



Minutes 2012 Bond Project Advisory Team (PAT) Meeting Milby High School

MEETING #: 020

LOCATION: Jones High School

DATE / TIME: January 27, 2015, 4:15pm

ATTENDEES: (those marked with a check were present)

<input checked="" type="checkbox"/>	Roy de la Garza	Principal - PAT	<input type="checkbox"/>	Stephanie Hobbs	Teacher/English
<input checked="" type="checkbox"/>	Steven P	Teacher - PAT	<input type="checkbox"/>	Cecilia A Jackson-Witt	Tchr/Sp. Ed. Dir. - PAT
<input type="checkbox"/>	Dave Bertram	- PAT	<input type="checkbox"/>	Noelia G Longoria	SSO - PAT
<input type="checkbox"/>	Albert W Brown	Teacher - PAT	<input checked="" type="checkbox"/>	Marcia Powell	Teacher/ Music - PAT
<input type="checkbox"/>	Philip Camp	Teacher/ Coach - PAT	<input checked="" type="checkbox"/>	Rowena M Verdin	Librarian - PAT
<input checked="" type="checkbox"/>	Richard Carroll	Business Mgr. - PAT	<input type="checkbox"/>	Andre Rodriguez	Teacher/ Soc St - PAT
<input checked="" type="checkbox"/>	Norma Conerly	Milby Alumni Dir. - PAT	<input type="checkbox"/>	Cynthia Rodriguez	Nurse - PAT
<input checked="" type="checkbox"/>	Owen Conerly	Milby Alumni Dir. - PAT	<input checked="" type="checkbox"/>	Brooke C. Skeen	Teacher/ AVID - PAT
<input type="checkbox"/>	Remy	Teacher - PAT	<input checked="" type="checkbox"/>	Accelyn D. Williams	Asst. Principal - PAT
<input type="checkbox"/>	James K. Duffer	Teacher/ Coach - PAT	<input checked="" type="checkbox"/>	Jeffrey Stear	Teacher/Engineer
<input checked="" type="checkbox"/>	William Ellis	Asst. Principal - PAT	<input type="checkbox"/>	Dan Bankhead	HISD
<input type="checkbox"/>	Gloria Barrera	HISD	<input type="checkbox"/>	Clay Clayton	HISD
<input checked="" type="checkbox"/>	Chris Fields	HISD	<input checked="" type="checkbox"/>	LaJuan Harris	HISD
<input checked="" type="checkbox"/>	Jody Henry	Kirksey	<input checked="" type="checkbox"/>	Nicola Springer	Kirksey
<input checked="" type="checkbox"/>	Bill Dwyer	Kirksey	<input checked="" type="checkbox"/>	Nestor Martinez	HISD
<input checked="" type="checkbox"/>	Dillard Delafosse	Kirksey	<input checked="" type="checkbox"/>	Kedrick Wright	HISD
<input type="checkbox"/>	Carlos Morales	Athletics	<input checked="" type="checkbox"/>	Alicia Green	Teacher/ Fine Arts - PAT
<input type="checkbox"/>	Melissa Krause	Foodservice Design Professionals	<input type="checkbox"/>	Candiss Drexler	Teacher/ Dance
<input checked="" type="checkbox"/>	Stacy Gallegos	Teacher	<input checked="" type="checkbox"/>	Claudine Crego	Teacher
<input checked="" type="checkbox"/>	Rosa Rodriguez	Parent	<input checked="" type="checkbox"/>	Pat Perez	Parent
<input checked="" type="checkbox"/>	Martha Espinosa	Parent/ Alumni	<input checked="" type="checkbox"/>	Aracely Esparza	Parent
<input checked="" type="checkbox"/>	Mary Castillo	Friend/ Foundation	<input checked="" type="checkbox"/>	Joe R. Dominguez	Alumni
<input checked="" type="checkbox"/>	Consuelo Dominguez	Milby Alumni	<input checked="" type="checkbox"/>	Georgie Ana Masquett Spears	Alumni
<input checked="" type="checkbox"/>	Joe Simmons	Alumni	<input checked="" type="checkbox"/>	Zakary Rodriguez	Teacher
<input checked="" type="checkbox"/>	Jeff Stear	Teacher	<input checked="" type="checkbox"/>	Mario Guerrero	Teacher
<input checked="" type="checkbox"/>	Linda Laur	Teacher/ Coach	<input checked="" type="checkbox"/>	Terrence Murray	Teacher
<input checked="" type="checkbox"/>	Linda Salinas	Alumni	<input checked="" type="checkbox"/>	Mindy Pantoja	Milby – Clerk
<input checked="" type="checkbox"/>	Valencia Fry	Milby – Cosmetology	<input checked="" type="checkbox"/>	Rocio Solis	Parent



