

**Minutes of the Meeting of the  
Capital Funding Protection Committee  
of the Washoe County School District Board of Trustees**

February 7, 2019

**1 OPENING ITEMS**

**1.01 Call to Order**

The meeting of the Capital Funding Protection Committee (CFPC) of the Board of Trustees was called to order at 4:00 p.m. at the Washoe County School District Administration Building, 425 East Ninth Street, Reno, Nevada

**1.02 Roll Call**

Paul Anderson, Bob Lucey, Jeanne Herman, Scott Evans, Time Rowe, Ben Hutchins and Dave Solaro. Oscar Delgado showed at 4:01pm. Mike Cate and Charlene Bybee were absent.

**1.03 Public Comment**

Jeff Church stated three new schools were opening and there are no new teachers to place in the schools. Stated there is a need for an in house Auditor that reports directly to the Board of Trustees who would be free to look at any possible "Capital Projects related waste, fraud, abuse and miss spending".

Pablo Nava Duran said Capital Projects is doing a good job and a new school at Wildcreek is needed.

**1.04 Action to Adopt the Agenda**

On a motion by Bob Lucey, seconded by Jeanne Herman, **that the Capital Funding Protection Committee approve the agenda as presented** (Yea: Paul Anderson, Jeanne Herman, Dave Solaro, Time Rowe, Scott Evans, Bob Lucey, Ben Hutchins and Oscar Delgado) Final Resolution: Motion Carries 8-0

**2 Discussion, Presentation, and Action Items**

**Public Comment:** Jeff Church stated he is concerned that item 2.02 is a discussion item only. Stated Washoe County School District (WCSD) has never had a comprehensive Audit of Capital Projects.

## **2.01 Discussion and Possible Approval of the Minutes from the November 29, 2018 Capital Funding Protection Committee meeting**

On motion by Bob Lucey and seconded by Tim Rowe, **the Capital Funding Protection Committee approved the minutes of the November 29, 2018 meeting.** (Yea: Paul Anderson, Jeanne Herman, Dave Solaro, Time Rowe, Scott Evans, Bob Lucey, Ben Hutchins and Oscar Delgado) Final Resolution: Motion Carries 8-0

## **2.02 Presentation and Discussion providing an introduction to the Washoe County School District Chief Internal Auditor and discussion on the hiring or contracting for auditing services associated with the Capital Improvement Program**

Pete Etchart, Chief Operating Officer for WCSD, introduced the newly appointed Internal Auditor for WCSD, Kirk Starkey.

Ben Hutchins, expressed his concerns regarding hiring a fulltime Auditor vs an external Auditor. Feels an external Auditor function is appropriate as the CFPC wants to have independence in fact as well as appearance. Once the economy slows down having a full time internal auditor may no longer warrant a full time position.

Kirk Starkey, stated he also thinks going with an outside firm for the initial go round would be a good idea. Suggested that possibly an agreed upon procedures engagement where the committee would go over the process they wish to be checked. Would like to see the scope broadened from one school, one project to all WC1 funds. Would like to have some involvement with the external group.

Dave Solaro, suggested that Pete Etchart put an action item on an upcoming Agenda for CPFC regarding the scope of the Auditor.

Pete Etchart, stated with the information Mr. Starkey has heard from CFPC, he can go forward and bring back scopes of work and maybe even solicit some proposals. Bought up the fact that there has been some issue as to where the final report would go. Stated there shouldn't be a conflict between the CFPC and the Internal Audit Committee. The audit should be provided to both the CFPC and WCSD Internal Audit Committee.

Kirk Starkey, stated he also agreed that the report should go to both Committees.

Bob Lucey, there are two major points with the focus being towards security and safe stewardship of taxpayer dollars that is being collected and making sure there is autonomy. It is important for both boards/committees to share the Audit information and be transparent.

### **2.03 Presentation and Discussion on the Budgeted Cost and the January 11, 2019 Bid Opening for the Middle School in the Arrowcreek area**

Adam Searcy, WCSD Chief Facilities Management Officer, gave an overview/update of Arrowcreek MS. Stated that WCSD was in pursuit of the property for most of 2018, which was owned by the Forest Service. The property was acquired in October of 2018. Full building plans have been submitted to the Washoe County and a grading permit has been issued. Capital Projects put this out as a single bid comprehensive contract in November. There was tremendous interest on this bid. On January 11<sup>th</sup>, 2019, only two bids were received. One bid was ultimately deemed non responsive on a technicality and the low bidder did deliver a responsive bid at \$73,400,000. Capital Projects looked at options to delay or rebid and decided it would in the best interest of WCSD to accept the lowest bid. The low bidder, Clark Sullivan, is a trusted and respected building partner with WCSD and has an outstanding list of sub-contractors proposed on this project.

Pete Etchart, said to be transparent, Capital Projects had meet individually with all WCSD Board members regarding being over budget. Stated one thing that also factored into the decision was the 20 schools that were impacted by this and the hundreds of parents who put so much effort and time into trying to get this school open for 2020. When Capital Projects looked at the impacts of delaying a year and then rebidding, there would be no advantages.

