Welcome!

Bond Advisory Committee

February 27, 2024

Meeting 3

ISSAQUAH SCHOOL DISTRICT 411

Land Acknowledgement

We acknowledge that we are on the Indigenous Land of Coast Salish peoples who have reserved treaty rights to this land, specifically the Snoqualmie Indian Tribe and Duwamish. We thank these caretakers of this land who have lived and continue to live here since time immemorial.

ISSAQUAH SCHOOL DISTRICT 411

OBJECTIVES

- Understand Code Legislation
- Understand our Financial History for Capital Projects
- Understand Current Status of New High School

AGENDA

01 **Opening and Outcomes**
- Bond Results - Feb. 2024
- Results of Exit Ticket
- Meeting Minutes

02 **Code Requirements**
- Clean Buildings Act

03 **Information from Recent Audit**
- Findings
- District Improvements

04 **Break**

05 **2016 Bond Status**
- Status of 2016 Bond Funds+ Capital Levy
- Enrollment
- New HS

ISSAQUAH SCHOOL DISTRICT 411

Opening & Outcomes

Bond Results - Feb. 2024
Results of Exit Ticket
Meeting Minutes
Updated Agenda

ISSAQUAH SCHOOL DISTRICT 411

Feb 2024 election

Bond Issues

HOME COUNTY	DISTRICT	PROP NO.	PAR AMOUNT	YES VOTES	NO VOTES	VALIDATE?	% YES	RESULT
Benton	Paterson School District No. 50	Prop. 1	$525,000	62	14	Yes	81.58%	Passed
Douglas	Eastmont School District No. 206	Prop. 1	$117,100,000	4,607	3,128	Yes	59.56%	Failed
Kitsap	Bremerton School District No. 100-C	Prop. 2	$150,000,000	5,431	3,427	Yes	61.31%	Passed
Kitsap	North Kitsap School District No. 400	Prop. 1	$242,138,000	6,044	10,542	Yes	36.44%	Failed
Lewis	Morton School District No. 214	Prop. 2	$14,000,000	528	336	Yes	61.11%	Passed
Lewis	Pe Ell School District No. 301	Prop. 1	$1,900,000	325	178	Yes	64.61%	Passed
Mason	Hood Canal School District No. 404	Prop. 1	$33,510,055	1,445	1,095	Yes	56.89%	Failed
Pierce	Orting School District No. 344	Prop. 1	$117,000,000	2,512	1,987	Yes	55.83%	Failed
Pierce	Tacoma School District No. 10	Prop. 1	$650,000,000	26,319	11,875	Yes	68.91%	Passed
Snohomish	Arlington School District No. 16	Prop. 3	$95,000,000	4,390	3,756	Yes	53.89%	Failed
Snohomish	Edmonds School District No. 15	Prop. 1	$594,000,000	22,702	12,047	Yes	65.33%	Passed
Snohomish	Sultan School District No. 311	Prop. 1	$79,995,000	1,642	1,876	Yes	46.67%	Failed
Spokane	Cheney School District No. 360	Prop. 2	$72,000,000	4,187	3,503	Yes	54.45%	Failed
Spokane	Deer Park School District No. 414-200-61	Prop. 2	$62,000,000	1,976	2,020	Yes	49.45%	Failed
Spokane	Riverside School District No. 416	Prop. 2	$73,000,000	2,042	2,016	Yes	50.32%	Failed
Spokane	Spokane School District No. 81	Prop. 2	$200,000,000	28,741	22,662	Yes	55.91%	Failed
Spokane	West Valley School District No. 363	Prop. 2	$92,155,733	2,614	2,534	Yes	50.78%	Failed
Thurston	Rochester School District No. 401	Prop. 2	$89,190,000	2,063	1,851	Yes	52.71%	Failed
Whatcom	Blaine School District No. 503	Prop. 2	$70,000,000	3,200	2,650	Yes	54.70%	Failed
Whatcom	Lynden School District No. 504	Prop. 2	$157,500,000	3,662	3,518	Yes	51.00%	Failed
Yakima	Wapato School District No. 207	Prop. 1	$33,000,000	581	360	Yes	61.74%	Passed

Total # Of Issues On Ballot =	**21**	**Total # Passed =**	**7**
Total $ Amount On Ballot =	**$2,944,013,788**	**Total $ Passed =**	**$1,443,425,000**
% Of Issues Passed =	**33.33%**		
% Of $ Amount Passed =	**49.03%**		

Exit Ticket Results

1. Upcoming School Tour

– Wednesday, March 13th

1-4pm

Issaquah High School
Challenger Elementary School
Couger Mountain Middle School

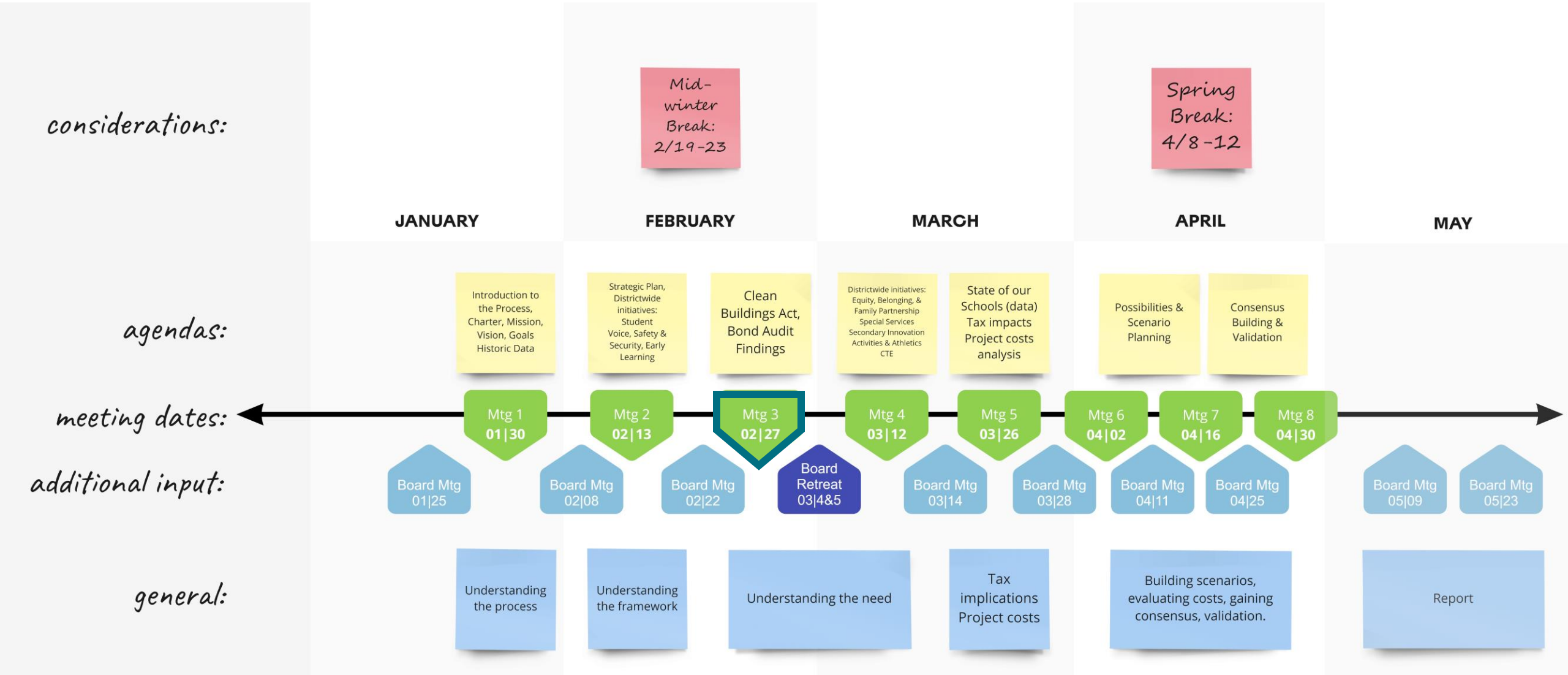
ISSAQUAH
SCHOOL DISTRICT 411


problem-solving
well-rounded
education
involvement
creativity
resilience
respect
partnerships
mental
readiness
sustainability
empathy
community
resources
experiences
success
access
impact
student-leadership
innovation
growth-mindset
integration
hands-on
clubs
safety
applied
empowerment
diversity
accessibility
health
future-focused
responsive
pride
learning
engagement
inclusivity
communication
supportive
friendship
real-world
equitable
career
collaboration
adaptability
opportunities
encouragement
achievement
technology
internships
student-centered

Meeting minutes

Approved?

ISSAQUAH SCHOOL DISTRICT 411


considerations:
Mid-winter Break: 2/19-23
Spring Break: 4/8-12
JANUARY
FEBRUARY
MARCH
APRIL
MAY
agendas:
Introduction to the Process, Charter, Mission, Vision, Goals Historic Data
Strategic Plan, Districtwide initiatives: Student Voice, Safety & Security, Early Learning
Clean Buildings Act, Bond Audit Findings
Districtwide initiatives: Equity, Belonging, & Family Partnership Special Services Secondary Innovation Activities & Athletics CTE
State of our Schools (data) Tax impacts Project costs analysis
Possibilities & Scenario Planning
Consensus Building & Validation
meeting dates:
Mtg 1 01|30
Mtg 2 02|13
Mtg 3 02|27
Mtg 4 03|12
Mtg 5 03|26
Mtg 6 04|02
Mtg 7 04|16
Mtg 8 04|30
additional input:
Board Mtg 01|25
Board Mtg 02|08
Board Mtg 02|22
Board Retreat 03|4&5
Board Mtg 03|14
Board Mtg 03|28
Board Mtg 04|11
Board Mtg 04|25
Board Mtg 05|09
Board Mtg 05|23
general:
Understanding the process
Understanding the framework
Understanding the need
Tax implications Project costs
Building scenarios, evaluating costs, gaining consensus, validation.
Report

ISSAQUAH SCHOOL DISTRICT 411

Code Requirements

Clean Buildings Act – Understanding the Legislation

Clean Buildings Act
Overview

HB 1257, 2019
SB 5722, 2022 (expansion bill)

Reduce energy consumption and in existing buildings, ultimately leading to a reduction in greenhouse gas (GHG) emissions within the building sector.



