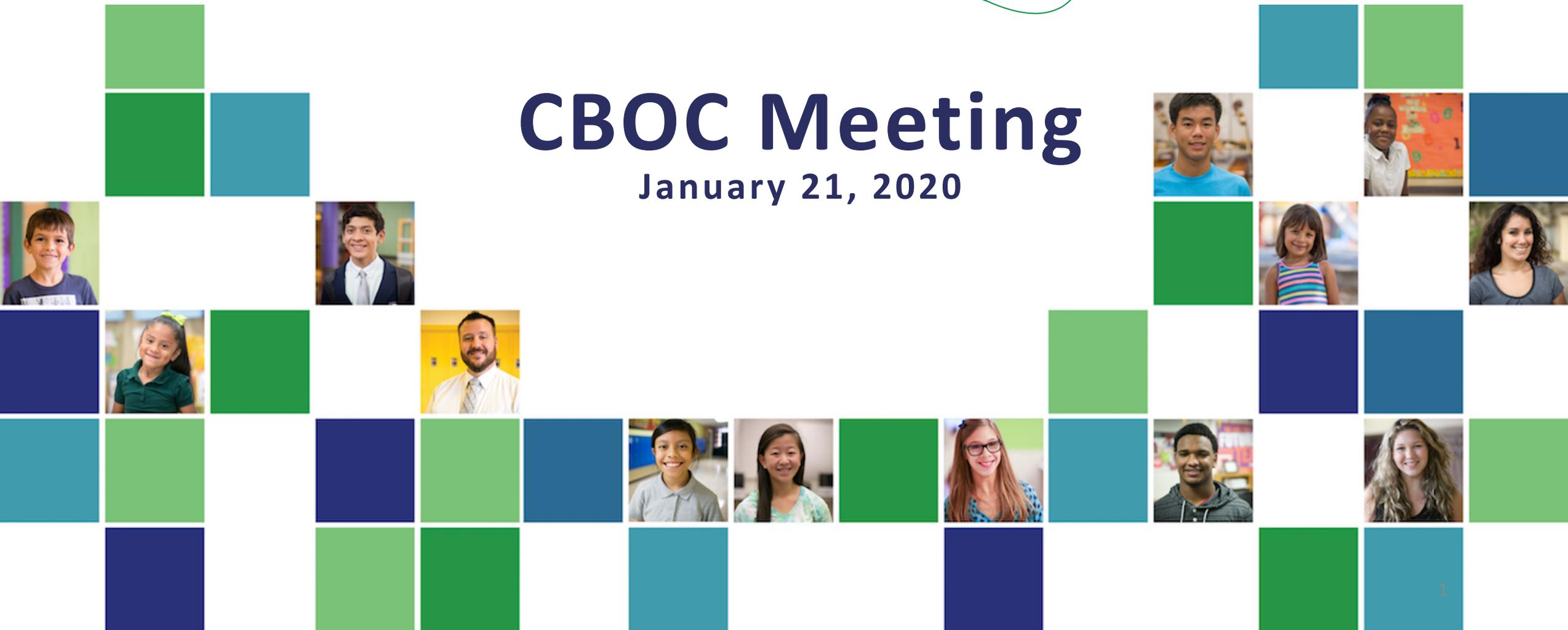


CBOC Meeting

January 21, 2020





AGENDA

1. Call to Order
2. Public Comment
3. Approval of Minutes (December 12, 2020)
4. Presentations and Discussions
 - A. Brown ES and Menchaca ES Grand Openings
 - B. Introduction of New HUB Director
 - C. 2013 & 2017 Bond Program
 - Issues and Risk
 - Substantial Changes
 - D. Overview of Bond Surplus and Program Contingency
 - E. Overview of Planned Bond Issuances and Voter Bond Authorizations
5. Committee Operations
 - A. Discussion of Proposed Monthly Financial Report
 - B. Discussion of Proposed Semi-Annual Report to the Board of Trustees
 - C. Discussion of Topics and Location for February Meeting
6. Adjourn

Public Comments



All regular and plenary meetings of AISD advisory bodies are open to the public.

