



909 South 76th Street, Omaha, NE 68114
www.westside66.org



PROJECT ADVOCATES

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120 South 31st Avenue, Suite 5101, Omaha, NE 68131
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MEETING: WCS Bond Oversight Committee

MEETING DATE: May 3, 2016

DATE PREPARED: May 19, 2016

The Bond Oversight Committee Meeting of Westside Community Schools convened in open and public session on May 3, 2016 at 6:02 p.m. at the Westside ABC Building, 909 South 76th Street, Omaha, Nebraska.

Advance notice of the meeting occurred:

- On the front page of Westside Community School's District website (no less than 48 hours in advance of the scheduled meeting date as authorized by Board Policy 1220) beginning on May 1, 2016 until the start of this Oversight Committee meeting.
- Simultaneously with the availability of the agenda to all members of the Bond Oversight Committee and staff of the Board of Education office ("the Board" hereafter).

All proceedings hereafter were taken while the convened meeting was open to the public.*

Committee members present: John Hughes (Chairperson), David Cota, Mike Williams, Kris Karnes, Adam Yale.

District Administrators and Staff Members in attendance: Dr. Blane McCann, Bob Zagozda, Julie Anderson.

Others in Attendance: Beth Morrissette, Ann Christiansen, Merlyn Dorn, Brinker Harding, Rob Zimmerman, Alan Kennedy, Beth Molloy.

*Members of the public in attendance are not required to identify themselves.

Chairperson John Hughes called the meeting to order at 6:02 p.m. He confirmed that the meeting had been publicly announced, that the agenda was available to any interested parties, and that the public was welcome to attend and speak, in accordance with the current statutes of the Nebraska Open Meeting Act as posted in the foyer of the District Administrative Offices (ABC Building).

Mr. Hughes presented minutes from the meeting held on April 5, 2016. Mr. Mike Williams moved to approve the minutes. Mr. Adam Yale seconded the motion. All voting members present voted and approved the minutes. Mr. Hughes noted that Mr. David Cota had a scheduling conflict and would be late to the meeting. The motion passed with four approving votes.





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Program Update

- **Communication Planning & Efforts:**
 - A community information session was held at Sunset Hills Elementary on April 26, 2016.
 - The District informed the Rockbrook community that construction traffic may affect parking for games held on the sports fields.
 - Dr. McCann will schedule an open house for the community to view the CCC / Swing School, and the District will publicize the event.
 - A community engagement session was held at Oakdale Elementary School on April 28, 2016. The meeting went smoothly and the significant amount of attendees filled the library.

- **Overall Program Schedule/BOC Meeting Calendar:**
 - Mr. Zimmerman presented the “Facilities Master Plan Phase 1 Implementation Monthly Report – May 2016” (“Monthly Report” hereafter).
 - Project Advocates revised the financial section of the report to include Bond expenditures, as discussed at last month’s BOC meeting on April 5, 2016.
 - Mr. Zimmerman raised the issue of the narrow time window between the accounting close at month-end and the BOC meeting on the first Tuesday of the following month. He noted that May 2, 2016 was the first day that all of April’s Bond expenditure figures were available, and that accounts were not yet reconciled and closed for the month. Mr. Bob Zagozda stated that the close for the District’s May financial reporting will be Thursday, May 7, 2016.
 - The calendar will continue to present a challenge, given the limited time available, to assemble accurate, reconciled figures to report to the BOC for approval on the first Tuesday of each month.
 - If the Board meets twice during a month, Project Advocates presents the Monthly Report for the Board’s approval on the third Monday in the month.
 - If the Board meets once per month, the meetings are typically scheduled for the second Monday in a month. If that occurs, the Board would meet in advance of the BOC meeting.
 - The Board meets only once per month in the months of May, June, July and December.
 - Upcoming summer Board meetings are scheduled for:
 - May 9, 2016, the second Monday in July.
 - June 13, 2016, the second Monday in June.