Existing commercial building

Tier 1: > 50,000 sf (excludes multi-family)

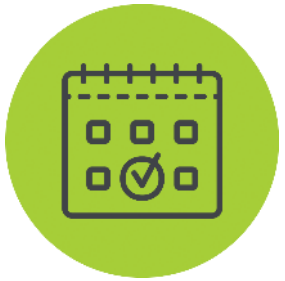
Tier 2: > 20,000 sf (includes multi-family)



Meet energy performance targets or financial investments criteria

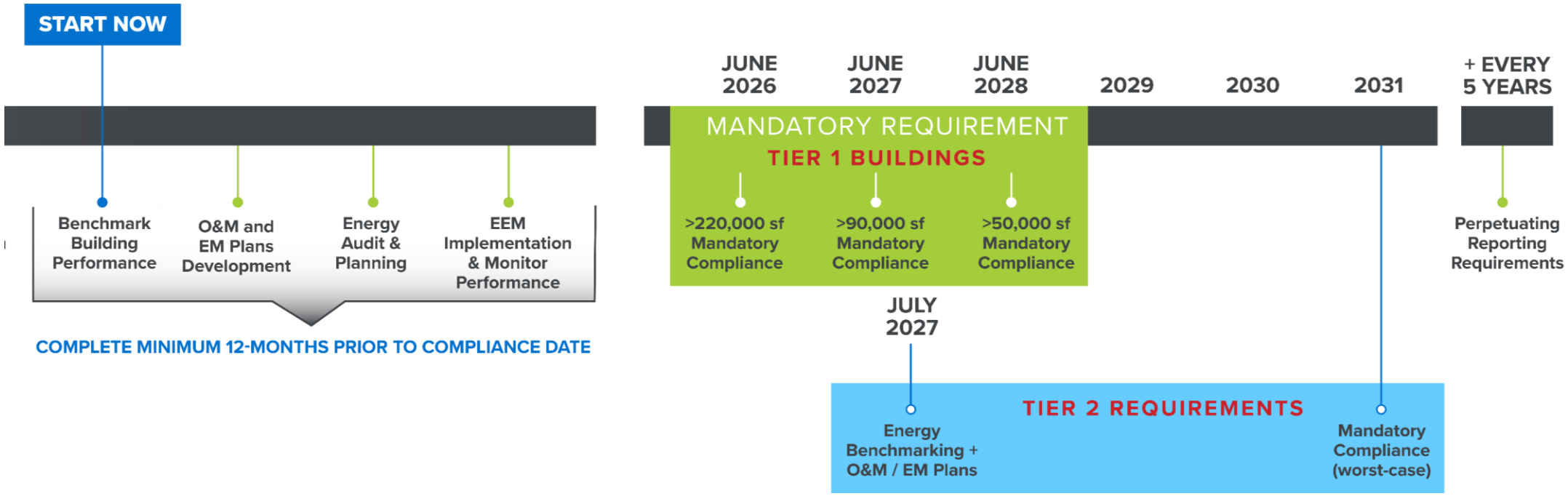


Starting in January 2026



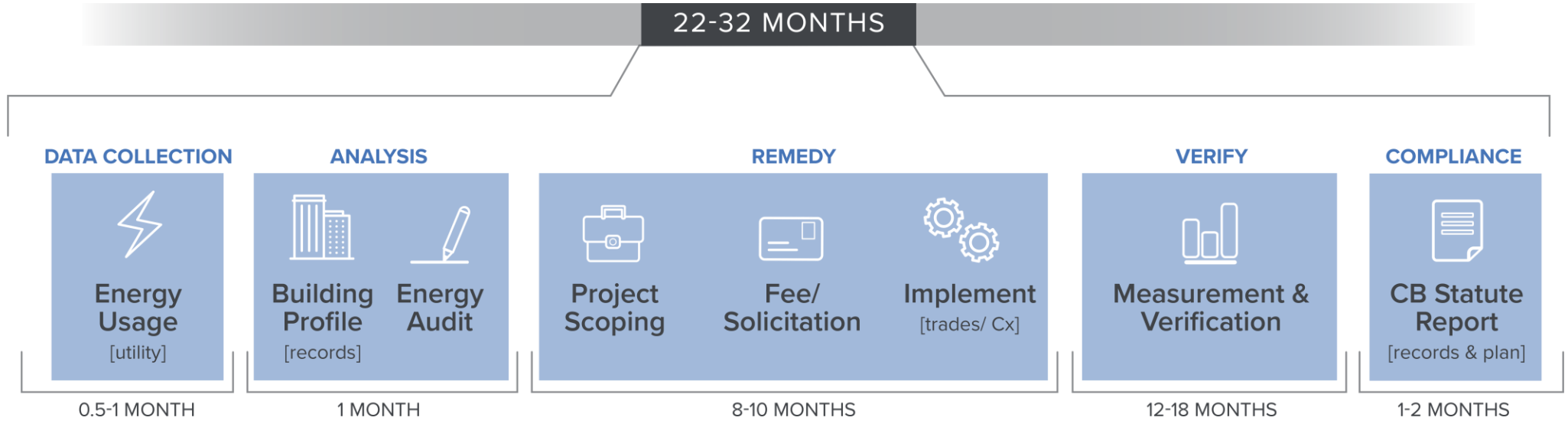
Required to comply every 5 years

Clean Buildings Act
Timeline



Clean Buildings Act
Level of Effort to Comply

Scoping & Implementing



Fiscal Planning

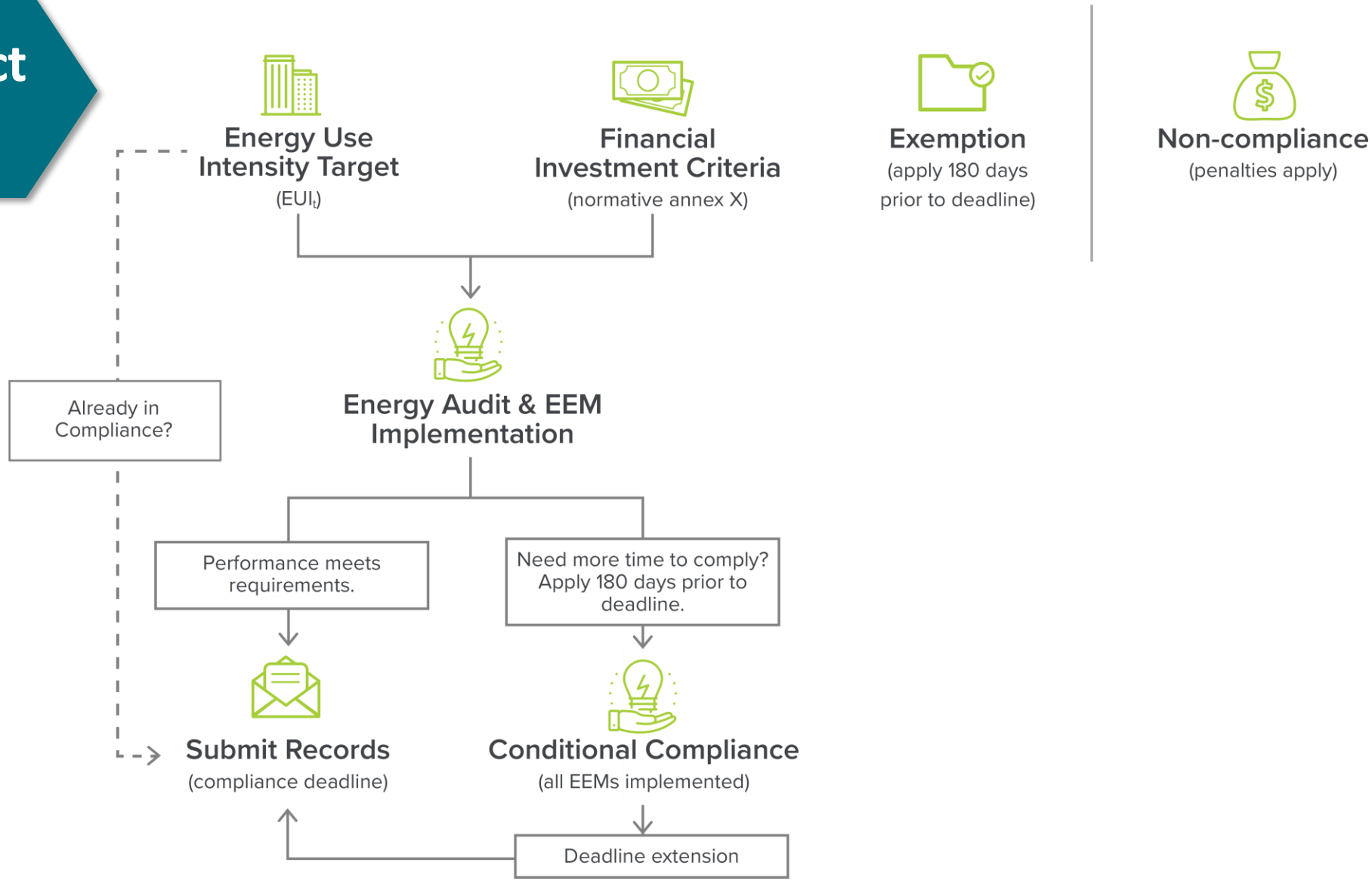
(outside CFP/ LRFP efforts)

Budget time

Approval

Funding cycle

Clean Buildings Act
Compliance Paths



Clean Buildings Act
Compliance Options

ENERGY USE INTENSITY TARGET

	Cascades West Climate **Zone 4C**	Cascades East Climate **Zone 5B**
Office	63	66
Retail	68	75
Warehouse	36	44
K-12 (ES/MS)	49	50
K-12 (HS)	48	49
Library	56	59
Hospital	215	215
Grocery Store	191	198
Hotel	68	72
Prison	101	106
Church	67	70

$$\textbf{Weather-Normalized EUI} = \frac{\text{Normalized Energy Consumption}}{\text{Gross Floor Area}}$$

$$\textbf{EUI}_t = \frac{\text{EUI}_t \times \text{Operating Shift}_1 \times \text{Area of Building Activity}_1 + \ldots}{\text{Gross Floor Area}}$$

Buildings built **after July 1st 2016** must comply with EUI_t that are 15% below listed target.

