

>> On Sep 6, 2015, at 9:55 AM, Grier, Terry B <TGRIER@houstonisd.org<mailto:TGRIER@houstonisd.org>> wrote:

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>> I have just forwarded this email stream to Leo. His team will address the rats.

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>> Richard and I spoke on Friday. He can audit all bond activity since 2007 or even earlier. What he will find is what I have told the board MANY times. Inflationary increases are preventing us to build what we want to build or what we promised to build in our new construction projects. We projected a 7-10 percent inflation and are facing a 30+ percent inflation.

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>> We promised to build a new 'Buick' and because the price of cars increased by over 30 percent, we can now only afford a four year old car. Inflation is not rocket science and other districts around us are facing similar dilemmas. Cy-Fair has suspended construction.

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>> We are working with our financial advisors on a plan to add approximately \$200M to the bond program. Ken and Leo will provide additional information in the near future as they work out the details. IF this plan does not work out, the board still has to decide how it wants to proceed with the 2012 bond.

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>> My recommendation, if our plan to add dollars to the bond does not work out, is to prioritize the projects and build what we promised. When the money runs out, we stop construction—even if some projects are delayed until a future bond. This is the same concept that every district where I've worked has used.

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>> Sent from my iPhone