



**Hillsboro School District
Bond Advisory Committee
Meeting #3 Notes
Wednesday, January 4, 2017
6:00 p.m. – 9:00 p.m.
BROOKWOOD ELEMENTARY SCHOOL
3960 SE Cedar Street
Hillsboro, OR 97123**

Bond Advisory Committee Members Present: Matthew Buckingham, Rebecca Carey-Smith, Lindsay Garcia, Javier Gonzalez, Martin Granum, Robby Hammond, Melody Hansen, Joelle Hildner, Shawna Ashley Ingram, Leroy Landers, Jesse Lovrien, Rob Massar, Glenn Miller, Kristina Nguyen, Deanna Palm, Jeremy Stewart, Mike Strande, Kim Strelchun, Joe Vermeire, Dave Vickery, Ryan Wells, Roger Will, Jerry Willey

Bond Advisory Committee Members Absent: Blake Boyles, Deanna Hall, Dave Militich, Rian Petrick, Jennifer Trimble, Kurt Zenner

Others Attending: Frank Angelo, Beth Graser, Carol Hatfield, Ed Hayden, Kyle Hayden, Sharon McCarty, Rick Rainone, Shayna Rehberg, Travis Reiman, Adam Stewart, Casey Waletich, Don Wolff, Michelle Jensen, Olga Acuna, Kelly Purdy

The following notes focus on questions and issues that Bond Advisory Committee (BAC) members shared during Meeting #3.

Michelle Jensen, Brookwood Principal provided a tour of Brookwood Elementary School prior to the start of the meeting to interested attendees.

1. Welcome

Deanna Palm, Committee Co-Chair
Jerry Willey, Committee Co-Chair

- Meeting #3 Agenda Review
- Meeting #2 Minutes

2. Meeting #2 Follow-up Items

- Issue Paper #11: November 2016 School Bond Election Results
 - 21 districts had bonds on the November ballot, and 10 passed
 - Common elements – Big projects (new schools, rebuild schools); seismic and systems improvements; districtwide improvements
 - Gresham-Barlow SD, Seaside SD, and Tigard-Tualatin SD raised rates; NCS D maintained its rate (largest bond package).
 - State matches – These are needs-based matches. HSD may not be high needs but will be in lottery and running for a match. The matches range from \$2-8 million.



- Questions/comments:
 - Are there discernable reasons for what made packages successful? It is open to debate, but larger districts seemed to generally do better.
 - What is HSD's chance in the state match lottery? School districts who are receiving a match will move off of the lottery list and then HSD has a better chance of receiving one.
 - Do matches for 2017-2019 still need to be approval by the Legislature? Yes, this match cycle still needs to be approved during this legislative session.
- Issue Paper #10A: Results of Meeting #2 Table Discussions
 - Good input was given by the committee that will be used in reviewing bond projects
 - Questions/comments:
 - (No questions or comments)
- Issue Paper #12: Results of Administrative Feedback Survey
 - Questions/comments:
 - What would student drop-off upgrades include? Some schools already separate bus and parent drop-off, so usually what is needed is more storage space for vehicles that are dropping off (so traffic does not back up onto street). Sometimes configuration or circulation patterns for drop-off (e.g., at Brookwood, parents need to pull in and back out) need to be changes. The upgrades may cost approx. \$1-2 million per school, approx. \$11 million needed districtwide for roughly 8-10 schools.
 - Were "cafegymatoriums" addressed in survey? Cafeteria/gyms were not included in survey. It is an issue for approximately eight schools.
 - Why did seismic upgrades score lower? Some schools (newer schools) do not need upgrades. Some administrators either may not know of seismic issues with certainty or are may not prioritize them because they are "unseen". Seismic projects can potentially be combined with other projects (e.g., roofing). Help the community understand the need for seismic upgrades. (North Plains has received a seismic grant for discrete portions of a building, and this work has been completed.)
 - Who was asked? Primarily principals were asked, and there were roughly 20 responses. The survey is not being treated as a scientific survey, but as a snapshot that provides some information.

3. Updated Student Enrollment Forecasts

- Issue Paper #13: Davis Demographics Report
 - Draft report received; final report with be shared with the committee.
 - Davis report forecast results are more aggressive than the PSU report.



- Over capacity issues identified. Due to growth in North Plains and Cornelius, North Plains, Evergreen, and Glencoe are expected to exceed capacity. Free Orchards does not show a capacity need. South Hillsboro, where much growth is expected to occur, is in the Rosedale attendance area. Orenco and Quatama, who just went through boundary adjustments, are projected to grow significantly and be over capacity. The District does not own land in those areas for new facilities, so further boundary adjustments will likely be needed.
- Questions/comments:
 - Davis Demographics approach is appreciated by school districts because the firm talks to jurisdictions and gets a good sense of expected development and population growth. They also account for births in the district in projections.
 - Where development is not expected, kindergarten class sizes will decrease.