Clean Buildings Act
Compliance Option

INVESTMENT CRITERIA

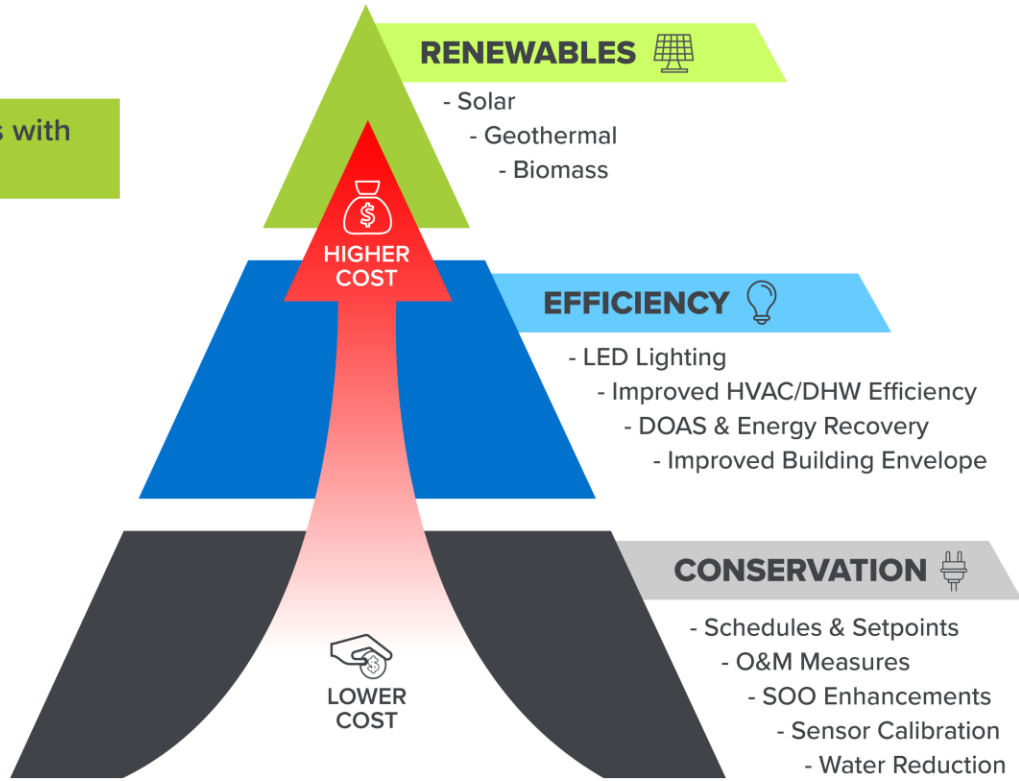
OPTION A

Implement all energy efficiency measures (EEM) with simple payback < useful life

OPTION B

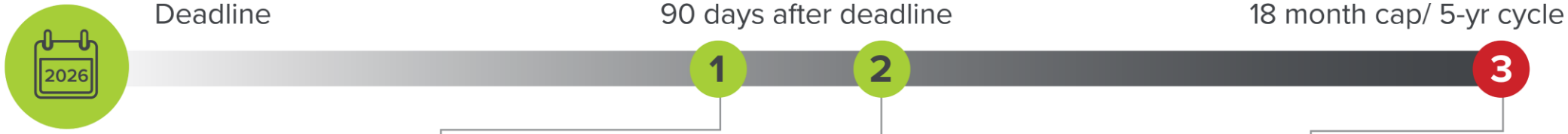
Implement optimized bundle of EEMs with savings-to-investment ratio > 1

optimized bundle = collection of EEMs that maximizes energy savings



Clean Buildings Act
Financial Penalties

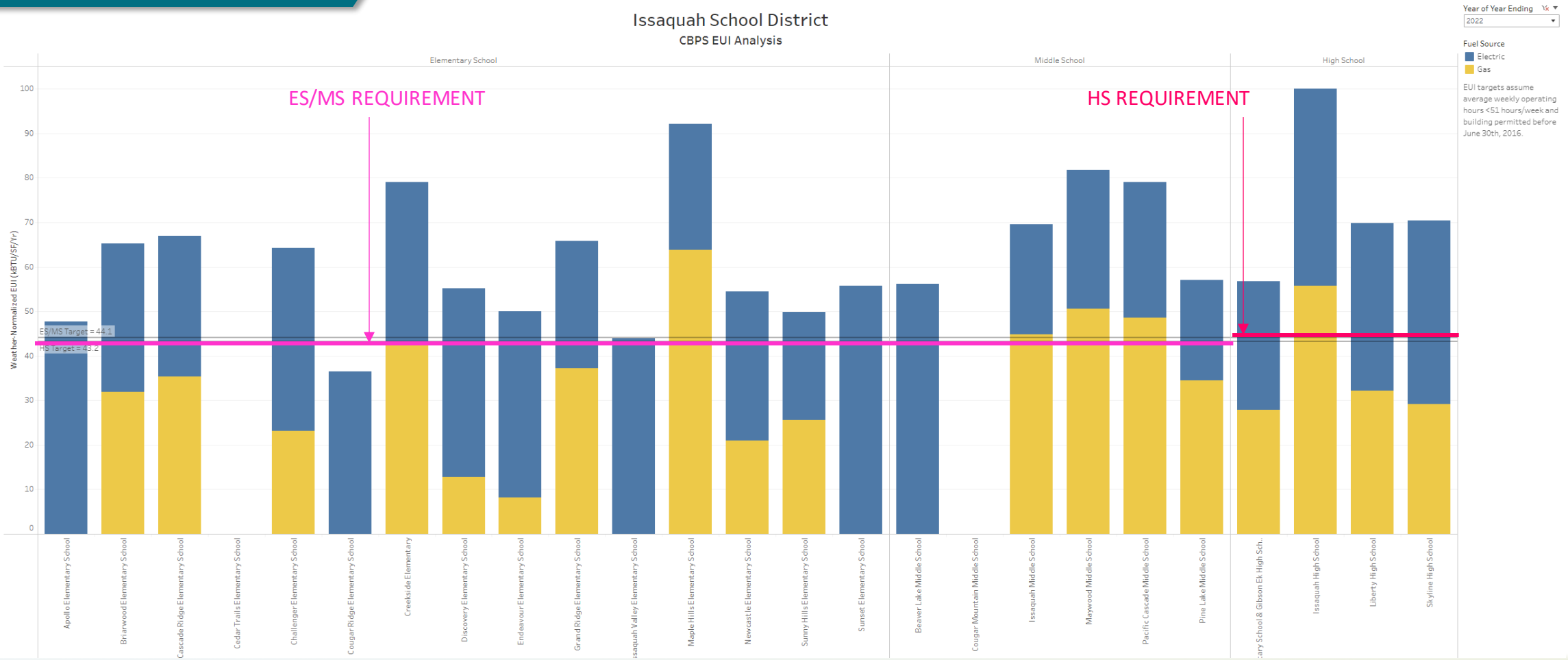
EXAMPLE / 200,000 SF BUILDING



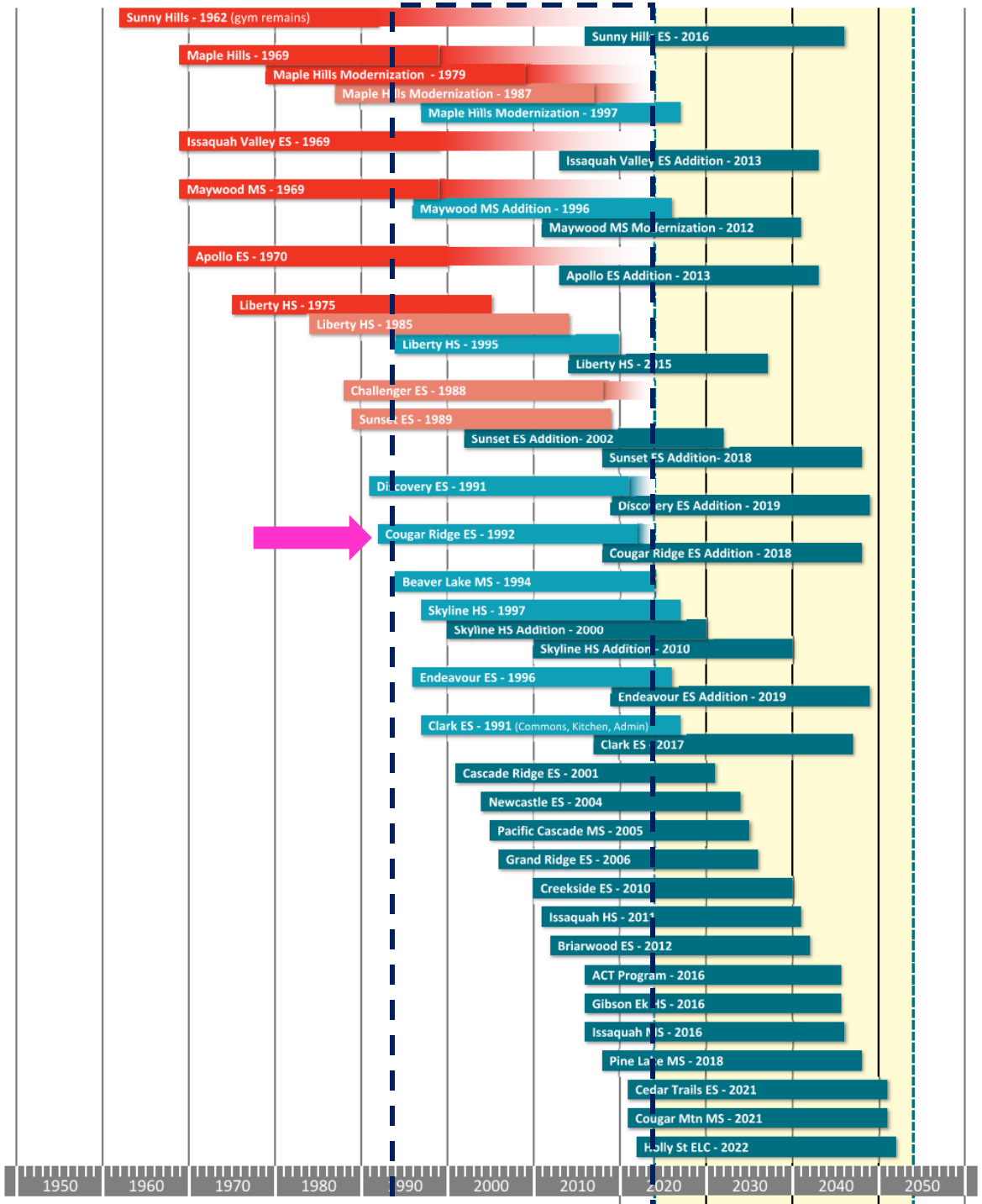
PENALTIES	90-Day Compliance MITIGATION PLAN	90-Day Compliance NO MITIGATION PLAN	No Compliance NO PLAN - MAX PENALTY
BASE	$1,500 ($5,000 x 30%)	$5,000	$5,000
DAILY	$10,000 (200,000sf x $0.2/sf/yr x 0.25 years)	$50,000 (200,000sf x $1/sf/yr x 0.25 years)	$300,000 (200,000sf x $1/sf/yr x 1.5 years)
TOTAL	**$11,500**	**$55,000**	**$305,000**

Clean Buildings Act
Current Building EUI

HOW DOES THIS IMPACT ISSAQUAH SD?



