

2016 Facilities and Technology Task Force Minutes

September 3, 2015

Vines High School - Presentation Room

Attendees:

Members: Matthew Arend, Rebecca Egelston Caso, Rick Cinclair, Rodney Davenport, Ken Gagliano, Jim Hirsch, Ken Hutchenrider, Marshall Jackson, Annika Little, Bill McLaughlin, Dr. Raj Menon, Pat Miner, Fred Moses, Amy Nelson, Dr. Doug Otto, Alex Plotkin, Rev. Patrick Price, Julie Richard, Corie Rubenstein, Doug Shockey, Karen Stanton, Ryan Steele, Rose Taper, John Teiber, Al Valente, Janet Weissman,

District officials and others: Nancy Humphrey, Dr. Brian Binggeli, Steve Fortenberry, Dr. Jim Wussow, Susan Modisette, Dr. Kary Cooper, Karla Oliver, Dan Armstrong, Linda Madon, Kathy Waskow, Juan Ramos, Tony Pearson, David Medanich, Rocky Gardiner, Monica Sharapata, Mary Ann Lewis

Opening and Welcome – Nancy Humphrey, Board President

The inaugural meeting of the Plano ISD 2016 Facilities and Technology Task Force was called to order at 6:09 p.m. by Board of Trustees President Nancy Humphrey, who welcomed task force members and conveyed the Board's appreciation for the time and effort that would be spent by the members on the Task Force.

Charge to Task Force – Nancy Humphrey, Board President

Nancy read the specific charge to the committee for a better understanding of the committee's objectives and responsibilities. President Humphrey then turned the meeting over to Rebecca Egelston Caso, chairman of the 2016 Task Force.

Introductions & Protocol – Rebecca Egelston Caso, Chair

After introducing committee members and Plano ISD staff in attendance, Rebecca reviewed the committee protocol and emphasized the confidentiality of the materials and discussions. A handout of the protocol was provided. One addition was added to the protocol on absences. The protocol was then adopted with no opposition. Rebecca stated that any thoughts throughout this process by the committee regarding the district should be directed to her. These thoughts would then be passed along to the administration.

Everyone received a copy of the meeting events and topics in their notebooks. Rebecca asked to please contact her by email, if a committee member knows they will not be able to attend a scheduled meeting.

Rebecca introduced Dr. Brian Binggeli, Plano ISD Superintendent, to give a district overview.

District Overview – Dr. Brian Binggeli, Superintendent

The district overview presentation consisted of district information from number of students and staff to number of campuses and support facilities. Square footage of facilities, average campus size as well as both developed and undeveloped acreage owned by Plano ISD was also presented.

Dr. Binggeli touched briefly on the expenditures for all funds and the general operating expenditures from a 2013/14 snapshot.

Dr. Binggeli thanked everyone for their commitment to the 2016 Bond Task Force and then turned the financial overview portion of the meeting to Steve Fortenberry, Plano ISD CFO.

Financial Overview – Steve Fortenberry, Chief Financial Officer

The first slide of the Financial Overview gave a general fund revenue by source from 2013-14. These figures included local, state and federal revenues. Plano ISD experienced a budget crisis in the 2011-2013 biennium, due to the state's funding cuts. A tax ratification election (TRE) was passed by voters in November of 2013 which added 13¢ to the maintenance and operating portion of the tax rate, while the debt service rate was reduced by 5¢. The debt service tax rate has since been reduced an additional 1.4¢. Steve stated that the current unassigned fund balance is \$154 million, which makes up 30% of our annual budget.

Slides were presented with the net general fund revenue per student from fiscal year 2007 to 2016 as well as the peer review slides based on 2013-14 audits. It was stressed that Plano ISD was second highest in amount spent per student for instruction but had the lowest ratio for administrative cost.

"Why consider a bond election now?" This has been the longest time lapse between bond elections since 1923-51. Also, the 2008 bond election was planned to cover 4 years but will have been stretched to 8 years by May 2016. By conservative planning and utilizing surplus funds since the tax rate election, the district has been able to stretch capital projects up until now. Utilizing the operating surplus generated by the TRE was only meant to be a bridge, not a long term capital needs funding source.

The 2008 Bond Projects were presented to give the committee an idea of what type of projects were included.

Current Debt Structure – David Medanich, First Southwest Company

David gave a brief overview of Plano ISD's current debt structure. Plano ISD's ratings are the highest stand-alone ratings carried by any ISD in Texas. The graphs in the Power Point presentation were indicative of why Plano ISD has top ratings. Bonds are structured to not exceed the useful life of the assets being financed.

The district monitors opportunities to refinance outstanding debt for savings. Since 2010, cash flow savings of approximately \$35 million have been achieved through refinancing over \$322 million in bonds.

Projected debt capacity was discussed. Assumptions including keeping the debt tax rate constant at

\$0.269/100 and conservative property value growth allow for \$620 million capacity. If debt tax rate were increased, capacity would increase. This was meant for illustrative purposes only. As the task force further defines the scope of work and related cost estimates, David will be back to discuss finance plan recommendations.

Demographic Overview – Rocky Gardiner, Templeton Demographics

Rocky presented the 2015 second quarter demographic report which encompassed information about the economic conditions for the DFW area, housing market, vacant developed lots, future lots, overall housing data, family and multi-family growth, enrollment history, and a ten year forecast.

Rocky began by stating that there is a lot of economic growth even though there is a very low inventory of houses. There were 450 new homes started in the past 12 months with vacant lots still available for new housing growth. Five new multi-family developments in the City of Plano have been under construction since July 1, 2015.

Steve noted that although total enrollment has declined, the decline has not been evenly distributed and there are some schools that are at or near capacity. Options will be presented at the next meeting on September 17th.

Rocky explained that the annual forecasting is based on data from a snapshot date in late October.

Kary commented that currently the district's enrollment is at 54,279 but will soon close in on the projected number of 54,561 as we get closer to the snapshot date. Susan Modisette added that the number of transfers is controlled for campuses with enrollment growth.

The committee requested an expanded map showing all new developments being tracked. Also, a request was made for data regarding the age of the campuses.

Timeline and Adjournment – Rebecca Egelston Caso

Rebecca Egelston Caso reviewed the timeline and locations of future meetings. The October 1st meeting may need to be changed since several of the committee members will be attending the City of Plano Chamber of Commerce event.

Rebecca also reiterated the action items needed:

- 1) Amended protocol
- 2) Facility report which contains the year built of all the campuses
- 3) Composite map of the entire district
- 4) In/Out report (student transfers)

Rebecca adjourned the meeting at 8:12 p.m.