<input checked="" type="checkbox"/>	Tymesha Robinson	HISD	<input checked="" type="checkbox"/>	Dolores Salinas	Milby Hispanic Alumni Assoc.
<input checked="" type="checkbox"/>	Fred Salinas	Milby Hispanic Alumni Assoc.	<input checked="" type="checkbox"/>	Veronica Gergands	Teacher
<input type="checkbox"/>			<input checked="" type="checkbox"/>	Martha Rodriguez	Alumni

PURPOSE: The discussion focused on an update of the 2012 Bond Construction project.

AGENDA:

- 2012 Bond Construction Bond Update
- Review the construction update presented at Board Workshop
- Review the Board’s response

DISCUSSION:

1. Chris Fields, Program Manager with Heery International and Principal de la Garza introduced themselves, greeted the audience and thanked them for their strong showing and support. Mr. Fields proceeded to update the group on the construction activity at Milby High School.
 - a. Construction activity is occurring inside the original building.
 - b. Abatement and interior demolition is ongoing; scheduled completion is late May 2015.

2. Mr. Fields reviewed the commitment of the 2012 Bond for Milby High School.
 - a. Milby High School will be a “new facility preserving the architecturally significant building for a building accommodating 1,800 – 2,000 students”.
 - b. The program budget which the voters approved was \$68,810,000.
 - i. The construction budget, which is only a part of the program budget, encompasses abatement, demolition, site work, play fields, and the physical construction of the facility itself.
 - ii. The original construction budget was \$40,162,694.

3. Mr. Fields noted that the HISD Board of Trustees received a construction update during the last Board Workshop. This presentation was shared with the PAT and highlighted below. The presentation itself can be found at:

https://www.dropbox.com/s/nx9tp334gdhcx7g/PAT_Budget%20Update%202015.mp4?dl=0

 - a. Current Economic Climate
 - i. Houston and the surrounding areas are experiencing the strongest and highest level of economic activity since the boom of the 1980s.
 - ii. HISD and other school districts across Texas are experiencing soaring costs for construction; thus creating challenges to budgets set 2 years ago.
 - iii. Eight articles about varying districts across Texas and the U.S. were distributed to the audience showing that all school districts are experiencing soaring construction costs.
 - b. Rising Demand
 - i. Labor and materials are in rising demand due to the recent oil boom in Texas.
 - ii. In addition to labor shortages, labor rates have increased roughly 45%.
 - iii. Due to to material shortages, material rates have increased roughly 40%.
 - c. 2012 Bond Construction Costs versus Today for K-12

HOUSTON INDEPENDENT SCHOOL DISTRICT



- i. It costs, on average, 44% more to build schools today than it did only 2 years ago.
 - ii. In 2011, K-12 schools' average cost was \$149 a square foot. The cost dipped in 2012 to \$146 and rose in 2013 to \$153 a square foot. The trend continued throughout 2014 and now the cost averages \$210 a square foot.
 - iii. Some of our neighboring districts are receiving bids in the \$220 - \$250 per square foot range.
 - iv. Inflation was built into the budgets for all HISD bond schools; however, no one anticipated 44% inflation in only 2 years.
 - v. HISD budgeted an average of \$160 a square foot for the 2012 Bond projects, more than \$14 per square foot more than the average cost at the time. Inflation was accounted for in a separate line item of the project budget.
- d. Scope to Budget Process
- i. Checkpoints are scheduled on all projects at schematic design, design development, and construction document submittals to compare the estimated cost with the budget.
 - ii. The 60% Construction Document review for Milby High School revealed the estimated cost of the project was higher than the budget would allow. Construction costs increased significantly during the six months prior to this checkpoint.
 - iii. Throughout the process, the District, the Architect and the Construction Manager at Risk worked to close the gap between the estimate and the budget. This process will be ongoing until the new school is complete.
4. Addressing the Gap
- a. Mr. Fields reiterated that the team is working to reconcile Milby's scope to the project budget.
 - i. For each of the 2012 Bond projects, HISD contracted with Construction Managers at Risk (CMAR) who not only will build the school but during the design phases review the documents and provide input to maximize what will be constructed.
 - ii. The final contract for the GMP (Guaranteed Maximum Price) with the CMAR is still being negotiated.
 - 1. Bids that are being received are not as low as originally anticipated due to the increased construction activity in the oil and gas industry.
 - b. HISD reallocated funds within the project budgets to increase the construction budget line item.
 - i. HISD included line items in the program budget for inflation and for reserves. The reserves are intended to cover any unforeseen conditions that might occur on the project.
 - 1. HISD increased construction budgets by reallocating the entire inflation budget into the construction budget, raising the average per square foot to \$175.
 - 2. Fifty percent (50%) of reserves were added to the aforementioned cost per square foot, increasing the final cost per square foot to \$182. (Original construction budget + 100% inflation + 50% of reserves).
 - 3. The reallocation results in a revised construction budget for Milby of \$47,228,266, an increase of \$7,065,572.
 - ii. 50% of the reserves remain in the overall project budget for unknowns.
 - c. The 2012 Bond budgets, on average, still have a \$28 per square foot gap that HISD is working to close. Addressing that gap may require other strategies, but no recommendations or decisions have been made. District staff is working with the Board of Trustees on the best path forward. In the future, the PAT and community can expect:
 - i. Continued negotiations with contractor.