School Facility Timeline Showing Anticipated 30-Year Life Span



*ALL DATES ARE PULLED FROM AVAILABLE DISTRICT KNOWLEDGE & ARE THE BEST ATTEMPT TO CAPTURE THE TRUE STATE OF EACH FACILITY.

QUESTIONS?

ISSAQUAH
SCHOOL DISTRICT 411

ISSAQUAH SCHOOL DISTRICT 411

Information from Recent Audit

Timeline
Audit Finding
Bond Project Information
District Improvements

Info from Audit
Timeline

August/September 2022

- New administration and finance team begin reviewing financial condition and status of major capital projects.

Fall 2022

- Preliminary internal work indicates some 2016 bond funds were used on projects outside of the scope of the bond resolution.
- District commissions financial consultant to conduct full review of use of 2016 bond funds.

January 2023

- Consultant review indicates noncompliance with 2016 bond funds and the district extends review into 2012 bond funds.
- District proactively notifies WA State Auditor's Office of probable noncompliance issue and discloses to the community via a news release.

February 2024

- WA State Auditor's Office concludes work and issues audit report with finding.

Info from Audit
Findings from WA State Auditor's Office

"Our audit found the following:

- The District used $4,872,908 of the 2012 bond proceeds for three capital projects that were outside the scope of the bond resolution.
- The 2012 bond proceeds were $1,309,740 more than the total capital project payments tracked by the District.
- The District used $46,258,909 of the 2016 bond proceeds for 22 capital projects that were outside the scope of the bond resolution.

Source: WA State Auditor's Office Accountability Report

Info from Audit

Resolution 997 –

Prj. Scope 2012 Bond

Section 2. Capital Improvements. The District shall make the following capital improvements (the "Improvements"):

- Rebuild aging facilities at Clark Elementary, Issaquah Middle School, and Sunny Hills Elementary;
- Make needed facility improvements, modernizations, and/or renovations to the following elementary schools: Apollo, Challenger, Cougar Ridge, Discovery, Endeavour, Grand Ridge, Issaquah Valley, Maple Hills, and Sunset;
- Make needed facility improvements, modernizations, and/or renovations to the following middle schools: Beaver Lake, Maywood, and Pine Lake;
- Make needed facility improvements, modernizations, and/or renovations to all District high schools;
- Increase usability and efficiency by modernization of curricular and athletic fields at the following schools: Apollo Elementary School, Beaver Lake Middle School, Issaquah High School, Issaquah Middle School, Liberty High School, Maywood Middle School, Pacific Cascade Middle School, and Pine Lake Middle School;
- Increase usability and efficiency by modernization of high-school stadium facilities at Issaquah, Liberty, and Skyline High Schools;
- Improve efficiency and usability of the district transportation center by constructing an access that aligns with the traffic signal located on Second Avenue enabling better traffic management;
- Acquire and install security system upgrades at all buildings; and
- Construct space renovation and project management capital improvements and modernizations to District facilities.

Projects Out of Scope

2012 Bond

Project Code	Project Name	Total Expenditures
0601	Briarwood Rebuild	3,006,038
0602	Creekside Elementary	101,338
1205	Gibson Ek High School	1,765,532
	Total	**4,872,908**

- **Older Approved Bond Projects From Prior Resolutions**
- **Other Project Beyond Scope**

ISSAQUAH SCHOOL DISTRICT 411

$1.3M Variance Explained

2012 Bond

- During the audit of the 2012 bond funds, the district provided the auditors a point in time detailed listing of projects totaling $218,541,029 per their request.

- Auditors then compared the total amount tested of $218,541,029 to the amount of funds received from the sale of the 2012 bonds in the amount of $219,850,769.

  ➡ The difference between these two amounts is $1,309,704 and the basis of their statement in the audit finding report.

- The district has detailed records of projects paid from 2012 bond funds totaling $221,107,695. This amount includes the original bond funds plus interest earned over time. These project records were provided to the auditors.

Info from Audit
Resolution 1063 –
Prj. Scope 2016 Bond

Section 2. Capital Improvements. The District shall make the following capital improvements (the "Improvements"):

- Acquire, construct and equip a 4th Comprehensive High School;
- Acquire, construct and equip a 6th Middle School;
- Acquire, construct and equip a 16th and 17th Elementary Schools;
- Rebuild and equip aging facilities at Pine Lake Middle School;
- Make needed expansions, facility improvements, modernizations, and/or renovations to the following elementary schools: Cougar Ridge, Discovery, Endeavour, Maple Hills, and Sunset;
- Upgrades and updates to Beaver Lake Middle School;
- Expand Clark Elementary to accommodate 32 classrooms;
- Make needed expansions, facility improvements, modernizations, and/or renovations to Central Administration;
- Acquire land for use of transportation facilities and property for high school, middle school and two elementary schools;
- Acquire and install portable classrooms; and
- Provide for project management.

Info from Audit
Res. 1093 (Repurpose)
Rev. Scope 2016 Bond

Section 2. Capital Improvements. The District shall make the following capital improvements (the "Improvements"):

- Acquire, construct and equip a 4th Comprehensive High School;
- Demolish and remove current Central Administration Building;
- Acquire, construct and equip a 6th Middle School;
- Acquire, construct and equip a school on the existing site of the District's Central Administration building;
- Acquire, construct and equip a 16th and 17th Elementary Schools;
- Rebuild and equip aging facilities at Pine Lake Middle School;
- Make needed expansions, facility improvements, modernizations, and/or renovations to the following elementary schools: Cougar Ridge, Discovery, Endeavour, Maple Hills, and Sunset;
- Upgrades and updates to Beaver Lake Middle School;
- Expand Clark Elementary to accommodate 32 classrooms;
- Acquire property to be used as the District's Central Administration facility;~~Make needed expansions, facility improvements, modernizations, and/or renovations to Central Administration;~~
- Acquire land for use of transportation facilities and property for high school, middle school and two elementary schools;
- Acquire and install portable classrooms; and
- Provide for project management.

Projects Out of Scope

2016 Bond

- **Critical Repairs Levy Projects**
- **Older Approved Unfinished Bond Projects**
- **Jointly Funded Projects for Early Learning Programs, Creek Bank Erosion Mitigation**

Project Code	Project Name	Total Expenditures
0510	Issaquah HS Reconstruction	16,657
0515	Liberty HS Additon/Modernization	(3,592)
0519	Maywood MS Modernization	87,270
0602	Creekside Elementary	27,615
1201	Liberty HS Phase 2 & 3	5,643,191
1202	Issaquah Valley Elementary Addition	187,337
1203	Issaquah MS Rebuild	18,268,040
1205	Gibson EK High School	3,400,498
1206	Sunny Hills Elementary Rebuild	5,229,524
1207	Apollo Elementary Addition & Playfield	12,000
1221	Skyline HS Stadium	6,066,977
1233	Issaquah HS Stadium	295,881
1505	Skyline HS Carpentry	108,935
1805	Maywood MS Field Lights	413,020
1812	Skyline HS Turf Replacement	723,731
1815	Liberty HS HVAC Replacement	1,527,131
1820	Skyline HS Misc Repair	228,987
1827	Liberty HS Gym Folding Wall	47,981
1830	Pacific Cascade MS regrading	40,056
1831	Pacific Cascade MS Floor & Lighting	400,709
2001	Holly Street Early Childhood Education	3,166,570
2002	Issaquah Creek Bank Erosion	370,391
	Total	**46,258,909**

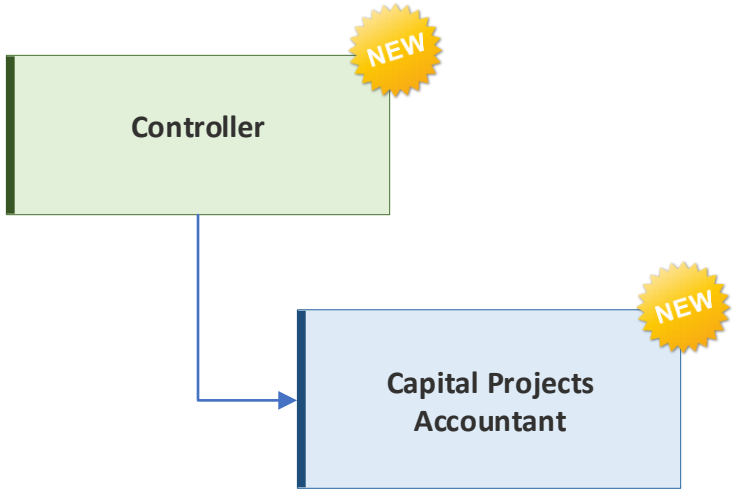
District Improvements

Staffing Changes

In addition to crucial role changes, we have strengthened our internal control framework by adding a Controller and Capital Projects Accountant to our team starting in July 2023.

The **Controller** position was added to strengthen overall financial internal controls and provide additional oversight for capital projects fund compliance.

The **Capital Projects Accountant** position is specifically tasked with overseeing the financial management of capital projects, ensuring that expenditures align with the approved purposes of the bond funds.



District Improvements

Enhanced Reporting

Beginning in July 2022, monthly financial reports were revised to offer timely and straightforward updates on our financial position and the use of bond funds. This ensures that our board of directors, superintendent, staff, and the community are well-informed about our financial management practices and the status of capital projects.

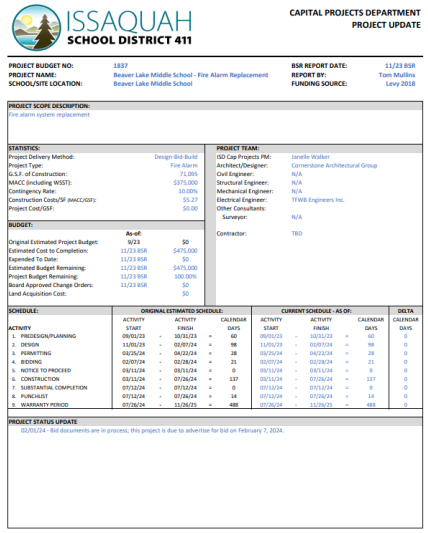
Over the last year and a half, we've also added more detailed capital project information to our website, issue a monthly project status memorandum to the superintendent, and provide Capital Projects Department updates during Board of Directors meetings and regular updates to the superintendent.



