



AECOM

HUNTERS CREEK
ELEMENTARY

NATIONAL EXEMPLARY
SCHOOL

Bond Advisory Committee (BAC)

June 7th, 2017

Meeting #4

Agenda

- Welcome & Introductions
- Bond Committee Charge
- Results of BAC Workshop 3 Investment Exercise
- Applying the BAC Priorities + Investment Allocations
- Bond Financing Update
- Operations Department Perspective on Facilities Upgrades
- Bond Scenarios Planning Exercise
- Next Steps

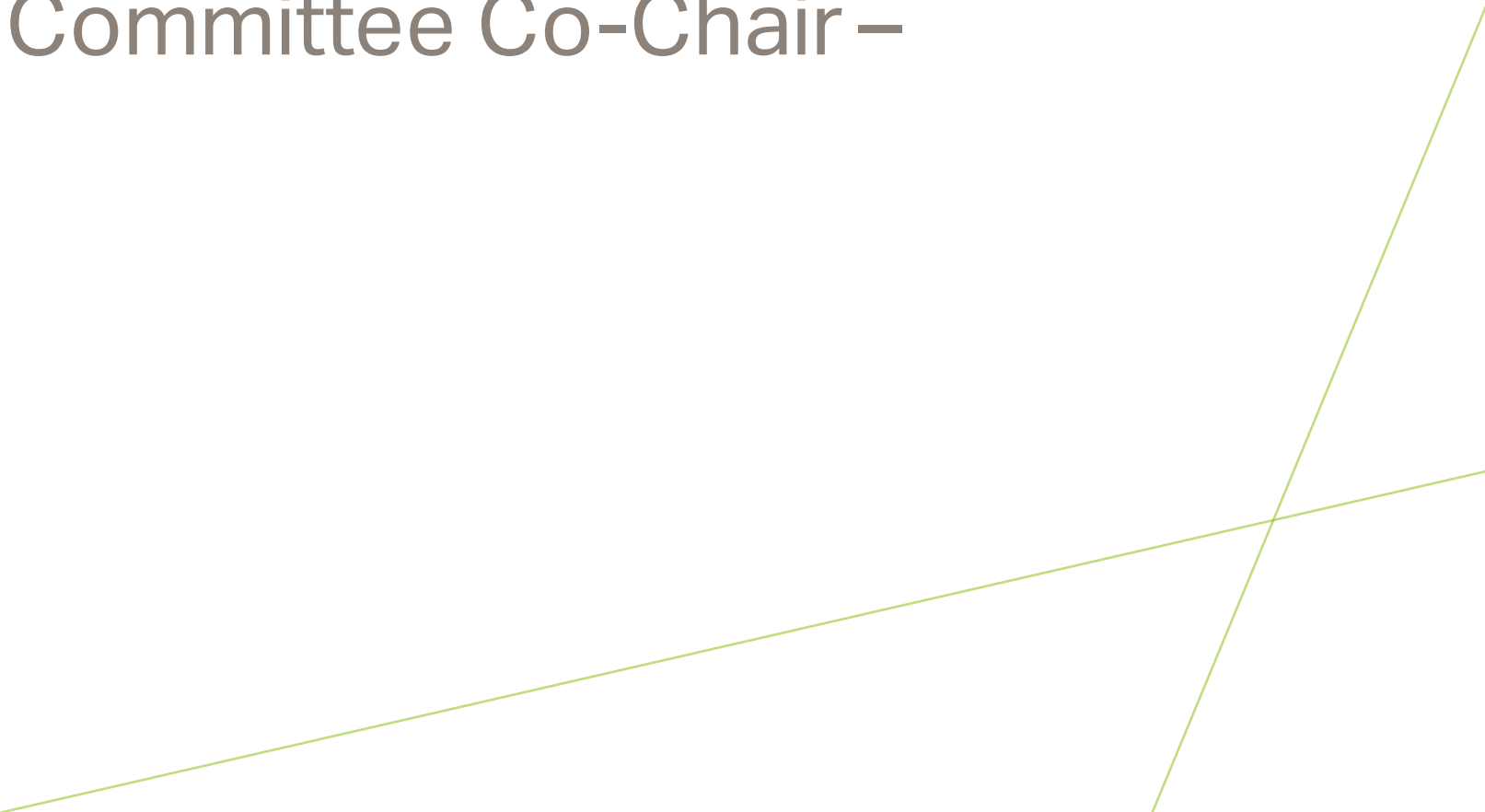


A photograph of Memorial Drive Elementary School, a single-story building with tan vertical siding and a brick base. The school's name is mounted on the brick wall. To the left is a large window with a colorful mosaic depicting a sun, sea creatures, and a crab. A small tree stands in front of the window. To the right is a glass-paned entrance. A large tree is on the far right, and a green hedge runs along the base of the building. The sky is overcast.

MEMORIAL DRIVE ELEMENTARY
NATIONAL EXEMPLARY SCHOOL

Welcome & Introductions

Welcome & Introductions

- Scott Muri, Ed.D. – Superintendent of Schools
 - David Slattery – Bond Advisory Committee Co-Chair –
david.slattery@slatterytackett.com
 - Lewis Gissel – Bond Advisory Committee Co-Chair –
lgissel3@gmail.com
- 



Bond Advisory Committee – Charge

Bond Advisory Committee Charge

The Bond Advisory Committee (BAC) is an ***ad hoc* committee representing the various geographic areas, prior bond committees, and various program interests within the school district.** As such, the committee is constituted for a defined purpose and time and holds no statutory authority. However the Board of Trustees recognizes the very important and necessary role of the BAC in reflecting through its work the various perspectives of the Spring Branch ISD community.

The Bond Advisory Committee is **charged** by the Board of Trustees with the responsibility for working collaboratively and cooperatively with the superintendent and his administrative designees and resource personnel **in developing a bond proposal package for recommendation to the Board of Trustees.** As such the BAC is expected to call upon the expertise of District professional staff and to utilize and respect previous, current and/or related documents. Additionally, the BAC shall utilize and respect related actions and documents adopted and /or approved by the Board of Trustees that are relevant to this task.

Bond Advisory Committee Charge

The BAC is charged with working within the framework of the SBISD District-Wide Facility Assessment, Long-Range Facilities Plan, the SBISD Financial Analysis/Debt Capacity Analysis, the SBISD Technology Plan, the SBISD Demographic and Capacity Studies, The SBISD Strategic Plan (The Learner's Journey), and/or other significant primary and authoritative sources of District information.

In developing the bond proposal package, the **BAC should focus on existing District facilities in the areas of renovation and/or replacement of major systems, additions to accommodate projected enrollment, changes in programs, renovations to meet District standards and educational specifications, and transformation/replacement of aging facilities.** The Bond Advisory Committee may also focus on **District technology needs** (educational, operational and infrastructure-related) **and District vehicle needs.**

Areas of focus from which the **BAC should refrain include recommendations regarding specific design of schools or district facilities, location(s) of schools or district facilities, boundaries of district facilities, closure of district facilities, instructional arrangements and/or educational pedagogy and district policy.**

Bond Advisory Committee Charge

The BAC is charged with beginning its work in **May, 2017**, with the development of a proposed bond package recommendation to be submitted to the Board of Trustees no later than **June 30, 2017**.

The Board of Trustees may act upon the recommendations presented by the committee by approving, amending, altering, or not approving all or any part of the final report.

Two thin, light green lines originate from the bottom right corner and extend diagonally upwards and to the left, crossing each other and the bottom edge of the slide.



Results of BAC Workshop #3

Investment Exercise



Base, Advisory Committee

CPE Opportunities \$34 Million	Software Licenses \$8 Million	International Material \$13 Million
System Building Knowledge \$264 Million	Asset Optimization \$316 Million	Building \$75 Million
Energy \$25 Million	Global Strategy \$60 Million	Infrastructure \$33 Million
Other \$40 Million		

Investment Exercise Recap

Total Cost=\$1.4b

Bond Scenario #1 \$825m

Bond Scenario #2 \$880m

Bond Scenario #3 \$1.1b

Bond Advisory Committee				
Instruction	CTE Opportunities \$34 Million	Software Licenses \$5 Million	Instructional Material \$13 Million	System MEP \$348 Million
	System Building Envelope \$254 Million	Asset Deficiencies \$316 Million	Roofing \$75 Million	Technology Cabling \$5 Million
Facilities	FF&E \$25 Million	Education Suitability \$89 Million	Capacity + Demographics \$50 Million	Child Nutrition Services \$19 Million
	24/7 Access \$40 Million	Tools for Kids + Teachers \$136 Million	Infrastructure \$33 Million	Buses \$23 Million
Technology				



Table with 10 columns and 4 rows of data, likely a continuation of the chart seen in the main image. The columns represent different categories of expenses, and the rows list specific items, costs, and examples.

Category	Item	Cost	Example
Transportation	Buses	\$1.5 million	10 buses
Facilities	Child Nutrition Services	\$1 million	100 students
Technology	Technology Calling	\$1.5 million	100 calls
Infrastructure	Infrastructure	\$1.5 million	100 miles
Capacity + Demographics	Capacity + Demographics	\$1.5 million	100 students
Roofing	Roofing	\$1.5 million	100 roofs
Structural	Structural	\$1.5 million	100 structures
Software Licenses	Software Licenses	\$1.5 million	100 licenses
Asset Deficiencies	Asset Deficiencies	\$1.5 million	100 assets
Education Sustainability	Education Sustainability	\$1.5 million	100 students

Main chart titled "How Much Do Things Cost?" showing various categories and their associated costs and examples.

