

Report to The Portland Public Schools Board of Directors

Date: May 31, 2022

From: Bond Accountability Committee

Subject: BAC Report #36

Committee Charge

The Portland Public Schools Board of Education (Board) has appointed a citizen Bond Accountability Committee (“Committee”) whose charge is to monitor the planning and progress of the bond programs relative to voter-approved work scope, schedule and budget objectives. The duties of the Committee are (i) to receive reports on the current status and planned implementation of the bond program; (ii) to determine whether such status and implementation are consistent with the program approved by the voters; and (iii) to report their findings to the Board.

The current members of the BAC are:

Greg DiLoreto
Norman Dowty
Darren Golden
Angela Jarvis Holland
Kenechi Onyeagusi
Tom Peterson, Co Chair
Cara Turano, Co Chair
Karen Weylandt

Background;

In November 2012, voters approved a \$482M capital improvement bond for Portland Public Schools.

In May 2017, voters approved a \$790M capital improvement bond measure.

In November 2020, voters approved a \$1.206B capital improvement bond measure.

All regular BAC meetings are publicly noticed and open to the public. Staff presentation materials and meeting minutes, along with BAC reports are regularly posted on the district website. Meetings are also video recorded, that allows BAC members unable to attend scheduled meetings to watch the proceedings and review the materials at their convenience.

The BAC meeting on May 25, 2022 was held in virtual session. Four members participated, Greg Deloreto, Karen Weylandt, Norm Dowty, and Cara Turano. The video of the meeting was

made available to the other members. In addition to the bond program administration update, the meeting primarily focused on the 2017 Bond Health and Safety Projects, and 2020 Bond Capacity Project and Infrastructure Projects.

Report

*1. Whether the school district bond revenues are **expended only for the purposes for which the bonds were approved**, and that bond revenues are not used for any purpose prohibited by law;*

- The BAC reviewed The Program Management Cost Report and additional reports specific to bond revenues and expenditures.
- Based on the information provided, it appears that the school district is spending revenues only for the purposes for which the bonds are approved.

*2. Whether the **bond budget** is sufficient to complete the scope of work as outlined in the voter-approved bonds;*

- The BAC reviewed The Program Management Cost Report, the 2017 Bond Health and Safety Projects, and 2020 Bond Capacity Project and Infrastructure Projects revenues and expenditures during this period.
- Based on the information provided, it appears that the 2012 Bond program will have sufficient funding to complete all the scope of work. Current projected costs for the 2012 bond program are \$221,346 under budget.
- Based on the information provided, it appears that 2017 Bond programs will have sufficient funding to complete all the scope of work. Specific to the 2017 Bond Health and Safety Projects, current projected costs are \$14,464,000 under budget due to cost savings in the Water Quality, Radon, and Fire Sprinkler/Fire Alarm programs. Currently OSM is evaluating use of this surplus to fund additional Roof/Seismic and Accessibility projects.
- Based on the information provided, it appears that 2020 Bond programs will have sufficient funding to complete all the scope of work identified to date. Specific to the Capacity and Infrastructure programs, Projects have been identified and initial funding has been established for two Seismic Improvement projects, fourteen Roofing projects, three Mechanical Improvement projects and two Capacity Improvement projects. Budgets are preliminary and will likely change as the scopes are better defined. There is \$141,009,289 in unallocated project funds to fund these projects (if additional funding is needed) and other Infrastructure projects yet to be identified. Until all the Infrastructure projects are identified and budgets established, the BAC cannot determine if there is sufficient budget for the identified scope.

*3. Whether the projects planned, in progress, and completed will meet the **scope of work** specified in the voter-approved bonds; and*

- The BAC reviewed the 2017 Bond Health and Safety Projects, and 2020 Bond Capacity Project and Infrastructure Projects reports during this period.
- Based on the information provided by staff, it appears that the school district is proceeding with work that meets the intent of the scope of work specified in the voter-approved bonds. Project teams are proactively working to mitigate potential scope implications due to current supply chain and cost escalation issues. 2020 Bond Capacity and Infrastructure projects identified to date are in various stages of implementation and in some cases the scope is not fully defined.