- ii. Ongoing school communications with the latest updates.
 - iii. Evaluations of market trends to determine the strategic timing for a construction start.
 - iv. Continued evaluation of contractor prices to get the best prices in today's market.
- d. Mr. Fields asked that everyone be patient as the construction cost challenges are addressed.

QUESTIONS/ANSWERS:

1. PAT members expressed a desire to have transparency as the District works through budget issues and asked if there was equity in the process used to increase the school budgets?
 - a. Yes, all 2012 Bond schools received all of the anticipated inflation money and 50% of the project reserves from their project budget.
2. Mr. Fields stated during the presentation that the Milby High School program has not yet been cut. Please clarify what "program" means when you say, program may be cut.
 - a. The "program" includes all of the spaces that have been identified for the school. The spaces include interior as well as those exterior spaces that are included in the Educational Specification. If program cuts are needed, Milby's administration will be given an opportunity to advise the District on where the reductions should be made to lessen the impact to the school. No program cuts are currently being recommended. Any final decisions would be made in collaboration with the Board of Trustees.
3. Does the Board have the authority to cut whatever they want to cut?
 - a. The Board could look at any proposed recommendations and determine whether they should be approved or not. .
4. Why is the District negotiating a construction contract after the building has been torn down?
 - a. HISD will have two contracts in place; one contract to abate and tear down the buildings and perform interior demolition on the historical portion of the school, and a separate contract to build the school itself. The contract to build the new school is still being negotiated. The District elected to have separate contracts so that a portion of the work could begin sooner to keep cost at a minimum and expedite the project as much as possible.
5. Is it correct that the District has approved an agreement to tear down the old building even though they are not sure funding is available to build the new Milby High School?
 - a. HISD is committed to building a 21st century school for Milby High School that will accommodate 1,800-2,000 students. The funding for a new school remains at the total voter approved amount of \$68,810,000.
6. Does HISD know how much the new Milby will cost?
 - a. The cost of the preliminary design has been submitted to HISD; however, the bids came in over budget. The team is working to get the project within the revised (increased) construction budget.
7. Will Milby High School look like the renderings that have been shown at previous PAT meetings?
 - a. As noted on the renderings, the drawings are preliminary. .
8. When will the building construction start?
 - a. Abatement and demolition is ongoing. The second phase of construction is expected to start in June 2015.



9. Can construction start while abatement is going on?
 - a. The final design must be within budget before we can proceed to the building construction phase.
10. Using the formula of 140 sq. ft. per student and a capacity of 2,000 students the programmed space would be 288,000 sq. ft. Will the District continue to lower the per student allowance until the budget is reached?
 - a. Voters approved a capacity of 1,800 – 2,000 students. The District has committed to building a 21st Century school for Milby High School that will accommodate 1,800 – 2,000 students.
11. Will all schools use the same formula to determine the final square footage of the buildings?
 - a. All schools will use the same formula; however, the district will look at each project on a case-by-case basis to determine the best path forward in the case of budget challenges.
12. Planning for a capacity of 1,800 might create overcrowding at the school. Does the Board recognize that additional funding will be needed to enlarge the school at a later date?
 - a. A capacity of 1,800-2,000 was approved by the voters. Any change to the capacity or the funding for the school would require Board action.
13. The voters approved a school for 1,800 - 2,000 students; however, since the school is in a growing Hispanic community did anyone determine the accuracy of this range?
 - a. Yes, demographers take into consideration trends in birthrates as well as immigration as they determine appropriate capacities.
 - b. Subsequent to this meeting, it was announced that many HISD schools are under capacity and the Board of Trustees will be considering ways to balance school capacities district wide.
14. Downsizing the athletic facilities is a huge concern. There are 400 athletes at the school and only 5 showers are shown for each locker room?
 - a. The PAT approved the current design. It should be noted that not all 400 student athletes will be in a locker room at the same time; additionally, five showers fall within the standards.
15. The assessment report noted no action was needed at the track, so why was the track demolished?
 - a. The PAT elected to have a baseball field, a softball field, and a football/soccer field on site in lieu of a full track. A walking track is currently in the design. Principal de la Garza stated that this decision has been final for quite some time.
16. Is the center courtyard taking away from the fields?
 - a. Principal de la Garza stated he believed in Milby sports; however there are 1,600 other students who are not in sports that will enjoy and benefit from the use of the courtyard. Students like to sit outside for lunch; therefore the PAT and design team wanted to balance the space for the fields and the courtyard.
 - b. In addition to the response provided in the meeting, there was a desire to provide a secure space away from the parking lot where the students could gather at lunch, as well as before and after school. The students presently use a covered area on the parking lot for a gathering space.