If you would like to speak before a district advisory body during a regular meeting please consult the [Communications and Visitor Guidelines](#), which can be found on the AISD website under [Advisory Bodies](#).

Public comment is limited to 10 minutes.



Approval of Minutes



Approval of Meeting Summary
from December 12, 2019
CBOC Meeting





Brown Elementary School and Menchaca Elementary School Grand Openings



Introducing Our New HUB Director



Dinita Caldwell

HUB Program Director

Previous Experience

- Visa, Inc.
- Texas Facilities Commission
- Texas Department of Agriculture

My Why:

Empowering communities and businesses to thrive!



2017 Bond Program – Issues and Risks

Govalle ES -Potential Schedule Delay

December Report: The latest schedule submitted by the contractor notes potential delays in substantial completion that may impact school opening. CMD is holding meetings onsite twice a week focused on progress and schedule revisions to recover from delays. Additionally, CMD and Academic Leadership, in conjunction with the school administration are contingency planning for a late move, if one becomes necessary.

Current Update: Govalle ES Opening has been postponed to February 18 and remains on track for that date. Multiple community tours have been accommodated in preparation for both current and new parents.

Brown ES -Tight Schedule to Finish

December Report: The schedule remains challenging. Multiple weekly meetings are being held focused on remaining tasks. The project remains on schedule and the team continues to work with COA on the various required inspections to open school.

Current Report: TA Brown successfully opened on time.

FFE -Install For Spring Openings

December Report: Furniture has been ordered and equipment is being ordered for the first three modernized campuses, which will open in January. Construction Management is working closely with procurement to ensure that all items are ordered, delivered, and installed on time.

Current Report: FF&E delivery and installation was successfully executed at TA Brown and Menchaca. Govalle is scheduled for delivery and installation the week of January 27th.

New Blazier Relief - Access Issues and Schedule Impact

December Report: Access to the school is pending construction of adjacent Baythorne Dr. by neighborhood developer Austin Goodnight Ranch. AISD must vacate existing access easement for COA to permit Baythorne Dr. The board will consider the legal agreements currently under negotiation at its November 18 board meeting.

Current Report: All pertinent legal agreements are in place with AGR. AGR has not received COA permit for Baythorne Dr due to lack of the required sidewalk along the right-of-way. AGR requesting AISD agree to fund construction of sidewalk prior to adding to Baythorne permit drawings. Drenner group negotiating revisions to MOU with AGR to account for the additional funding of the sidewalk.



2017 Bond Program – Issues and Risks

Eastside Memorial ECHS -Budget Issues

December Report: Due to high market conditions, we received an unfavorable bid on the Eastside Memorial Early College High School & International High School at the Original L.C. Anderson campus modernization, which came in 10% above the project construction budget (PCB).

The team –which includes the architect, general contractor and AISD staff –looked at several options, which resulted in a 5% reduction without affecting the promises made to voters. The GMP Contract is being processed finalizing the agreement with the contractor.

Current Report: The GMP contract has been finalized with the GC. The project is on schedule for delivery fall of 2021.

Murchison MS -Noise Issues and Potential Change in Schedule

December Report: Work site noise generated from utility excavation and rock chipping has abated. Most of the excavation close to the classrooms has concluded. Contractor and PM will continue to coordinate with administrative staff prior to future operations that generate significant noise.

Murchison (cont)

There may be a potential schedule delay regarding the completion of the 6th grade addition primarily due to delays in site and building permit issuance. Contractor is working to expedite fabrication and delivery of structural steel so progress can continue. PM and Contractor are working with administrative staff to re-sequence demolition of existing library and renovation of new admin areas, to deliver that space by June 2020. Overall project completion of December 2020 remains as scheduled.

Current Report: Most of the noise generating work from Heavy Equipment has concluded in the 6th grade addition area and the fire lane between the school building and the kickball fields. Will continue to work with admin staff to make them aware of operations that may generate significant noise and work to lessen its impact.

There will be a delay to the completion of the 6th grade addition primarily due to delays in site and building permit issuance. Work will continue on the re-sequencing of the library and renovation of the new admin areas to deliver by this summer. Overall project completion (all scope) remains as scheduled for December 2020.