Category	Item	Cost	Example
Transportation	Buses	\$1.5 million	10 buses
Facilities	Child Nutrition Services	\$1 million	100 students
Technology	Technology Calling	\$1.5 million	100 calls
Infrastructure	Infrastructure	\$1.5 million	100 miles
Capacity + Demographics	Capacity + Demographics	\$1.5 million	100 students
Roofing	Roofing	\$1.5 million	100 roofs
Structural	Structural	\$1.5 million	100 structures
Software Licenses	Software Licenses	\$1.5 million	100 licenses
Asset Deficiencies	Asset Deficiencies	\$1.5 million	100 assets
Education Sustainability	Education Sustainability	\$1.5 million	100 students
Tools for Kids + Teachers	Tools for Kids + Teachers	\$1.5 million	100 tools
Technology	Technology	\$1.5 million	100 technologies



How Much Do Things Cost?

Category	Cost	Example
Transportation	\$1.8 Million	Example: [unintelligible]
Buses	\$23 Million	Example: [unintelligible]
Capacity + Demographics	\$78 Million	Example: [unintelligible]
Infrastructure	\$23 Million	Example: [unintelligible]
Tools for Kids + Teachers	\$13 Million	Example: [unintelligible]
Education Sustainability	\$40 Million	Example: [unintelligible]
System Building	\$13 Million	Example: [unintelligible]
FFGE	\$13 Million	Example: [unintelligible]
at Detention	\$13 Million	Example: [unintelligible]
Instruction	\$13 Million	Example: [unintelligible]

TABLE 11



HOW MUCH DO THINGS COST?			
System Building Envelope Definition: The building envelope is the boundary between the interior and exterior of a building. It includes the walls, roof, and floor. Example: A new classroom building. Cost: \$34 Million	System MEP Definition: Mechanical, Electrical, and Plumbing systems. Example: Heating, ventilation, and air conditioning (HVAC) system. Cost: \$348 Million	Technology Definition: Information technology (IT) equipment and software. Example: Computers, tablets, and software licenses. Cost: \$85 Million	Capacity & Density Definition: The number of students that can be accommodated in a building. Example: A new classroom building. Cost: \$725 Million
Assort. Details Definition: A collection of small items, such as books, supplies, and furniture. Example: A classroom set. Cost: \$85 Million	Roofing Definition: The material used to cover the roof of a building. Example: Asphalt shingles. Cost: \$12 Million	Instructional Material Definition: Materials used for teaching, such as textbooks and worksheets. Example: Textbooks. Cost: \$12 Million	Software Licenses Definition: The right to use a computer program. Example: Microsoft Office. Cost: \$12 Million
Education Suitability Definition: The ability of a building to meet the needs of students. Example: A new classroom building. Cost: \$376 Million	Tools for Kids & Teachers Definition: Tools and materials used by students and teachers. Example: A classroom set. Cost: \$45 Million	24/7 Access Definition: The ability to access a building at any time. Example: A new classroom building. Cost: \$25 Million	FF&E Definition: Furniture, fixtures, and equipment. Example: A new classroom building. Cost: \$25 Million
Committee			

Investment Exercise Methodology

[illegible]

Investment Exercise Results

Total Cost=\$1.4b

Bond Scenario #1 **\$825m**

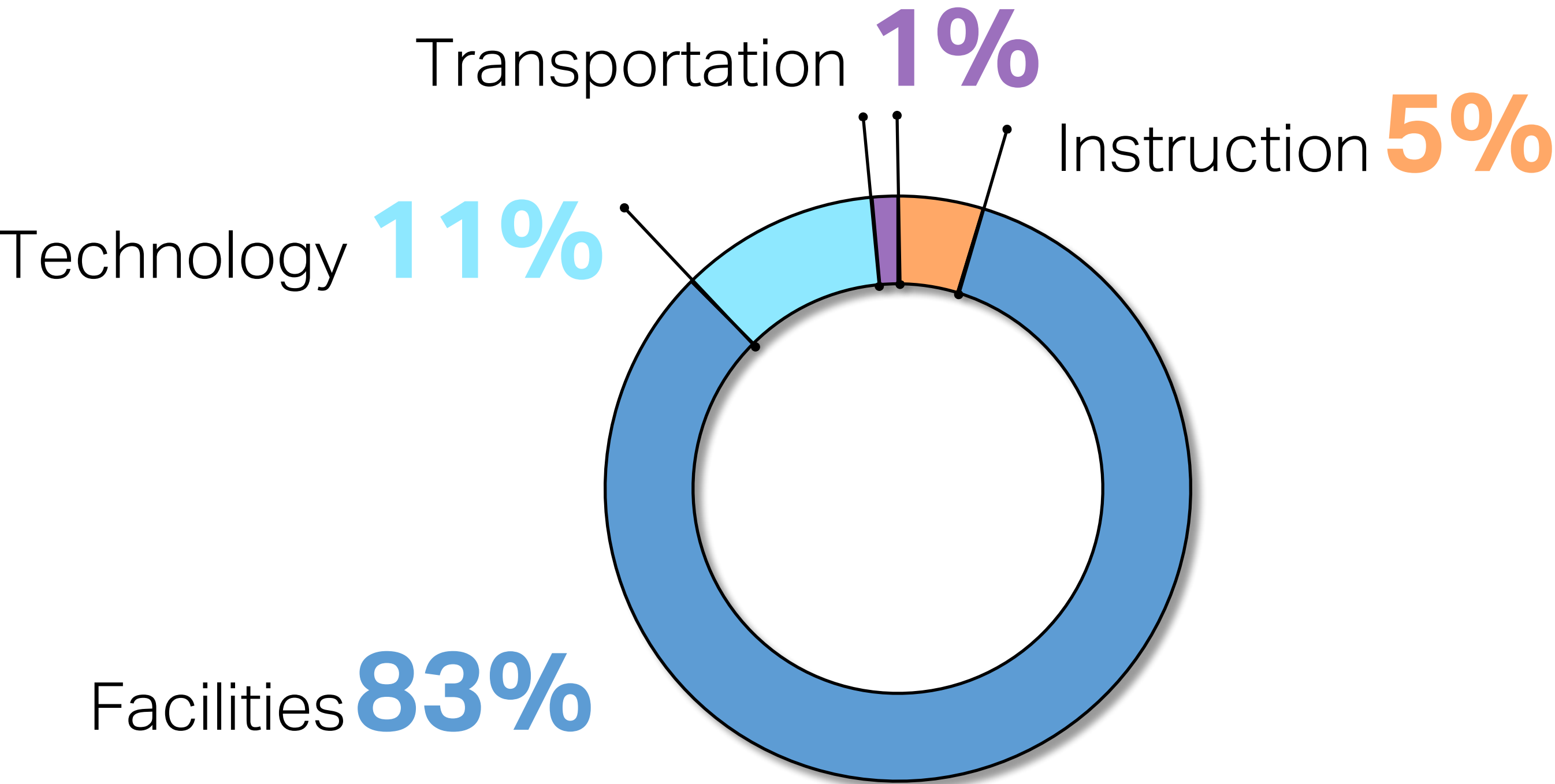
Bond Scenario #2 **\$880m**

Bond Scenario #3 **\$1.1b**

Bond Advisory Committee			
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			System MEP \$348 Million
Facilities	System Building Envelope \$254 Million	Asset Deficiencies \$316 Million	Roofing \$75 Million
			Technology Cabling \$5 Million
Technology	FF&E \$25 Million	Education Suitability \$89 Million	Capacity + Demographics \$50 Million
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			Buses \$23 Million

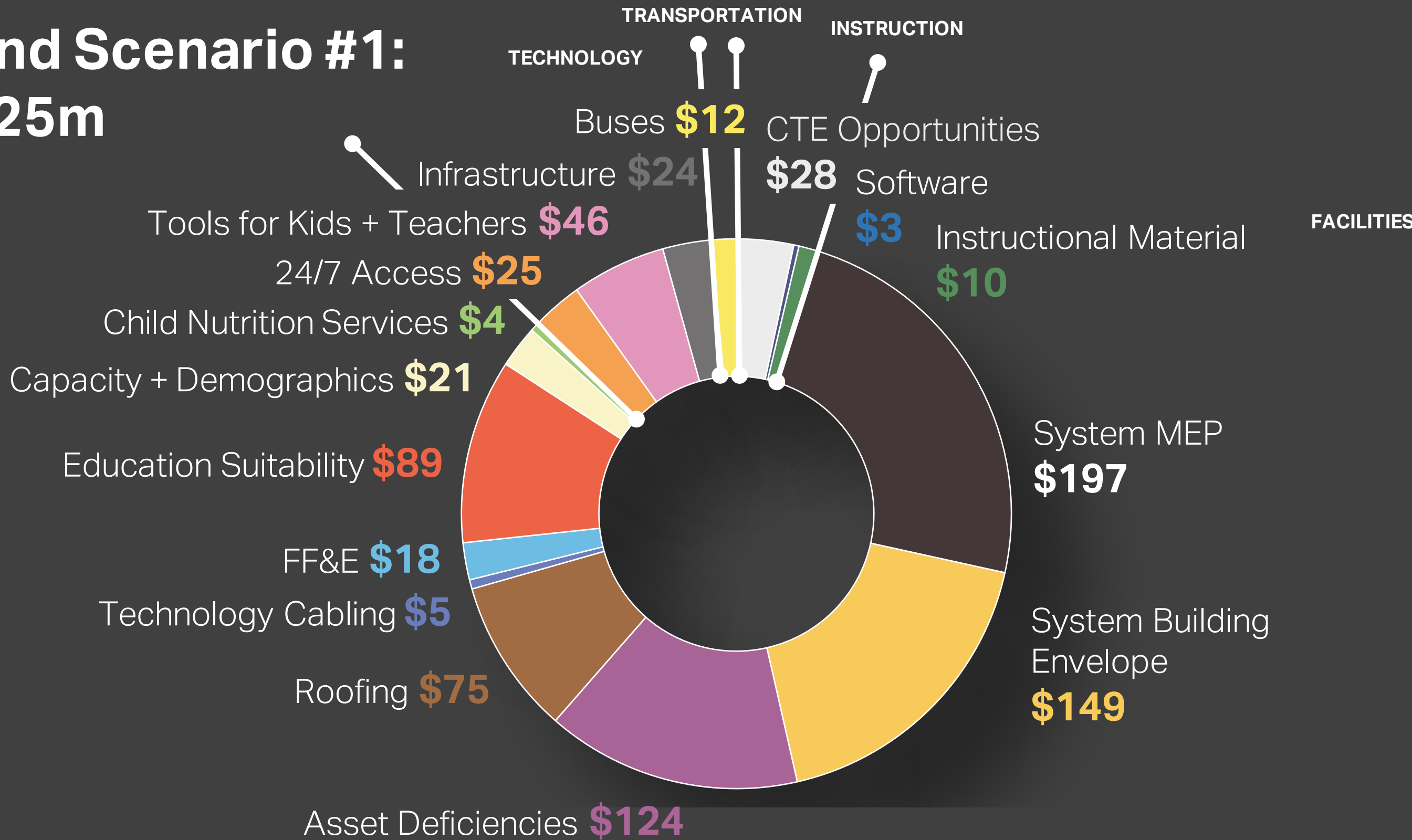
How Much Do Things Cost?

