

TaxWatch Recommendations & Staff Responses

SMART Program Quarterly Report Review for the Quarter Ended December 31, 2018

SECTION 1 --- TECHNOLOGY SBBC SCHOOLS

RECOMMENDATION 1: TaxWatch recommends that the Chief Information Officer provide an explanation for the \$125,000 increase in the server blade growth project.

Additional survey and research was performed with regards to this project. It was determined that there is a greater demand due to the aging of the equipment currently in use. Please refer to QTR1 response advising TaxWatch of this needed realignment (moving the \$125,000 from SCCM Server Hard Drives to Server Blade Growth).

Excerpt from FY19 QTR1 response (2/12/19 School Board Workshop):
SCCM Server Hard Drives – I&T is requesting that the \$125,000 budgeted for this project be moved to the Server Blade Growth project... As there is a greater demand due to the aging of the equipment currently in use.

RECOMMENDATION 2: TaxWatch recommends that the Chief Information Officer provide an explanation for the deletion of the load balancing system, midrange system upgrade, and SCCM server hard drives projects.

(See below response for each project identified with this recommendation)

- Load Balancing Systems: This project is totally completed and the remaining \$15,000 was added to the UPS/Support for aging Batteries project.
- Midrange System Upgrade: This project was totally completed during QTR2 and the remaining \$10,858 was added to the UPS/Support for aging Batteries project.
- SCCM Server Hard Drives: This project was able to be merged and completed as part of the Archival Security Storage and Logs project, which is still ongoing. The funding initially allocated to the SCCM Server Hard Drives project was realigned to the Server Blade Growth project as indicated in response to Recommendation 1 listed above.

SECTION 2 --- TECHNOLOGY CHARTER SCHOOLS

N/A

SECTION 3 --- MUSIC & ART EQUIPMENT

N/A

SECTION 4 --- ATHLETICS

RECOMMENDATION 3: TaxWatch recommends that the Chief Portfolio Services Officer provide an explanation for the continued delays for the weight room project at Northeast High School.

Based on request from the school and in concurrence with the Departments of Athletics and Facilities, the location of the weight room was recommended to be relocated into a currently unoccupied building. This space is currently not ready for the chosen weight room equipment vendor to begin

implementation. Improvements to this room are part of the school's Primary Renovations and include roofing, windows, air conditioning and electrical.



Because the primary renovations experienced changes to the design of the campus, the weight room cannot proceed until the revised drawings have been permitted and approved to move forward with construction. Once the contractor has achieved occupancy of this space, the selected weight room vendor can start the installation process. The weight room vendor can complete their work within 90 days of occupancy of the new room.

SECTION 5 --- FACILITIES

RECOMMENDATION 4: TaxWatch recommends the Chief Financial Officer explain this apparent \$1.1 million discrepancy in the expenditure and commitment of safety project funds.

SMART PROGRAM Safety and Security Project Expenditures

Table 1 -- FY19 Q1 (September 30th)

	Prior Year Expenditures	Commitments	Current Year Expenditures	Total
Financially Active				
GOB Funds	8,021,533	10,454,231	1,835,643	20,311,407
Non-GOB Funds	1,995,867	5,075,357	515,721	7,586,945
Completed/Meets Standards				
GOB Funds	892,409	81,679	150,095	1,124,183
Non-GOB Funds	-	-	-	-
Total	10,909,809	15,611,267	2,501,459	29,022,535

Table 2 -- FY19 Q2 (December 31st)

	Prior Year Expenditures	Commitments	Current Year Expenditures	Total
Financially Active				
GOB Funds	8,890,504	10,836,636	4,490,536	24,217,676
Non-GOB Funds	1,992,656	6,284,510	1,448,500	9,725,666
Completed/Meets Standards				
GOB Funds	23,438	4,278	1,664	29,380
Non-GOB Funds	-	-	-	-
Total	10,906,598	17,125,424	5,940,700	33,972,722

Table 3 -- Corrected FY19 Q2 (December 31st)