2017 Bond Program – Issues and Risks

Bowie HS-Budget Issues

The design team has had to be creative with the design effort to overcome cost realized due to underground utilities, unforeseen conditions, and City imposed changes that could not have reasonably been anticipated.

The GMP for the New Garage is 100% executed, construction is on schedule and approximately 45% complete. The DD cost for the New Athletics building is complete and estimated to be on budget, the DD design for the New Fine Arts building will complete 2/3/20 and the DD estimate for the design will follow. There is still concern about construction cost related to a hyper competitive Austin construction market, trade and labor shortages as well as domestic and international tariff and trade concerns. Bringing the remaining Bowie HS 2017 Bond programs in on budget will remain a challenge.

Brentwood ES - Swing Space

The Brentwood ES Modernization project was initially planned to take place in phases while the campus is occupied, similar to Casis ES or Govalle ES.

However, due to the size of the Brentwood student population, the limited size of the school site, and permitting/site constraint issues identified during design and construction planning, it became clear that it is in the best interest of the campus community to utilize an off-site swing space.

This is expected to shorten the overall construction duration from 28 months to 14 months and save costs due to price escalation and extended general conditions.

The district is currently working with the Brentwood ES School community and others to explore options for off-site swing.



Bond Counsel and Overview of Bond Surplus and Program Contingency



Jerry V. Kyle, Jr.
Partner



SCHEDULE I

SCHEDULE OF BOND AUTHORIZATION*

A. September 11, 2004 Election

Prop.	Purpose	Amount Authorized	Amount Issued and Refunded†	Amount Issued and Paid†	Amount Being Issued	Remainder Authorized
1.	Construction, acquisition, rehabilitation, renovation, improvement and equipment of school buildings in the district and the purchase of the necessary sites therefor, including (i) six new elementary schools and one new middle school, (ii) classroom additions at existing school buildings and (iii) acquisition of land for school buildings.	\$183,598,064	\$183,272,873	\$0	\$0	\$325,
2.	Rehabilitation, renovation, improvement, equipment and expansion of school buildings, including district-wide facilities and technology systems.	\$201,103,971	\$201,018,939	\$0	\$0	\$85,0
3.	Construction, acquisition, rehabilitation, renovation, improvement and equipment of school buildings in the district, the purchase of the necessary sites therefor and the purchase of new school buses, including (i) acquisition and installation of safety and security equipment and systems at new and existing school buildings, (ii) hazardous materials abatement and (iii) construction, acquisition, rehabilitation, renovation, improvement and equipment of transportation facilities and the purchase of new school buses.	\$53,899,309	\$53,604,263	\$0	\$0	\$295,
4.	Construction, acquisition, rehabilitation, renovation, improvement and equipment of school buildings in the district, including facilities for athletics and recreation, and the purchase of the necessary sites therefor.	\$12,830,510	\$12,605,605	\$0	\$0	\$224,
5.	Construction, acquisition, rehabilitation, renovation, improvement and equipment of school buildings in the district and the purchase of the necessary sites therefor, including (i) a new middle school in the southwest portion of the district, (ii) a performing arts center and (iii) acquisition of the sites therefor; provided, that no bonds shall be issued to finance a performing arts facility (or the acquisition of a site therefor) until the District has obtained donations of not less than \$7,000,000.	\$36,599,762	\$35,774,340	\$0	\$0	\$825,
6.	Refunding any of the district's currently outstanding contractual obligations.	\$23,495,000	\$23,494,117	\$0	\$0	\$88
Total (2004 Election)		\$511,526,616	\$509,770,137	\$0	\$0	\$1,756

* As amended and restated on April 5, 2018.

† Represents cumulative amounts from previous activity.

SAMPLE: See Handout

Clarifying Definitions of Bond Surplus and Program Contingency



Project Contingency* - Project contingency is a budget of money, held at the project level, that exists to mitigate against risk and uncertainty, and is used to ensure the delivery of each individual project. It is either planned and funded at inception, or built through contribution from within that individual project budget.

