



PORTLAND PUBLIC SCHOOLS


Bond Work Session

November 17, 2016



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School Modernization Overview





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Architectural/Engineering Diligence

- Created Pre-Design Diligence RFPs / Interview Questions
- Advertised RFPs / Short-List for Interviews
- Interviews / Evaluations
- Selection / Contract Negotiation / Board Approval
- Internal Kick-Off Meeting with District Teams
- Site Walks with Engineers
- External (MPC) Re-Engagement Meetings




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Cost Estimating Diligence

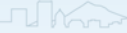
- Created Pre-Design Diligence Scope of Work
- Proposal Solicitation
- Contract Negotiation
- Internal Kick-Off Meeting with District Staff
- External Kick-Off Meeting with Architectural and Engineering Firms
- Site Tour of Kellogg
- EHS Scopes of Work Turnover




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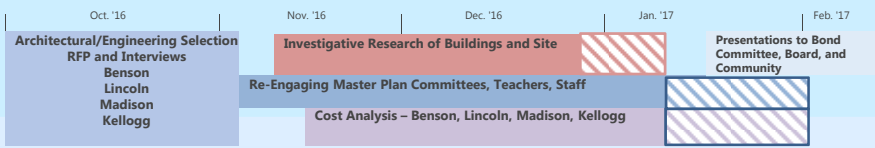
Master Plan Committees

- Re-Engaged Site Principal/Co-Chairs of MPCs
- Established Dates/Times for Meetings
- Posted to the District Web Site
- Benson – 11/3/16, 12/8/16, 1/5/17
- Madison – 11/15/16, 12/5/16, 1/9/17
- Lincoln – 12/7/16, 1/11/17
- Kellogg – 11/15/16, 11/16/16 (Internal)





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Timeline for Refined Master Plan Scope and Cost Analysis





Phase	Start Date	End Date
Architectural/Engineering Selection RFP and Interviews Benson Lincoln Madison Kellogg	Oct. '16	Nov. '16
Investigative Research of Buildings and Site	Nov. '16	Dec. '16
Re-Engaging Master Plan Committees, Teachers, Staff	Nov. '16	Jan. '17
Cost Analysis – Benson, Lincoln, Madison, Kellogg	Nov. '16	Jan. '17
Presentations to Bond Committee, Board, and Community	Jan. '17	Feb. '17





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Environmental Health and Safety




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Environmental Health and Safety Department Gap Analysis

- Operations is in the process of conducting a gap analysis for the existing Environmental Health and Safety (EHS) department.
- Preliminary results indicate that EHS should oversee between 50 and 55 environmental health and safety programs, including:
 - water quality
 - lead-based paint remediation
- The gap analysis is operational in nature and focuses on how we manage risk vs. our bond analysis which focuses on to what extent capital improvements are needed to mitigate existing risks.
- Both operational and capital resources are needed for appropriate risk management.

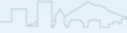



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Environmental Health and Safety Hazards Focus List

The following safety areas were identified for further review / analysis based on an assessment of risk and feedback received from PPS board. They are not listed in any particular order.


- Water Quality
- Lead-Based Paint
- Asbestos
- Seismic
- Playgrounds
- Roofs/Building Envelopes/ Foundations (air quality)
- Security Systems / Fencing
- Fire/Life Safety Alarms & Sprinklers
- Radon
- Auditorium Stage Safety
- ADA




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Timeline for Cost Analysis and Prioritization of Focus List

Oct. '16	Nov. '16	Dec. '16	Jan. '17	Feb. '17
Cost Analysis of District-wide EHS Metrics and Available Data		Prioritization of Potential EHS Capital Projects		Presentations to Bond Committee, Board and Community
Cost Analysis Consulting				





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Cost Analysis Methodology

Current Reporting and Prior Studies

examples:

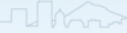
- Asbestos abatement database
- Roofing replacement study for current bond program and field reporting of existing conditions

Unit of Analysis

- Linear Foot
- Square Foot
- Area within site or building (e.g. Auditorium Stage)
- Type of Construction

