

**MEETING NOTES**

Meeting #2

Tuesday, October 22, 2019

Lance Thompson Elementary School

**1. Welcome**

Assistant Superintendent Tim McClure welcomed the committee and thanked them for arriving early and participating in the tour of the school.

**2. Meeting #1 Recap**

Assistant Superintendent for Facilities Tim McClure reminded the committee of the mission, vision and beliefs. He explained that we take the shared responsibility very seriously and Lance Thompson is a great example of that. The district received input from all grade levels, all campuses, teachers and administrators on this building. He talked about how this LRPC follows each of the district's three goals very closely. He showed the "wordle" graphic that was created after the "one word" activity that the groups participated in during the first meeting. He reviewed the committee's charge and the history of the LRPC that was formed in 2000. He showed the bond history, the bond-planning process and the feeder pattern and school size. He also talked about the committee's transparency and the committee website and construction website. He showed the tentative agendas for the remaining meetings and talked about how the departmental needs will be shared and how the financial consultant who helps the district with bonding will present information at the fourth meeting. He also talked about how school construction costs differ from home construction costs and the importance of how the committee will prioritize projects throughout the process. Currently, the plan is to have 6 meetings, but if the committee needs more time, additional meetings will be scheduled between January 9 and January 30.

**3. School Finance**

Chief Financial Officer Brian Carter presented information about how school funding and tax rates work. He first explained the general fund and equated it back to a person's personal banking accounts.

In Northwest ISD, the revenue breakdown is as follows: \$196.9 million comes from local revenue; \$21.4 million comes from the state; and \$3.1 million is federal funds. On the expense side, he showed how expenses are broken down by budget. The largest percentage is spent on instruction. He then showed the budget by object code, which shows payroll is the largest, 77%, of the budget.

He explained the 2019-2020 tax rate, which combines the Maintenance & Operations (M&O) rate of \$0.97 and the Interest & Sinking (I&S) rate of \$0.45, for a total rate of \$1.42 per \$100 of property value. He also explained how House Bill 3 compressed the tax rate this year and how it only impacted the M&O side, not the I&S side. He also explained that the I&S rate is capped at \$0.50 at the state level.

He showed the district's 10-year history of tax rates and the "path of a property tax dollar," showing what happens when you pay your property tax bill. As an example, he used \$5,000 property tax and compared it to if a family's paycheck was split into two checking accounts each time you were paid, and you could only use one account for your mortgage, car payment, etc. and the other account could only be used for your day-to-day expenses. He then explained how the I&S rate could be used for new construction, renovations, etc. He explained debt service funding and how a bond is a debt investment. He also showed the committee how they could find the school finance website.

There was a question about the rumors of a recession and how it would impact the district. Brian Carter explained that the district has months of reserves and would be ok.

Another question was what is the payment schedule for existing bonds? Brian Carter explained that the district uses a 25-year payment schedule and capitalizes on refinancing opportunities throughout the life of the bond. The oldest debt the district has is from 2006. The district has also saved millions of dollars in refunding.

#### **4. Demographic Projections**

Tim McClure presented a few questions to the committee and asked the committee members to consider answers to these questions during the demographic report.

Demographer Bob Templeton shared that DFW is still a strong growth market, nearly double what is being seen across the country. This year, there have been 100,000 new jobs and low unemployment rates. He said the housing market leveled off around 33,000 new homes per year, and while there is starting to be ripples in the market nationally, Texas is usually a couple of years behind the rest of the country. He talked about local economic conditions and specifically the Alliance corridor, everything from logistics, warehousing, Amazon, etc. He said he sees nothing but good signs for job growth.

Templeton ranks school districts on a quarterly basis and Northwest ranks fourth in DFW for new home closings. He talked about VDL (vacant, developed lots) and future lots. There are 30,000 future lots in the pipeline through the platting process. He says this is an indication that NISD will be a fast-growth district for 20-30 years.

He predicts that there will be 1,900 single-family home starts in 2019. Templeton defines a “start” as when a foundation is being poured. “Closing” is when a home is occupied. He showed a thematic map of elementary attendance zones. Hawthorne Meadows is the most active subdivision. The vacant, developed lots are what is used to forecast homes in the future. 20,000 future lots are just in the top 10 neighborhoods. Over 300 starts in the Curtis zone and there are five elementary school zones that have more than 200 starts per year. About 3,300 available lots to build on. 4,130 lots in development. There is still several thousand acres of ag land in NISD.

He talked about Harvest and Pecan Square, which are Hillwood developments. \$275,000 is the starting price point for these communities. He also shared the fast-growing communities in other areas of the district. He also explained that Northwest doesn’t usually see a high-yield of students from multi-family properties unless they’re government subsidized.

He then talked about enrollment history, growing 1,000 to 1,100 students per year. Over the next five years, it’s expected that Northwest will grow around 6,500 students. He said he’s 100% confident that these numbers will hit, but it’s just a matter of whether it happens in year 4, year 5 or year 6. He expected the district will reach 32,000 students in the next several years. By 2022, five campuses will be over capacity and another six will be nearing capacity. He also talked about additions that are happening at schools that are already at or over capacity.

Templeton summarized his presentation by saying Northwest ISD is the fastest growing district in Region 11 and has been over the last five years. NISD can expect an increase of approximately 6,700 students in the next five years. He also shared his opinion that the district needs 4-5 additional elementary schools through 2024; 1-2 additional middle schools are needed through 2024; and the district will need another comprehensive high school by 2024.

Following Templeton’s report, Tim McClure opened up the meeting to committee member questions. The questions included:

1. Can Mr. Templeton clarify what he said about how many lots impact an elementary school?  
Templeton explained that approximately 1,700 lots equates to needing an elementary school.
2. There was a question about Rolling V and how quickly it could come online.  
Templeton explained that he’ll continue watching it and additional things will get revealed as the land gets platted.
3. There was a question about how long it takes to design and build a school.

McClure explained that it takes longer to design and build a high school than a middle school and an elementary school.

4. Based on slides, it looks like starts are roughly growing about 100 each year. Could that grow? And what's the average number of children per home?

Templeton explained that it could grow, but 33,000 homes per year in DFW seems to be staying steady and able to keep up with the number of families moving into the district. He said it averages about .65 kids per single family home in NISD.

5. How does building an elementary school impact how quickly homes are built in a neighborhood?

Templeton said it definitely has an impact; it's like the Field of Dreams motto of "build it and they will come." McClure explained how this has really been seen in the Lizzie Curtis Elementary attendance zone.

## **5. Potential Projects for Growth**

Assistant Superintendent Tim McClure asked the groups to consider the discussion questions and showed how the enrollment compares to the campus capacity in each feeder zone. He also showed a potential schedule to keep up with growth.

Comparing to the last planning process in 2016, McClure said they were watching 46 active developments at the time and now they're watching 86 developments.

There was discussion about how long the district should be planning for in the next bond and how many new schools the district will need over a 3-year, 5-year, 8-year timeframe.

## **6. Closing**

McClure reminded the committee that the next meeting would be at 6 p.m. on November 5 at the district's newest middle school, Leo Adams Middle School. Tours of the campus will begin at 5:30. He also pointed out that on the [LRPC Meetings page](#) that committee members can click on a school name to open a map to the campus.