Bond Scenario #1: \$825m



Bond Scenario #1:

\$825m



Dollar amounts are the average of all Committee tables' prioritizations.

Investment Exercise Recap

Total Cost=\$1.4b

Bond Scenario #1 \$825m

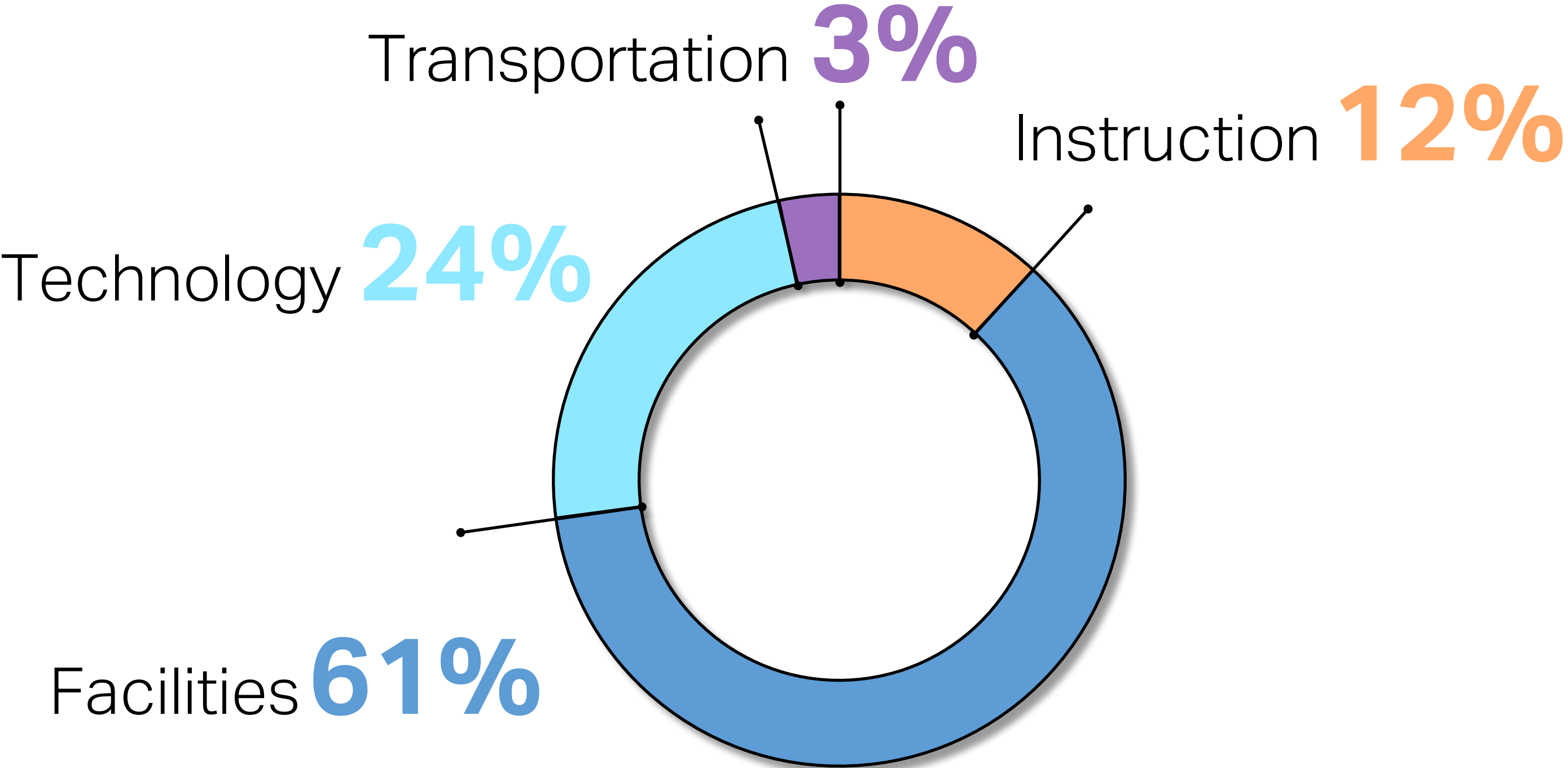
Bond Scenario #2 \$880m

Bond Scenario #3 \$1.1b

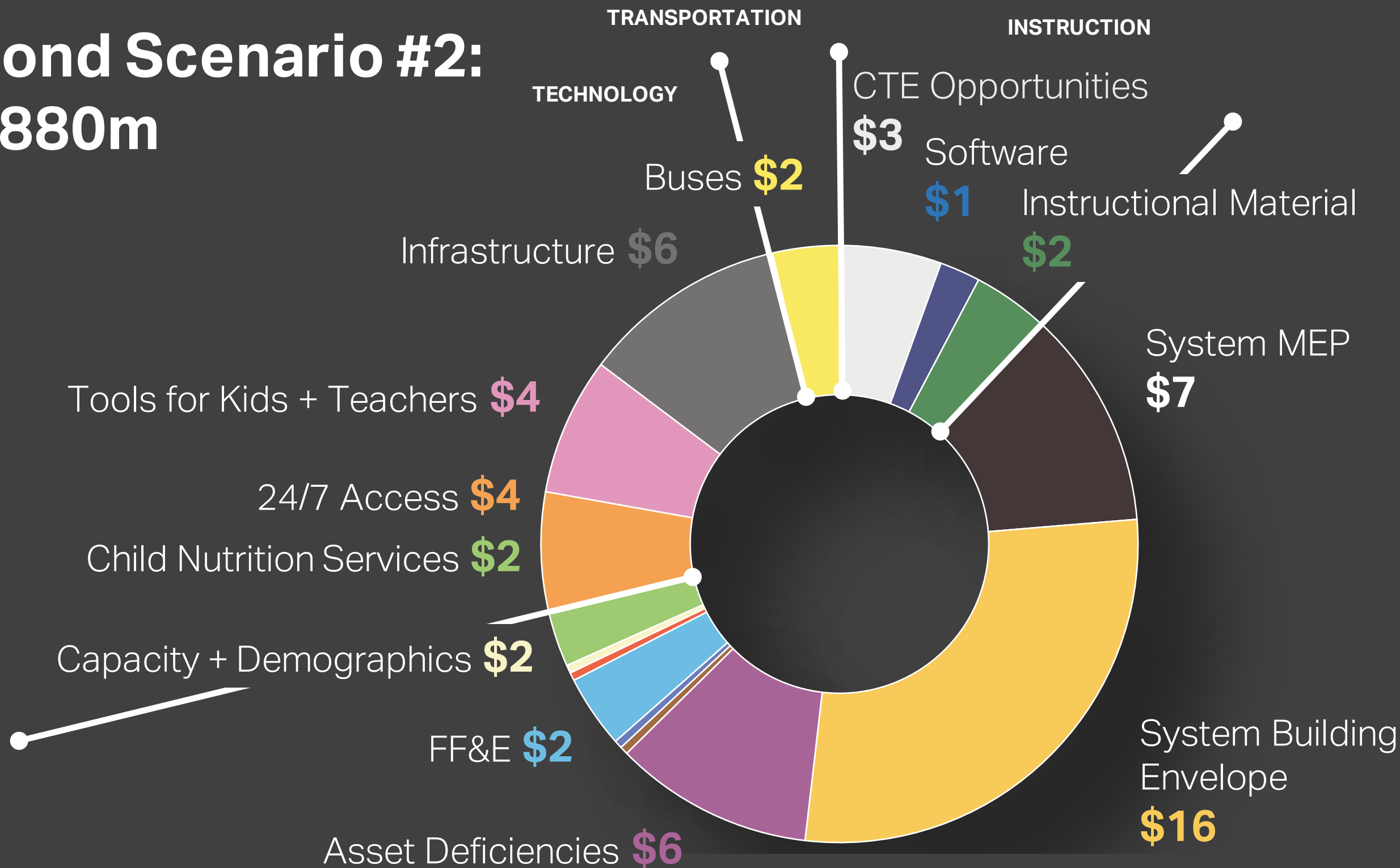
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Technology				

How Much Do Things Cost?

Bond Scenario #2: \$880m



Bond Scenario #2: \$880m



Dollar amounts are the average of all Committee tables' prioritizations.