- July 18, 2016, the third Monday in July.
 - Mr. Zimmerman offered two suggestions for resolving the timing issue:
 - Present the financial information in the Monthly Report one month post-meeting.
 - Re-schedule BOC meetings to the second Tuesday of each month.
 - Potential conflicts of re-scheduling from first to second Tuesdays include the following:
 - Re-scheduling needs to be coordinated with and approved by the District. The attendees at the meeting are unaware of any conflicts at this time.
 - BOC would meet on June 14, one day after the June 13, 2016 Board meeting. To address this conflict, Project Advocates could email the June 2016 Monthly Report to the BOC members (for comments and revisions) in advance of the Board meeting on June 13, 2016.
 - There is no conflict in July, since the Board meets on July 18, 2016, the third Monday in July.
 - There is no conflict in May, as the BOC approved the May 2016 Monthly report on May 3, 2016. It will be presented for the Board's approval on Monday, May 9, 2016.
 - BOC members discussed Mr. Zimmerman's two alternatives for resolving the timing issue:
 - Mr. Adam Yale noted that reconciled numbers after month end accounting close would be preferable.
 - Ms. Karnes noted that it was more critical that the Board see current figures, and that the BOC could vote the day after the Board on the few "outlier" months, like June 2016, where that scenario applies. Any issue raised by BOC during that time would be brought to the Board's attention at the next Board meeting.
 - Mr. Williams made a motion to re-schedule future BOC meetings to the second Tuesday of each month, effective June 2016, given that there's no conflict with the District's master calendar. Ms. Kris Karnes seconded the motion. All five BOC members present approved the motion, with the caveat stated by Mr. Hughes that the change was subject to District approval.
 - Mr. Hughes directed Project Advocates to coordinate the calendar change with Molly Hurley, who maintains the overall District-wide calendar.
 - Ms. Julie Anderson and Project Advocates will update the Imagine-A-District website calendar.
 - The next BOC meeting is re-scheduled to Tuesday, June 14, 2016.
- **Overall Program Schedule/Overall Status:**
 - Rob Zimmerman reviewed the current status of projects phase (see page 1 of Monthly Report).
 - Project phases have not changed since last month:
 - Nine of the eleven active projects are in the design phase.
 - The CCC/Swing School is under construction.
 - Land Acquisition is the eleventh active project.





- Project phases will shift by June, when construction starts for six High Priority projects and the Westside Middle School.
- Dr. McCann asked for an explanation of what comprised the “District Wide” Project Phase program budget category.
- Mr. Zimmerman explained why this new District Wide category was added for Phase 1 Bond cost accounting:
 - When Project Advocates initially started tracking the budgeted costs, they decided to allocate overall costs throughout all the school projects.
 - Examples of these overall budget costs include: contracts with Project Advocates for program management and contracts with Morrissey Engineering (MEI) for security.
 - David Cota noted that these are single vendors that are providing services for everybody.
 - Mr. Zimmerman noted that contracts were written in this way to provide economies of scale.
 - The vendors invoice and are paid on the overall contract, not by specific school projects.
 - For financial tracking purposes, (now that Paid to Date disbursements are included in the Monthly Report) reconciling Project Advocates’ budgets to the District’s expenditures, Project Advocates re-aggregated these apportioned budget costs back to their contractual basis. They will no longer apportion percentages of the overall program costs, like security, to individual schools.
- Mr. Hughes made the point that these costs are general Bond implementation costs, not district administrative costs. To clarify the distinction, Project Advocates will re-label the category from “District-Wide” to “Bond Implementation” on the Monthly Report (and in all references in these minutes hereafter).
- Ms. Karnes asked why Submittal Exchange is still shown per school. Project Advocates will move those to the Bond Implementation category.
- Mr. Zagozda asked if more money will be allocated to the Bond Implementation budget. It is reported at 100% committed on page 1 of the Monthly Report. Mr. Zimmerman replied that more costs would be added. One example is Attorney Rex Schultze of Perry, Guthery, Hasse & Gessford’s fee for reviewing all the Phase 1 Bond contracts.
- Mr. Zimmerman described the specific line item costs now included in the Bond Implementation category (refer to the final section of the financial matrix, on page 7 of the Monthly Report):
 - Project Advocates provides Phase 1 Bond program administration services.
 - DLR’s design for the CCC/Swing School design is accounted for in this category, not on the individual school level. Since Swanson, Oakdale, and Prairie Lane will all utilize the Swing School, it is logical to account for the CCC/Swing School as an overall Bond Implementation cost.