4. Update Bond Financing Scenarios

- Issue Paper #14: Piper Jaffray Update
 - Reviewed current tax rate and when rates will drop at completion of current bond packages
 - Reviewed tax rate options for bond; proposed bond packages reflect tax rate options
 - Bond funds cannot be used to address class size; levy will still be needed
 - Questions/comments:
 - What is the difference between 7- and 9-year packages? 7-9 year horizon seems to be about when the District will need to ask for a new bond.
 - Can the bond run longer than 9 years? It will be a 20 year bond.
 - How specific does the bond measure need to be? Bond measure will not go into as much detail as spreadsheets we've been reviewing at meetings, but needs to provide a general list of projects.
 - What does rate increase mean for average home? This would be whatever a \$.26 increase per \$1,000 is calculated to be.
 - Need to stay aware that a levy for operations will likely also be proposed (if not on the same ballot, but directly before or after). So even if increase for bond measure seems small, consider it in light of a levy measure (\$1.00+ per \$1,000). There will be a need to educate voters about the difference between and the need for a bond and a levy.
 - Would hesitate to go too long (e.g., a horizon like Hillsboro 2035); 9 years seems like a good balance of lengthening the term without going too long
 - What did District estimate the rate to be last measure (2006)? \$2.50, which bore out except for one spike.
 - Why not repairs and maintenance from general fund/budget? \$70 million cut from general budget since 2008, so not enough for repair and maintenance needs. CET tax proceeds will help but there is still a gap.

Allocation from state is essentially for operations/educating students, not necessarily capital. District can opt to use the funds for capital projects, but budgets for operating/educating are already so thin.

- Make a good case for “taking care of home.” Portland Public deferred maintenance until buildings were literally crumbling, then they had to go out for a huge bond.
- Three legs of a stool – new/replaced facilities; repairs/maintenance; technology and CTE
- Link bond package to enrollment projections and people’s capacity to imagine a horizon – that is why ~10 years seems most understandable and viable

5. School Bond Package Alternatives

- Issue Paper #15: Alternative Bond Packages
 - Presented 6 proposed bond packages. Packages were shaped by committee and administrator/principal input.
 - Items highlighted in red are considered mandatory items
 - Items highlighted in blue will not be done out of general budget
 - Package 1A questions/comments:
 - Transportation center is at capacity.
 - Why is the Hilhi upgrade not “mandatory” or “strongly recommended”? Hilhi does not have capacity issues like other schools.
 - How do you address the challenge of technological upgrades becoming outdated? Proposed upgrades are focused on providing sufficiency for students and operationalizing a cloud-based environment that should serve the district for a number of years.
 - What is the gap in proposed Technology spending of \$33 million and \$22 million? The amount was reduced to fit bond totals. Fiber needs to stay in (e.g., need to keep increasing bandwidth, just hit 4GB ceiling yesterday). Staff feel that they can work on otherwise funding other technology needs.
 - CTE – Facilities are needed for computer science program; some upgraded facilities and equipment are also needed for other career programs that need technology.
 - Is there land for new elementary schools? Yes, in South Hillsboro.
 - Package 2A questions/comments:
 - Bond issuance and related fees are simply calculated as a percentage of the total bond project costs.
 - New schools will serve future families, who will not necessarily be voting on this bond measure.
 - Can class size impacts be quantified if new schools are not part of a bond package? Class size is not usually a bond issue but an operational budget/issue.



- Will two new schools create shifting between schools? How can shifting of boundaries and attendance be minimized? There are timing issues related to bringing schools online and getting students into them (District cannot get op funding for a school unless students in it). New schools may start as a small school, like Rosedale did, and then grow and fill in. (Note: About 200-300 homes coming out of South Hillsboro annually starting in 2018.)
- Package 2B comments/questions:
 - (No questions or comments)
- Package 3A comments/questions:
 - Brookwood was added. Are seismic improvements double-counted in the replacement cost? No, they are netted out.
 - Would replacement of Brookwood maintain capacity or increase it? Replacement would increase capacity to the target number for elementary schools.
- Package 4A comments/questions:
 - Do any packages have cafegymatorium improvements? No. These improvements would cost about \$2.5 million per school for 8 schools. Can PE requirements be met without these improvements? There seems to be some flexibility in programming levels of activity and activities needed (e.g., inside, outside, in gym, not in gym). The District also intends to build upon existing partnerships related to recreation facilities.
- Package 4B comments/questions:
 - Trades 2nd new school in South Hillsboro for land purchase
 - What is the minimum investment proposed to be made in a school? In general, schools that are newer and are less in need are expected to correspond to the lowest investments.
 - What are Hilhi improvements? The improvements are focused on making the school more “inviting” through interior renovations. District will work with Mahlum Architects on this topic.
 - What would drop-off improvements be? The improvements would focus on separating traffic (parent and bus drop-off) where it is not currently separated.
 - Would walls be built with the bond? Walls can be addressed with smaller funding sources.