Project contingency is used to cover costs that are required to deliver the project as it is scoped and committed in the bond book. It is used at the discretion of Construction Management Department, usually at the project manager level. Once a project is complete, any project contingency remaining is transferred to the bond authorization surplus account. This occurs during financial closeout of a project.



Clarifying Definitions of Bond Surplus and Program Contingency



Program Contingency* - Program contingency is an account of money, held at the program level, that exists to mitigate against risk and uncertainty for the entire bond program, and is used to ensure the delivery of all projects within the program as scoped. It is either planned and funded at inception, or built through contributions from individual projects.

No project is guaranteed or owed any program contingency, and any project within that program may receive contingency to cover costs that are required to deliver the project as scoped and committed in the bond book, at the discretion of the Chief of Business and Operations, or their designee.

Should the program contingency balance be determined to be larger than necessary to cover the risks and uncertainty of remaining uncompleted projects, excess program contingency may be transferred to the bond authorization surplus account, at the discretion of the Chief of Business and Operations, or designee.



Clarifying Definitions of Bond Surplus and Program Contingency



Bond Authorization Surplus* - Bond authorization surplus is an account of money or unused bonding authority, which begins at a zero balance at the start of the program, and receives contributions of surplus bond authorization as projects are completed under budget. This account and remaining bonding authorization represents uncommitted funds, which can be used to fund new projects and/or scopes of work.

New projects and/or scopes of work, not committed in the bond book, require the approval of the Board of Trustees. As a practice, individual projects or groups of projects are brought before the CBOC for consideration, modification and recommendation to the Board of Trustees. Bond authorization surplus may also be used to supplement the program contingency, at the discretion of the Chief of Business and Operations or designee.



Clarifying Definitions of Bond Surplus and Program Contingency



An Important Note:

The word “contingency” was sometimes used during the 2013 Bond Program to mean Bond Authorization Surplus.

Starting with 2017 Bond Program, the word “contingency” will be used for either project contingency or program contingency, as defined above.

Going forward, the term “contingency” will not be used in reference to Bond Authorization Surplus





Nicole Conley, Chief of Business and Operations

George Gogonas, Executive Director, Finance

Patrick Krishock, Treasurer



AISSD Community Bond Oversight Committee

REPORT ON BOND AUTHORIZATION 01/21/20

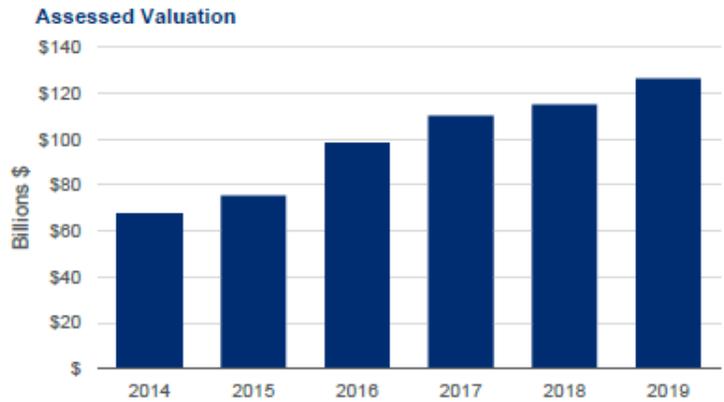
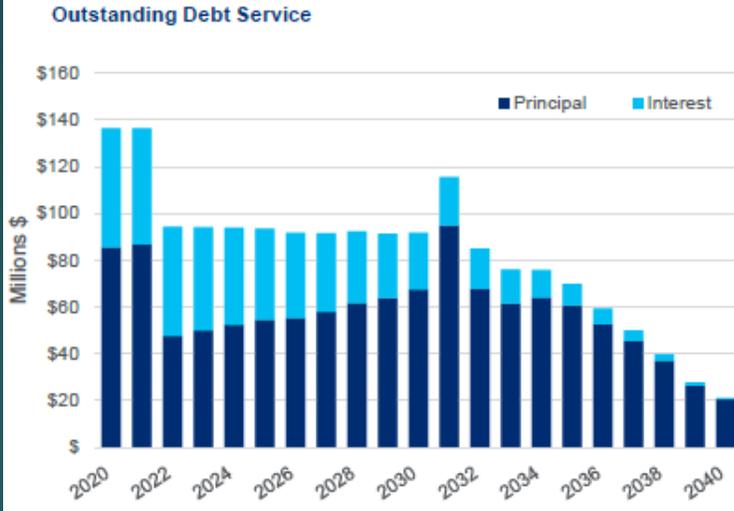
Bond Authorization as of 01/21/2020