Investment Exercise Recap

Total Cost=\$1.4b

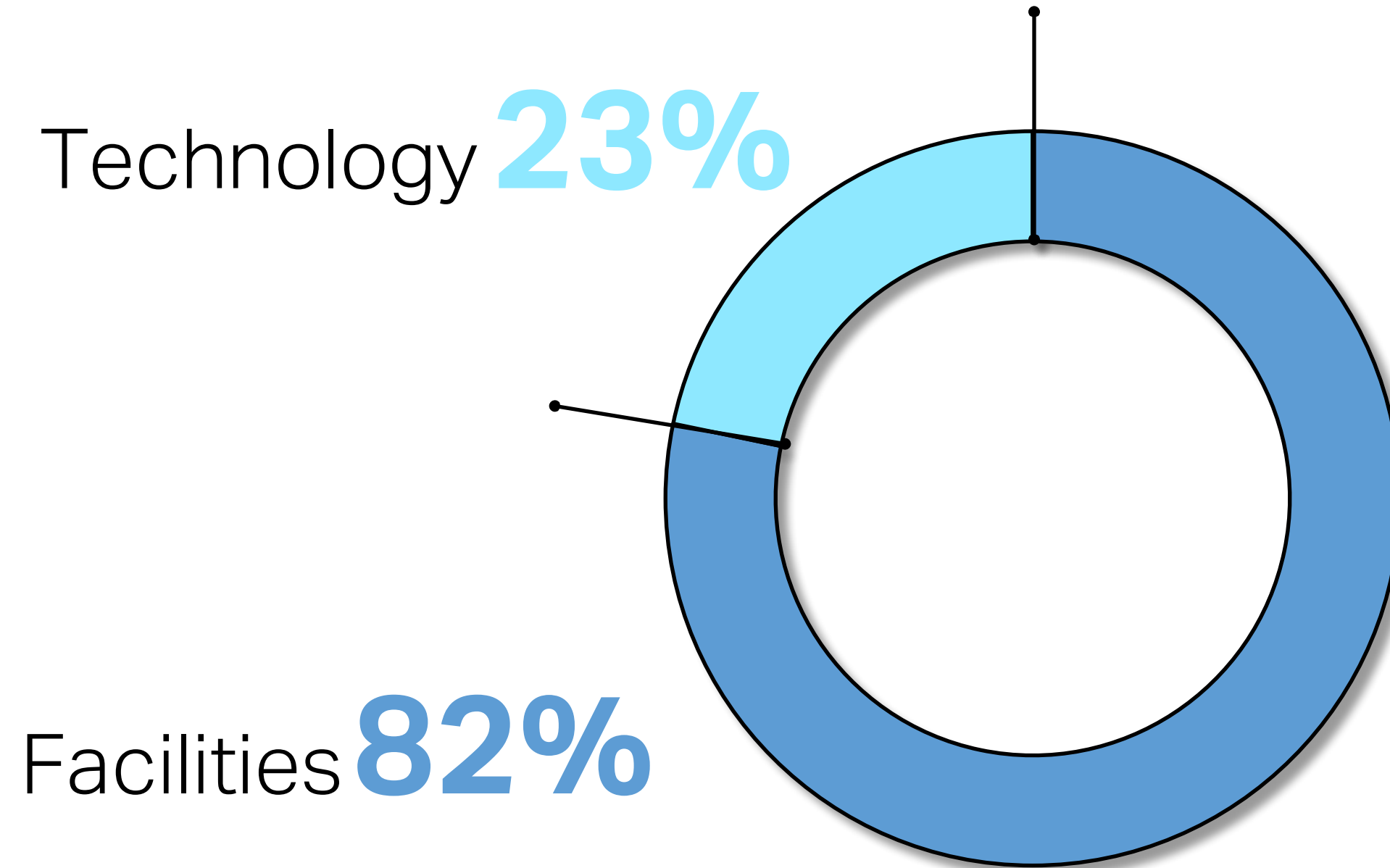
Bond Scenario #1 \$825m

Bond Scenario #2 \$880m

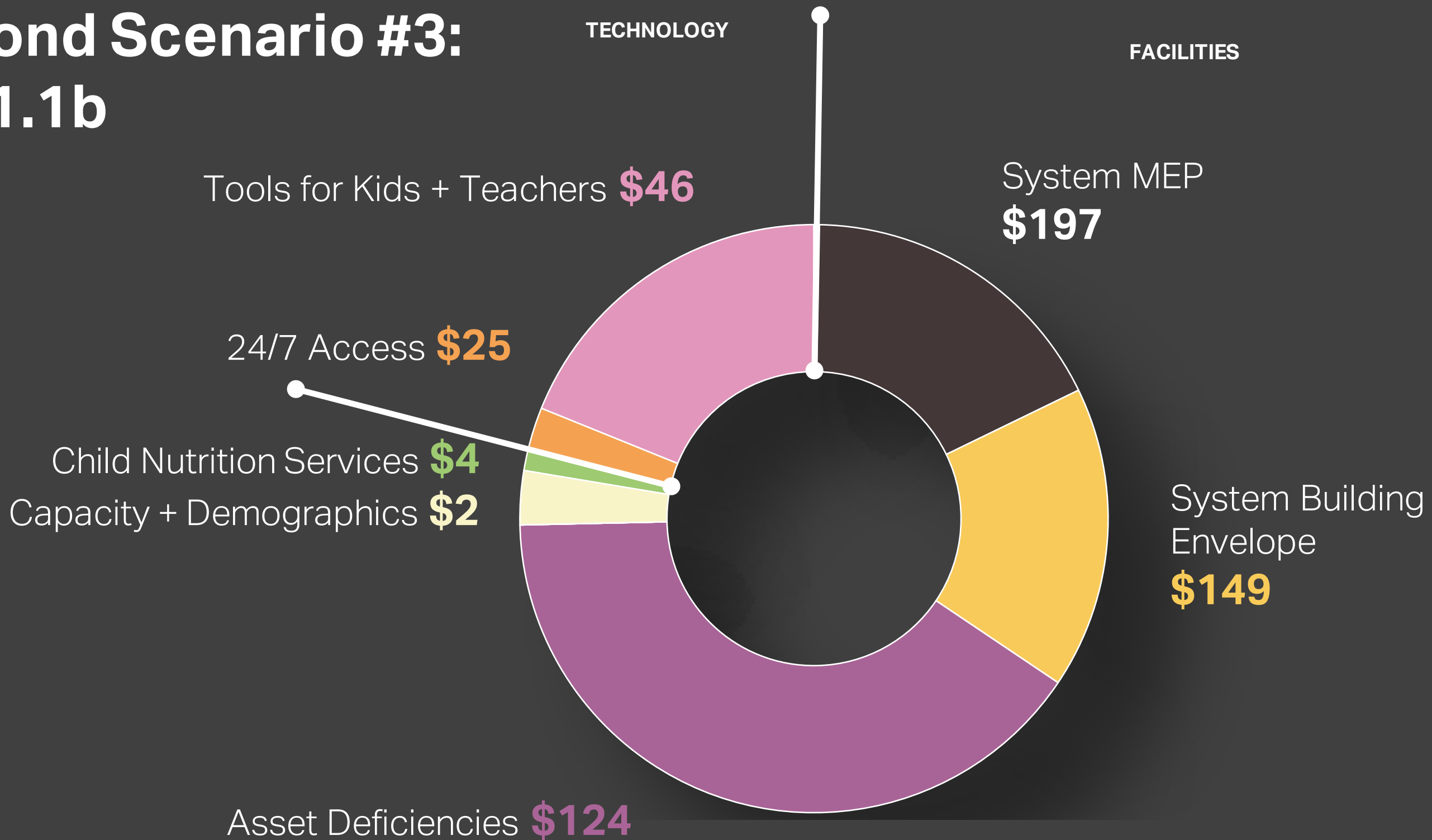
Bond Scenario #3 \$1.1b

Bond Advisory Committee				
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Technology				

Bond Scenario #3: \$1.1b



Bond Scenario #3: \$1.1b



Dollar amounts are the average of all Committee tables' prioritizations.