Website

Capital Projects


Holly Street Playground-2022 Levy


ISSAQUAH SCHOOL DISTRICT 411

CAPITAL PROJECTS DEPARTMENT
PROJECT UPDATE

PROJECT BUDGET NO:	1837	BSR REPORT DATE:	11/23 BSR
PROJECT NAME:	Beaver Lake Middle School - Fire Alarm Replacement	REPORT BY:	Tom Mullins
SCHOOL/SITE LOCATION:	Beaver Lake Middle School	FUNDING SOURCE:	Levy 2018

PROJECT SCOPE DESCRIPTION:
Fire alarm system replacement

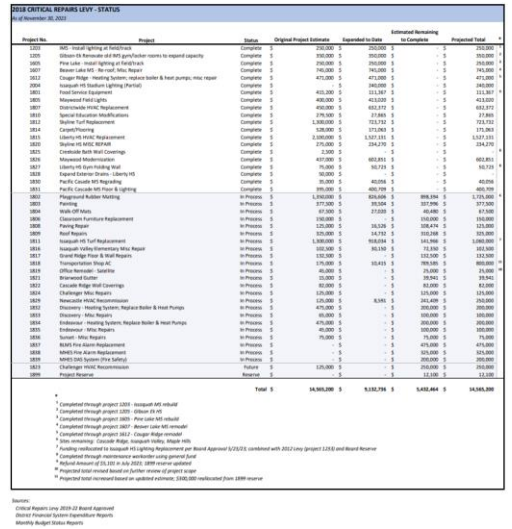
STATISTICS:		PROJECT TEAM:	
Project Delivery Method:	Design-Bid-Build	ISD Cap Projects PM:	Janelle Walker
Project Type:	Fire Alarm	Architect/Designer:	Cornerstone Architectural Group
G.S.F. of Construction:	71,095	Civil Engineer:	N/A
MACC (including WSST):	$375,000	Structural Engineer:	N/A
Contingency Rate:	10.00%	Mechanical Engineer:	N/A
Construction Costs/SF (MACC/GSF):	$5.27	Electrical Engineer:	TFWB Engineers Inc.
Project Cost/GSF:	$0.00	Other Consultants:	
		Surveyor:	N/A
		Contractor:	TBD

BUDGET:

	As-of: 9/23	
Original Estimated Project Budget:	$0	
Estimated Cost to Completion:	11/23 BSR	$475,000
Expended To Date:	11/23 BSR	$0
Estimated Budget Remaining:	11/23 BSR	$475,000
Project Budget Remaining:	11/23 BSR	100.00%
Board Approved Change Orders:	11/23 BSR	$0
Land Acquisition Cost:		$0

SCHEDULE:	ORIGINAL ESTIMATED SCHEDULE:				CURRENT SCHEDULE - AS OF:				DELTA
ACTIVITY	ACTIVITY START		ACTIVITY FINISH	CALENDAR DAYS	ACTIVITY START		ACTIVITY FINISH	CALENDAR DAYS	CALENDAR DAYS
1. PREDESIGN/PLANNING	09/01/23	-	10/31/23	= 60	09/01/23	-	10/31/23	= 60	0
2. DESIGN	11/01/23	-	02/07/24	= 98	11/01/23	-	02/07/24	= 98	0
3. PERMITTING	03/25/24	-	04/22/24	= 28	03/25/24	-	04/22/24	= 28	0
4. BIDDING	02/07/24	-	02/28/24	= 21	02/07/24	-	02/28/24	= 21	0
5. NOTICE TO PROCEED	03/11/24	-	03/11/24	= 0	03/11/24	-	03/11/24	= 0	0
6. CONSTRUCTION	03/11/24	-	07/26/24	= 137	03/11/24	-	07/26/24	= 137	0
7. SUBSTANTIAL COMPLETION	07/12/24	-	07/12/24	= 0	07/12/24	-	07/12/24	= 0	0
8. PUNCHLIST	07/12/24	-	07/26/24	= 14	07/12/24	-	07/26/24	= 14	0
9. WARRANTY PERIOD	07/26/24	-	11/26/25	= 488	07/26/24	-	11/26/25	= 488	0

PROJECT STATUS UPDATE
02/01/24 - Bid documents are in process; this project is due to advertise for bid on February 7, 2024.


2018 CRITICAL REPAIRS LEVY - STATUS
As of November 30, 2023

District Improvements

Checks and Balances

To prevent the concentration of financial management responsibilities and provide for internal checks and balances, we have assigned duties and reconciliation tasks related to the Capital Projects Fund among several staff members.

Recognizing the risk associated with having all responsibility for the Capital Projects Fund concentrated in one position, we have made organizational changes to decentralize this responsibility.

This ensures that the management of bond funds involves multiple layers of oversight, further safeguarding against any potential misuse.



District Improvements

Ongoing Training

WASBO | CONNECT. GROW. LEAD.
WASHINGTON ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

Understanding the importance of continuous improvement, the district has committed to ongoing professional development and training for staff involved in the management and oversight of capital projects, including offerings from the Washington Association of School Business Officials, individual instruction from expert consultants, in-house developed trainings, and peer district shared learning.

Our goal is to ensure that staff remain well-equipped with the knowledge and skills necessary to manage public funds effectively and efficiently and in compliance with applicable laws.



District Improvements

Future Bond Oversight Committee

For future bonds, the district intends to establish a Bond Oversight Committee of community members, financial experts, and other stakeholders, tasked with the oversight of bond funds and ensuring that all expenditures are in accordance with voter-approved projects.

The committee will regularly review project progress, financial reports, and compliance with bond covenants, providing an additional layer of assurance to the community that bond funds are being managed responsibly.

Meetings of the Bond Oversight Committee will be open to the public, and its findings and recommendations will be reported to the Board of Directors and shared with the community.



Pair & Share

What are you wondering about?

Discuss what you learned.

Additional Questions? Record on index cards.

ISSAQUAH
SCHOOL DISTRICT 411





Break!

ISSAQUAH
SCHOOL DISTRICT 411

ISSAQUAH SCHOOL DISTRICT 411

2016 Bond Status

Project Status
Financial Reconciliation

February 27, 2024 | Meeting 3

2016 BOND TIMELINE: EXPANSIONS, REMODELS, NEW BUILDS

Visit our Construction website



Cougar Ridge Elementary Expansion/Modernization
August 2017-Fall 2018

Discovery Elementary Expansion/Modernization
September 2018-Fall 2019





High School 4/Elementary 17 Planning
Spring 2018-Present**



Cedar Trails Elementary New Build
April 2020-September 2021*



Beaver Lake Middle School Updates
May 2021-December 2021*

2017 | 2018 | 2019 | 2020 | 2021 | 2022



Pine Lake Middle School Rebuild
May 2017-Fall 2018

Endeavour Elementary Expansion/Modernization
September 2018-Fall 2019



Central Admin Building
November 2018-Fall 2019





Cougar Mountain Middle School New Build
April 2020-March 2022*

Maple Hills Elementary Expansion/Modernization
March 2021-December 2021*



**Project is defined as substantially complete.*
***Work towards permitting, design, SEPA, site sustainability, etc. has been in progress for High School 4 and Elementary 17 for some time. Should the Capital Levy pass in April 2022, High School 4 is estimated to be complete in September 2024.*

2016 Bond

Superintendent Recommended Projects

- On September 23, 2015, the superintendent provided his recommendation to the school board for projects in the amount of $533,500,000. The superintendent's recommendation included a description of projects and estimated project amounts.

- The school board directed the superintendent to prepare a resolution for a ballot measure using the recommended amount of $533,500,000. Resolution 1063 was adopted by the school board on October 28, 2015.

	2016 Bond Projects: Superintendent Recommendation		
	Description	**Amount**	**Percent of Total**
	4th Comprehensive High School	$ 120,000,000	22.5%
	Property Acquisition: HS, MS & 2 Elementary	$ 97,000,000	18.2%
	Land for Transportation	$ 1,000,000	0.2%
	Rebuild of Pine Lake Middle School	$ 71,000,000	13.3%
	Middle School 6	$ 74,000,000	13.9%
	Beaver Lake Middle School Upgrade/Update	$ 8,500,000	1.6%
	Elementary 16	$ 36,500,000	6.8%
	Elementary 17	$ 38,000,000	7.1%
	Expansion/Remodel Discovery	$ 9,000,000	1.7%
	Expansion/Remodel Endeavour	$ 9,000,000	1.7%
	Expansion/Remodel Cougar Ridge	$ 9,000,000	1.7%
	Expansion/Remodel Sunset	$ 7,000,000	1.3%
	Expansion/Remodel Maple Hills	$ 7,000,000	1.3%
	Expansion/Remodel Central Administration	$ 7,500,000	1.4%
	Expansion of Clark Elementary to 32 Classrooms	$ 7,000,000	1.3%
	Portable Classrooms	$ 6,000,000	1.1%
	Project Management	$ 6,000,000	1.1%
	Future Projects Reserve/Contingency	$ 20,000,000	3.7%
Total		$ 533,500,000	100.0%

Source: *2016 Bond Project Superintendent Recommendation*

ISSAQUAH SCHOOL DISTRICT 411

2016 Bond Projects

Expenditures as of February 2022

- After passing the 2016 bond measure in April 2016, the district began selling bonds and commenced the related projects.
- In February 2022, the last of the 2016 bond funds were exhausted. Total expenditures for the original superintendent recommended 2016 bond projects totaled $444.7 million at that time. The remainder of the bond funds were used on other projects.
- Expenditures continue for some remaining 2016 bond projects. Funding for these projects is derived from other allowable sources.
- The district currently has $90 million set aside from other allowable sources for the new high school project.

Original 2016 Bond Project Estimates Listing

Project No.	Description	Original Project Est.	Total Project Expenditures To Date	
1602	4th Comprehensive High School	120,000,000	18,547,106	
1603	Property Acquisition: HS, MS & 2 Elementary	97,000,000	88,625,930	
1604	Land for Transportation	1,000,000	25,756	
1605	Rebuild of Pine Lake Middle School	71,000,000	73,405,608	
1606	Middle School 6 (Cougar Mountain MS)	74,000,000	106,805,658	
1607	Beaver Lake Middle School Upgrade/Update	8,500,000	7,699,783	
1608	Elementary 16 (Cedar Trails ES)	36,500,000	50,775,404	
1609	Elementary 17	38,000,000	88,677	
1610	Expansion/Remodel Discovery	9,000,000	14,537,035	
1611	Expansion/Remodel Endeavour	9,000,000	12,047,565	
1612	Expansion/Remodel Cougar Ridge	9,000,000	15,256,566	
1613	Expansion/Remodel Sunset	7,000,000	11,328,722	
1614	Expansion/Remodel Maple Hills	7,000,000	7,028,169	
1615	Expansion/Remodel Central Administration	7,500,000	14,480,159	
1204	Expansion of Clark Elementary to 32 Classrooms	7,000,000	7,000,000	*
1601	Portable Classrooms	6,000,000	9,850,302	
1690	Project Management	6,000,000	7,214,927	
1699	Future Projects Reserve/Contingency	20,000,000		
	TOTAL	**533,500,000**	**444,717,367**	**A**

Sources:

2016 Bond Projects: Superintendent Recommendation

Financial System Reports

**Applied to Project 1204 Clark Rebuild*

ISSAQUAH SCHOOL DISTRICT 411

2016 Bond Projects

Compliant Payments per Auditor

- The Washington State Auditor's Office found $52.2 million in 2016 bond payments were compliant with the applicable bond resolution.

