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JEFFERSON CITY

December 15, 2021

COMMITTEES:

GENERAL LAWS, CHAIR
WAYS AND MEANS, VICE-CHAIR
APPROPRIATIONS
FISCAL OVERSIGHT
HEALTH AND PENSIONS
TRANSPORTATION, INFRASTRUCTURE
AND PUBLIC SAFETY

Mary Lange President Francis Howell Board of Education 4545 Central School Road St. Charles, MO 63304

Dear President Lang and Members of the Board of Education,

On behalf of the legislative delegation of St. Charles County, we insist the members of the Francis Howell School Board suspend approval of any further bid packages related to Proposition S (2020) projects until certain actions have been taken.

In December 2021, we understand the Francis Howell School District (FHSD) was notified of significant cost overruns related to the completion of projects approved by voters during the Proposition S vote taken in June 2020. These include:

- Francis Howell North High School overrun of 91%
- 2. Becky David Playground overrun of 50%
- 3. Independence Playground overrun of 83%
- 4. Security Vestibules overrun of 147%
- 5. Saeger Parking Lot overrun of 133%
- 6. Bryan Middle School Parking Lot overrun of 253%
- 7. Francis Howell Central Parking Lot overrun of 410%

The process to bid, award, and begin this effort has included significant negligence on the part of FHSD, responsibility for which rests squarely on each member of the Francis Howell School Board as follows:

1. In a December 7th school board meeting, FHSD administrators admitted that a more thorough analysis of the Proposition S projects was bypassed because it would "cost hundreds of thousands of dollars". This failure to properly analyze the cost directly led to the failure to include tens of millions of dollars in code, space, and cost requirements in the Francis Howell North High School project alone. This is a critical example of negligence on the part of the administration responsible to propose the cost to taxpayers and the Board which approved submission of these estimates to voters. Since this critical analysis was skipped, the taxpayers in FHSD are potentially liable for hundreds of millions of dollars in unexpected cost overruns.

- 2. In a December 7th school board meeting, FHSB administrators admitted that zero costs were presented to voters to accommodate any inflationary pressures whatsoever even though the project was expected to require six years from original estimate in 2018 to completion in 2024. The fact that such a basic cost assumption was completely ignored represents gross negligence on the part of FHSD administrators and the FHSD Board responsible for submitting an accurate cost analysis to voters. The updated cost proposal presented on December 7th 2021 indicated this oversight accounted for millions of dollars in unexpected cost overruns.
- 3. The Proposition S vote was taken in June 2020 after being delayed from the original April 2020 scheduled vote. The vote should never have been approved for a June 2020 by the FHSD Board as consumer and construction costs were in a state of significant flux and increase. Nonetheless, the Board pressed forward with an inaccurate, uncertain vote on Proposition S that exposed trusting taxpayers to the uniquely difficult environment of the COVID pandemic during its height in June 2020. This decision, questionable even at the time, has turned disastrous in hindsight here in December 2021. The rush to ask voters for more resources in a volatile environment in June 2020 without an accurate cost analysis and well before FHSD was prepared to gauge the cost is grossly negligent of the Board's responsibility to ensure care, fiscal control of each taxpayer dollar.
- 4. The Proposition 5 public campaign was sold to the taxpayers as a "no tax increase" measure that would be a financially sound way to restore/build certain school projects in the District. However, it is clear FHSD had no reasonable standing to make claims about costs (which were subsequently proved terribly inaccurate after construction started). In addition, it is likely the Board knew of the political ramifications of delaying the vote and allowing the current bonds to expire while a further analysis was completed. The delay and subsequent completion would certainly have derailed the "no tax increase" component of the public messaging. which likely would have changed the election outcome of the public vote. Thus, there was a politically motivated incentive to hold the Proposition S election as soon as possible, making it difficult to ascertain if the vote pushed by the FHSD Board was actually done out of a desire to improve conditions, or a politically motivated one that needed a decision from voters before current bonds expired and the public campaign got upended. Either way, this episode and the extraordinary costs that may be placed on the taxpayer, significantly harms the trust between voters and the FHSD.

To restore fiscal accountability to the bid process of construction for FHSD, and to restore trust between taxpayers and FHSD, no further approval of Proposition S bid packages should be approved until the following actions have been taken:

 Publish a comprehensive, easy to read and easy to access-via the district website-status report for all Proposition S Projects. The report should include a comparison between the original cost for each project presented to

- voters in 2020 and the updated maximum price Francis Howell taxpayers would have to pay now if each of these projects were to continue.
- Engage an independent, out-of-state construction authority to review all current contracts and recommend changes for future contracts related to Proposition S projects if any proposals are re-bid by the District. The report shall be easily accessible on the District website.
- Review the current solicitation process and provide public answers for the following:
 - a. Why were the pricing estimates from the district-retained architectural firm, Hoener Associates, Inc., ignored in the development of overall cost presented to voters in 2020? (For example, the Francis Howell North project was estimated at \$93 million by Hoener but only \$86 million was presented to voters as the cost).
 - b. Why was a more thorough investigation of the cost of these projects not pursued, even at short term additional cost, to uncover the genuine scope of the construction projects before being presented to voters in the Proposition S vote of 2020?
 - c. Why was there no cost included to account for any amount of inflation in construction costs even though the project would not be completed for more than 6 years after initial estimates were given? (The cost of inflation presented to the Board on Tuesday, 7 December, indicated the basic assessment of inflation to be several millions of dollars which was not presented to FHSD voters).
 - d. What is the new total cost to complete all the original Proposition S list of projects presented to voters in June of 2020?
 - e. Why was the vote on Proposition S not delayed in June 2020 until the costs associated with unique COVID environment were identified and presented to taxpayers for approval?
 - f. Was any effort taken to understand, gauge, or estimate the cost impact as a result of the global COVID pandemic before the Proposition S vote went to the voters? If so, what were the results, and if not, why not?
- 4. Submit the updated list of costs and a new, accurate bonding request to voters via voter proposition that passes with majority support during the next scheduled Missouri general election in November 2022. If the voters do not approve the new costs, all further Proposition S bid packages should be indefinitely suspended.
- 5. Ensure bids from 3 separate and distinct contractors are solicited to complete each Proposition S project and a public hearing is held to examine each proposal. Each proposal should include a set amount of monies owed for design/construction, account for inflationary increases during the award and completion of the projection, and a definable process that accounts for increases in cost only for items that were not bid in the original proposal.

The most basic element of the relationship between the parents and kids of FHSD to the politicians and administrators of the Board is trust. We believe this trust has been breached and must be restored before the Board pursues further expenditures of taxpayer resources. To do otherwise would commit taxpayers to plans and costs they had no idea of when they went to the polls in June 2020. We strongly urge all Board members to prioritize transparency, accountability, and integrity before further damaging the Francis Howell community with additional negligence in this process.

Sincerely,

Sen. William C. Eigel Senate District 23

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Rep. Justin Hill House District 108

Rep. Ron Hicks House District 102

John D. Wiman

Rep. John D. Wiemann Speaker Pro Temps, House District 103

Rep. Adam Schnelting House District 104

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Sen. Bob Onder Senate District 2

Rep. Tony Lovasco House District 54

Rep. Nick Schroer House District 107

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