Investment Exercise Recap

Total Cost=\$1.4b

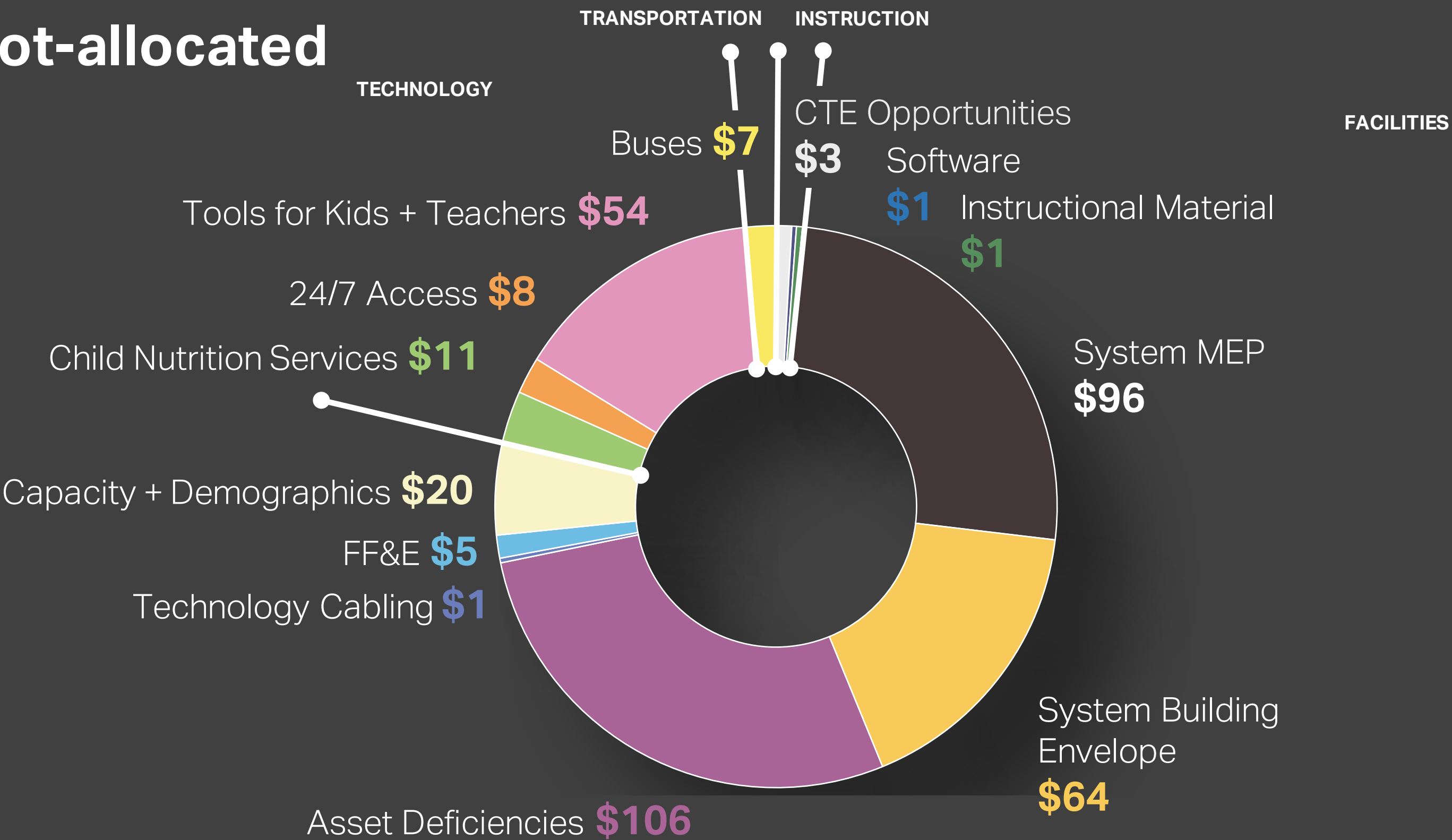
Bond Scenario #1 \$825m

Bond Scenario #2 \$880m

Bond Scenario #3 \$1.1b

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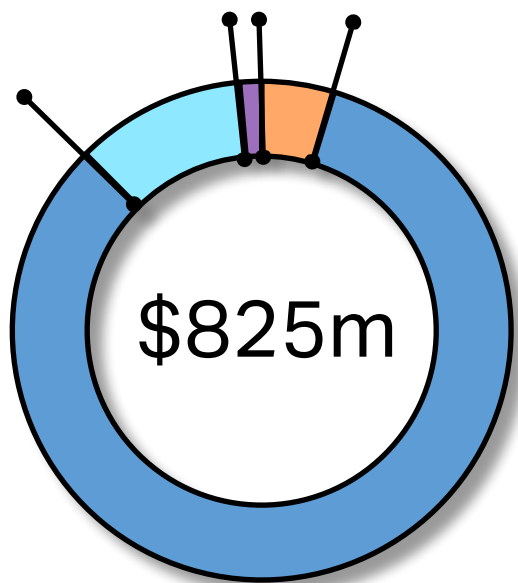
Not-allocated



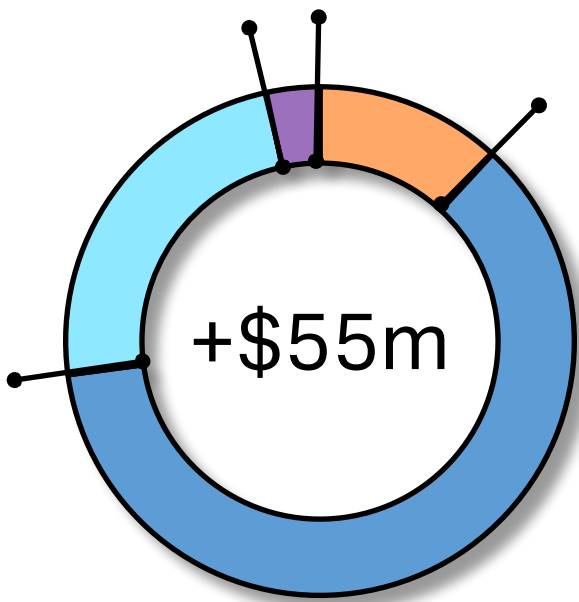
Dollar amounts are the average of all Committee tables' prioritizations.

Bond Scenarios Summary

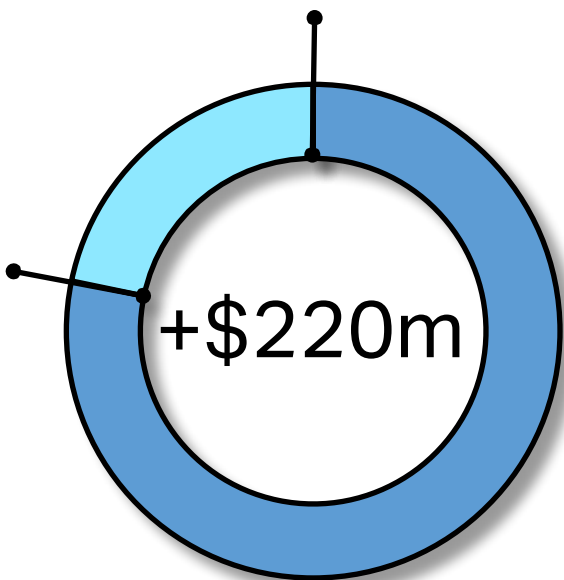
Scenario #1
\$825m



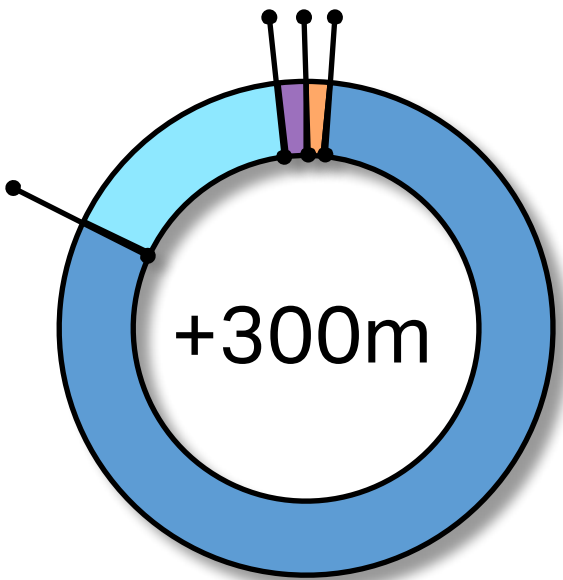
Scenario #2
\$880m total



Scenario #3
\$1.1b total



Not-allocated



Key:

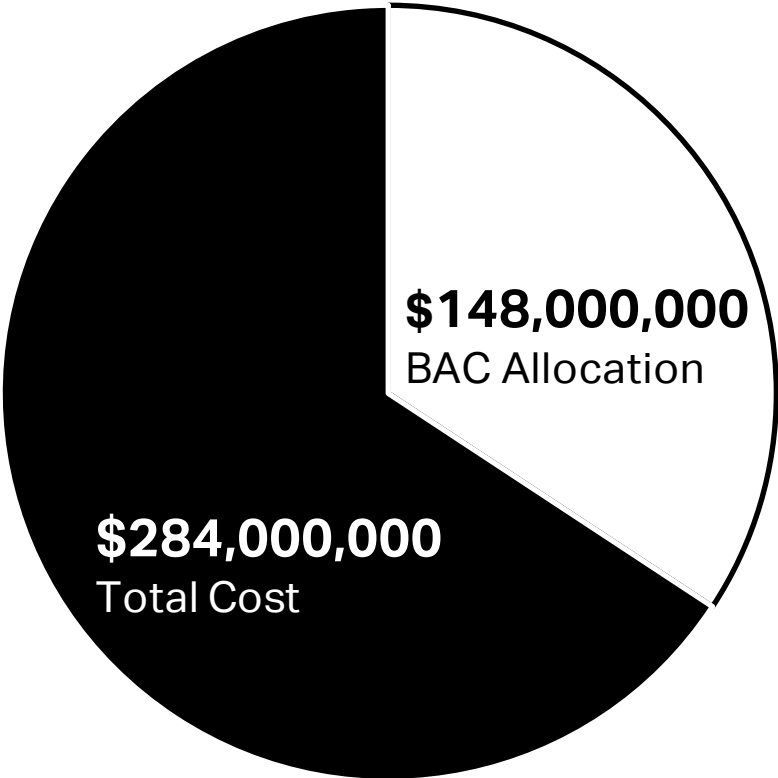




ROTHSCHILD
ELEMENTARY SCHOOL
NATIONAL EXEMPLARY SCHOOL

Applying BAC Priorities + Investment Allocations

District Wide Example: Applying Bond Scenario #1



CTE Opportunities	Cost Included (based on BAC %)	Software Licenses	Cost Included (based on BAC %)	Instructional Material	Cost Included (based on BAC %)
\$ 34,000,000	\$ 28,000,000	\$ 5,000,000	\$ 3,000,000	\$ 13,000,000	\$ 10,000,000

24/7 Access	Cost Included (based on BAC %)	Tools for Teachers + Kids	Cost Included (based on BAC %)	Infrastructure	Cost Included (based on BAC %)	Buses	Cost Included (based on BAC %)
\$ 40,000,000	\$ 25,000,000	\$ 136,000,000	\$ 46,000,000	\$ 33,000,000	\$ 24,000,000	\$ 23,000,000	\$ 12,000,000

School Example: Applying Bond Scenario #1



\$9,717,847
BAC
Allocation

\$18,250,055
Total Cost

System MEP Total	Cost Included (based on BAC %)	System Building Envelope Total	Cost Included (based on BAC %)
\$ 7,876,918	\$ 4,411,074	\$ 1,332,031	\$ 779,238

Technology Cabling	Cost Included (based on BAC %)	FF&E	Cost Included (based on BAC %)
\$ 75,325	\$ 75,325	\$ 695,682	\$ 626,114

Total Asset + Site Deficiency Costs	Cost Included (based on BAC %)	Roofing	Cost Included (based on BAC %)
\$ 1,469,171	\$ 574,446	\$ 1,111,000	\$ 1,111,000

Educational Suitability	Cost Included (based on BAC %)	Child Nutrition Services	Cost Included (based on BAC %)
\$ 2,010,700	\$ 2,010,700	\$ 575,000	\$ 129,950

