

Meeting date: March 27, 2019

## **Item 9. E. Bond Program Progress Report**

Presented by: Superintendent Eric Hartwig

Classification: Business of the Organization

Materials attached: No

### **INFORMATION**

Since the last report to the Board, District staff have continued to make progress in implementing the goals set forth in Measure Z:

**Construction and renovation financing:** The District issued \$10 million of the Measure Z bonds. Since we were going to the market for Measure Z bonds, we also refinanced some of the 2010 outstanding bonds due to the current low interest rates and the District's improved credit rating from Standards and Poors.

We had a very successful bond sale which occurred on the morning of March 19. The outcome of the sales was very favorable. The interest rate for the \$10 million bond sale was 3.66% which was much better than the assumptions presented to the Board in January 2019 of 4.50%. The net savings for the 2010 refunding bond is \$413,507. The District expects to receive the net proceeds of \$9,833,000 in the first week of April. Our financial advisor will be at the May board meeting to discuss in more details the outcome of the bond sales.

**Preliminary site technical work:** The Civil Engineering firm has continued taking elevations, boundaries and underground utility locating throughout each campus. Anticipated completion of this work is within the next two weeks. The geotechnical investigation will begin in the next week. The borings will be conducted the week of spring break while students are not occupying the sites. It is uncertain at this point whether we will need to conduct a fault study.

**Stakeholder engagement:** School principals have formed “Principal’s Construction Progress Committees” (PCPCs) and have scheduled meetings with the architects. The PCPCs will review the concepts outlined in the Facilities Master Plan and help refine the scope of work at each site. Visits to local schools are also being scheduled to view completed projects that are similar to those planned for District schools. We expect to hold up to 4 stakeholder meetings for each site prior to the development of schematic drawings.

**Facilities Deferred Maintenance Plan:** Director of Facilities and Bond Projects Adam Lint is developing a plan to address outstanding and anticipated maintenance issues. This plan will run concurrently with implementation of the Measure Z Bond Program; funding will come from both the General Fund and Bond funds, as appropriate.

Progress on the Deferred Maintenance Plan includes continued assessment of the sites and gathering archived documentation to determine the age of the buildings and building components. This information will help us judge the remaining life that each building and site component has in order to determine the approximate timing and cost of replacement or major repair. Once this baseline is completed, then the priorities can be established and a 5 year budget can be compiled and adopted.