- DLR provides education specification standards that will be utilized by all Westside schools.
- Though Lamp Rynearson's traffic studies were completed on a school-by-school basis, the contract was awarded as a consolidated package to minimize contract administration costs. Dr. McCann noted that analysis of Rockbrook's traffic was included in the CCC/Swing School study.
- IP Design's AV/Low Voltage specifications standards will be the guideline for all Westside schools.
- Morrissey Engineering (MEI) is the security consultant. Specifications will be utilized for the renovation and building design of all schools.
- New Vista conducted the visioning sessions with the architects during the initial design process.
- Perry, Guthery, Hasse & Gessford's cost is Attorney Rex Schultze's fee for reviewing all Phase 1 Bond contracts.
- ezNetPay is a system that processes all of Phase 1 Bond invoices and payments. By utilizing ezNetPay's technology, the District avoids the need to hire a limited term, full-time employee to handle Phase 1 Bond accounts payable.
- ezNetPay processes vendor invoices as follows:
 - Contractors submit their invoice data. ezNetPay generates a standard AIA payment application.
 - ezNetPay routes the payment application to the Architect and subsequently to Project Advocates for approval via email. The approval process typically takes 1-2 days.
 - Approved invoices are re-formatted for the District to upload as journal entries.
 - Vendor payments are transferred via ACH.
- Mr. Yale asked if ezNetPay handles discounts, such as 2%/10 net 30, whereby the invoice payment is discounted by 2% if paid within 10 days.
- Mr. Zimmerman replied that, while available through ezNetPay's model, it would be hard to capitalize on cash savings from discounting, since most contracts are priced for full payment at bid. So at present, ezNetPay is being utilized only for accounts payable accounting and to expedite payments.
- Mr. Zimmerman noted that ezNetPay helps the Phase 1 Bond program develop a good reputation for paying on time. The favorable reputation provides a competitive advantage, in bid markets where vendors can choose whether and how much to bid on projects.
- Mr. Cota asked why there was approximately \$110k in Paid to Date costs for some Bond Implementation line items without budgets, such as Perry, Guthery and ezNetPay.
- Mr. Zimmerman replied that these were costs still tracked in schools' Soft Cost/FFE budgets. There is no Bond Implementation budget for soft costs. When





the status of Bond Implementation costs converts from anticipated soft costs to committed contracts, Project Advocates will move the allocated costs out of all of the schools' Soft Cost/FFE line items and into the appropriate Bond Implementation line item.

- Project Advocates negotiated Builders Risk insurance rates with Jack Struyk of Lockton Omaha. Projects are underwritten as they commence.
- Bids for all school projects are publicized in the Omaha World-Herald or Daily Record.
- Mr. Hughes diverted the discussion back to page 2 of the Monthly Report. He noted, and Mr. Zimmerman confirmed, that summary figures reported on this page will show shifts from Soft Cost/FFE to Bond Implementation, but the \$5.5 million in Contingency costs will remain unchanged.
- Mr. Cota asked if any of the overall Bond Implementation costs would be disproportionately applied to one school over the others, in terms of time or effort, when it comes to addressing budget shortfalls.
- Mr. Zimmerman replied that most of the line items are fixed fees, and not hourly, with the exception of legal fees and insurance premiums. Mr. Cota is satisfied with the way these will be tracked.
- The BOC continued on to a discussion of pages 3-7 of the Monthly Report.
- Ms. Karnes asked for an explanation of the "Yet to be Assigned Budget" line item.
- Mr. Zimmerman replied that this is an offset account, or a soft contingency category. It was formerly labeled "Churn" on previous Monthly reports. It is used to temporarily track estimates for unpriced soft costs. As bids are approved, dollars will be moved out of the Yet to be Assigned Budget line item, to other Soft Cost /FFE line items, with the final remainder eventually moved to Contingency upon project completion.
- Project Advocates advises against acknowledging any contingency savings until the end of the job. Any gain from unused contingency will be recognized at that time.
- Mr. Zimmerman pointed out that the CCC/Swing School and the Westside Middle Schools are starting to incur Paid to Date expenses.
- Ms. Karnes asked about the two Vrana change orders line items shown in the CCC/Swing School's Contingency section.
- Mr. Zimmerman explained that Project Advocates executes a zero-dollar contract for Construction Manager at Risk contracts, and then sets the guaranteed maximum price (GMP) via change order. To accelerate the schedule, Vrana was issued GMP Change Order 1 to get started on the lower level demolition and fire suppression work. The second GMP was for the remaining project work.
- A similar approach will be used at the Middle School. Project Advocates put out to bid the addition's foundation and structure so materials can be ordered, and will set a GMP for that portion. The second GMP will be for remaining work, which is still being packaged for bid pricing.
- Project Advocates evaluates the GMP amounts against their original cost estimates.