School Example: Applying Bond Scenario #1



System MEP Total	Cost Included (based on BAC %)	System Building Envelope Total	Cost Included (based on BAC %)
\$ 18,256,652	\$ 10,223,725	\$ 12,962,000	\$ 7,582,770

Technology Cabling	Cost Included (based on BAC %)	FF&E	Cost Included (based on BAC %)
\$ 152,375	\$ 152,375	\$ 1,067,025	\$ 960,323

Total Asset + Site Deficiency Costs	Cost Included (based on BAC %)	Roofing	Cost Included (based on BAC %)
\$ 2,013,984	\$ 787,468	\$ 1,490,000	\$ 1,490,000

Educational Suitability	Cost Included (based on BAC %)	Child Nutrition Services	Cost Included (based on BAC %)
\$ 3,850,900	\$ 3,850,900	\$ 750,000	\$ 169,500

School Example: Applying Bond Scenario #1



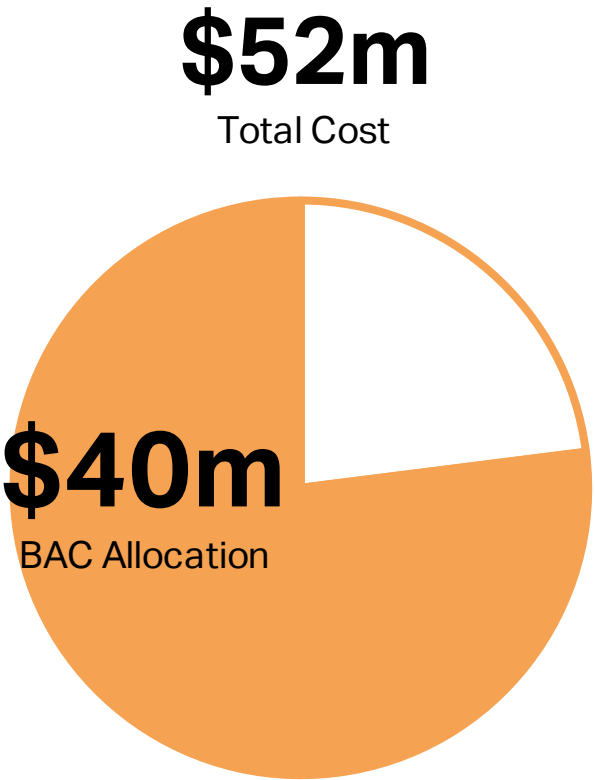
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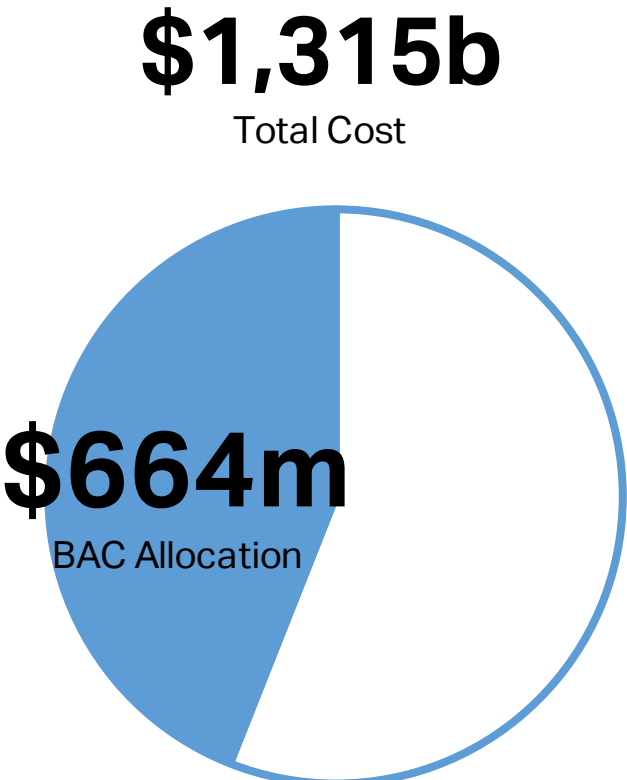
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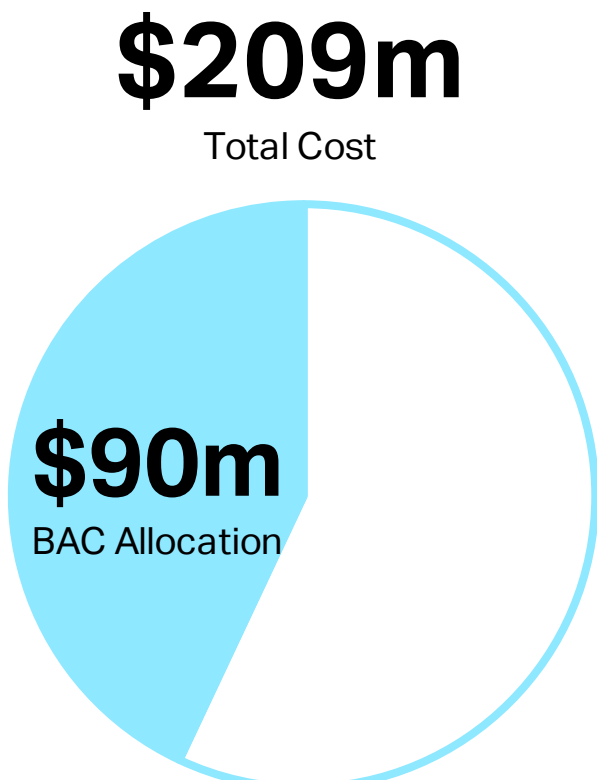
Summary: Applying Bond Scenario #1



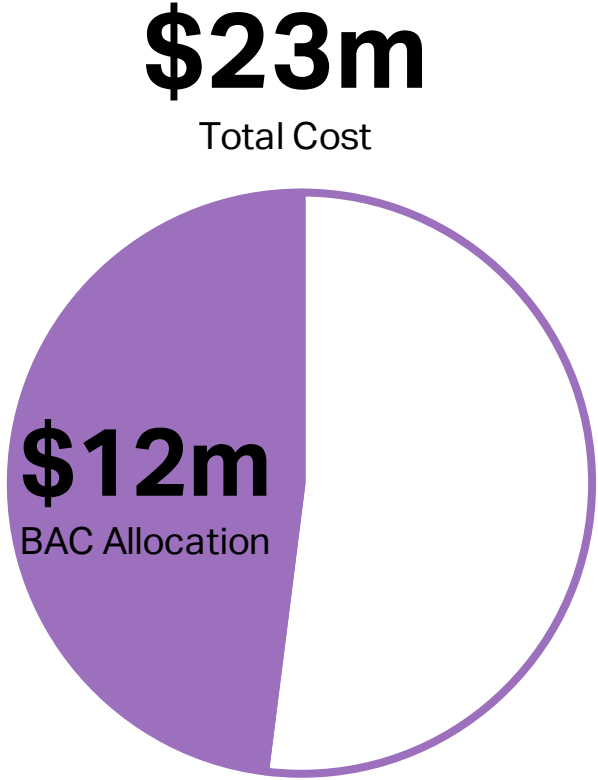
Instruction



Facilities



Technology



Transportation



Operations Department Perspective on Facilities Upgrades

The Operations Department Perspective on Facilities Upgrades

The Big Idea:
Equity in
applying
the District's
Standards



Bunker Hill Elementary

Built: 1956

Total Square Footage: 58,385 SF

Recommendation

Partial Replacement –

Due to age of facility

Square Footage: 41,715 SF

Estimated Cost: \$9,385,875.00

Major/Minor Renovation -

Facility still has value to the district

Square Footage: 23,749 SF

Estimated Cost: \$2,361,625.00



Bendwood Elementary

Original Building: 1958

Total Square Footage: 38,830 SF

Recommendation

Complete Replacement –

Due to age of facility

Square Footage: 38,830 SF

Estimated Cost: \$8,736,750.00



Hunters Creek Elementary

Built: 1954

Total Square Footage: 61,937 SF

Recommendation

Partial Replacement - Due to
age of facility

Square Footage: 32,361 SF

Estimated Cost: \$7,281,225.00

Major/Minor Renovation -
Facility still has value to the
district

Square Footage: 29,816 SF

Estimated Cost: \$2,236,200.00



Memorial Drive Elementary

Built: 1949

Total Square Footage: 58,965 SF

Recommendation

Partial Replacement - Due to
age of facility

Square Footage: 40,066 SF

Estimated Cost: \$9,014,850.00

Major/Minor Renovation -
Facility still has value to the
district

Square Footage: 22,390 SF

Estimated Cost: \$1,679,250.00



Woodview Elementary

Built: 1958

Total Square Footage: 70,508 SF

Recommendation

Partial Replacement - Due to age of facility

Square Footage: 38,270 SF

Estimated Cost: \$8,610,750.00

Major/Minor Renovation -
Facility still has value to the district

Square Footage: 22,825 SF

Estimated Cost: \$2,645,107.00



Landrum Middle School

Built: 1956

Total Square Footage: 177,665 SF

Recommendation

Partial Replacement due to age of facility and infrastructure

Square Footage: 123,280 SF

Estimated Cost: \$29,587,200.00

Major/Minor Renovation building still has value to the district

Square Footage: 50,642

Estimated Cost: \$6,660,459.00



Spring Branch Middle School

Built: 1953

Total Square Footage: 226,208 SF

Recommendation

Partial Replacement - Due to facility age and population growth

Square Footage: 7525 SF

Estimated Cost: \$1,806,000.00

Major/Minor Renovation - Facility still has value to the district

Square Footage: 218,683 SF

Estimated Cost: \$39,362,940.00



Spring Oaks Middle School

Built: 1967

Total Square Footage: 189,660 SF

Recommendations

Major/Minor Renovations -
Facility still has value to the district

Due to age of infrastructure
Square Footage: 189,660 SF
Estimated cost: \$30,699,639.00



