

Minutes

Client:	Hillsboro School District
Project:	Pre-Bond Planning
Meeting date:	13 November 2025
Meeting location:	Hillsboro School District
Meeting title:	Bond Development Committee Meeting #5

Bond Development Committee (BDC) - Meeting Minutes

Meeting #5 – November 13, 2025

Welcome & Recap

BDC Co-Chair, Steve Callaway welcomed attendees and provided a recap of the committee's purpose and its work outcomes.

- **PURPOSE:**
 - The purpose of the committee is to develop the capital needs of the District, informed by the Long-Range Facility Plan, and to establish consensus recommendations for community input. Final recommendations will be presented to the School Board as part of a Strategic Capital Investments Plan for a possible upcoming bond in the November 2026 election.
- **OUTCOME:**
 - The committee will provide recommendations for District capital needs informed by data, educational programming, and community input, culminating in a Strategic Capital Investments Plan.

Additionally, there was a recap of the fourth BDC meeting, as well as a representation of the "consensus" the BDC has demonstrated with each of the core discussion areas, thus far. It was shared that there has been strong alignment between what has been presented and what the BDC has discussed and shared as recommended priorities. There were a couple key areas highlighted as areas that were still in agreement by the BDC, but had some questions or thoughts that they may not be top priority depending on what else is included in the final recommendation package.

Overview of This Evening's Meeting

An overview of the meeting was provided, whereby it was shared that the BDC would hear from finance and pricing experts connected to the emerging consensus to share information about potential bond amounts and their impact on voters.

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More specifically, it was shared that the meeting would be about:

- A chance to hear from financial and pricing experts to begin talking about monetary amounts and impacts for a potential November 2026 bond
- Dive into the pricing process for likely projects in a November 2026 bond program
- Make recommendations for direction toward the development of bond packages for community input

It was then shared that there would be an opportunity for group discussion to share reactions and questions before we reconvene in December to settle on roughly 3 potential bond packages before sharing them for further community input and feedback ahead of the BDC reconvening in March and April to settle on one recommendation to make to the HSD School Board for approval.

2026 Bond Limits, Considerations, Context, and Impact

Scott Harrison from HSD introduced Lauren MacMillan - Managing Director, Public Finance with Piper Sandler & Co.

Lauren walked through an overview of what a General Obligation (GO) Bond is, as well as shared key definitions for essential terms such as Real Market Value (RMV), Assessed Value (AV), Bond Levy Rate. She then shared an overview that GO Bonds are not subject to double majority in May and November elections. A sample ballot was then reviewed to see where key concepts showed up in the ballot measure itself. An overview of permissible use of proceeds was provided, as well.

A numerical analysis was then presented whereby there was an analysis of 20 Year Tax-Exempt (AAA MMD) vs. 20 Year Treasury Rates followed by historical valuation trends for Hillsboro School Districts with the understanding that historical AV growth is used to inform future growth. A historical growth for HSD was highlighted due to the expiration of Intel's Strategic Investment Program Tax (SIP). Outstanding and priori bonds were then reviewed to provide more information.

Two scenarios were then presented for a potential 20-year bond for consideration, assuming a November 2026 election. One scenario maintained the projected FY 2027 Levy Rate of \$1.58 to yield a Par Amount of \$311,990,000. The other scenario presented Target 3-year Average Levy Rate of \$1.8076 to yield a Par Amount of \$380,355,000

The 2017 bond and the roughly \$48M invested at that time were shared to yield 8 immediate occupancy Elementary gymnasiums, as well as 4 turf fields with lights. These were shared as a point of momentum, yielding the roughly \$43M investment that would be requested as a result of this presentation. Comparable rates in the area were then presented, showing HSD in the lower half or third of other districts in both scenarios presented.

Election and OSCIM Program data were then presented.

There was then an opportunity for BDC members to share any additional questions they had.

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District leaders then shared the following information:

- BDC has shared as priorities across previous meetings, aligned with what the district knows are urgent needs that all currently add up to nearly \$380M
- If all things shared by district functional area leaders were to be included – regardless of levels of urgency – we would need roughly \$640M
- Given this and our value to be responsible stewards of local dollars and support, the district shared their current plan to build packages at *least* at the \$380M level

The BDC then went into a 10 minute break.

Pricing and Identifying Priorities for a 2026 Bond

Brooke Schumacher – Senior Project Manager with Turner & Townsend Heery, then presented some information and context regarding pricing and identifying priorities for a 2026 bond.

A visual of the projects matrix (used for project planning purposes) was shared to illustrate the process by which projects were organized, then projected to provide anticipated costs should a 2026 bond be approved.

Pricing and assigning costs were shared to be a complex and multi-stepped process whereby at its core, the formula for projecting costs has three core additive components:

- Hard Costs (aka Construction costs, including direct building expenses such as site work, materials, labor, utilities, and contractor overhead)
- Design and Development Costs (aka Non-construction expenses like design fees, permitting, surveys, testing, project management, furniture, equipment and contingencies)

As a general rule of thumb for K-12 bond programs, the typical ratio is 70% construction costs and 30% design and development costs.

An overview of escalation costs and how they yield projected pricing was also provided.

The BDC then reviewed its core 6 areas of work as circles of relative size representing current pricing projections.

There was then a chance for BDC to ask any questions they had.

Small Group Discussion

BDC members then went into small group discussion anchored in the following questions:

- What things do you want the BSC to keep in mind as they prepare the opportunity for BDC to provide further input in the December 3 meeting?
- What additional information do you need to make informed decisions? What resources might support you to select your top 3 packages in our next BDC meeting?

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- Any other important considerations to share

BDC members shared energy toward a \$380M bond and pushed for consideration to go beyond within reason. Additionally, several requested some work to be done by the BSC to prepare for the upcoming BDC meeting that would allow the committee to provide more direct input on a discretionary portion of the potential bond funds rather than have the total potential bond amount be taken up by what projects have already been deemed essential.

Closing and Wrap-up

The next steps were shared by the BSC at the end of the meeting:

- Work would be done to get the “immutable core” of projects down toward \$350M
- Data would be shared as pre-work the week of the BDC meeting to help give BDC members a chance to interact with key data before coming to put together a few different bond packages for community feedback and input

Next Meeting

There was then a reminder of the next BDC meeting to be held on Wednesday, December 3, 2025 from 4-6pm at the District Office.