



## Long Range Planning Committee Meeting Notes

### Meeting 8: Tuesday, January 17, 2017

- **Welcome**

Tim McClure, District Architect & Planner, opened the meeting with welcoming the committee and thanking them for being here for the final committee meeting. The agenda was reviewed and it was noted that the goal for the evening was for the committee to come to final consensus on its recommendation to the Board.

- **Meeting 7 Review**

Mr. McClure provided the committee a recap of meeting 7. In the last committee meeting, the district's financial advisor, Jeff Robert, attended and provided the committee an overview of funding school debt and potential bond scenarios. Mr. McClure explained that the administration has further examined the assumptions being used in those scenarios and that Mr. Graswich would review some updates on the scenarios today. In meeting 7, the committee reviewed data on school construction costs and the process of how bond project budgets are developed. Also in meeting 7, the committee discussed two solutions to growth and decided on a new option to expand existing campuses in order to build out the district's feeder pattern model. Lastly, prioritization results and potential project budgets were reviewed and discussed.

- **Potential Project Scope & Budget Follow Up**

Mr. McClure explained that the administration spent the last week working together, alongside the consultants, to determine what adjustments it could make in order to help reduce the overall list of potential projects and their cost.

Mr. McClure reviewed the administration's suggested changes to the Committee's prioritization list.

Changes included: removing fencing for elementary schools, which can be addressed through maintenance; reducing the technology backbone and MEP costs; reducing the scope of the Ag expansion (instead of building a whole new building and arena this will still accommodate the capacity needed for all three high schools); addressing STEM at NHS through maintenance; reducing student device refresh; delaying the second district stadium; address classroom display upgrades through the current refresh process; delay the District Performing Arts Center, which was discussed to not be as urgent of a need; address kitchen replacements through food service budget; address paving repairs out of maintenance; upgrade elementary sound systems through maintenance as needed; remove charging stations; reduce furniture refresh to classrooms 20 years and older; remove Texan Stadium items and maintain through maintenance budget; remove ticket booths; and remove bus Wi-Fi.

**Question:** What does item #26 for replacement of aged electrical, mechanical and plumbing include?

**Answer:** This mainly includes true equipment replacements for mechanical systems, electrical panels and switchboards, plumbing fixtures, and some mirror and toilet partition replacements in restrooms.

**Comment:** The administration did a great job with the suggested changes and working to prioritize this list to the truly needed items.

Mr. McClure then reviewed the student impact numbers for the CTE, Fine Arts and Athletics projects as promised to the committee.

**Question:** Does the Northwest High School CTE expansion account for the ultimate 3,100-student build out?

**Answer:** No, it simply expands the program space to needed to serve its current capacity. NHS is nowhere near its capacity today and it isn't yet on the radar to expand to the full model.

**Question:** Where would you put an Aquatic Center?

**Answer:** We would first look at land we currently own that is centrally located. If we determine it is in the best interest of the program to purchase a new site, then we will do so out of the land purchase funds and look to locate it as central as possible to serve the entire district.

Mr. McClure continued the discussion on the Aquatic Center by sharing current dollars the district spends to rent Keller's natatorium for the swimming and diving program and the dollars spent transporting students to and from the facility. It totaled to costing the district approximately \$75,000 a year. He also provided an example of the student impact and uses of Mansfield ISD's natatorium, demonstrating the potential for NISD to have its own similar facility.

- **Potential Bond Package Scenarios**

Mr. Graswich presented to the committee a new bond amount scenario of \$400 million. He explained that the analysis had been fine-tuned using the following mechanisms: increasing the growth of the property assumptions in the first years from 7.5% to 8.5%; utilizing approximately \$22 million in the debt service fund balance to buy down the tax rate; and restructuring the schedule of bond sales. Mr. Graswich explained that by making these changes, the district is confident it can issue a total bond amount of \$400 million while maintaining a maximum I&S tax rate of 45 cents. Mr. Graswich noted that there are additional safety nets built in. For example, the district will have flexibility on the schedule of the projects and when the bonds are issued. Most importantly, this scenario still leaves capacity for the future.

**Question:** Are we confident we can operate all the building projects we have proposed with our current maintenance and operations budget?

**Answer:** Yes. We are confident. I am very conservative and we have a healthy fund balance. We are planning for the State to take away ASATR funding this year, which will cut the M&O budget about \$8.5 million, and make it more challenging, but we already have plans to make cuts to accommodate that.

**Question:** If our property values grow, won't that mean the funds we raise on the M&O side increase as well?

**Answer:** Yes, in theory that is correct. However, if we grow too much we will be subject to recapture, where the district has to send money from maintenance and operations back to the State to redistribute to less wealthy districts.

Mr. McClure then provided committee members a handout of all proposed projects with four different bond package scenarios for the committee to review and discuss. Committee members spent several minutes reviewing the project list and potential scenarios and asking questions of the administrative staff.

**Question:** Can we re-explain the virtual desktops? I notice that is removed in some scenarios.

**Answer:** Mr. Feind responded: Virtual desktops are infrastructure that allows a student to login to any computer or device at any time and have access to their desktop and needed programs. There are many uses and conveniences this provides for the students. I would like to see that item kept in. It was removed in some scenarios based on its order in the prioritization and the amount being designated to technology through other projects.

- **Reaching Consensus on Final Recommendations**

After much discussion, it was the consensus that the committee most liked scenario 3 and believes it aligns the most with its goal for a recommendation. It was suggested to take scenario 3 and add back in line item #42 for Virtual Desktop Infrastructure Growth, which brought the bond package total to \$405,498,886. The committee commented that they wanted to move forward with this scenario but would like to get the total amount to under \$400 million.

After some negotiation, Dr. Warren asked the committee if it would like to entrust the administration to do one more hard look at the numbers and make its recommended adjustments to get the total bond amount to under the \$400 million threshold. The committee agreed.

A final vote was taken to move forward with the recommendation as discussed. Unanimous support was achieved.

- **Discuss Presentation to the Board & Next Steps**

Mr. McClure reviewed the next steps of the process, starting with the committee's upcoming Recommendations Presentation to the Board of Trustees. Mr. McClure opened it up for committee input on how they would like to present their recommendations. Unanimous consensus was reached that Dave Edstrom would represent the committee Monday evening in making its recommendation to the Board. Dr. Warren noted that they will also be presenting the financial impact over and spend some time discussing instructional impact of the proposal.

Mr. McClure reviewed the important dates of a May 2017 election that will ensue should the Board take action on calling a bond election at their January 13 board meeting.

**Question:** Can we form a PAC (political action committee) to promote this?

**Answer:** Yes. You, as community members, can do what you would like while using your own time and resources to promote the passage of the election. The district is legally prohibited from advocating for the election. Its role is to educate the community with facts only and we will be launching an informational campaign to do so.

- **Closing**

Mr. McClure thanked the committee members for their time and commitment to this very important process and expressed his appreciation for the work completed that will benefit their students and staff for years to come. All committee members are encouraged to attend the Monday night Board meeting, January 23, to support Mr. Edstrom in presenting the recommendation, and to be recognized for their service.

**Recommendations to the Board of Trustees: Monday, January 23, 2017 at 7:00 pm**