



**Hillsboro School District
Bond Advisory Committee
Meeting #2 Agenda
Wednesday, November 16, 2016
6:00 p.m. – 9:00 p.m.**

BAC Meeting #2 Notes:

Bond Advisory Committee Members Attending: Deanna Palm, Jeremy Stewart, Mike Strande, Blake Boyles, Martin Granum, Dave Vickery, Robby Hammond, Melody Hansen, Kim Strelchun, Jesse Lovrien, Javier Gonzalez, Joelle Hildner, Glenn Miller, Dave Militich, Kristina Nguyen, Ryan Wells, Matthew Buckingham, Shawna Ashley Ingram, Lindsay Garcia, Joe Vermeine

Bond Advisory Committee Members Absent: Jerry Willey, Rebecca Carrey-Smith, Deanna Hall, Roger Will, Rob Massar

Others Attending: Adam Stewart, Beth Graser, Don Wolff, Sharon McCarty, Frank Angelo, Shayna Rehberg, Kyle Hayden, Rick Rainone, Travis Reiman, Nathan Roedel, Rian Petrick, Kurt Zenner

The following notes focus on questions and issues that Bond Advisory Committee (BAC) members shared during Meeting #2.

1. Welcome (5 min)

- Meeting #2 Agenda Review Deanna Palm, Committee Co-Chair
- Meeting #1 Minutes

2. Meeting #1 Follow-up Items (10 min)

- Varying Bond Tax Rates: Issue Paper #5
 - What is the sensitivity of the public to these rates? Working on adjusting variables with Piper Jaffray (will report back to committee). Will survey community about packages to be created for/after next meeting
 - Restructuring debt? Will also discuss with Piper Jaffray. Current structure is pretty sound.
- 2006 Bond Vote Pattern: Issue Paper #6
 - (No questions were asked)



- 2006 bond materials are available in hard copy (at the back of the room)

3. City's Vision / Development Activity

- Hillsboro 2035 Vision Chris Hartye, Senior Project Manager
 - Over 5,000 responses/participants
 - Priorities: Great schools, walkability (streets, trails), family activities, less traffic (road capacity), water parks/tourist and recreation attractions
 - Updated about every 5 years, led by community member committee
 - HSD Initiatives and Actions identified in the plan – reduce ratios, advanced learning experiences (including STEAM) with help from community/business, more in AP/Baccalaureate program, dual credit/college, career and technical training, healthy food/ag connection
 - Related initiatives and actions – food pantries/school backpack programs, community school program support, higher ed and vocational training support
 - 2035 plan in schools, used as curriculum/lesson plan at Century; Youth Advisory Committee for plan also
 - (No questions were asked)

- North Plains Development Blake Boyles, City Manager
 - Population about 1,900 in November 2015, about 2,300 today
 - Approx. 180 homes have subdivision approval on east side of city, plus several other subdivisions planned around the city; about 900 new homes expected in next 2-3 years
 - Moving from Hillsboro and Bethany (homes about \$100,000 less in North Plains); about one third of the City's residents are Intel employees
 - The City would like to move away from so many 2,500 sf lots
 - Questions
 - Is there public facility capacity for this growth? Yes. There are water lines to Hillsboro now, CWS is being coordinated with for sewer and storm water, and transportation/road connections are provided or will be provided.

- Cornelius Development Ryan Wells, Community Development Dir.
 - The Cornelius UGB was expanded by approx. 345 acres as part of the "Grand Bargain"
 - "Land Use Projects Map Nov 2016" is available on the City website
 - About 900-1000 new homes expected in next 5-7 years

- Laurel Woods is a large development in southern part of the city; City transportation SDC will help pay for roads on the west and north side of the HSD property in this area, otherwise development will provide transportation circulation/connection facilities
- Questions
 - How far does HSD extend into Cornelius? The City is split between Hillsboro and Forest Grove school districts.
 - Is Laurel Woods phased development? There are 11 phases, with the first phase planned for next summer. There is a lot of infrastructure that needs to be provided by development. Build-out of all the phases is expected to take 5-7 years.

4. District Technology Programs (15 min)

Don Wolff, Chief Technology Officer

- Technology Presentation: Issue Paper #7
 - Dark fiber ring – own fiber; not beholden to provider (Comcast)
 - Sufficiency model – for students who cannot bring their own devices (“BYOD”); provides for backfilling and equity since many students do not have devices to bring to school
 - Questions
 - Do packages depend on each other? Packages can basically stand alone but work best when combined.
 - Dark ring costs roughly \$9.2 m, creates multiple rings versus two-way paths and unlimited access versus limited access with Comcast; should pay for itself in about 5-7 years. The fiber is good for about 50 years. Currently, the District is paying Comcast for maintenance of infrastructure and for pathway.
 - Total ask about \$30 million would fulfill technological vision and provide a more even playing field.