Prior Cost Estimates

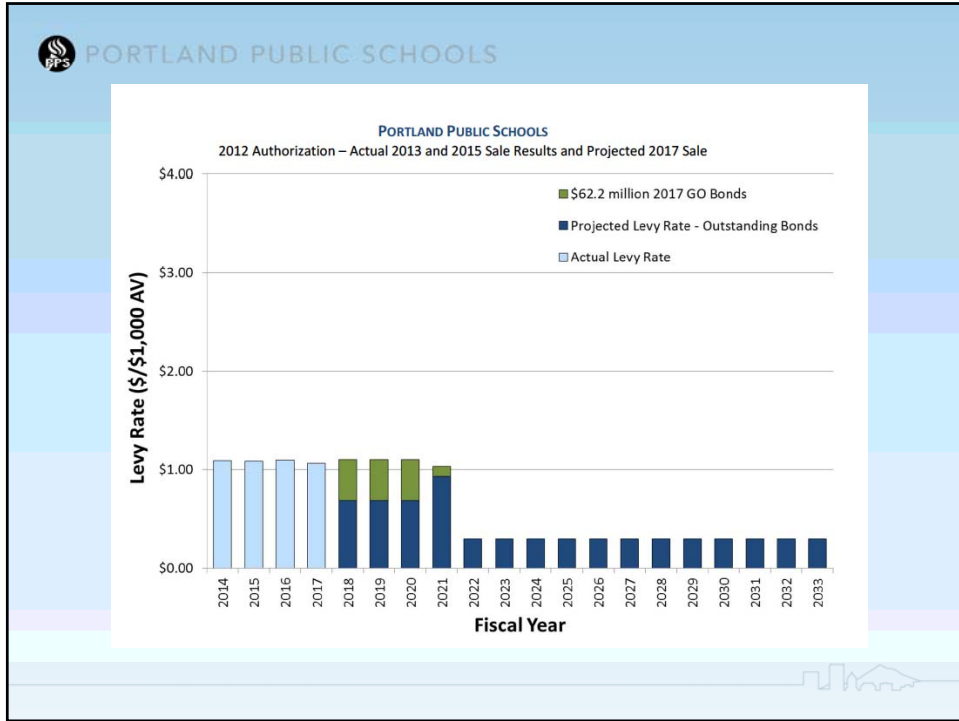
- Bring prior cost estimate to current dollars
- Review against actual costs, if known (e.g. roofing replacement)
- Escalation of cost over 2017 - 2023
- Contingency for estimating and unknown conditions



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Financing





Portland School District 1J
General Obligation Bonds - 2012 Authorization
\$482.0 million General Obligation Bonds

Fiscal Year	Assessed Value ('000)	AV Growth	Percent Collected	Actual Levy Rate	ACTUAL			PROJECTED			Principal (\$'000)	Total Levy		
					Principal Payment	Interest Payment	Levy Rate	Principal Payment	Interest Payment	Levy Rate				
0 2013	\$ 40,799,094													
1 2014	42,244,715	3.74%		1.0890	\$ 35,950,000	\$ 7,312,232							\$ 1.09	
2 2015	44,134,377	4.47%		1.0854	40,315,000	4,718,350							\$ 1.09	
3 2016	45,970,718	4.28%		1.0951	3,555,000	2,702,600		\$ 30,200,000	\$ 12,764,941				275,000,000	
4 2017	47,798,809	3.98%		1.0623	1,705,000	2,679,275		33,145,000	11,210,175				62,160,000	
5 2018	49,332,773	3.00%	95.0%	-	1,890,000	2,628,125	0.10	17,960,000	9,552,925	0.59	\$ 18,180,000	\$ 1,249,857	0.42	1.10
6 2019	50,709,756	3.00%	95.0%	-	2,080,000	2,571,425	0.10	19,680,000	8,654,925	0.59	19,115,000	892,988	0.42	1.10
7 2020	52,231,049	3.00%	95.0%	-	2,325,000	2,467,425	0.10	21,515,000	7,670,925	0.59	20,095,000	512,595	0.42	1.10
8 2021	53,797,980	3.00%	95.0%	-	2,585,000	2,351,175	0.10	36,255,000	6,595,175	0.84	4,770,000	100,647	0.10	1.03
9 2022	55,411,920	3.00%	95.0%	-	2,865,000	2,221,925	0.10	5,735,000	4,782,425	0.20	-	-	-	0.30
10 2023	57,074,277	3.00%	95.0%	-	3,160,000	2,078,675	0.10	6,340,000	4,495,675	0.20	-	-	-	0.30
11 2024	58,786,506	3.00%	95.0%	-	3,475,000	1,930,675	0.10	6,980,000	4,178,675	0.20	-	-	-	0.30
12 2025	60,550,101	3.00%	95.0%	-	3,775,000	1,781,675	0.10	7,665,000	3,829,675	0.20	-	-	-	0.30
13 2026	62,366,604	3.00%	95.0%	-	4,095,000	1,630,675	0.10	8,390,000	3,446,425	0.20	-	-	-	0.30
14 2027	64,237,602	3.00%	95.0%	-	4,430,000	1,466,675	0.10	9,165,000	3,035,925	0.20	-	-	-	0.30
15 2028	66,164,730	3.00%	95.0%	-	4,785,000	1,289,675	0.10	9,985,000	2,751,975	0.20	-	-	-	0.30
16 2029	68,149,672	3.00%	95.0%	-	5,155,000	1,098,275	0.10	10,875,000	2,261,725	0.20	-	-	-	0.30
17 2030	70,194,162	3.00%	95.0%	-	5,550,000	892,075	0.10	11,800,000	1,727,975	0.20	-	-	-	0.30
18 2031	72,399,987	3.00%	95.0%	-	5,985,000	670,075	0.10	12,405,000	1,221,975	0.20	-	-	-	0.30
19 2032	74,668,986	3.00%	95.0%	-	6,375,000	461,300	0.10	13,250,000	887,800	0.20	-	-	-	0.30
20 2033	76,703,056	3.00%	95.0%	-	6,805,000	238,175	0.10	14,135,000	424,050	0.20	-	-	-	0.30
					\$ 144,840,000	\$ 49,180,682		\$ 275,000,000	\$ 89,584,266		\$ 62,160,000	\$ 2,750,982		

