

The Bond Oversight Committee met October 22, 2019 at 5:30 p.m. in the conference room at the district's Mountain View site located at 5780 Hendrickson Road, Ferndale.

**1. CONVENE**

1.01 Call to Order

Riley Cornelsen called the meeting to order at 5:37 p.m.

1.02 Roll Call of Committee Members

Committee members present: Riley Cornelsen, Anya Milton, Mark Harting, Sandi McMillan and Brian Lynch. Alternate member Dan Cornelsen was also present.

Also present were Ferndale School District Assistant Superintendent Mark Deebach, Construction Services Group Representatives Heidi Hanson and Tex Ladish, and Ferndale School Board Member Andrew McLaurin. There were three audience members present.

1.04 Adopted the Agenda

Sandi McMillan suggested that the committee's meetings be no longer than two hours in length and when creating the agenda, an amount of time for each agenda item is noted. Committee members agreed.

Anya Milton moved to adopt the agenda. Mark Harting seconded the motion. Motion carried.

1.04 Approval of Minutes

Mark Harting moved to approve the minutes as presented. Motion carried.

**2. PUBLIC COMMENT**

2.01 Receive Public Comment

No comments were received.

**3. UNFINISHED BUSINESS**

3.01 Interviewed Candidates for Alternative Member on the Committee  
Committee members discussed the kinds of questions they would be asking candidates.

At this point in the meeting, there were no candidates present. Members decided to postpone this matter to later in the meeting in hopes that the candidates would be present.

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- 3.02 Discussed and Appoint Alternate Member to the Committee  
Postponed to later in the meeting.
- 3.03 Continued Discussion on how we Communicate with the Public  
Committee members revisited how they communicate with the public.

Riley Cornelsen said the dashboard looked good.

Sandi McMillan commented that with regard to expenses, the top graph line on the dashboard looks to be too far ahead of the bottom graph line. Riley Cornelsen explained that expenses will be shown on a bellcurve—the bottom line will stay ahead for the next two years due to most costs being incurred during the building of the new high school. Anya Milton suggested it would be helpful to add a quote on the website about this so people have a better understanding of what the graph represents.

Sandi McMillan asked if the committee should have its own logo to use on items such as the dashboard. Members thought this was a good idea. Member Brian Lynch will pursue creating a logo to represent BOC.

Sandi McMillan said she was disappointed that the media did not pick up the release on the committee's first quarterly report. Also, she was equally disappointed that the district, at the October 15 board meeting, held the levy discussion in connection with the bond. It was agreed that attention would be given in the future about how to schedule hot topic agenda items.

Mark Harting recalled that the committee agreed to include the other bond projects (not related to the high school) on the dashboard. Tex Ladish confirmed that the other items along with tracking those will be placed on a separate webpage.

Committee members agreed that a release should be sent to the media informing them of the new dashboard and the recent quarterly report.

Anya Milton suggested keeping this topic on the agenda for future meetings, but to rename it to "How do we communicate with the Public." Members agreed.

Note: the committee resumed with agenda items 3.01 and 3.02

- 3.01 Interviewed Candidates for Alternative Member on the Committee  
At this time, candidate Cathy Raymond was present. Committee members proceeded to interview Raymond. They asked questions about Raymond's

interest in the committee, her qualifications, her collaboration with others, her experience and her connection to the Ferndale Community.

- 3.02 Discussed and Appointed Alternate Member to the Committee  
Committee members deliberated on the appointment of an alternate.

Anya Milton reported that the other applicant was not aware of tonight's meeting. She asked if the committee wanted to seek clarification from the applicant on whether or not he was still interested in serving. Brian Lynch said it didn't seem as though there was a lot of interest on the applicant's part outside of the committee.

Mark Harting moved to appoint Cathy Raymond as an alternate on the committee. Brian Lynch seconded the motion. Motion carried.

- 3.04 Received Update on Business Sponsorships of District Programs and Projects

Mark Deebach said he did not have a policy to share. He noted the school board has asked the administration to draft and provide a policy to the board. Andrew McLaurin said the board is interested in having a policy, especially as it relates to seeking large contributions. The policy will provide a structure for the district to follow.

This matter will be kept on the agenda for next month's meeting.

- 3.05 Reviewed Sample Debt Policy  
Sandi McMillan said she gathered some policies—two in particular from Seattle School District and Vancouver Public Schools. She will provide the sample documents to Mark Deebach.