6. Bond Advisory Committee Table Sessions

- 5 discussion questions
 1. *Do you have any questions / comments on the six bond packages?*
 2. *Are there any comments on specific projects – add to the list or subtract from the list?*
 3. *Feedback on the 7-year vs. 9-year steps for the bonds - is there a Committee preference?*



4. *Feedback on the \$2.24 / \$1000 (maintain current rate) vs. the \$2.50 / \$1000 (additional \$0.26) rates - is there a Committee preference?*
 5. *Guidance on when and what (how many) options to take to the public in a Community Open House.*
- A transcription of the table discussion notes and images of the original notes are included with these meeting notes as Attachment A.
 - Questions/comments:
 - There seemed to be consensus to wait to go out to public (i.e., do not attempt to have a community event in January)
 - Some common threads in feedback re: South Hillsboro second school, cafegymatoriums, and technology
 - When will polling take place? It is expected that the District will wait to poll until after package options are refined to 2-3 packages.
 - Note that the 2006 bond measure approval was a “squeaker” probably at least in part due to an increase of approx. \$1/\$1,000
 - What are other potential bond and levy measures in November 2017 and May 2018? The project team will research.
 - Carol Hatfield, Director of Transportation, explained the need/use of cameras on buses. She indicated that they are used for accident re-creation and verifying incidents, and, with GPS that is included in them, they can help with routing/fueling.

7. Community Open House

- Options for Community Open House
 - Feedback generally was to present 3-4 packages to community.
 - Adam suggested discussing packages at the February meeting before presenting to the community.

8. Public Comment

- There was no public comment.

9. Next Meeting

- Bond Committee Meeting #4
 - Wednesday, February 1, 2017
 - 6:00pm – 9:00pm
 - Location: Administration Building



Attachment A –Table Discussion Comments

Table 1

1. Do you have any questions / comments on the six bond packages?

Comment:

- Afraid we'd fall short if we didn't build 2 schools in S. Hillsboro, especially with 9-year horizon
- We have identified capacity needs that must be addressed—if they aren't, you have to re-boundary
- May be low priority to replace portables, but important
 - o If only replacing with better portable, still going outside of primary building
- Replacement of Brookwood could help address capacity if we don't build 2nd new school in S. Hills
- We have good history of having robust land bank
- Repair buildings that need repair of you'll incur higher costs later

2. Are there any comments on specific projects—add to the list or subtract from the list?

Add:

- Fix "cafegymetoriums" (\$20.5m)
 - o Equity issue
- Dark Fiber Ring (\$9m)
 - o Need it
 - o Has ROI—good selling point (financial stewardship)
- 4B w/ land
 - o + \$5m land
 - o - \$10m furniture
 - o + \$20.4m build new gyms
 - o Need \$1.5m
 - o Shave from all projects (reduce)
 - o Ask facilities for recommendations on projects to defer/implement with Dept. funds / CET \$

Subtract:

- Reduce allocation to classroom furniture

3. Feedback on the 7 year vs 9 year steps for the bonds—is there a Committee preference?

Vote:

- 7 years: 0
- 9 years: 5
- Unsure: 2
- 4A or B (115 + land): 1

4. Feedback on the \$2.24 / \$1000 (stay where it is today) vs the \$2.50 / \$1000 (additional \$0.26) rates—is there a Committee preference?

Vote:

- \$2.24 / \$1000: 0
- \$2.50 / \$1000: 5

5. Guidance on when and what (how many) options to take to the public in a Community Open House

- Bond Open House 1/23?
- \$2.24 (1 pkg) vs. \$2.50 (2 pkg)

Table 2

- 1. Do you have any questions / comments on the six bond packages?**
 - Would S. Hillsboro school no. 2 result Brookwood absorb additional attendance area
 - Cameras on buses—necessary?

- 2. Are there any comments on specific projects—add to the list or subtract from the list?**
 - No S. Hillsboro school no. 2
 - Favoring 1A and 2B, include 4A for comparison
 - Reformat 4A to remove some projects to address cafegymetorium issue

- 3. Feedback on the 7 year vs 9 year steps for the bonds—is there a Committee preference?**

- 4. Feedback on the \$2.24 / \$1000 (stay where it is today) vs the \$2.50 / \$1000 (additional \$0.26) rates—is there a Committee preference?**

- 5. Guidance on when and what (how many) options to take to the public in a Community Open House**
 - 2 options: best at \$2.24 and best at \$2.50
 - Feb 1st Committee before community outreach

