



West Linn – Wilsonville Schools

LONG RANGE PLANNING COMMITTEE

AGENDA

July 26, 2011

7:00 pm

1. Check-In
 - a. Introductions Bill Rhoades, Superintendent

2. Capital Program Review Tim
 - a. Trillium Creek Primary
 - b. Lowrie Primary
 - c. CO-BO-ST Projects
 - d. Administration Building
 - e. Summer 2011 Small Works

3. Long Range Plan-Bond Cycle Tim/David

4. 2st Quarter 2011 Bond Report (Tim) Mike

5. Site Tours? Next Meeting?

6. Anything else?

Next LRPC Meeting: Tuesday, August 30, Operations Center

Department of Operations

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Location: 2755 SW Borland Road, Tualatin, Oregon 97062

WEST LINN-WILSONVILLE SCHOOL DISTRICT LONG RANGE PLANNING COMMITTEE

2008 BOND PROGRESS REPORT FOR THE SECOND QUARTER, 2011

In November 2008 the voters of the West Linn-Wilsonville School District passed a \$98,000,000 capital improvement bond to finance school construction, remodeling and various upgrades throughout the district. This report measures what we said we would spend and what we have actually spent. The School District is currently projecting expenses equal to our budget. Soft costs, as defined below, are now estimated to be less than 20% of our budget. This is a good indicator that our bond dollars are really being spent on tangible items (bricks and mortar)

FUNDING SOURCES

<u>Funding Sources</u>	<u>Original Funding</u>	<u>Prior Funding</u>	<u>Current Funding</u>
Bond Proceeds	98,000,000.00	98,000,000.00	98,000,000.00
Bond Premium	0	2,355,736.85	2,355,736.85
Interest Revenue	0	1,300,000.00	1,000,000.00
<u>Partnerships</u>	<u>0</u>	<u>108,000.00</u>	<u>98,470.00</u>
Grand Totals	98,000,000.00	101,763,736.85	101,454,206.85

DISCUSSION

We have more money than the \$98,000,000 because the bond was sold at a premium of \$2,355,736.85. This is the difference between the "coupon" interest rates and the market interest rates when the bond was sold. In addition, we expect to earn interest of \$1,000,000 (Note: Interest Revenue is lower than initially expected because of current market conditions). Finally, the \$98,470 in partnership dollars includes the monies actually received from the City of Wilsonville and METRO Parks and Recreation for their part of the work completed.

PROJECT SOFT COSTS

Soft Costs are those costs associated with the bond work but not directly associated with capital equipment and "bricks and mortar"; that is, they are costs such as consulting services which might include outside planning, engineering, architectural, environmental and a host of other consulting services needed when the school district does not have the in-house expertise to complete complex projects. Soft costs also include expenses for permits, insurance, printing, advertising, and office expenses (among others).

	<u>Original Budget</u>	<u>Current Budget</u>	<u>% Over / (Under) Original Budget</u>	<u>Estimate At Completion (Q2 2011)</u>	<u>Over / (Under) Budget</u>	<u>% Over / (Under) Current Budget</u>
Project Hard Cost						
Subtotal	78,400,000.00	81,628,249.38	4.1%	81,628,249.38	0	0
Percentage of Total	80.00%	80.46%		80.46%		
Project Soft Cost						
Subtotal	19,600,000.00	19,825,957.47	1.1%	19,825,957.47	0	0
Percentage of Total	20.00%	19.54%		19.54%		
Grand Totals	98,000,000.00	101,454,206.85	3.5%	101,454,206.85	0	0

DISCUSSION

In 2007/08, during Bond planning, the accepted standard for soft costs as a percent of total costs was twenty percent. There is every reason to now believe that soft costs will be less than 20% of total cost.

PROJECT HARD COSTS

Hard costs are the costs of capital equipment and "bricks and mortar". They include those things you can see, touch, and feel including buildings, equipment, pipes, books, school furniture, and many other tangible items.

Bond Progress Report for Second Quarter 2010

	<u>2008 Estimate</u>	<u>Current Budget</u>	<u>% Differenc e Current Budget to 2008 Estimate</u>	<u>Estimate At Completion (Q2 2011)</u>	<u>Current Over / (Under) Budget</u>	<u>% Over / (Under) Budget</u>
<u>New Wilsonville Primary School</u>	27,000,000.00	26,871,310.77	(0.5%)	26,871,310.77	0.00	0.0%
<u>New West Linn Primary School</u>	28,000,000.00	26,107,210.27	(6.7%)	26,107,210.27	0.00	0.0%
<u>New Library at Stafford Primary</u>	2,000,000.00	1,557,597.31	(22.1%)	1,557,597.31	0.00	0.0%
<u>New Library at CedarOak Park Primary</u>	2,000,000.00	1,557,597.31	(22.1%)	1,557,597.31	0.00	0.0%
<u>Site Athletic Improvements</u>	4,000,000.00	4,308,488.00	7.7%	4,308,488.00	0.00	0.0%
<u>New District Storage/Freezer</u>	2,000,000.00	1,687,346.75	(15.6%)	1,687,346.75	0.00	0.0%
<u>Library Renovations</u>	2,000,000.00	1,646,922.32	(17.7%)	1,646,922.32	0.00	0.0%
<u>Kitchen Remodels</u>	3,000,000.00	2,389,990.98	(20.3%)	2,389,990.98	0.00	0.0%
<u>Remodels at Bolton Primary</u>	2,000,000.00	1,557,597.31	(22.1%)	1,557,597.31	0.00	0.0%
<u>New School Planning and Design</u>	4,000,000.00	2,308,147.89	(42.3%)	2,308,147.89	0.00	0.0%
<u>District-Wide Technology</u>	7,000,000.00	7,000,000.00	0.0%	7,000,000.00	0.00	0.0%
<u>Deferred Maintenance</u>	<u>15,000,000.00</u>	<u>24,461,997.95</u>	<u>63.1%</u>	<u>24,461,997.95</u>	<u>0.00</u>	<u>0.0%</u>
<u>Totals</u>	<u>98,000,000.00</u>	<u>101,454,206.85</u>	<u>3.5%</u>	<u>101,454,206.85</u>	<u>0.00</u>	<u>0.0%</u>

DISCUSSION

1. It should be noted that all Component's "Current Budget" and "Estimate to Completion" are now the same. We are at that point in the Bond Cycle where both final budgets (based on greater knowledge regarding interest income) and final costs can be accurately estimated. This is the first quarter where the "Current Budget" and "Estimate to Completion" are the same for all components.
2. It should be noted that the "Estimate for Completion" for Lowrie Primary dropped by a bit more than \$2 million between Quarter 1, 2011 and Quarter 2, 2011. This is because bids for the school were finalized and an accurate budget and estimate for completion could be completed.
3. Work on the two new Primary Schools is proceeding according to plan. The bids for these schools were very favorable and both schools should be completed at a cost lower than originally budgeted.
4. "New School Planning and Design" estimate at completion increased from about \$900,000 to about \$2.3 million between Quarter 1, 2011 and Quarter 2, 2011. Given favorable bids for the two new primary schools this money was reallocated to make the "Estimate at Completion" conform to the "Current Budget". Given School Board direction, these monies might be used for advance planning for the Advance Road site in Wilsonville or the new Sunset Primary School in West Linn.

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