- While not explicitly listed on the original projects list of superintendent recommended 2016 bond projects, they were deemed compliant with the bond resolution.

Source: WA State Auditor's Office Workpapers

Other Projects Compliant Per 2016 Bond Resolution		
Project No.	**Description**	**Total Project Expenditures**
0202	Satellite Transportation	324
0506	Central Services Mod	295,882
0513	ADA/Spec Ed Modernization	493,892
0520	New Site Purchases	17,946
0523	Detention Pond Renovation	(232)
0611	Paving	320,775
0612	Safety	453,753
0613	Security	7,897
1101	Food Service Equipment	1,595
1113	Backflow Replacement	90
1115	Sound/Acoustics	782
1122	Gutters/Downspouts	323
1127	OSPI Energy Conservation Grant	48,307
1204	Clark Rebuild	35,244,314
1208	Sec. Artifical Turf and Track	1,209,165
1212	Resilient Flooring	210,261
1213	Roof Repair	54,520
1216	Heating and Venilation	14,148
1218	Fire and Security	58,113
1219	BLMS Improvements	33,990
1222	ADA/Special Needs	8,667
1228	Key Card Access System	4,383,558
1229	CCTV Security	760,583
1232	Endv & MH Office	2,529
1290	Construction Management	1,292,993
1298	Bond Issuance Costs	1,163,352
1501	Portable Classrooms	2,410,392
1504	Bus Wash & Fueling	639,901
1506	Sound Systems	150,788
1507	HVAC & DDC Upgrades	468,088
1508	Fire Panels	281,600
1513	Rough Carpentry	123,014
1514	Challenger Doors/Skylights/Par	59,822
1801	Food Service Equipment	61,022
1802	Playground Rubber Matting	529,039
1803	Painting	39,504
1807	HVAC Replacement	632,372
1809	Roof Repairs	9,916
1810	SPED Modifications	27,865
1818	Trans Shop AC	10,415
1826	NW Modernization	592,879
1829	NC HVAC Recomm	8,591
1814	Carpet/Flooring	78,590
	Total Other Allowable Project Costs	**52,201,325** **B**

ISSAQUAH SCHOOL DISTRICT 411

2016 Bond Projects

Noncompliant Payments per Auditor

- The Washington State Auditor's Office found $46.3 million in 2016 bond payments were noncompliant with the applicable bond resolution.

- These projects were not part of the original superintendent recommended projects and are also outside the scope of resolutions 1063 and 1093 (repurpose).

Non Compliant Projects Per 2016 Bond Resolution		
Project Code	**Project Name**	**Total Expenditures**
0510	Issaquah HS Reconstruction	16,657
0515	Liberty HS Additon/Modernization	(3,592)
0519	Maywood MS Modernization	87,270
0602	Creekside Elementary	27,615
1201	Liberty HS Phase 2 & 3	5,643,191
1202	Issaquah Valley Elementary Addition	187,337
1203	Issaquah MS Rebuild	18,268,040
1205	Gibson EK High School	3,400,498
1206	Sunny Hills Elementary Rebuild	5,229,524
1207	Apollo Elementary Addition & Playfield	12,000
1221	Skyline HS Stadium	6,066,977
1233	Issaquah HS Stadium	295,881
1505	Skyline HS Carpentry	108,935
1805	Maywood MS Field Lights	413,020
1812	Skyline HS Turf Replacement	723,731
1815	Liberty HS HVAC Replacement	1,527,131
1820	Skyline HS Misc Repair	228,987
1827	Liberty HS Gym Folding Wall	47,981
1830	Pacific Cascade MS regrading	40,056
1831	Pacific Cascade MS Floor & Lighting	400,709
2001	Holly Street Early Childhood Education	3,166,570
2002	Issaquah Creek Bank Erosion	370,391
	Total Non Compliant Expenditures	**46,258,909** C

Source: WA State Auditor's Office Workpapers

ISSAQUAH SCHOOL DISTRICT 411

2016 Bond Reconciliation of Revenues to Expenditures

Bond Sales	District Amount	Proceeds Collected and Paid for Cost of Issuance	Total Deposit to Capital Fund	Source
2016 Sale	150,015,000	191,500	150,206,500	*Bond Sale Closing Documents and King County Treasurer Reports*
2017 Sale	125,000,000	194,800	125,194,800	*Bond Sale Closing Documents and King County Treasurer Reports*
2018 Sale	100,000,000	168,837	100,168,837	*Bond Sale Closing Documents and King County Treasurer Reports*
2019 Sale	80,000,000	127,620	80,127,620	*Bond Sale Closing Documents and King County Treasurer Reports*
2020 Sale	78,485,000	133,857	78,618,857	*Bond Sale Closing Documents and King County Treasurer Reports*

Total From Sale of Bonds	$	534,316,614		
Interest Earned on Bonds	$	8,860,987		*District Revenue Reports and King County Treasurer Reports*
Total Funds Available - 2016 Bonds	**$**	**543,177,601**		
2016 Bond Projects Expenditures Through Feb 2022	$	444,717,367	**A**	*District Expenditure Reports - Mid February 2022*
Compliant - Other Projects	$	52,201,325	**B**	*SAO Workpapers*
Non Compliant Projects - Per Audit	$	46,258,909	**C**	*SAO Workpapers*
Total Expenditures from 2016 Bond Funds	**$**	**543,177,601**		

New High School Status

History
Enrollment
Project Cost Estimate
Funding Considerations

ISSAQUAH
SCHOOL DISTRICT 411

History

New High School Project

April 2016 to January 2022

- Acquisition and land use delays result in escalation in project costs from original estimate of $120 million to updated estimate of $198 million.

April 2022

- District asks voters for $44 million in the form of a capital construction levy to complete the project.

Summer 2022

- New administration and finance team began performing due diligence research regarding the project and concluded:
  - The $198 million estimate and project contingency amount were inaccurate.
  - Updated estimate for the project is at least $253 million in July 2022.
  - Capital projects fund balance and anticipated future resources were inadequate to complete the project.

History

New High School Project

Fall 2022 to January 2023

- District becomes aware of likely noncompliance issue regarding bond funds and notifies auditors.

February 2023 to February 2024

- District awaits audit result to determine ultimate disposition of 2016 bond funds and path forward for new high school project.

September 14, 2023

Board Work Study

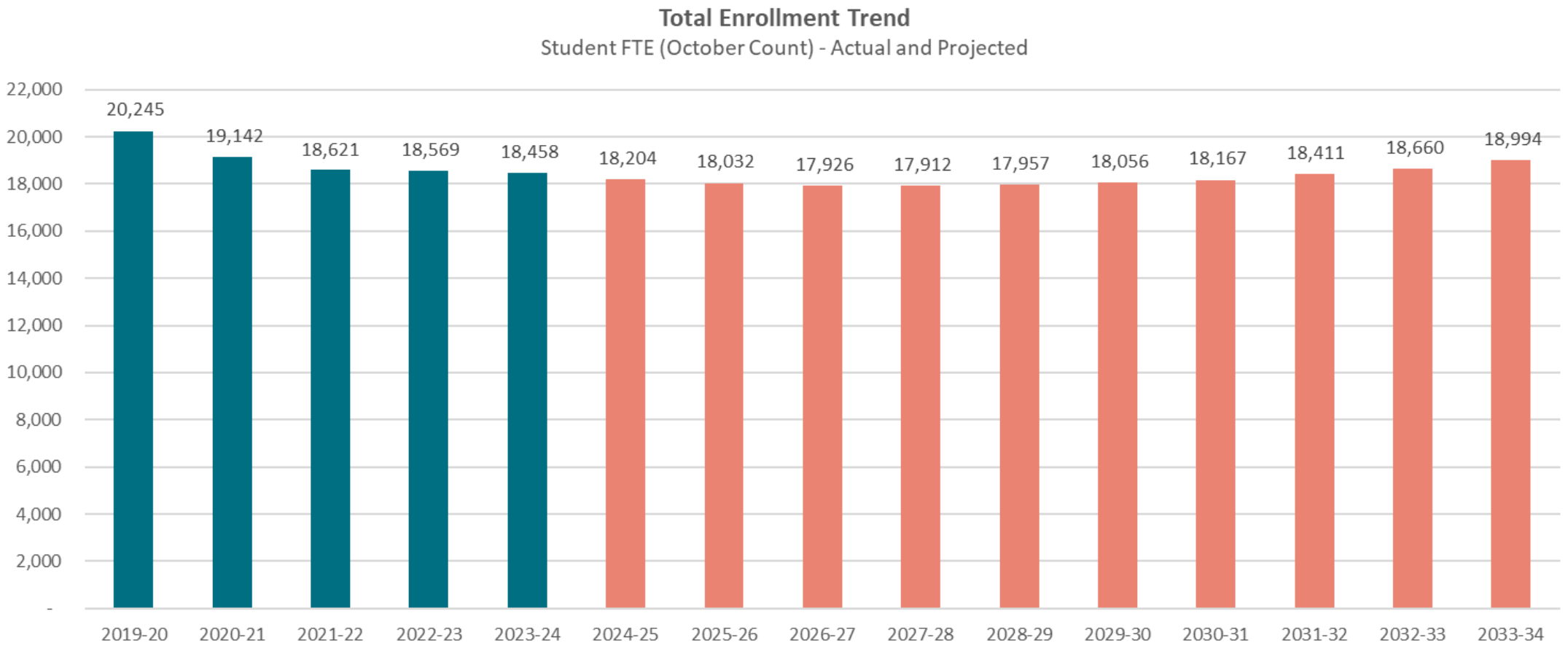
- In anticipation of various capital needs, the school board asks district staff to provide background and possible timeline for a bond measure. The new high school project is included in the known projects list. Recap available in meeting minutes and recording.

February 2024

- Auditors conclude their work and issue an audit finding. The district performs a final reconciliation of 2016 bond funds to payments, updates the project cost estimate, and confirms resources available for the project.

Enrollment – District Level Projections

District enrollment is anticipated to decline slightly in the near term but begin to increase in the 5 to 10 year range. We are cautiously optimistic about our enrollment trend and this allows us to more consistently plan.