Spring Woods Middle School

Built: 1961

Total Square Footage: 200,616 SF

Recommendations

Partial Replacement - Due to age of the facility

Square Footage: 95,757 SF

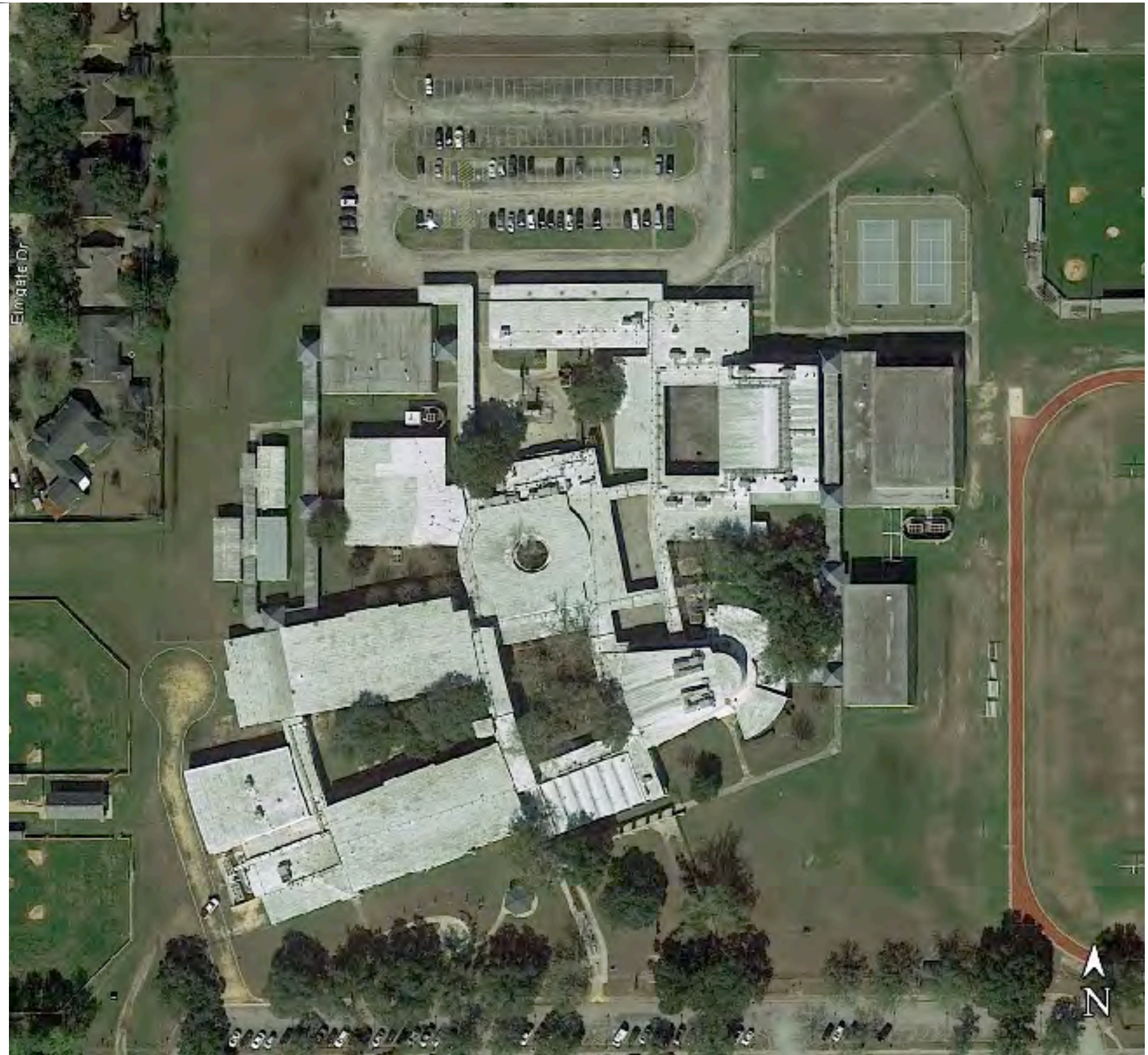
Estimated Cost:

\$22,981,680.00

Major/Minor Renovations

Square Footage: 86,105 SF

Estimated Cost: \$7,481,817.00



Westchester Academy for International Studies

Built: 1967

Total Square Footage:
294,963

Recommendations

Major/Minor Renovations -

Due to wear and tear

Square Footage: 294,963 SF

Estimated Cost:

\$26,546,670.00



Memorial Senior High

Built: 1962

Total Square Footage: 311,115 SF

Recommendation

Partial Replacement - Due to age of facility and infrastructure

Square Footage: 140,433 SF

Estimated Cost: \$37,214,745.00

Major/Minor Renovation -

Facility still has value to the district

Square Footage: 129,345 SF

Estimated Cost: \$11,641,050.00



Spring Woods High School

Built: 1964

Total Square Footage:
336,366 SF

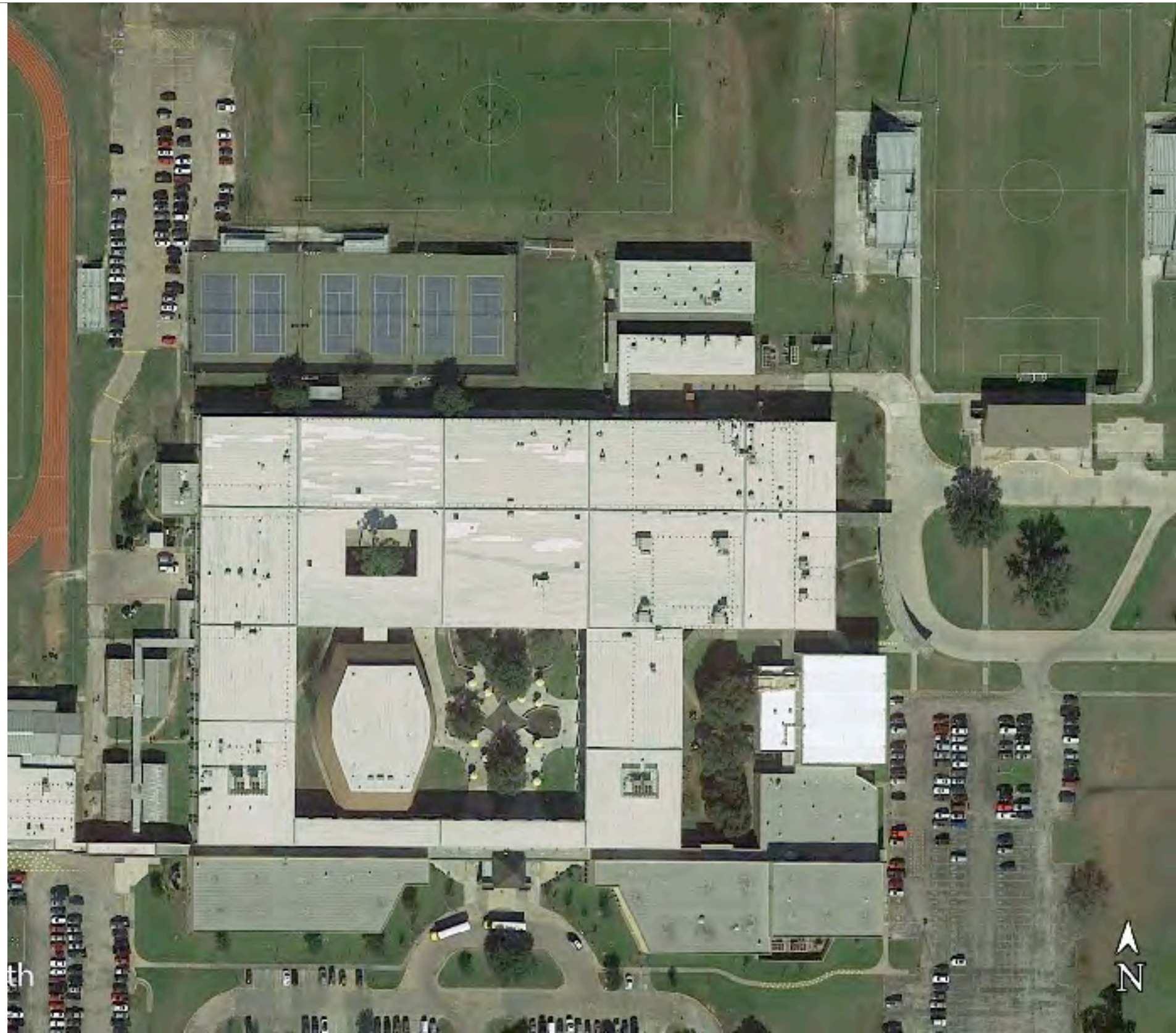
Recommendations

Major/Minor Renovations -
Due to age and population
growth

Square Footage: 336,366 SF

Estimated Cost:

\$66,936,834.00





Bond Financing Update

Taxable Values

Fiscal Year	Property Values	% Increase/ (Decrease)
2018	32,431,197,178	4.99% *
2017	30,891,079,781	10.93%
2016	27,848,396,828	15.06%
2015	24,204,080,072	12.40%
2014	21,533,550,210	9.46%
2013	19,671,679,779	5.36%
2012	18,670,148,509	2.77%
2011	18,166,834,065	-1.95%

* Certified Estimate from Harris County Appraisal District

Taxable Values – Actual and Projected in 2007

<u>Fiscal Year</u>	<u>Property Values</u>	<u>% Increase/ (Decrease)</u>	<u>Projected</u>
2014	21,533,550,210	9.46%	3%
2013	19,671,679,779	5.36%	5%
2012	18,670,148,509	2.77%	5%
2011	18,166,834,065	-1.95%	5%
2010	18,527,415,236	5.29%	6%
2009	17,597,303,878	9.57%	7%
2008	16,060,095,592	10.25%	10.46%
2007	14,567,626,216	7.65%	

