22	\$ 4,003,375	\$ 3,672,821	\$ 40,521,342		\$ 4,434,437	\$ 4,075,769	\$ 36,184,041	
	Mar-22	\$ 3,299,855	\$ 3,027,390	\$ 43,821,197		\$ 5,149,826	\$ 4,733,296	\$ 41,333,867	
22Q2	Apr-22	\$ 4,200,874	\$ 3,854,013	\$ 48,022,072	\$ 12,253,118	\$ 4,478,800	\$ 4,116,544	\$ 45,812,667	\$ 12,112,145
	May-22	\$ 3,412,382	\$ 3,130,626	\$ 51,434,454		\$ 4,907,723	\$ 4,510,775	\$ 50,720,390	
	Jun-22	\$ 5,742,642	\$ 5,268,479	\$ 57,177,096		\$ 3,791,491	\$ 3,484,826	\$ 54,511,881	
22Q3	Jul-22	\$ 5,742,642	\$ 5,268,479	\$ 62,919,737	\$ 12,346,794				\$ -
	Aug-22	\$ 5,148,962	\$ 4,723,818	\$ 68,068,699					
	Sep-22	\$ 2,566,402	\$ 2,354,497	\$ 70,635,101					
22Q4	Oct-22	\$ 2,291,690	\$ 2,102,468	\$ 72,926,791	\$ 5,916,991				\$ -
	Nov-22	\$ 2,291,690	\$ 2,102,468	\$ 75,218,481					
	Dec-22	\$ 1,866,140	\$ 1,712,055	\$ 77,084,621					
23Q1	Jan-23	\$ 2,310,731	\$ 2,119,937	\$ 79,395,352	\$ 6,724,812				\$ -
	Feb-23	\$ 2,660,482	\$ 2,440,809	\$ 82,055,834					
	Mar-23	\$ 2,358,833	\$ 2,164,067	\$ 84,414,667					
23Q2	Apr-23	\$ 2,891,437	\$ 2,652,695	\$ 87,306,104	\$ 8,645,541				\$ -
	May-23	\$ 3,266,101	\$ 2,996,423	\$ 90,572,205					
	Jun-23	\$ 3,266,101	\$ 2,996,423	\$ 93,838,307					
23Q3	Jul-23	\$ 2,568,682	\$ 2,356,589	\$ 96,406,989	\$ 6,265,506				\$ -
	Aug-23	\$ 2,361,652	\$ 2,166,653	\$ 98,768,641					
	Sep-23	\$ 1,899,068	\$ 1,742,264	\$ 100,667,709					
23Q4	Oct-23	\$ 1,198,905	\$ 1,099,913	\$ 101,866,614	\$ 1,099,913				\$ -
	Nov-23	\$ -	\$ -	\$ 101,866,614					
	Dec-23	\$ -	\$ -	\$ 101,866,614					



6/29/2022

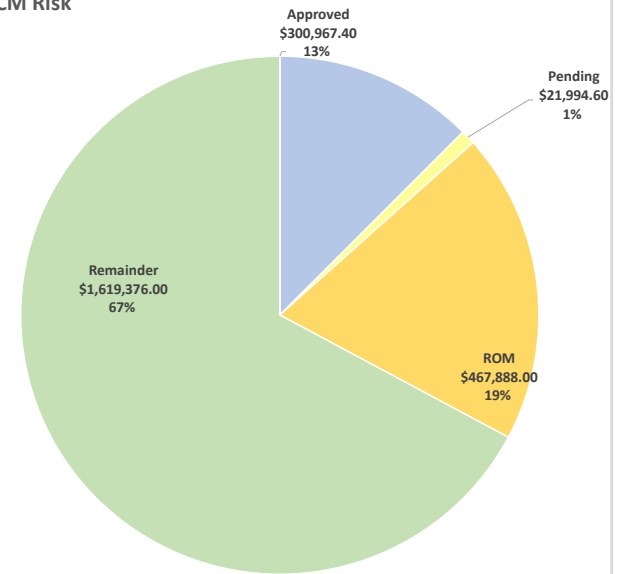
## Ferndale High School Project - Contingency Status

CONTINGENCY	Original Budget	ROM Total	Pending PCOs	Approved PCOs	Total PCCOs	Projected Total	Projected Remaining
GCCM Risk	\$ 2,410,226.00	\$ 467,888.00	\$ 21,994.60	\$ 300,967.40	N/A	\$ 790,850.00	\$ 1,619,376.00
Owner Risk (Est'd)	\$ 3,000,000.00	\$ 2,169,372.80	\$ 401,600.36	\$ 63,629.94	\$ 968,075.03	\$ 2,634,603.10	\$ 365,396.90
Unawarded	\$ 5,185,579.00	\$ 1,514,378.00	\$ -	\$ 3,127,551.56	N/A	\$ 4,641,929.56	\$ 543,649.44

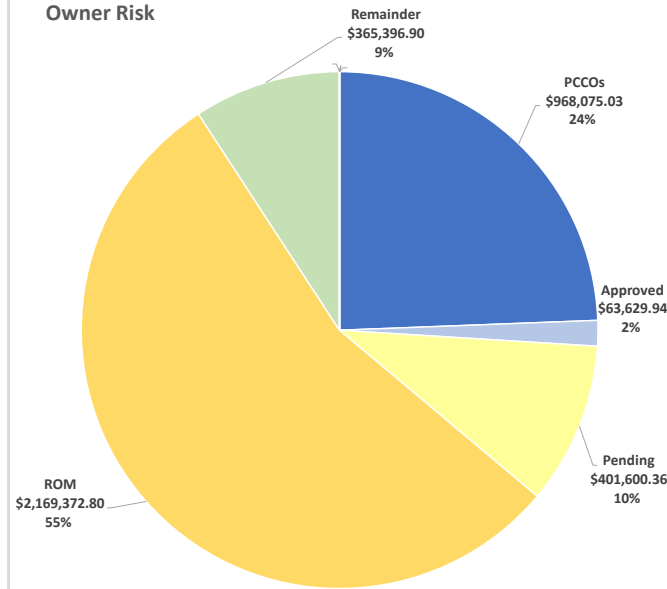
STATUS	GCCM Risk	Owner Risk	UA	STATUS	GCCM Risk	Owner Risk	UA
PCCOs	n/a	\$ 968,075.03	n/a	PCCOs	n/a	24%	n/a
Approved	\$ 300,967.40	\$ 63,629.94	\$ 3,127,551.56	Approved	12%	2%	60%
Pending	\$ 21,994.60	\$ 401,600.36	\$ -	Pending	1%	10%	0%
ROM	\$ 467,888.00	\$ 2,169,372.80	\$ 1,514,378.00	ROM	19%	55%	29%
Remainder	\$ 1,619,376.00	\$ 365,396.90	\$ 543,649.44	Remainder	67%	9%	10%

NOTES:

### GCCM Risk



### Owner Risk



### Unawarded