- Mr. Hughes requested that GMPs be broken out on the report. For instance, the Westside Middle School's Revised Budget for Leuder is \$13.3 million, with \$0 committed. When the GMP #1 contract is issued to Leuder, Project Advocates will split the line item to show this as a GMP #1 Committed Cost from the \$13.3 Revised Budget, and to report GMP #2 as a separate line item.
- Oakdale's demolition package will go out to bid in May.
- Project Advocates contemplated but decided against including grading in Oakdale's demolition package. Grading requires a storm water pollution permit, which would have to be transferred later from the grading contractor to the general contractor. The better approach is to include grading in the general contractor's package.
- Loveland Elementary has a \$400k loss. It is significantly over-budget because the scope of work was significantly changed to include the new area of refuge.
- Mr. Zimmerman asked if the BOC would like to re-allocate the budget once Loveland's GMP is established.
- The BOC agreed that it was better to leave the budget as originally projected, before the scope of work was defined.
- Dr. McCann noted that showing Loveland's budget shortfall is important for transparency's sake, but it should be asterisked and foot-noted to highlight the change in scope due to the addition of the storm shelter, which is necessary to assure student safety.

- **Current Projects Updates:**
 - **Overall Program Update:**
 - Education specifications are complete. Project Advocates is performing a final review of the specifications.
 - Security and A/V specifications are complete.
 - Kitchen and food standards are complete. All Oakdale, Swanson, Prairie Lane and Sunset equipment that can be re-used, such as a range or oven with a decent service life, have been identified. Unfortunately, the labor to re-install kitchen hoods is cost-prohibitive, so they can't be re-used or re-sold.
 - Project Advocates met with a focus group on furniture concepts.
 - The furniture vendors, including Sheppard's, All Makes, and V/S, were given the classroom dimensions, defined on the education specifications, by Project Advocates. Vendors will provide furniture styles and prices for selection.
 - Project Advocates continues to meet with Omaha City Planning and Public Works.
 - Project Advocates is analyzing storm shelter code requirements for backup generators, passive vs active ventilation systems, back-up lighting, and water supply and plumbing for toilets, to validate that the design is appropriate but not over-designed.

 - **High Priority Project Updates:**





- Mr. Alan Kennedy summarized the progress and key activities for the High Priority projects. (Refer to Monthly report, project-specific pages)
- Due to the majority of the work being interior, exterior construction site lighting will not be required for the high security projects.

- **Hillside Elementary:**
 - There is a great deal of activity underway in gearing up for construction start on May 26, 2016. GMPs are being finalized, submittals are in process, meetings are on-going.

- **Loveland Elementary:**
 - Loveland work has already commenced.
 - Furniture has been removed from the old school building.
 - The trailers will be moved on May 4, 2016.
 - Dr. McCann asked whether Project Advocates met with Paul Nelson about his concerns with the exterior of the area of refuge.
 - Mr. Zimmerman reported that Mr. Nelson had not liked the original faux-brick concrete liner. Mr. Nelson was pleased with the pre-cast architectural concrete samples that Project Advocates showed him and helped select the color. He agreed that it would be difficult to match the brick to the school building, and that the buff color blends in well with the stucco areas of the school's exterior. There is no increase in cost for the pre-cast alternative over the faux-brick.
 - Project Advocates, Ronco, and the pre-caster, Concrete Industries, collaborated to modify the pre-cast building so it is movable and re-usable.
 - The new storm shelter will be bigger by a few hundred square feet. It was used for Art. Next school year it will be used as two fifth grade classrooms.
 - The District has acquired two parcels adjoining Loveland. They may continue to look for additional property, but are doing due diligence to see if a building design can work on the current property owned.
 - Design for the new Loveland school is on-going.

- **Rockbrook Elementary:**
 - During extensive renovation on the secure entry vestibule, the principal's office will be moved during summer construction.
 - The District will continually communicate with the Rockbrook community so they are aware that that construction traffic may affect parking for games held at the sports fields.