18

Bond	Total Authorization	Total Issued	Total Remaining
2004	\$ 511,526,616	\$ 509,770,137	\$ 1,756,479
2008	\$ 343,717,819	\$ 337,666,109	\$ 6,051,710
2013	\$ 489,731,000	\$ 433,078,000	\$ 56,653,000
2017	<u>\$ 1,050,984,000</u>	<u>\$ 358,500,000</u>	<u>\$ 692,484,000</u>
Total	\$ 2,395,959,435	\$ 1,639,014,246	\$ 756,945,189

AISD Outstanding Debt \$1.112 Billion

Overview of Austin ISD Financials



AISD Commercial Paper Program

20

- Allows AISD to Borrow at Short Term Rates
- Authorized to Issue up to \$150 Million
- Outstanding as of 01/21/2020 - \$0
- Maximum Maturity – 270 Days
- Can Be Rolled to New Maturity Date
- Fixed Out to Long Term Bonds When Balance Reaches \$75 - \$100M +
- \$1.3 Billion Issued Over Life of Program

Cash on Hand 01/21/2020

Bond	Cash and Investments
2004	\$ 51,715
2008	\$ 4,761,425
2013	\$ 17,307,875
2017	<u>\$ 156,649,432</u>
Total	\$ 178,770,448

Series 2013A Taxable Refunding

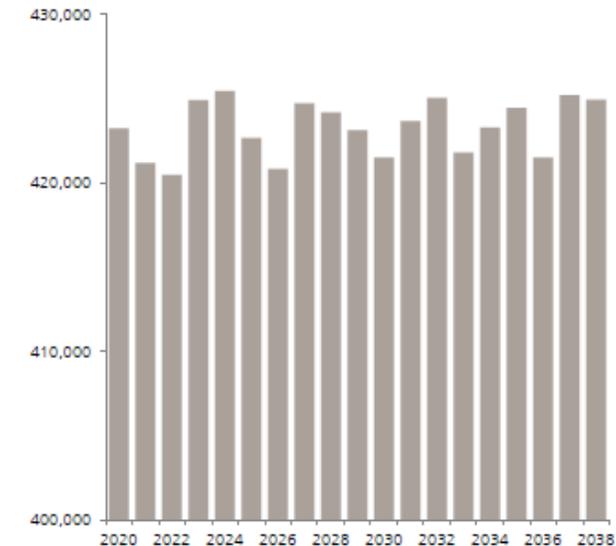
Taxable Advance Refunding Analysis for Bonds Callable in 2021

- To mitigate interest rate risk and lock in savings ahead of the August 1, 2021 call date, we have assessed the refunding opportunities available for the District's Unlimited Tax Refunding Bonds, Series 2013A
- Below we provide analysis for a taxable advance refunding based on current market rates with a uniform savings solution

Summary of Taxable Advance Refunding Results for Series 2013A Bonds

	Sensitivity Analysis		
	Uniform Savings	Current Market Plus 25 Basis Points	Current Market Minus 25 Basis Points
Assumed Delivery Date	3/26/2020	3/26/2020	3/26/2020
Call Date on Existing Bonds	8/1/2021	8/1/2021	8/1/2021
Refunding Par (\$)	43,980,000	43,980,000	43,980,000
Refunded Par (\$)	41,595,000	41,595,000	41,595,000
Bonds Refunded	2024 - 2038	2024 - 2038	2024 - 2038
Average coupon of refunding bonds	3.05%	3.30%	2.80%
Average coupon of refunded bonds	4.72%	4.72%	4.72%
Gross Savings (\$)	8,041,742	6,392,273	9,675,271
Net PV Savings (\$)	6,051,774	4,705,642	7,445,990
Net PV Savings (%)	14.55%	11.31%	17.90%
Escrow Yield (%)	1.55%	1.55%	1.55%
Negative Arbitrage (\$)	837,350	976,478	697,618
Escrow Efficiency (%)	88%	83%	91%
All-In TIC (%)	3.11%	3.36%	2.86%