4. *Whether the projects are being delivered on **schedule** relative to the voter-approved bonds;*

- The BAC reviewed the 2017 Bond Health and Safety Projects, and 2020 Bond Capacity Project and Infrastructure Projects reports during this period.
- Based on the information provided by staff, it appears the school district is working to meet the schedule approved and expected relative to the voter-approved bonds.
- In general, the 2017 Health and Safety projects are being implemented on schedule. Supply chain and cost escalation issues have presented some schedule implications. The majority of the 2017 Health and Safety projects will be complete this calendar year.
- 2020 Bond Capacity and Infrastructure projects identified to date are in various stages of implementation and in some cases the scope and schedule is not fully defined. Project teams are proactively working to mitigate potential schedule implications due to current supply chain and cost escalation issues.

5. *The Committee will receive and review copies of **annual performance audit reports and financial audit reports** to ensure Bond revenues are expended in compliance with state law and the ballot measure language.*

- No audit information was reviewed at this meeting.

Additionally, the Committee may provide feedback and/or advice to the Board on one or more of the following topics:

- *Alignment with the goals and principles of the Long Range Facilities Plan;*
- *Alignment with the goals of the Business Equity Policy;*
- *District standards and innovative practices for achieving lower maintenance and construction costs while improving operating efficiency, sustainability, and increasing building longevity;*
- *Historic preservation and school renovation opportunities compatible with the architecture of surrounding Portland neighborhoods;*
- *Potential capital partnerships for joint and shared use of PPS facilities;*
- *Implementation of appropriate ways to address seismic issues;*
- *Topics and scope for the annual performance audit work plan;*
- *Compliance with ADA; and*

- *Communicating key information related to the bonds to the School Board, public groups, organizations and stakeholders.*
- The majority of the projects within the 2017 Health and Safety Program and the 2020 Infrastructure Program are in alignment with the goals and principles of the Long Range Facilities Plan and in some cases, Water Quality for example, have exceeded the goals.
- Business Equity performance is presented for capital improvement programs or projects. The metric is based on actual spending against the district's goal of 18%. Based on the information provided by staff it appears that the school district is committed and working very hard to achieve their business equity goals, despite not always achieving the goal for every project.
- The majority of the projects within the 2017 Health and Safety Program and the 2020 Infrastructure Program are projects achieving district standards for lower maintenance and improving operating efficiency, sustainability and improving building longevity.
- Roofing projects and Seismic improvement projects within the 2017 Health and Safety and 2020 Infrastructure are addressing various seismic issues within PPS facilities.
- ADA issues are being addressed within the 2017 Health and Safety Program. 2020 ADA improvements work scope is not defined at this time.
- Workforce Equity performance is presented for capital improvement programs or projects. In general, the district appears to be exceeding the overall goal, although low participation for women

General Comments,

In the interest of improving the effectiveness of the BAC and our ability to meet the intent of our charter we have offered a number of recommendations to OSM staff that include:

- Refinement of the program budget reporting for the 2020 Infrastructure and Capacity projects.
- Recruitment of new BAC members to fill the two vacancies.

In conclusion, we commend the district with what they have accomplished while dealing with the unprecedented challenges within the constructions industry. We continue to appreciate the quality and professionalism of OSM staff, design teams and contractors as they take on multiple issues and ongoing efforts to explore new approaches. We thank the Board for this opportunity to serve and play a small part in your bond programs.

Related Documents

- BAC Charter
- BAC Work Plan
- https://docs.google.com/document/d/1XwJWHPz7v_OTASh5Dms117A8TCzCnrjz_MCY_KOaj2d8/edit?usp=sharing

- Bond Language
 - 2012
 - 2017
 - 2020
- OSM documents
 - May 25, BAC Materials,
 - https://drive.google.com/drive/folders/1qVD4ni8fvU5URunHB24PMAGt_6N2yxrD