	Prior Year Expenditures	Commitments	Current Year Expenditures	Total
Financially Active				
GOB Funds	7,998,095	10,787,879	3,885,214	22,671,188
Non-GOB Funds	1,992,656	6,284,510	1,448,500	9,725,666
Completed/Meets Standards				
GOB Funds	915,847	53,035	606,986	1,575,868
Non-GOB Funds	-	-	-	-
Total	10,906,598	17,125,424	5,940,700	33,972,722

As shown in Table 1, the BOC report for Q1 stated that approximately \$1.1 million was expensed and/or committed for safety projects that were completed and/or met standards. However, the amount for completed and/or meets standards safety projects declined to only \$29 thousand in the Q2 report, see Table 2. The apparent decline was an error in how the completed projects for single point of entry were classified in Q2, as active, when all single point of entry projects were combined into a single districtwide project. Table 3 shows the corrected figures for the completed and/or meets standards consumed amount, which is approximately \$1.6 million.

In previous BOC reports, single point of entry projects were reported individually. However, as requested by the School Board, all individual references to single point of entry projects were removed and replaced with a districtwide single point of entry project. During the process of compiling the Q2 report to reflect the requested change, projects that were previously reported as completed were incorrectly labeled as active.

It is important to note that all safety expenditures for Q2 were correctly reported in aggregate. District expenditures and commitments for safety-related projects increased approximately \$5 million in just one quarter, from \$29 million to just under \$34 million.

RECOMMENDATION 5: TaxWatch recommends the Task Assigned Executive Director, Capital Programs, explain the apparent discrepancy in the forecast completion dates for projects at Falcon Cove Middle School (Primary Renovations).

An oversight was made in correcting the new baseline schedule and it will be updated in the next report. Please note that the current updated project schedule shows that all future milestones are on schedule, including the commencement of the Construction Phase in Q3 2019.

RECOMMENDATION 6: TaxWatch recommends that, beginning with the Q3 2018-19 Facilities Report, the Task Assigned Executive Director, Capital Programs, provide a more balanced and accurate "snapshot" of the status of facilities renovation projects at the Big 3 schools.

Beginning with the Q3 2018-2019 Facilities Report (data through March 31, 2019), the Task Assigned Executive Director, Capital Programs, will ensure that a more balanced and accurate "snapshot" of the status of the facilities renovation projects at Blanche Ely High School, Northeast High School and Stranahan High School will be provided. We welcome TaxWatch to provide recommendations on what they would like to see included in the section.

SECTION 6 --- BUDGET ACTIVITY

RECOMMENDATION 7: TaxWatch recommends that, beginning with the Q3 2018-19 Report, the Chief Financial Officer include an updated assessment of financial risk and its potential impact on project budgets. To be clear, this update should include: • The most recent financial risk assessment prepared by Atkins, or at a minimum a summary of the most recent financial risk assessment; and • A discussion of the potential impacts of the updated financial risk assessment on project budgets and the resulting need for additional reserves.

Beginning with the Q3 2018-2019 BOC Report an updated assessment of financial risk and its potential impact will be included.

RECOMMENDATION 8: TaxWatch recommends that, beginning with the Q3 2018-19 Report, the Chief Financial Officer include an updated report of actual hard and soft costs for SMART Program facility construction projects.



Beginning with the Q3 2018-2019 BOC Report an updated report of actual hard and soft costs will be included for SMART Program facility construction projects.

SECTION 7 --- SUPPLIER DIVERSITY OUTREACH

RECOMMENDATION 9: TaxWatch recommends that, beginning with the Q3 2018-19 Supplier Diversity Outreach Report, the Chief Strategy & Operations Officer include E/S/M/WBE information for the full three months of the reporting period.

Moving forward, SDOP will provide the full three months of E/S/M/WBE data for the reporting period, which consist of (a) two months of Board approved data and (b) the third month of data in the reporting period pending Board review.

Of note, SDOP will also include the following disclosure in the report: *Data subject to change since not approved by the Board as of the date of this meeting.*

SECTION 8 --- COMMUNICATIONS

N/A