Annual Cash Flow Savings

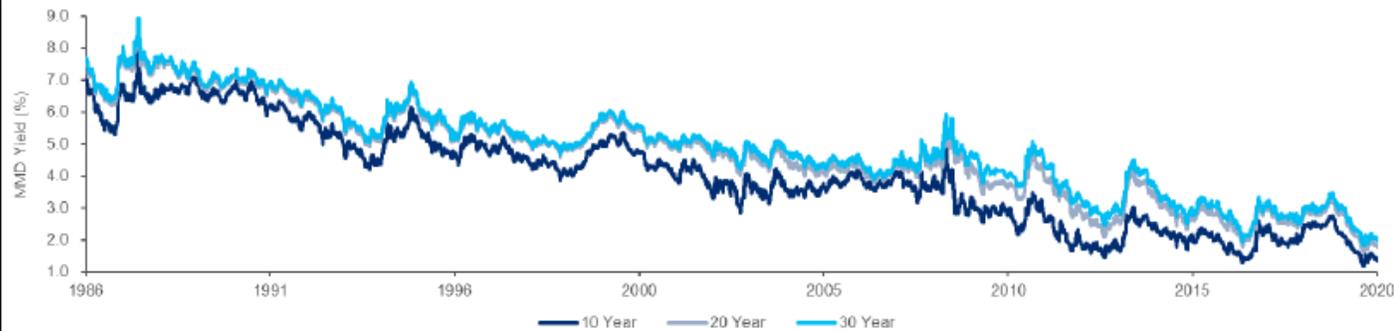


Rates Remain Competitive for 2020 New-Money Sale

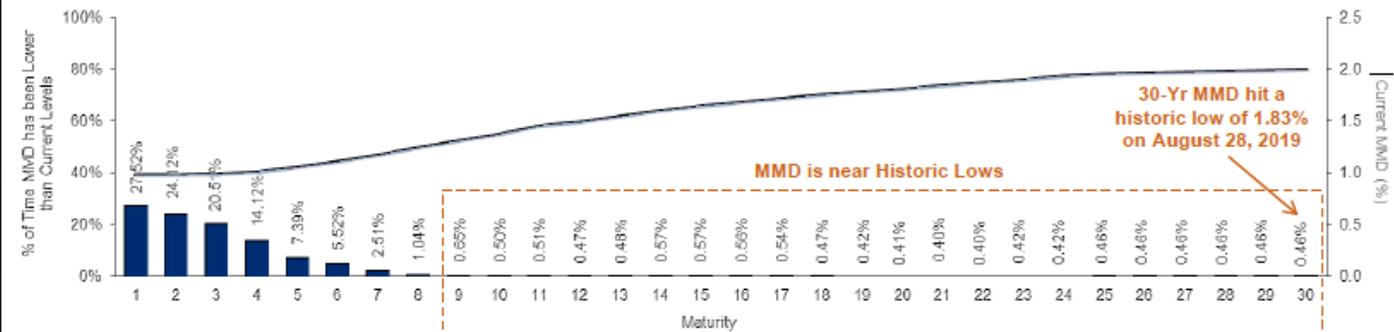
MMD in Historical Context

MMD continues to trend near historic lows with the current rate environment attractive to issuers, especially along the intermediate and long-end of the curve.

AAA G.O. MMD Yields (June 1, 1986 – January 03, 2020)



% of Time MMD has been Lower Since 1986



Source: Thomson Reuters, data as of January 03, 2020.