This matter will be kept on the agenda for next month's meeting.

- 3.06 Reviewed "Bond 101" Informational Sheet  
Sandi McMillan said the concept for this is to have a one-page living document for how the \$112 million is competitively sold. It would include information about the recent bond sale and future sales. She said she also spoke with personnel from the School Credit Enhancement Program to better understand that program.

It was noted that this information might be part of the committee's quarterly report too.

Mark Deebach will develop a rough cash-flow plan and share it with the committee at its meeting next month.

- 3.07 Discussed Items that may have Resulted from the Meeting with the School Board of October 15, 2019  
Andrew McLaurin said the quarterly report received from BOC had great scope and content. It was very organized and well presented. He said the board wished there was a bit more time to interact with committee members about the report.

Anya Milton asked about the discussion in regard to the working relationship piece between the committee and board. Riley Cornelsen said those present at the meeting believed that all was functioning as intended. This matter will be revisited in another six months.

#### 4. NEW BUSINESS

- 4.01 District Comments/Input
- a. Review Bond Related Spending for September 2019
  - b. Receive an Update on Items Related to the Bond from Ferndale School District and Construction Services Group:
    - Ferndale High School
    - Critical Maintenance Needs

Heidi Hanson reviewed the expenditure report.

Sandi McMillan suggested adding a column for bond interest earnings and sponsorships. She asked about the CSG payment. She said since paragraph 8.2.2 of the contract states the contract monthly payment will be revised once the alternate public works process is achieved, she expects to see the monthly payment decrease. Mark Harting said the \$3 million being paid to CSG is being dispersed monthly. Heidi Hanson confirmed Harting's observation. CSG is being paid a monthly fee of \$46,000.

Heidi Hanson said she is working on a presentation for the committee next month about the basics of the SCAP process (state match).

Heidi Hanson reported the district selected Cornerstone as its contractor. Cornerstone is a K-12 GC/CM expert. She said she has worked with both Cornerstone and Dykeman on other projects. Their first joint meeting is scheduled for tomorrow.

Tex Ladish provided a copy of the site survey for the high school which is 99% complete. Also, meetings have been held with district maintenance employees to help locate certain items such as underground utilities.

Heidi Hanson said environmental consultants will complete their work this week. Also, she reported Dykeman is conducting visioning

with constituents and working with the Design Advisory Committee. She said it has been helpful to have Jeremy Vincent as the planning principal for the new high school. Mark Harting asked if Vincent's salary is paid by the bond proceeds or another budget. Mark Deebach said Vincent is half-time planning principal. That half of his salary is paid with bond monies. An accounting adjustment will be made to reflect that in the bond expenditures.

In regard to the contractor selection scoring tabulation, Brian Lynch asked about acceptable contractor fees. Heidi Hanson said the district budgeted 5.5% for fees. Cornerstone came in at the higher range of 5.25%.

Tex Ladish reported on the other capital projects. He said the vestibules at school locations is a complicated project and there will be a number of contractors involved in those projects. Anya Milton asked if, once the designs are prepared, there will be schematic designs that can be shared with the public. Mark Deebach said yes. At some schools, it is fairly simple to renovate the vestibule area; while in others it will be more difficult. Placing cameras in these areas will be included in the plans.

Anya Milton, Cathy Raymond and Riley Cornelsen asked that when decisions are made for the various projects will the district be sharing them with the public. Raymond said it would be good to have a schedule about what improvements are being done at each school and a timeline.

Riley Cornelsen asked committee members if they wanted to formally consider endorsing Cornerstone. Both Cornelsen and Brian Lynch sat in on the interviews held for the GC/CM. Cornelsen said that if the high school project was half the size, then it might be a different discussion. He added that Cornerstone is a union company and will hire people from this area.

Mark Harting moved that the school district performed its due diligence in selecting Cornerstone and that the procedures and selection process for the GC/CM were open, honest and forthright. The Bond Oversight Committee approves of the district's hiring of Cornerstone. Anya Milton seconded the motion. Motion carried.

**6. ADJOURNMENT**

The meeting adjourned at 7:21 p.m.

The next meeting of the committee is scheduled for November 19, 2019. The agenda and materials for the meeting will be available to the committee for review one week in advance of the meeting.