Table 3

- 1. Do you have any questions / comments on the six bond packages?**
 - Consider holistic approach – Operating Levy and Bond Program
 - Consider high AV increases – 4.5% - 6%. The feeling is that over the next few years, with all the committed development, AV will grow at a higher rate. This, if assumed, could provide a higher total bond package.
 - Polling / Survey – need to do this soon to see voter’s tolerance levels
 - Bond election in November 2017

- 2. Are there any comments on specific projects—add to the list or subtract from the list?**

- 3. Feedback on the 7 year vs 9 year steps for the bonds—is there a Committee preference?**
- 4. Feedback on the \$2.24 / \$1000 (stay where it is today) vs the \$2.50 / \$1000 (additional \$0.26) rates—is there a Committee preference?**
 - 9 years at \$2.24 is the best option. \$2.24 will allow the District to maintain current rates and that’s a positive selling point.

- 5. Guidance on when and what (how many) options to take to the public in a Community Open House**

Table 4

1. Do you have any questions / comments on the six bond packages?

- Interest in 4B (modified)
 - o Swap 2nd new S. Hillsboro elementary with:
 - \$10m back to technology + [8 elementary Gyms = +/- \$20m] = +/- \$30m and +/- \$70m reserve (put reserve toward some zeroed out line items)
 - o ? whether there might be a similar swap in 2A
- Interest in detail
 - o Example: walk-in freezer at \$50k vs \$250k
- ? re: land purchase in 4A
- How are art programs incorporated? Does that fit into the “story” of the bond measure?

2. Are there any comments on specific projects—add to the list or subtract from the list?

- Gymnasium/cafeteria projects should be added
- ? are any of the schools “unworkable” if gym/cafeteria not added?
- Technology should be fully funded in all packages
- These would be an easier “sell” than the 2nd elementary
- 4B takes out some line items that should be maintained
 - o Example: replace windows, seal building exterior
- If & when Poynter might be replaced (re: \$11m seismic investment in current projects)

3. Feedback on the 7 year vs 9 year steps for the bonds—is there a Committee preference?

- Unanimous for 9 year—amount of need justifies

4. Feedback on the \$2.24 / \$1000 (stay where it is today) vs the \$2.50 / \$1000 (additional \$0.26) rates—is there a Committee preference?

- # people in group: 5
- # people in district (staff): 2
- # people taxpayers: 3
- # people live in district: 3
- 4 firm \$2.50
- 1 at \$2.50 but polling suggests risk & public education of issues will be very important

5. Guidance on when and what (how many) options to take to the public in a Community Open House

- Go to public after refined and narrowed to 2 or 3 options max

Table 5

1. Do you have any questions / comments on the six bond packages?

- Cafegymatoriums—how to address? (school days & during the evenings/weekends)
- Reedville—what would parking improvements be? (without moving school)
- Difference in priorities for administrators, parents, non-parents, students? (timing of phone surveys)
- Is this one of the last viable opportunities to address existing schools?
- Show what has been done with 2006 measure to sell this measure
- Is community ready to compete, to pay to surpass other communities? Investing in students that come back and give back
- What to do with unused spaces in (middle) schools? (Need staff, though, for those spaces; usually first to be cut)
- Need to target outreach to business community, key to passage
- Hillsboro School Foundation for focus groups, campaign
- How to reach out to retired folks? (Senior centers & personal connections?) Another important group for passage

2. Are there any comments on specific projects—add to the list or subtract from the list?

- Cafegymatoriums—how to address? (school days & during the evenings/weekends)
- Providing more athletic facilities on-site
- Not including 2nd SoHi ES (it can wait; it's time will come)
- Emphasize/prioritize libraries as learning spaces, collaborative, flexible
- Climate control—importance to comfort & learning; equity
- Satellite transportation facility a high priority (limiting programs currently; also an equity issue)

3. Feedback on the 7 year vs 9 year steps for the bonds—is there a Committee preference?

- 9/10 year horizon makes the most sense (like enrollment projections & timing of other planning)

4. Feedback on the \$2.24 / \$1000 (stay where it is today) vs the \$2.50 / \$1000 (additional \$0.26) rates—is there a Committee preference?

- 2006 measure was a “squeaker;” seems safer to maintain rate
- Show what has been done with 2006 measure to sell this measure
- \$2.50 rate packages have flashier/sexier projects to sell
- Challenge of balancing higher rate with levy ask (e.g. pitting higher rate bond projects against lower class size)

5. Guidance on when and what (how many) options to take to the public in a Community Open House

- Want lots of community exposure and feedback
- Interested in June board hearing/meeting and recommendation
- Like idea of “dipsticking” but not without proper messaging

- Seems logistically challenging to get community forum this month—focus groups in January? (Chamber?)
- Need to target outreach to business community, key to passage
- Hillsboro School Foundation for focus groups, campaign