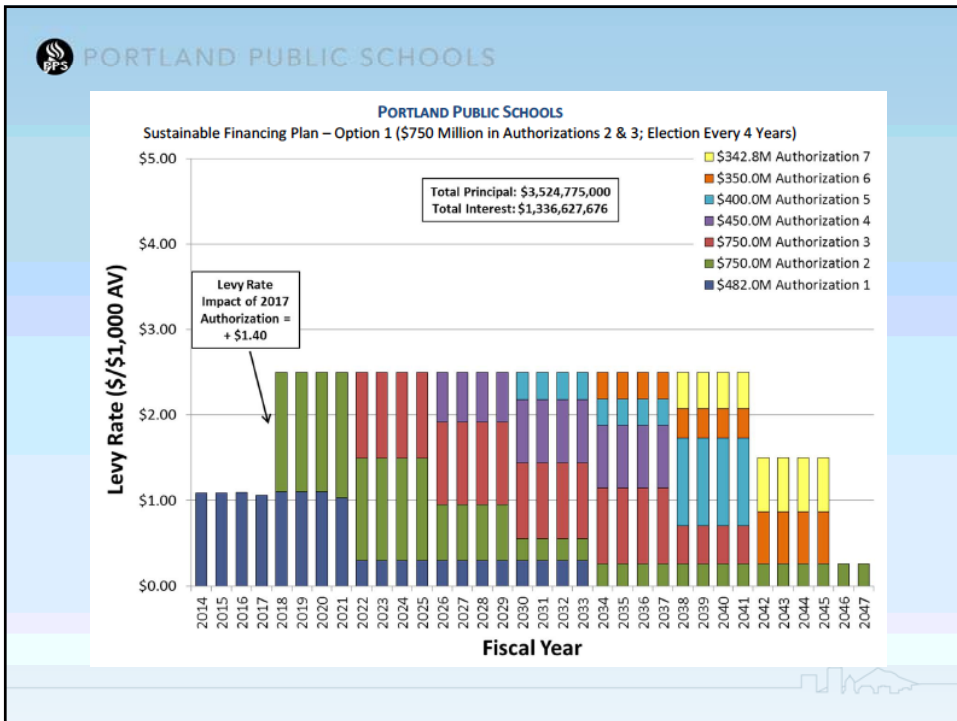
Interest Rate Assumptions		Dated Date	Premium	Total Funds Paid
2013 GO Bond Issue	ACTUAL	05/01/13	\$ 13,870,119	\$ 158,710,119
2015 GO Bond Issue	ACTUAL	04/01/15	\$ 33,211,833	\$ 466,921,952
2017 GO Bond Issue	+1.0%	06/15/17	N/A	\$ 529,081,952