*Running start students not included; Projections based on October 2023 count

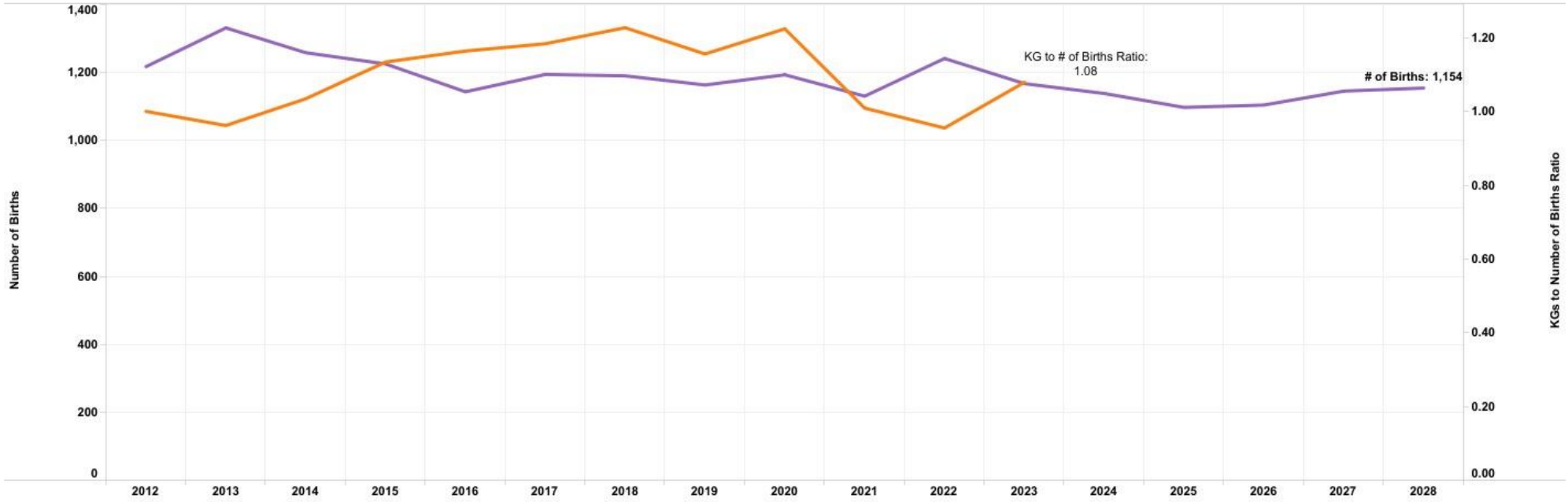
Enrollment – Birth Trend

Birth rates for the district appear to support a consistent trend

Live Births Chart

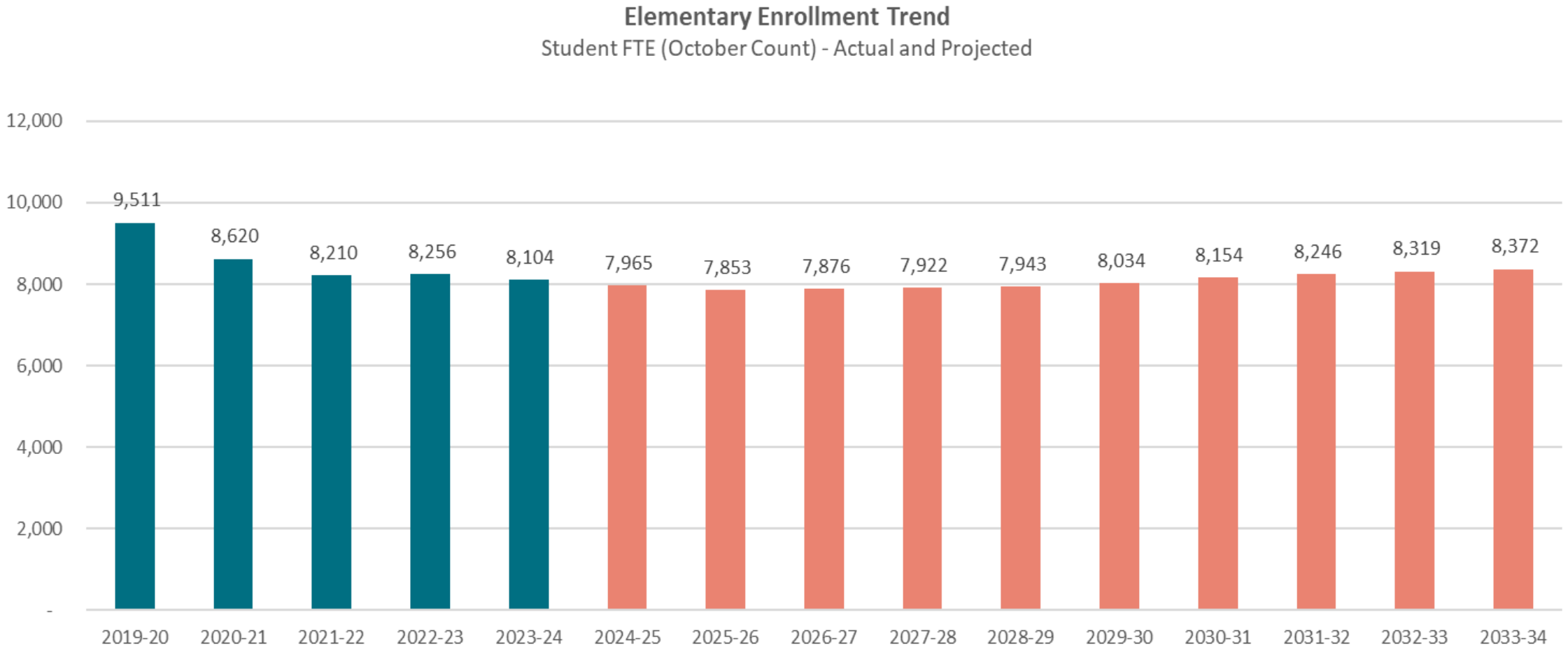
Source: Washington State Department of Health

District		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Issaquah School District	KGs to Number of Births Ratio	0.96	1.03	1.13	1.16	1.18	1.23	1.16	1.22	1.01	0.95	1.08					
	Number of Births	1,331	1,258	1,225	1,143	1,194	1,190	1,163	1,193	1,130	1,241	1,167	1,138	1,097	1,104	1,145	1,154
	KG Enrollment	1,280	1,301	1,389	1,330	1,413	1,460	1,344	1,460	1,140	1,185	1,259					



Enrollment – Elementary

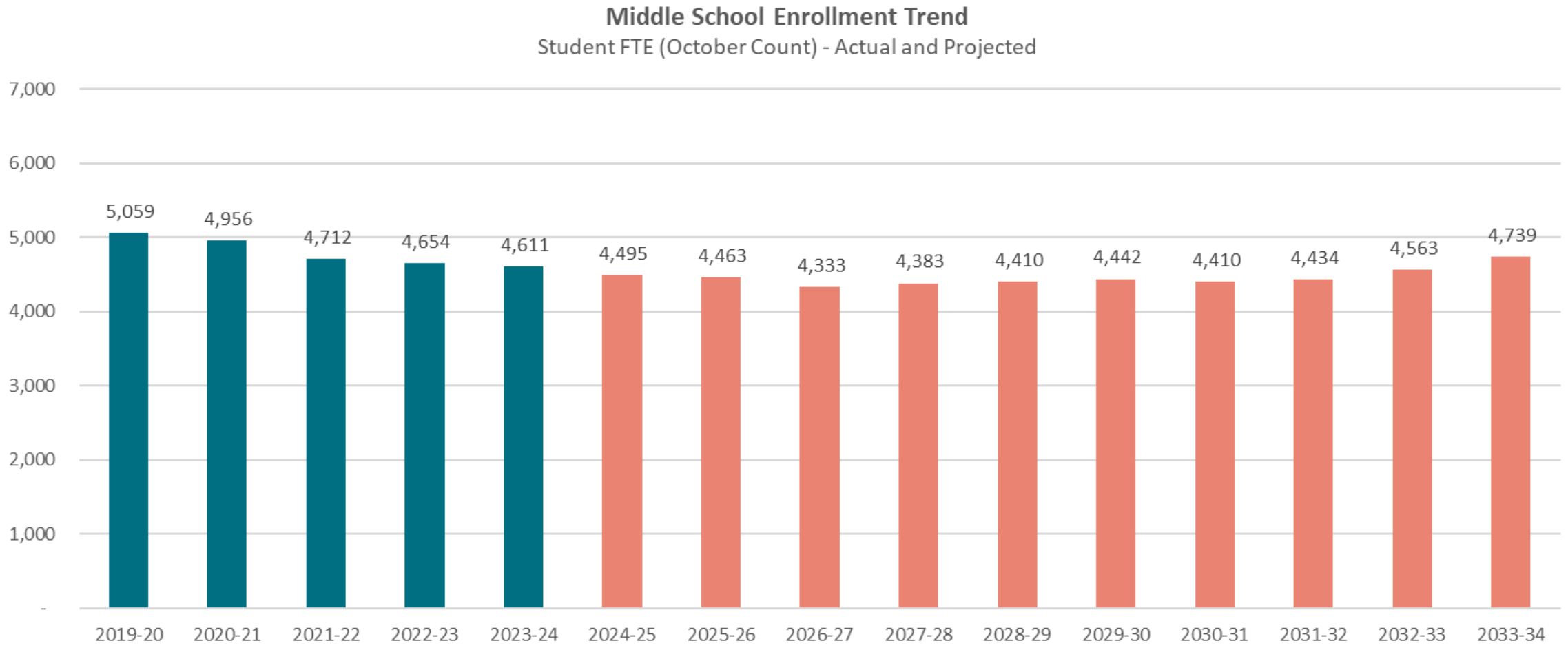
Elementary enrollment is anticipated to stabilize, consistent with birth rates.