* Certified Estimate from Harris County Appraisal District

Bond Administrative Costs

Staffing and Other Costs

- Staffing directly related to the bond
 - Project managers
 - Central support, such as technology, accountant and buyer
- Includes full payroll burden (taxes, insurance, workers comp, etc.)
- Period of 10 years
- Other costs include
 - Advertising
 - Community updates on the bond program
- Estimated \$15.5 million

Bond Capacity Update

Future Bond Capacity Scenarios – at current Debt Service tax rate of \$0.3045/\$100 of value

Taxable Value Growth through 2020-21
For 3 years of 3% per year

No Tax Rate Increase

Capacity of
\$825,000,000

Taxable Value Growth through 2022-23
For 5 years of 5%, 3%, 5%, 3%, 5%

No Tax Rate Increase

Capacity of
\$1,025,000,000

Previous Information

Future Bond Capacity

Assumptions:

- I&S Tax Rate: \$0.3045/\$100
- Taxable Value of the District for 2017-18: \$32.4 billion
- Growth Rate: 3% through 2020-21
- Tax Collections Rate: 98.5%
- Bond Interest Rate: 4.5%
- Capital Replacement Program: 2 pennies per year for 10 years will fund approximately \$53 million in short average life assets

Results of the Tax Rate Model

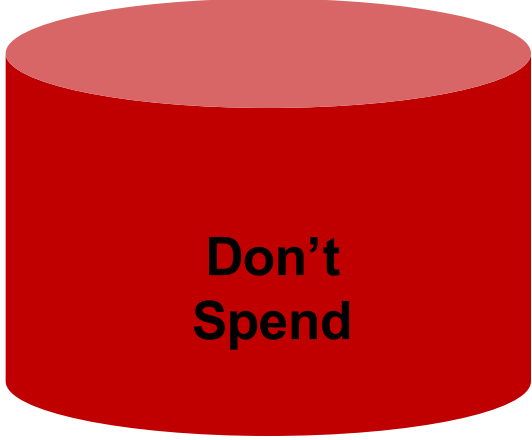
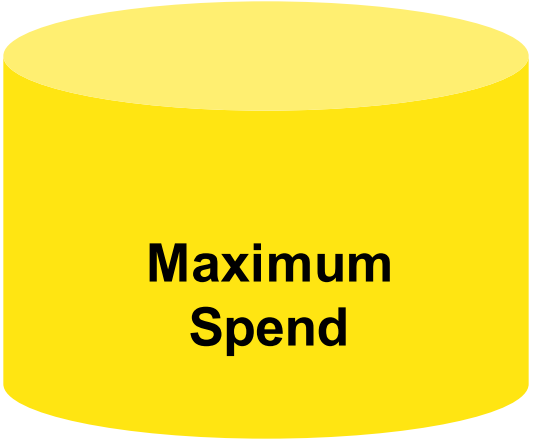
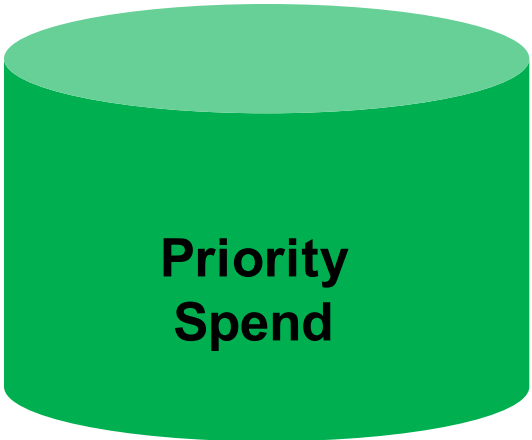
Tax Impact of Various Election Amounts	
I&S Tax Rate	Capacity
No Tax Increase	\$825,000,000
1.00 Cent	\$880,000,000
5.00 Cents	\$1,100,000,000



BAC Engagement – “Bond Scenarios Planning” Exercise

Bond Scenario Planning

Place the Lego and the cash in the buckets to demonstrate your ideal bond scenario



One Lego for each Facility Upgrade Strategy covered in District's Perspective section, with costs associated



Each table gets the equivalent of \$1.4B in fake money





Next Steps

BAC Framework + Engagement Process





Thank you!

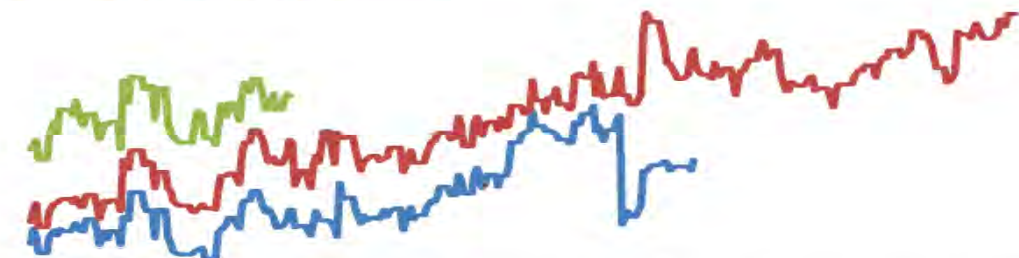
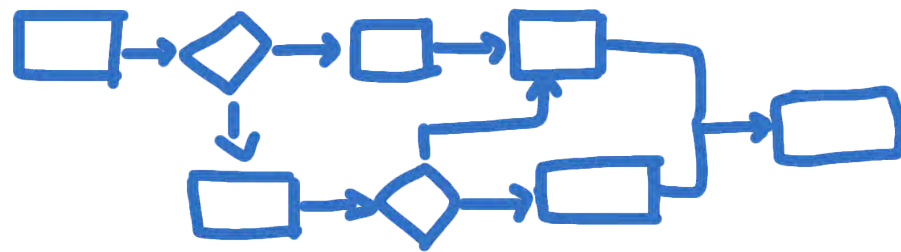
BAC Meeting #1 Tabletop Exercise Derived Themes

PROCESS

COMMUNICATION

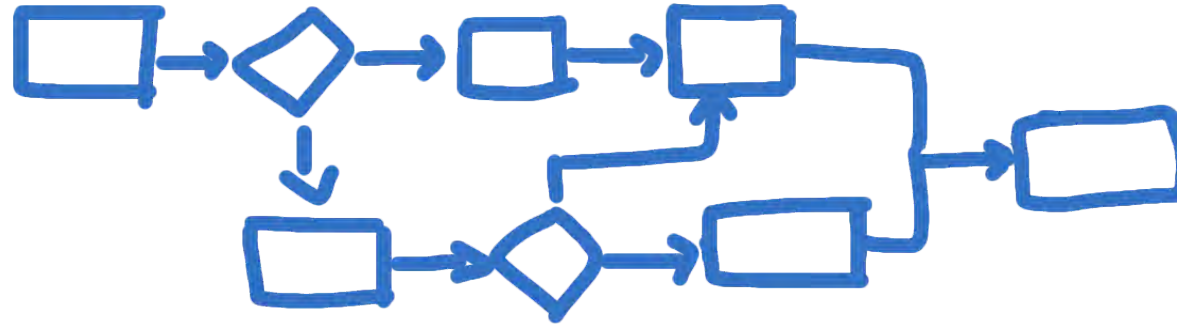
PRIORITIES

FINANCE



BAC Meeting #1 Tabletop Exercise Derived Themes

PROCESS



- What is the role of the BAC in the overall process?
- How will we put a Bond Framework together?
- How are decisions made to allocate spending?
- Will we accomplish our charge in seven meetings?

BAC Meeting #1 Tabletop Exercise Derived Themes

PRIORITIES



- How will we prioritize our needs?
- How will we plan for future needs?
- How will we know the needs of all the campuses?
- How does facility design impact personalized learning?

BAC Meeting #1 Tabletop Exercise Derived Themes

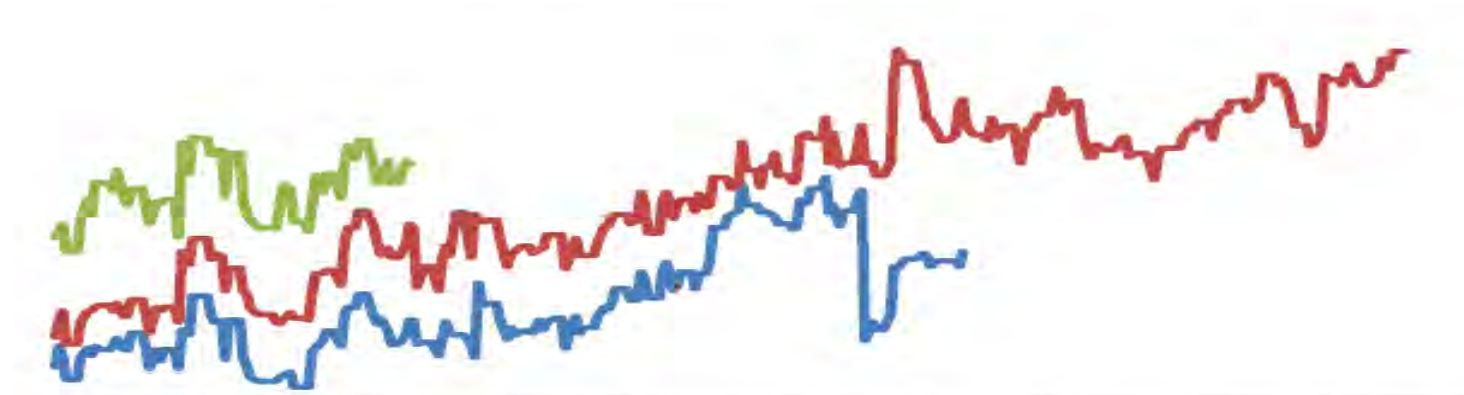
COMMUNICATION



- What is the Big Picture?
- How will we communicate to our community?
- How will we communicate the future impact of our decisions?

BAC Meeting #1 Tabletop Exercise Derived Themes

FINANCE



- How does bond funding work?
- How will we prioritize our capital spending?
- How much money can we spend without raising taxes?
- What will be the effect on taxpayers?