



**COMMUNITY BOND OVERSIGHT COMMITTEE**  
**January 21, 2020, 6:30 P.M.-8:30 P.M.**  
**T.A. Brown Elementary School Community Room**  
**720 Guadalupe St.**  
**Austin, TX 78752**

**MEETING SUMMARY**

**ATTENDANCE**

**Members:**

Cheryl Bradley (Tri-Chair), Lori Moya (Tri-Chair), Julian Rivera (Tri-Chair), Mark Grayson, Larry Huang, Christy Merritt, Anna Valdez, Peck Young, Darrell Crayton, Jennifer Carson, Dr. Teresa Granillo, and Andrei Lubomudrov.

**Staff and Consultants:**

Nicole Conley, Chief of Business and Operations; Matias Segura, Operations Officer; Bob Cervi, Executive Director of CMD & Facilities; Zack Pearce, Director of Project Management; Dinita Caldwell, HUB Director; Carlos Mederes, AECOM Program Director; Carlos Canedo, McKissack Program Director; Sarah O'Brien, Buie & Co. Communications; Lorena Tellez, CMD; Deanna Mercer, CMD; Ronald Thoma, Finance; Scott Morrison, CMD; Jerry Hopkins, Auditor; Juan Jasso, AECOM Asst. PM; Patrick Krishock, Treasurer; George Gogonas, Executive Budget of Finance; Christian Clark Casarez, Adm Supervisor; and Jerry Kyle, Bond Counsel.

**Visitor:** Tim Hayden; Greg Pittman; Jared Brekenridge; David Misco; and Erin Zehr

**1. CALL TO ORDER – 6:30 P.M.**

**2. PUBLIC COMMENT**

Tim Hayden addressed the CBOC regarding issues related to a swing space for Brentwood ES during the modernization process. He expressed concern for the 700 students at Brentwood who need to be moved to a swing space for their safety. He contends that there are issues regarding the proposal to use Dobie PK as a swing space due to safety issues traveling and distance from the neighborhood.

**3. APPROVAL OF MINUTES**

The December 12, 2019 CBOC meeting summary was approved with a change to correct the statement made by Mark Grayson.

**4. Presentations and Discussion, Carlos Mederes (AECOM)**

**A. T.A. Brown and Menchaca Schools Opening**

- 1) Modernized TA Brown opened its doors as the first modernized campus from the 2017 Bond. T.A. Brown was designed as a green school rooted in science, technology, engineering, the arts, mathematics and outdoor learning. The facility will focus on sustainability, health and well-being, transparency, and a connection to the community.

- 2) Modernized Menchaca Elementary opened its doors January 8, 2020. The modernized Menchaca was one of the first schools to open, funded by the 2017 bond program. The new school has a unique design that includes many windows that allow natural light to flow into each class. Learning areas are spacious and includes new flexible furniture that allows teachers to change the layout of the classroom to make it new and different every day.

**B. Introduction of the New HUB Director, Dinita Caldwell** whose previous experience includes Visa, Inc., Texas Facilities Commission and the Texas Department of Agriculture. She shared with the CBOC that her involvement in HUB as the Director is focused on empowering communities and businesses to thrive.

**C. 2013 & 2017 Bond Programs - Issues and Risk/Substantial Changes**

- 1) **Govalle ES: Potential Schedule Delay: December Report:** The latest schedule submitted by the contractor notes potential delays in substantial completion that may impact school opening. CMD is holding meetings onsite twice a week focused on progress and schedule revisions to recover from delays.  
**Current Update:** Govalle ES Opening has been postponed to February 18 and remains on track for that date.
- 2) **Brown ES: December Report:** Tight Schedule to Finish.  
**Current Update:** TA Brown successfully opened on time January 2020.
- 3) **Furniture, Fixtures & Equipment (FF&E) - Install for Spring Openings: December Report:** Furniture has been ordered and equipment is being ordered for the first three modernized campuses, which will open in January. Construction Management is working closely with procurement to ensure that all items are ordered, delivered, and installed on time.  
**Current Report:** FF&E delivery and installation was successfully executed at TA Brown and Menchaca. Govalle is scheduled for delivery and installation the week of January 27th.
- 4) **New Blazier Relief - Access Issues and Schedule Impact: December Report:** Access to the school is pending construction of adjacent Baythorne Dr. by neighborhood developer Austin Goodnight Ranch(AGR).  
**Current Report:** All pertinent legal agreements are in place with AGR. AGR has not received City of Austin (COA) permit for Baythorne Dr. due to lack of the required sidewalk along the right-of-way.
- 5) **Eastside Memorial ECHS - Budget Issues: December Report:** Due to high market conditions, we received an unfavorable bid on the Eastside Memorial Early College High School & International High School at the Original L.C. Anderson campus modernization, which came in 10% above the project construction budget (PCB). The team – which includes the architect, general contractor and AISD staff – looked at several options, which resulted in a 5% reduction to the Guaranteed Maximum

Price (building construction GMP) construction contract without affecting the promises made to voters. The GMP Contract is being processed finalizing the agreement with the contractor.

**Current Report:** The GMP contract has been finalized with the General Contractor(GC). The project is on schedule for delivery fall of 2021.

**6) Murchison MS - Noise Issues and Potential Change in Schedule**

**Current Report:** Most of the noise generating work from Heavy Equipment has concluded. PM will continue to work with admin staff to make them aware of operations that may generate significant noise and work to lessen its impact. There will be a delay to the completion of the 6th grade addition primarily due to delays in site and building permit issuance. Work will continue on the re-sequencing of the library and renovation of the new admin areas to deliver by this summer. Overall project completion (all scope) remains as scheduled for December 2020.