- **Westbrook Elementary:**
 - The District will pay for the Westbrook boiler from the special building fund. The cost was deducted from Westbrook's Construction budget.
 - The principal's office will be moved during summer construction.
- **CCC / Swing School Construction:**
 - The work schedule is on track.
 - Students are generally satisfied, except for noting the lack of windows.
 - The CAPS program will be moved from Underwood Hills after graduation.
 - There will be an open house for the community after the move.
- **Westside Middle School Project Updates:**
 - The design development package was presented to and approved by the Board of Education at the April 25, 2016 meeting.
 - The first bid package, for the foundation and structure, is being finalized.
 - Project Advocates and Leuder are developing the phase plan for work.
 - The final advisory meeting is scheduled for May 12, 2016.
 - Dr. McCann stated, "The design is amazing. It looks like a brand new building. The art room overlooking the courtyard is awesome. Teachers are excited about the layout, particularly with the media center in the center."
 - Mr. Zimmerman noted that the design is going to be transformational. The design for each learning neighborhood, four per grade with different colors and signage, is unique and lends character and culture to the school.
 - Project Advocates is estimating, along with Leuder, to align for bid packages for the design with the budget. The targets are achievable, with estimate variances in the 5- 10% range.
- **Oakdale Elementary Project Updates:**
 - Oakdale's design development package was presented to and approved by the Board of Education at the April 25, 2016 meeting.
 - A community engagement session was held at Oakdale Elementary on April 28, 2016. The meeting went smoothly and the significant amount of attendees filled the library.
 - The next advisory meeting is scheduled for May 5, 2016. On the agenda is revisiting some of the finishes, including the girls' bathroom tile colors.
 - Dr. McCann invited all present to a celebration for Oakdale on May 22, 2016 from 1:00 p.m. to 3:00 p.m. Project Advocates will assist in locating the various time capsules.



- There were additional community meetings that were not documented on the Oakdale project status page because of space constrictions.
 - Project Advocates met with Mr. Jim Olmsted, who is pleased with the progress of design changes made in response to neighbor concerns.
 - Ms. Karnes noted that references to the world language space in paragraph two of Oakdale Elementary's Summary section should be removed. The District would like to include a third elective space in the design at new schools. It is still included in the education specifications at present.
 - Project Advocates is bench-marking education classroom and school sizes, defined in the education specifications, against average sizes in other districts.
- **Sunset Hills Elementary Project Updates:**
- The Board approved the Concept and Schematic Designs at their April 25, 2016 meeting.
 - There was another community information session on April 26, 2016.
 - Project Advocates and Tack went door to door to speak with neighbors on Walnut Street. One of the neighbors needs an easement, as his driveway is on school property.
 - The Sunset Hills Design Advisory process is going very well.

Bond Status Update

- Mr. Zagozda stated that there were no status changes to report. Financial numbers accurately reflect bond progress, which is still on schedule.

Closing Comments

- Ms. Morrissette asked about term limits for BOC members, and the impact of the upcoming Board of Education election. Two BOC members, Ms. Karnes and Mr. Yale, are running for office.
- Mr. Hughes stated he has conferred with Dr. McCann about this.
- The BOC serves at the will of the Superintendent and District Administration.
- Current terms for BOC members are as follows:
 - Chairperson Mr. Hughes is serving a two-year term, expiring May 31, 2017.
 - Mr. Cota is serving a one-year term, expiring May 31, 2016.
 - Ms. Karnes is serving a two-year term, expiring May 31, 2017 or upon election to the Board of Education.
 - Mr. Williams is serving a two-year term, expiring May 31, 2017.
 - Mr. Yale is serving a one-year term, expiring May 31, 2016 or upon election to the Board of Education.
- Mr. Hughes and Dr. McCann have asked Mr. Cota to stay on for a second year.
- Dr. McCann has a list of BOC nominees to fill spaces vacated in May 2016.



- Ms. Morrisette noted that the Board election is May 10, 2016 and new Board members are inducted at the first Board meeting in June.
- Ms. Karnes and Mr. Yale were thanked by the group for their excellent and committed service on the BOC committee.
- Mr. Hughes thanked Project Advocates for not taking the easy road and boiler-plating the selection of consultants. The BOC has engaged three different architects and four different contractors. Mr. Hughes believes every project is unique and better for it. The entire team learns continually from the different consultants.

Mr. Hughes adjourned the meeting at 7:17 p.m.