17. PAT members expressed concern that changes are happening but they were not being kept involved. The question was asked, 'Will the PAT have a say in any decisions before they are sent to the Board for approval?' Community members stated if the PAT does not have an opportunity to advise on possible changes to the program then members expressed they would do so at the next Board meeting.
 - a. Yes. The PAT will continue to advise and make recommendations to the team. The design and construction team will work with Milby's administration during the ongoing value engineering and program discussions.
 - b. It was noted that the next Board of Trustees' meeting is February 12, 2015; however nothing is scheduled to go to the Board regarding Milby.
 - c. Mr. Fields noted that Principal de la Garza will be updated weekly and the PAT members monthly on the project status. Mr. Fields assured the group the team is working diligently on the project to bring it in budget.
 - d. The next PAT is scheduled for February 24, 2015. Community members and PAT were encouraged to attend.

18. Community members questioned why the next meeting could not be held prior to February 24th?
 - a. Mr. Fields stated it may take the District 3 to 4 weeks to sort through the revised scope to budget analyses for Group 1 & 2 projects.
 - b. Additional meetings if needed will be set up and invitations sent to all PAT members.

19. Is there a supplemental bond under consideration?
 - a. Mr. Fields stated that to his knowledge a supplemental bond to assist the 2012 program was not under consideration.

20. How was the 2007 Bond money spent? Can we get an accounting of what funds are available for use on the 2012 Bond Program?
 - a. Mr. Fields stated he did not have an accounting of the 2007 Bond funds but would request information and provide a response to the Principal and PAT.

21. Is Bellaire High School building an underground parking garage?
 - a. Bellaire is considering an underground parking garage but no final decisions have been made. , Bellaire High School has the smallest site size of any comprehensive high school in HISD. Should an underground parking garage be built, the funds will come from Bellaire's project budget.

22. Community members stated an online petition had been signed by 700 people. How can a copy of this petition be put in the hands of HISD officials and other interested parties?
 - a. CFS and the Board are aware of the petition.

23. Will minutes be prepared for this meeting?
 - a. Yes. Minutes will be posted on the Houstonisd.org bond website and emailed to the PAT within 2 weeks.

24. Can a copy of the presentation be added to the minutes?
 - a. The minutes capture the message and statistics outlined in the presentation.
 - b. A link to the presentation is included in item 3.



25. By what means did the Contractor solicit bids from subcontractors?
- Ads were placed in the Houston Chronicle on October 19th and 26th, 2014.
 - A pre-bid conference was held on October 28, 2014 at the Associated General Contractors of America (AGC) office.
 - Attached is a list of subs who were invited to submit proposals for the work.
 - HISD representative obtained copies of bids received on November 12, 2014 from Tellepsen Builders, L.P. the Construction Manager at Risk.
 - Tellepsen submitted their Guaranteed Maximum Price on December 10, 2014 for HISD preliminary review.

ACTION ITEMS:

- 20.01 Provide weekly project status update to Principal. (Nestor Martinez)

WHAT TO EXPECT AT THE NEXT PAT MEETING:

- 2012 Bond Construction Bond Update

NEXT PAT MEETING: Tuesday, February 24, 2015 4:15 pm, Jones High School, Room 141

Please review the meeting minutes and submit any changes or corrections to the author.
After five (5) days, the minutes will be assumed to be accurate.

Sincerely,

Nestor Martinez

Sr. Project Manager; HISD – Construction & Facility Services
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