*Projections based on October 2023 count

Enrollment – Middle School

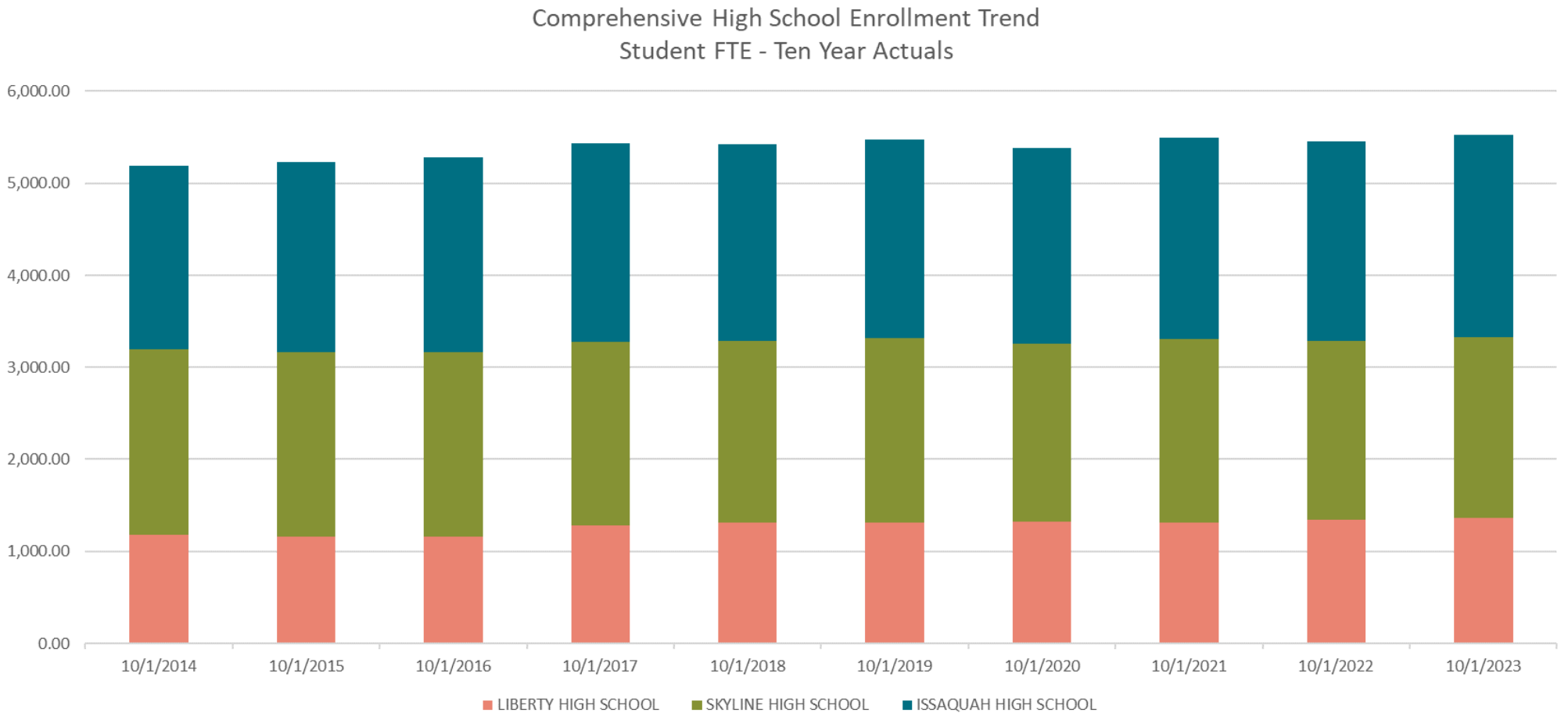
Middle school enrollment is subject to slightly more fluctuation as varying class sizes transition from the elementary level



*Projections based on October 2023 count

Enrollment – Comprehensive High Schools Historical

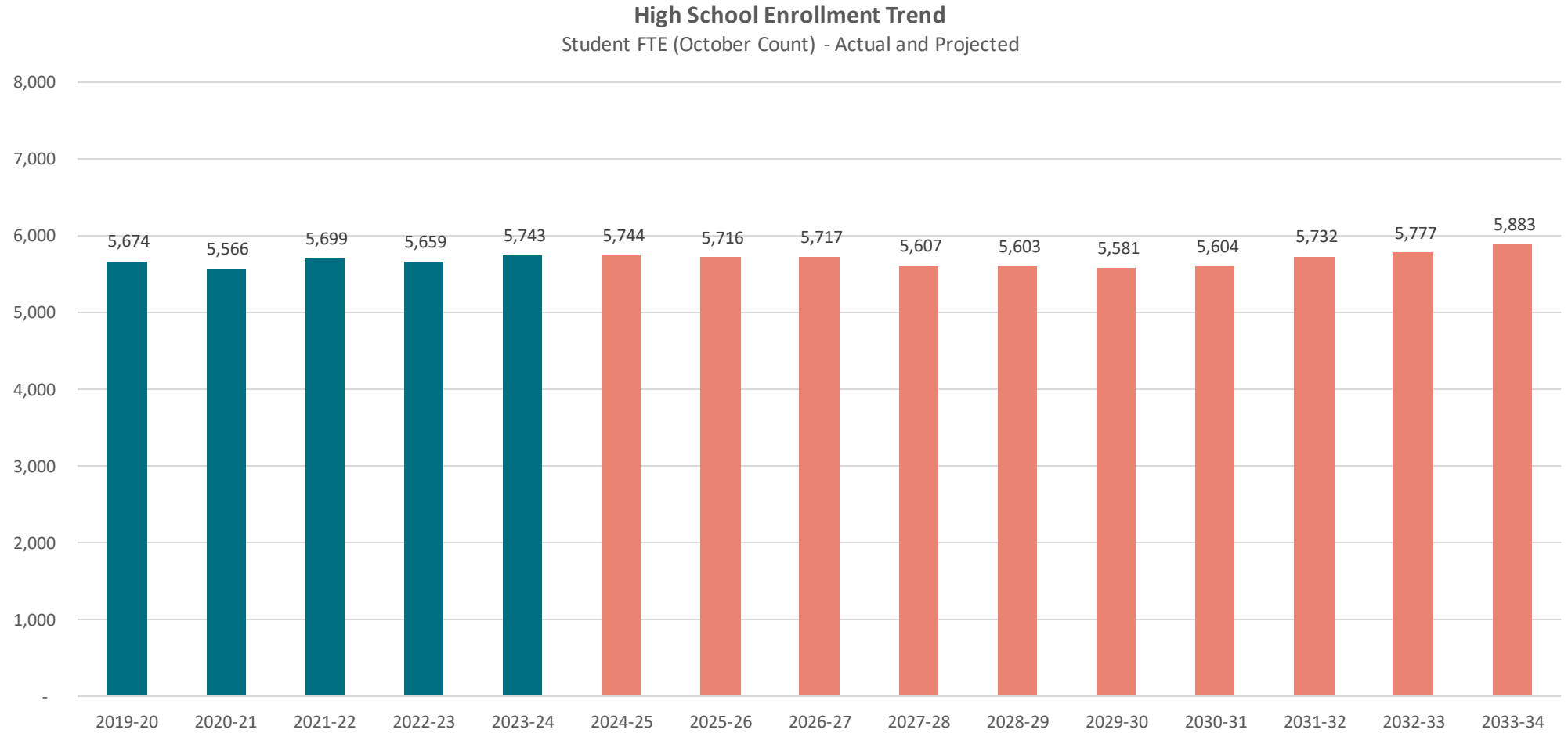
High School enrollment has continued to trend upward since 2014. Planning at the time called for an additional high school to address capacity issues.



**Running Start and Gibson-Ek HS students not included*

Enrollment – High School Projections

High School enrollment is expected to see a slight decline in the next several years as smaller class sizes move through the system. At no point over the next 10 years is it anticipated that enrollment will decline to a level where additional high school capacity is not needed.



**Running start students not included; Projections based on October 2023 count*

High School Size

Student Enrollment FTE by School - High School

Top 20 High School Building Enrollment by FTE

DISTRICT	SCHOOL NAME	TOTAL FTE	RANK
Pasco	Chiawana Senior High School	3274	1
Tahoma	Tahoma Senior High School	2889	2
Pasco	Pasco Senior High School	2523	3
Issaquah	Issaquah High School	2478	4
South Kitsap	South Kitsap High School	2433	5
Mukilteo	Kamiak High School	2382	6
Lake Washington	Eastlake High School	2378	7
Yakima	Eisenhower High School	2320	8
Lake Washington	Redmond High School	2276	9
Richland	Richland High School	2249	10
Yakima	Davis High School	2233	11
Issaquah	Skyline High School	2215	12
Lake Stevens	Lake Stevens Sr High School	2202	13
Snoqualmie Valley	Mount Si High School	2201	14
Everett	Henry M. Jackson High School	2172	15
Sunnyside	Sunnyside High School	2169	16
Kent	Kentridge High School	2151	17
Bethel	Graham Kapowsin High School	2105	18
Mukilteo	Mariner High School	2099	19
Wenatchee	Wenatchee High School	2066	20

Source: OSPI Report Card Enrollment 2023-24 School Year

ISSAQUAH
SCHOOL DISTRICT 411

Portables

High School Portable Classrooms 2023-2024

School	Portable Classrooms	Total Capacity (28)
Issaquah HS*	10	280
Liberty HS	10	280
Gibson Ek HS	0	0
Skyline HS*	15	420
Total	**35**	**980**

**Total for Issaquah HS and Skyline HS combined is 25 classrooms at 700 capacity*

ISSAQUAH
SCHOOL DISTRICT 411

New High School Project Cost Estimate

Preconstruction Costs To Date	20,185,144	*as of 2/18/24*
Remaining Project Cost Estimates		
Construction Costs ("Hard Costs")	202,000,000	
Construction Consultants, Permit/Inspection Fees, Furniture, Fixtures, Equipment, Contingency, etc. ("Soft Costs")	70,700,000	*35% of Construction Cost*
Total Project Cost Estimate	**272,700,000**	
Funds Available	90,000,000	*Does not include $44M capital levy*
Funds Required to Complete Project	**182,700,000**	

Total project cost estimate assumes beginning construction in **Spring 2025**. Further delay very likely to increase the project cost estimate.

Permits – New High School

Land Use Permit

- Extended through April 19, 2025
- Possible 1-year additional extension

Building Permit*

- Extended through April 27, 2025

**Any change to design will require re-permitting*

ISSAQUAH SCHOOL DISTRICT 411

Capital Levy

- The 2022 capital levy has two years remaining - we have $44 million earmarked in the levy for the new high school project.

- At the March 26th Bond Advisory Committee meeting, we intend to review the relationship between these capital levy funds and potential bond proposal.
  We will be joined by an expert from Piper Sandler & Co. who will also provide an overview of our currently outstanding bond debt.

ISSAQUAH
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Questions?

ISSAQUAH
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Closing

HOMEWORK:

- Exit ticket

NEXT MEETING:

March 12, 2024
Issaquah School District 411 Board Room
5150 220th Ave SE, Issaquah, WA 98029

ISSAQUAH
SCHOOL DISTRICT 411

QUESTIONS or CONCERNS:

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Lesha Engels: EngelsL@issaquah.wednet.edu

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