Nicole Conley, Chief of Business and Operations

George Gogonas, Executive Director, Finance

Ron Thoma, Assistant Director for Finance and Accounting



Discussion of Proposed Monthly Financial Report

Proposed 2017 Bond Budget-to Actual (a/o Dec. 31, 2019)								
CONSTRUCTION COSTS	AS APPROVED BOND BOOK		BUDGET AMENDMENTS		YEAR TO DATE TOTALS			
Projects	TOTAL COST FULLY MARKED UP (000's)	Unallocated Budgets	Program Contingency Alloc Less than \$50k	Program Contingency Alloc More than \$50k	Current Budget	Actuals	Commitments	Balance
Comprehensive Projects:								
Casis	\$ 35,150,000	30,687,000			30,687,000.00	1,426,983	704,546	28,555,471
TA Brown	\$ 30,797,000	26,887,000		1,969,000	28,856,000.00	9,096,845	1,551,123	18,208,032
Govalle	\$ 32,499,000	28,373,000		1,500,000	29,873,000.00	18,781,951	1,854,768	9,236,281
Menchaca	\$ 33,300,000	29,072,000		3,670,000	32,742,000.00	5,695,332	3,091,442	23,955,226
Rosedale	\$ 40,000,000	34,921,000			34,921,000.00	325,244	2,261,866	32,333,890
Ann Richards	\$ 70,000,000	61,113,000		2,200,000	63,313,000.00	12,225,939	39,209,846	11,877,216
Brentwood	\$ 35,764,000	31,223,000			31,223,000.00	351,664	1,332,667	29,538,669
Murchison (plus targeted)	\$ 24,620,000	21,494,000		2,500,000	23,994,000.00	3,779,668	18,178,976	2,035,356
Doss ES	\$ 43,000,000	37,541,000		1,300,000	38,841,000.00	11,896,548	23,462,223	3,482,229
Hill ES	\$ 17,000,000	14,842,000			14,842,000.00	115,061	38,322	14,688,617
Bowie HS	\$ 88,000,000	76,827,000			76,827,000.00	9,661,335	17,000,369	50,165,296
Blazier Relief ES/MS	\$ 50,000,000	43,652,000			43,652,000.00	9,847,631	32,207,670	1,596,699
New Southwest ES	\$ 36,167,000	31,575,000			31,575,000.00	7,870,993	24,708,514	(1,004,508)
Austin HS	\$ 23,468,000	20,488,000			20,488,000.00	894,565	820,592	18,772,843
Modernized Eastside HS @ Anderson	\$ 80,000,000	69,843,000		8,939,000	78,782,000.00	16,365,821	57,586,025	4,830,154
New Northeast MS	\$ 60,958,000	53,219,000			53,219,000.00	28,288	3,471,000	49,719,713
LBJ ECHS Medical HS	\$ 22,000,000	19,207,000			19,207,000.00	278,886	1,081,937	17,846,177
Subtotal Comprehensive Projects	\$ 722,723,000	\$ 630,964,000	\$ -	\$ 22,078,000	653,042,000.00	\$ 108,642,753	\$ 228,561,886	\$ 315,837,362
Targeted Projects:								
House Park	\$ 6,000,000	5,191,000			5,191,000.00	-	-	5,191,000
FA Acad. Reinv. - Covington MS	\$ 1,503,000	1,300,000			1,300,000.00	-	12,200	1,287,800
FA Acad. Reinv. - McCallum/Lamar MS	\$ 10,797,000	9,342,000			9,342,000.00	-	-	9,342,000
LASA move to Eastside	\$ 4,000,000	3,461,000			3,461,000.00	-	-	3,461,000
Career Launch Acad. Reinv. - Reagan	\$ 2,402,000	2,078,000			2,078,000.00	-	-	2,078,000
LBJ Vertical Modernization	\$ 25,000,000	21,631,000			21,631,000.00	6,051,349	28,132,112	(12,552,462)
Eastside Vertical Modernization	\$ 25,000,000	21,631,000			21,631,000.00	1,524,689	800,456	19,305,856
Critical Facility Deficiencies-Austin High	\$ 3,712,000	3,211,781			3,211,781	184,281	2,475,725	551,776
Critical Facility Deficiencies-Lanier High	\$ 4,823,000	4,173,065			4,173,065	-	-	4,173,065
Critical Facility Deficiencies-McCallum High	\$ 2,398,000	2,074,853			2,074,853	-	-	2,074,853
Critical Facility Deficiencies-Reagan High	\$ 2,023,000	1,750,386			1,750,386	184,434	1,534,076	31,876
Critical Facility Deficiencies-Travis High	\$ 7,275,000	6,294,640			6,294,640	1,743,922	-	4,550,718
Critical Facility Deficiencies-Crockett High	\$ 12,331,000	10,669,306			10,669,306	1,451,647	12,200	9,205,459
Critical Facility Deficiencies-L C Anderson High	\$ 8,139,000	7,042,208			7,042,208	3,087,322	187,567	3,767,319
Critical Facility Deficiencies-Bowie High	\$ 1,444,000	1,249,410			1,249,410	535,530	886,539	(172,659)
Critical Facility Deficiencies-LBJ Comprehensive High Sch	\$ 1,573,000	1,361,026			1,361,026	-	-	1,361,026
Critical Facility Deficiencies-Garza Independence	\$ 87,000	75,275			75,275	-	-	75,275
Critical Facility Deficiencies-Akins High	\$ 9,941,000	8,601,375			8,601,375	-	212,430	8,388,945
Critical Facility Deficiencies-LASA	\$ 3,822,000	3,306,958			3,306,958	-	-	3,306,958
Critical Facility Deficiencies-Fulmore Middle	\$ 3,868,000	3,346,758			3,346,758	356,720	40,426	2,949,613
Critical Facility Deficiencies-Keating Middle	\$ 1,880,000	1,626,655			1,626,655	-	12,200	1,614,455
Critical Facility Deficiencies-Lamar Middle	\$ 6,717,000	5,811,834			5,811,834	1,904,274	174,909	3,732,652

