

Colorado Springs School District No. 11 Citizens Bond Oversight Committee

Meeting Minutes

March 9, 2006

at the FOTC, 5240 Geiger Blvd., 80915

Attendees: Carl Barteck, Darrell Beal, Forrest Ecks, Jeanine Fark, Gwen Giddens, Susan Golden, Pamela Gomez Gil, Thomas Gosch, Charles Hadly, Lyman Kaiser, Jack Kinney, Robert Lathen, Shana Leeper, Robert Lund, Alan Morris, Bob Null, Richard Nutting, David Pray, Eva Reynolds, Diana Rice, Don Rickert, Crystal Ross, Dave Shurtleff, Cindy Sorensen, Thomas Strand, Marie Sullivan, Louise Suppes, Frank Versaw, Joseph Wakefield, Joe Williamson, Tami Hasling, Kathy Mathers, Eric Christen, John Kerr, Frank Bernhard, Mike Maloney.

The meeting began at 5:32 PM.

Welcome & Introductions

Eva Reynolds opened the meeting, welcoming committee members Joe Williamson, and Tom Gosch. Eva explained that we had a very full agenda tonight and that any questions should be written down and that they would be addressed after the meeting. Frank Bernhard explained that the purpose of the post-it-notes pads on the table were for the "Issues Bin" and that the questions could be written down and then attached to the Issue Bin Board during the break. The issues would then be collected and if time allowed, be addressed at the end of the meeting or put on the agenda and addressed at the next meeting of the CBOC.

Program Management

Mike Maloney, D-11 Facilities Director and Construction Program Manager, introduced Kathy Mathers, Public Affairs / Communications, and thanked her for joining the CBOC meeting.

Mike used handouts along with a Power Point Presentation (copy attached) and the Capital Program Overview covering:

- The need for Program Management as well as Project Management by individuals representing D-11.
- The Program Management Team organization, including the various "sunsetted" positions – positions that will go away when the Capital Program is completed in 2009.
- The contracting strategies and philosophies used by the Capital Program team.
- The multiple levels of Quality Assurance that will insure that D-11 gets what it pays for with regard to construction.
- Some of the challenges facing us in this construction program are: doing a lot of work in a limited time in occupied schools; the need to deal with the impact of inflation since the Capital Plan was prepared in 2004; and the competition for top contractors caused by current construction demands in the local area.
- The current status of key projects – designs have started on the two new elementary schools and the Doherty addition, and CM/GCs (construction manager, general contractors) have been selected and are providing pre-design services for these projects.
- The Project Sequencing Plan and the logic used to schedule some schools' projects in "year 1" (2006) vs. years 2-4. Unfortunately, time ran out before being able to talk through the sequencing plan in any detail. More on the sequencing plan will be covered in the next meeting.

A question about the Boundary Study was answered by Dr. John Kerr (results due in October, 2006). A question about the "site determined projects" approval process was also addressed (Dr. Kerr insures that D-11 departments review each request prior to Dr. Mary Thurman's final approval).

Capital Funding

Deputy Superintendent/Chief Financial Officer Glenn Gustafson gave an overview PowerPoint presentation as to where we stand with the Capital Plan financing and the bond sales (presentation attached). It included:

- The history of the components of the 2004 Capital Plan and the alternative financing methods used in between the passage of Question 3F in Nov 2004 and 3B in Nov 2005.
- The mill levy certification process, showing the District not only met its promise to voters to hold the increase in the bond levy to 4 mills, but was able to have a total mill levy increase of less than 2 mills based on the actual assessed valuation and the final bond sale results.
- The actual bond sale transaction, including the development of the Preliminary Offering Statement (POS), the interest rate structuring, and the actual sale of the bonds. The bond sale statistics of which brokers sold the bonds and which type of customers purchased the bonds were covered. It was noted that the vast majority of bonds were sold in less than 2 hours at an interest rate less than projected, and that the sale of premium bonds netted an additional \$9 million for the capital program.
- How the bond construction fund was reinvested and is earning almost 5% interest! Unfortunately, the District will not be able to keep all of that interest since the IRS requires a rebate of excess interest above the arbitrage yield.
- The additional revenues from the premium bonds and the interest earnings will go a long ways toward addressing the program inflation issue.

Mr. Gustafson concluded with the key points of the District's capital plan coming together in a way that should limit the need to return to voters for many years to come, barring political issues or the 6th high school.

Housekeeping Items

Eva Reynolds, one of the co-chairs, addressed the following items:

- Volunteers for Boundary Study Advisory Committee – Alan Morris and Pam Gomez Gil volunteered to serve on this committee. The first meeting is March 23, 2006 at 7:00 PM.
- Future Meeting Schedule – Rather than meet monthly on the 4th Thursday in the month, as was previously agreed, Eva suggested changing to the 2nd Thursday in the month due to several conflicts. This change was approved. The regular meeting time is still set at 5:30 - 7:30 PM.
- CBOC meeting minutes for the 2/23/06 were submitted for acceptance, and approved.
- Gwen Giddens was thanked for volunteering as the timekeeper for this meeting.

<u>Plus (+) what was liked</u>	<u>Delta (Δ) what can improve</u>
Great Briefings	Mike needs more time scheduled for his Presentation
Attendance was great	
Great bond financial overview	
Agenda available to download	
Confidence in the competent “A Team”	

Meeting adjourned at 7:29 PM.

Next Meeting: *April 13, 2006; 5:30-7:30 PM at the FOTC*