Dave Solaro, agreed that awarding the bid was the right thing to do.

Bob Lucey, thank you and it is important to move forward with this project to get it opened by 2020.

### **2.04 Presentation and Discussion on the Design and Permitting Costs for an Elementary School in the North Cold Springs area**

Adam Searcy, gave an update regarding Cold Springs Area Elementary School. Nancy Gomes is the only Elementary School in Cold Springs right now and is the most overcrowded Elementary School WCSD has. In a partnership with Lifestyle homes and Washoe County, a concept was put forward regarding Village Center Park, in late 2018. Capital Projects began developing concepts that considered putting an Elementary School on a portion of the park. Community Meetings were held at Cold Springs Middle School at the end of October and then again presented it to the Washoe County Parks Commission at the end of November. Conflicting feedback was received from these meetings. Citizens that attended the October meeting felt strongly and were not in support of disruption to the Park and urged Capital Projects to consider different alternatives. The different schools require significant property and need to be located in a region that addresses the needs, limits the options. WCSD developed a

comprehensive public survey which was issued for over six weeks. A meaningful amount of responses were received. When the data was compiled, the answer was clear that the public wanted site B. Capital Projects met with Bob Lissner and Lifestyle Homes who own and control the property for site B, and researched if it was in the tax payers and school district's best interest to move forward with site B. The answer was yes. Bob Lissner has agreed to sell WCSD this property at a tremendously discounted value and has adjusted his development plans for that property to accommodate the school. This is a wonderful sight and Capital Projects is basically here tonight to request a funding allocation for the design phase of this project. Delivery is recommended as a design-bid-build and to open August 2021.

## **2.05 Presentation and Discussion on the Budgeted Cost for the final phase of the expansion to the Nutrition Services Central Kitchen Facility**

Pete Etchart, said that when WC1 was passed two years ago, WC1 not only addressed the school needs, but it also addressed the operational needs to support the schools. The Central Kitchen Facility was identified as the first facility that was facing a double session calendar in order to produce enough meals for all our students. The facility was bursting at the seams. Capital Projects is looking forward to having the Central Kitchen Facility fully operational to serve the students the meals that WCSD need's to produce over the decades.

Adam Searcy, it was understood even before WC1 passed in 2016 that there was a need. A feasibility study was conducted to examine some possible expansion possibilities. The Dry Storage expansion space is a simple warehouse expansion and is just wrapping up. The CMAR portion of this expansion was broke into two phases. WCSD is requesting funding for the second phase. The entire scope is estimated to be completed by the end of this year.

Paul Anderson, with the expansion, how far off do you forecast it will last.

Pete Etchart, it is hard to forecast enrollment growth but WCSD foresees it lasting decades.

## **2.06 Presentation, Discussion, and Possible Action to Approve the Allocation of \$5,000,000 to the 2018/2019 'C' Major Projects Program (see Attachment A) and Recommend Approval to the Board of Trustees.**

Pete Etchart, WCSD is requesting \$2,500,000.00 for planning and design for North Cold Springs area Elementary School and \$2,500,000.00 for the FF&E construction management services to finalize the Nutrition Services expansion project for a total of \$5,000,000.00 allocation.

Ben Hutchins, commended WCSD for going out to the public and doing outreach.

Adam Searcy, recognized WCSD's Communications Department, especially Riley Sutton, for spearheading much of the effort.

Tim Rowe, asked if the property for Cold Springs Elementary School has been acquired?

Adam Searcy, technically it is still owned by Lifestyle Homes. Capital Projects has had many meetings with Mr. Lissner including email exchanges regarding the terms and agreement to sell the property. The intention is to have Mr. Lissner to come to next Tuesday's School Board Meeting to reaffirm his intention and partnership as it relates to this property and the WCSD. Mr. Lissner donated the land outright for the Middle School some 10-12 years ago. We haven't moved forward with the acquisition yet.

Tim Rowe, do you see any lurking problems or issue?

Adam Searcy, Technically it is still owned by Lifestyle homes. Capital Projects has had many meetings with Mr. Lissner and email exchanges regarding the terms and agreements to sell the property. Capital Projects is very comfortable it will go through. A fair amount of due diligence has been completed and are warranted to move forward with this project wholesale.

**Public Comment:** Pablo Nava Duran, since WC1 was passed, schools are being built.

On a motion by Bob Lucey, seconded by Ben Hutchins, **the CFPC moved to approve the allocation of \$5,000,000 to the 2018/2019 'C' Major Projects Program.** (Yea: Paul Anderson, Jeanne Herman, Dave Solaro, Time Rowe, Scott Evans, Bob Lucey, Ben Hutchins and Oscar Delgado) Final Resolution: Motion Carries 8-0

### **3 CLOSING ITEMS**

#### **3.01 Announcement of Next Meeting**

Thursday, April 4, 2019 at 4:00 pm, Washoe County School District Administration Building

#### **3.02 Public Comment**

There was no public comment at this time.

#### **3.03 Adjourn Meeting**

There being no more business, the meeting was adjourned at 5:04 PM.

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Dave Solaro, Chair