5. School Finance 101 (10 min)

Adam Stewart

- Bond & Finance 101: Issue Paper #8
 - Questions
 - What does misc. revenue include? Student fees, CET, facility rental fees.
 - Will the District also be going out for a local option levy? The Board is likely considering that.
 - What is the potential funding shortfall for next year? \$0-10 million depending on what the Legislature does.
 - If assumptions that bond is based on change, then can total amount collected change? A not-to-exceed amount needs to be stated in the

bond ballot measure (title). Staff will explore assumptions (e.g., AV growth), although they want to be careful not to overestimate (and then residents would people end up paying much more per \$1000). AV growth about 4.5% for this year (numbers just in; not in PowerPoint)

- What interest rate was used for current rate and AV growth? Shown in table entitled “General Obligation Bonds, Series 2018 – Summary of Structuring Options” in Issue Paper 5 (p. 6), including 1.5% “cushion” per Piper Jaffray
- What is the anomaly in 2012? Genentech appeal, which failed and then the company had to pay
- Would there possibly be another bond measure for new buildings in 2026? Perhaps, especially given growth expected in South Hillsboro, North Plains, Cornelius, and what isn’t covered in this bond
- Will AV growth assumptions be modified? Likely yes, so that the assumption is not too conservative, where actual AV growth ends up being significantly greater, the tax rate drops, and money is “left on table”
- As part of the bond campaign, can the estimated tax burden be translated into everyday items? For example, just \$x per day, just a pizza every x days, etc.
- How did Gladstone secure such a high tax rate? Ask Superintendent Bob Stewart, a relative of BAC member Jeremy Stewart, to advise PAC (bond campaign committee). Jeremy’s understanding of what Gladstone School District has done with their bond packages is to “dream big, get people excited, and give something to every school.”
- Is it possible that this bond measure will be on the May 2017 ballot? Probably not since the District would need to file in March for the May election, the BAC is scheduled to make its recommendation to the Board in April, and up to six months will be needed after that to form and run a campaign.
- Where are we offsetting costs or leveraging partnerships? Potentially offloading Comcast; fixing things before more expensive new versions are needed (e.g., roofs); and/or securing other revenue sources including a state fund (matching lottery funds) like other districts did in this last election.
- → **Committee request: Please provide a summary of November 2016 school bond measure successes.**

6. Bond Program Needs

Adam Stewart

- Overall Program Needs: Issue Paper #9

- Safety and security “enhancements” include locks, card key and remote access, fencing, and alert systems
- Seismic improvements would be Level 3 (so that people in the building can safely leave the building but the building may not be safe to occupy after that)
- “Detached classrooms” under Modernization refers to replacing portables with permanent structures
- Bond issuance cost is about 1.5% and District administrative costs are about 3%; project team costs (e.g., architects, engineers, planners) are included in project cost
- Total project costs have been adjusted/escalated
- Questions
 - How were projects determined? The project list was compiled from needs identified by Facilities Assessments, Principals, and Administration staff.
 - How complete is the project list? The list should be fairly complete, although it does not necessarily include needs such as those for complete build-out of the South Hillsboro community. It is expected that some of those needs would be addressed by a future bond. However, if there are shorter-term needs that BAC members believe are not included in the list, this is an opportunity to add those needs.

7. Project Selection Factors

Small Group Discussions

- Community Values: Issue Paper #10
 - Written comments from this exercise are included as Attachment A.
 - The following is an overview of the comments from the group activity.
 - Perceptions of the district’s facility needs
 - Facilities need updating in order to address older facilities and equity of facilities across the district and to be more world class and competitive when compared to other districts.
 - Facility needs are evolving in terms of preparing for higher education and career training, demographic changes, new physical education requirements, technology for education, and safety/security for students and staff.
 - Investment in education and educational environments is a good community investment, as supported by research and data.
 - The bond campaign must develop a clear vision/mission statement to address facility needs. The bond should include improvements for every school.
 - Emphasize safety and technology equity across schools, and good fiscal stewardship in a bond measure and campaign.
 - It can be difficult to identify/communicate facility needs if they are not yet “bursting at the seams.”

- Selling construction of new facilities may be challenging when existing facilities have significant needs.
- Improving technology (“21st century learning”) seen as a better investment than textbooks. Promote some of the potentially “shiny” elements in a bond package like technology.
- Consider a modest increase in the tax rate.
- Spaces with walls (differentiation, privacy) are needed- not everything should be wide-open common spaces.
- Create student-centric environments.
- Make seismic upgrades./But seismic can be “boring.”
- Universal accessibility
- Remember that people will be voting for schools that may not use.
- Create a bond package that inspires – strong schools mean a strong community and economic vitality.
- Bond package criteria
 - Equity – in terms of safety/security, technology (“bling”), and class sizes (including no class size increases) across schools; between old and new schools; between all facilities
 - Geographic distribution of improvements; spread projects across the district
 - Balance between new facilities and improvement and replacement of existing facilities
 - Maintenance
 - Safety and security – including replacing portables as a safety/security measure
 - Learning environment – decrease class size; modernization of learning environment; collaborative environments
 - New capacity, in new buildings and in expanded buildings; be ready to accommodate growth
 - Balance with need for local option levy
 - Identify projects that deliver high return on investment, projects that could garner outside funds, and projects that can wait until the next bond measure
 - Compelling, “a reason to say yes”

8. Public Comment

Deanna Palm, Committee Co-Chair

- There was no public comment.

9. Next Meeting

Frank Angelo

- Bond Committee Meeting #3
Wednesday, January 4, 2016
Location: Brookwood Elementary School