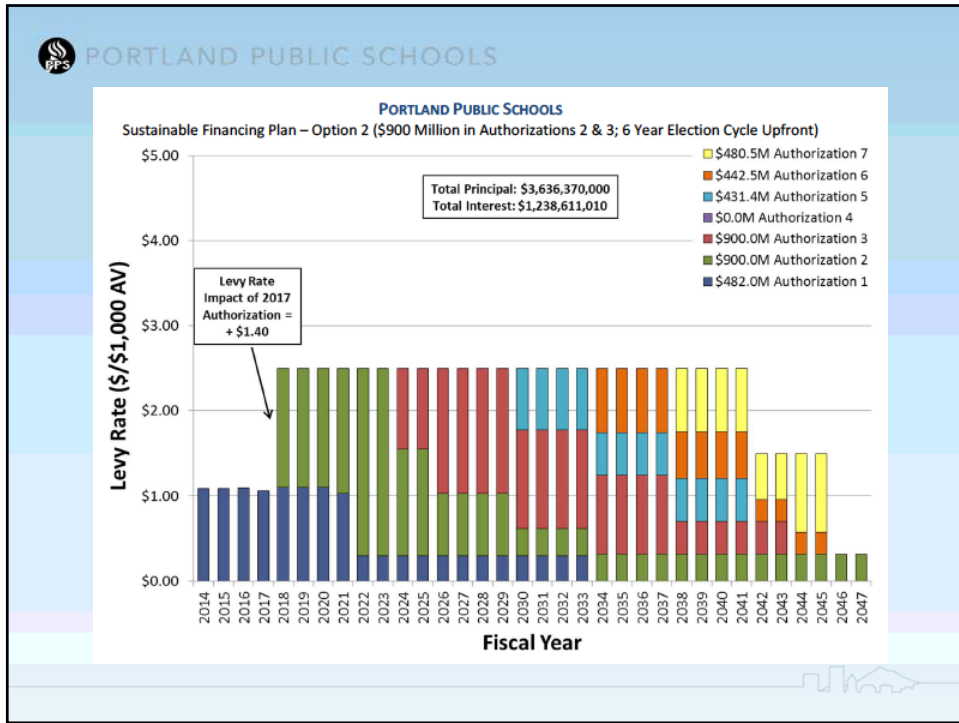
Total Principal		Total Interest	Total Premium (2013 & 2015)	Interest as % of Proceeds
\$ 482,000,000		\$ 135,515,079	\$ 47,081,952	25.6%

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Summary of Long-Term Financing Options

	Option 1 (\$750 Million in Authorizations 2 & 3; Election Every 4 Years)	Option 2 (\$900 Million in Authorizations 2 & 3; 6 Year Election Cycle Upfront)
Totals		
Principal Authorized	\$3,524,775,000	\$3,636,370,000
Interest Cost	\$1,336,627,676	\$1,238,611,010
Interest as % of Principal	38%	34%
Levy Rate Info		
FY 2018 Increase	+\$1.40	+\$1.40
	Average	Average
	Term Life (Years)	Term Life (Years)
	Cumulative Principal	Cumulative Principal
Issuance Details	Amount	Amount
Authorization 1 (2012)	\$ 482,000,000	\$ 482,000,000
Authorization 2 (2017)	750,000,000	900,000,000
Authorization 3 (2020)	750,000,000	-
Authorization 3 (2022)	-	900,000,000
Authorization 4 (2024)	450,000,000	-
Authorization 5 (2028)	400,000,000	431,440,000
Authorization 6 (2032)	350,000,000	442,460,000
Authorization 7 (2036)	342,775,000	480,470,000

* Average Life of Series 2013: 7.4 years; Series 2015: 7.8 years; Series 2017: 2.2 years.





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Timeline


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November

INTERNAL PLANNING & RAMP UP EXTERNAL COMMUNICATIONS

- Board bond work session
 - Preview what information will be available when and how public can provide input
- Continued assessments, cost estimating, and due diligence on Environmental Health & Safety and High School Modernization projects
- Re-engage Superintendent's Bond Advisory Committee
- Schedule 2017 Bond Town Hall meetings to review draft bond package
- Continue High School Master Plan Committee meetings




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December

STAKEHOLDER OUTREACH & PRELIMINARY EH&S COST ESTIMATES

- Continue stakeholder outreach
- Convene Superintendent's Bond Advisory Committee
- Public notification of 2017 Bond Town Hall meetings and additional opportunity for public input on draft bond package
- Progress report to Board
 - Shared workspaces plan presentation





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January

DRAFT BOND PACKAGE PROJECT LIST & PUBLIC INPUT

- (mid-January) Draft bond package, including:
 - School Modernization cost estimates
 - EH&S priorities and cost estimates
- Superintendent's Bond Advisory Committee reviews draft bond package
- Community engagement on draft bond package
 - Town Hall meetings
 - Additional opportunities for public input
 - Districtwide public opinion survey on package and timing
- Draft ballot title and explanatory statement



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February

FINALIZE BOND PACKAGE & REFERRAL VOTE

- Based on stakeholder and community feedback and refined High School Modernization budgets, finalize bond package project list
- Finalize ballot title and explanatory statement
- *February 21*: Board votes on bond package referral