**7) Bowie HS - Budget Issues**

The design team has had to be creative with the design effort to overcome cost realized due to underground utilities, unforeseen conditions, and City imposed changes that could not have reasonably been anticipated.

**8) Brentwood ES - Swing Space**

The Brentwood ES Modernization project was initially planned to take place in phases while the campus is occupied, similar to Casis ES or Govalle ES. However, due to the size of the Brentwood student population, the limited size of the school site, and permitting/site constraint issues identified during design and construction planning, it became clear that it is in the best interest of the campus community to utilize an off-site swing space. This is expected to shorten the overall construction duration from 28 months to 14 months and save costs due to price escalation and extended general conditions. The district is currently working with the Brentwood ES School community and others to explore options for off-site swing.

Nicole Conley, CBO, Austin ISD commented that safety is an issue for students if allowed to stay on the campus during modernization of the site. Different options are being considered. A report is being prepared for the trustees. Along with the Brentwood community, AISD is vetting solutions for a better middle ground.

Matias Segura, Operations Officer, Austin ISD shared that AISD has been meeting with the Brentwood community and have come up with different scenarios. A meeting will be held with the Brentwood community to share and review potential scenarios. A CBOC members made a motion to place this issue on the next agenda and received a second.

**D. Overview of Project Contingency, Bond Surplus and Program Contingency - Nicole Conley, CBO & Jerry V. Kyle, Jr., Bond Counsel**

- Basic principles governing the use of Bond Proceeds for 2013 and 2017 (See Handout)

- Clarification of definitions of the terms Project Contingency, Bond Surplus and Program Contingency.
- Nicole Conley, CFO and Jerry Kyle, Bond Counsel, provided a clarification of the definitions for project contingency, program contingency and bond authorization surplus. Moving forward, the term "contingency" only will be used to describe funds identified in the bond book. In other words, the bond budget includes contingency funds at both the project and program level. "Bond authorization surplus" includes any unused funds. New projects or scopes of work not committed in the bond book require approval from the Board of Trustees. For the 2017 bond, trustees already prioritized how surplus funds will be used: provide "overcrowding relief for the Northwest, Blazier, Cowan and Baranoff communities."
- Project Contingency - Project contingency is a budget of money, held at the project level, that exists to mitigate against risk and uncertainty, and is used to ensure the delivery of each individual project. It is either planned and funded at inception, or built through contribution from within that individual project budget. Project contingency is used to cover costs that are required to deliver the project as it is scoped and committed in the bond book. It is used at the discretion of Construction Management Department, usually at the project manager level. Once a project is complete, any project contingency remaining is transferred to the bond authorization surplus account. This occurs during financial closeout of a project.
- Program Contingency - Program contingency is an account of money, held at the program level, that exists to mitigate against risk and uncertainty for the entire bond program, and is used to ensure the delivery of all projects within the program as scoped. It is either planned and funded at inception, or built through contributions from individual projects. No project is guaranteed or owed any program contingency, and any project within that program may receive contingency to cover costs that are required to deliver the project as scoped and committed in the bond book, at the discretion of the Chief of Business and Operations, or their designee. Should the program contingency balance be determined to be larger than necessary to cover the risks and uncertainty of remaining uncompleted projects, excess program contingency may be transferred to the bond authorization surplus account, at the discretion of the Chief of Business and Operations, or designee.
- Bond Authorization Surplus – Bond Authorization Surplus is an account of money or unused bonding authority, which begins at a zero balance at the start of the program, and receives contributions of surplus bond authorization as projects are completed under budget. This account and remaining bonding authorization represents uncommitted funds, which can be used to fund new projects and/or scopes of work. New projects and/or scopes of work, not committed in the bond book, require the approval of the Board of Trustees. As a practice, individual projects or groups of projects are brought before the CBOC for consideration, modification and recommendation to the Board of Trustees. Bond authorization

surplus may also be used to supplement the program contingency, at the discretion of the Chief of Business and Operations or designee.

#### **E. Overview of Planned Bond Issuances and Voter Authorized Bond Authorization**

Nicole Conley, CFO reviewed and summarized:

- Bond Authorization as of 01/21/2020
- AISD's Outstanding Debt
- AISD's Commercial Paper Program
- AISD's Cash & Investments

#### **5. Committee Operations**

##### **A. Discussion of Proposed Monthly Financial Report**

- CBOC members agreed that the structure of the Proposed Monthly Financial Report is an improvement that will greatly improve oversight of project spending. A request was made to clarify some of the listings under the section entitled 'Previous Bond Authorized Support for 2017 Bond Projects.'

##### **B. Discussion of Proposed Semi-Annual Report to the Board of Trustees**

- CBOC members agreed by acclamation to the proposal to adjust the headings and topics in the Board report.

##### **C. Discussion of Topics/Items and Location for February Meeting**

- Location for the February 11, 2020 CBOC Meeting is Govalle ES
- Agenda Topics
  - Send Mark's questions to full committee and prepare response
  - Send Trustee approved bond program table with surplus
  - Send Brentwood ES Swing Space communications
- Next Steps
  - SOP Updates both HUB and CMD
  - Brentwood ES Swing Space
  - School Closures
  - Program Budget Changes - Explain changes, in particular Eastside Memorial at the Original Anderson Campus, Norman ES and New SW ES overages
  - Committee attendance
  - Closures, Table sent to Peck from Nicole
  - Lee Legal, Justifying Approach—What is a substantial scope change?
  - Official close-out of 2004 and 2008 bond program, ceremonial and report to community
  - CBOC Annual Calendar with regular rotation of meeting topics involving non-construction bond spending (transportation, safety, technology, etc.)

#### **6. MEETING ADJOURNED – 8:34 p.m.**