Sample: See Handouts



AUSTIN INDEPENDENT SCHOOL DISTRICT

COMMUNITY BOND OVERSIGHT COMMITTEE
REPORT TO THE BOARD OF TRUSTEES



MM/DD/YYYY



2018 Table of Contents Report to Board of Trustees Compared to Proposed 2020 Table of Contents For Board Report

- Proposed Modifications for 2020 in Red or Strikeout
- Explanations are in blue.
- **Table of Contents**
- Executive Summary (one page overview)
- Committee Charge and Membership
- ~~2017 Bond Program & Financials~~ Project Status (Note: Leading with Project Status is consistent with current reporting practices and how the CBOC receives information. Leaving the format and flow the same as CBOC reporting material will substantially lessen graphic layout)
- 2017 Bond Program Comprehensive Projects
- 2017 Bond Program Targeted Projects
- 2013 Bond Program Projects
- 2013 Bond Contingency Projects
- Technology Implementation
- Transportation Implementation
- Life Safety Implementation
- ~~Overview~~
- ~~Project Budgets, Commitments & Actuals~~ **Bond Program Financial Status**
- 2017 Bond
- 2013 Bond
- ~~2017 Bond Program Active Projects~~ (addressed above)
- ~~Technology~~ (addressed above)
- Status of Previous Bonds (Summary will be developed by Budget and Finance)
- ~~Stakeholder Satisfaction~~ (Research and Evaluations surveyed the CATs early last year. However, we have no additional information to report to the board at this time.)
- Historically Underutilized Business (HUB)
- Participation in and Outreach 2017 Bond Program
- HUB Participation in 2013 Bond Program
- HUB Outreach—(Moved to cover both bond programs)
- Program Issues and Risks
- Program Contingency and Bond Surplus Funds
- Schedules
- Construction Safety
- Cost and Market Risks
- Partnerships
- ~~Prevailing Wage Rate Compliance Report~~ Labor Disputes
- Partnerships
- Energy, Water and Sustainability
- Bond Communications Strategies and Methods
- ~~Conclusion~~

Discussion of Topics and Location for February Meeting



- Meeting, Tuesday, February 11
- Location?
- Topics
 - CBOC Draft Report to Board of Trustees
 - Energy, Water and Sustainability (EWAS) Team?
 - Others?



ADJOURN



THANK YOU

