



Bond Task Force – Meeting 3 Summary

December 20, 2017

Meeting #3, Tuesday, December 5, 2017, Meridian High School

Attendees: Task Force members

Name		
Aanika Aspund	Scott Brittain	Anne Bowen
Joy Born	Michael Britt	Faye Britt
Riley Cornelsen	Edwin Elefson	Rusti Elefson
Connie Faria	Rob Fickeisen	Peter Finstuen
Dustin Griffin	Mai Chi Griffin	Tina Harmer
Gordon Harmer	Gregg Heyne	Lesli Higgins
Kathy Hopkins	Bud Larson	Sarah Lenssen
Taylor Lupo	Sandi McMillan	Amy Nylen
Cathy Raymond	Nicole Smith	James Taylor
Terry Terry	Shauna Torretta	Jeremy Vincent
Jamie Plenkovich	Tony Torretta	Mitch Davis
Wendy Wasco	Candice Willson	Jay Julius
Jake Locker		

Staff

Ferndale School District

- Mark Deebach, Assistant Superintendent
- Linda Quinn, Superintendent
- Tammy Bengen
- Erin Daniels

EnviroIssues facilitator

- Penny Mabie

Other Interested Parties

- Ken Rehberger

Welcome and Introduction

Penny Mabie, EnviroIssues facilitator for the Ferndale School District (abbreviation: FSD) Bond Task Force (abbreviation: Task Force), welcomed Task Force members and observers to the meeting. She provided members with an overview of the meeting agenda and outlined the primary purpose of the meeting: learn about bond financing and tax implication; learn about Washington State construction assistance opportunities and limitations, hear about Ferndale school facility conditions; and finalize guiding principles.

Members and staff introduced themselves.

Task Force Reports

Penny asked Task Force members to share what they are hearing out in the community about the work of the Task Force. Various responses included:

- Concern with what is happening at the state legislature regarding school funding
- Desire for district to be practical
- Safety is a high priority
- One Task force member briefed Cascadia PTO. There is excitement for the future and pleased with direction the Task Force is heading
- A good, open, well-communicated process will be crucial to bring community members along

Penny thanked members for sharing.

School Bonds and Tax Rates

Penny noted to the group that this meeting was the last designed to ensure the Task Force has a good base of understanding about the district's facilities current conditions and how bond financing for school construction works. To discuss bond financing, she introduced David Trageser with D.A.Davison. David shared a presentation with the group that covered state trends for communities passing and failing capital levies and bonds. He noted that property-tax based decisions are harder for people to make. School bonds require a sixty percent plus one super-majority to pass. He noted that statewide in 2016, 23 school bond measures passed and 17 failed. David also shared information about how bonds affect local property tax rates. He presented four potential concepts for Ferndale School District bond measures, raising various amounts of money from \$75 million to \$150 million and how those would affect the property tax rate. Questions and comments included:

- Many committee members asked questions about the state's current level of support for education, tax rates and what state funding increases might be anticipated. Response: The state legislature is still in flux on how they will be funding education to meet the findings from the McCleary lawsuit. It is not yet known how any (if any) state and local tax structure changes will occur and where funding for school districts may come from. David noted the results are likely to be a net positive on the property tax side for the district.
- What are typical terms for education bonds? Response: 20 years. And, the way the bond requirements work, the district does not have to borrow all the money approved right away if a bond measure passes. Much like a home equity loan, the bond measure authorizes the district to borrow up to a certain level, but it can be borrowed as needed for projects, meaning the associated tax rate wouldn't go up until the district borrowed the money.

Mark Deebach provided a brief overview of how the state's School Construction Assistance Program works. He noted that funding for the program comes from the state legislature and is not guaranteed. He explained that funding levels are based on the level of need at a district to address either lack of space (capacity) or aging facilities. The funding is prioritized across the state based on needs, with capacity needs usually having priority. He also noted that the program is a match program, meaning that the district must have the money for their portion of the cost of projects in hand (or authorized in a bond measure) before the state will provide any match. There are many conditions associated with the SCAP: parking lots and athletic fields do not qualify; match for aging facilities relies on condition assessments done by the district using state methodology (study and survey); and the formula that is used to determine match is based on providing 95 square feet per student. This number includes all common areas such as gyms, cafeterias, restrooms, etc. Mark noted that schools don't typically use



95 square feet per student as a baseline, which is a very old standard that has not been updated for decades, while school design and academic and program needs have changed significantly.

Questions and comments included:

- Does the SCAP program consider future growth? Response: The state has a methodology to determine if a district needs additional capacity, but it does not include supporting any additional unanticipated growth, nor does it look far into the future for growth projections.
- Linda Quinn noted that it was essential to include expansion in any build scenarios. While not suggesting building bigger schools, she suggested common area such as gyms and cafeterias should be sized to accommodate future expansion at schools whether through building additional classrooms or adding portables.
- Members asked about the perception some community members have that the district doesn't size schools correctly – that they are too small before they're even finished. Response: It is difficult to manage that perception. There are many trade-offs associated with every project. SCAP funding does not provide money for additional capacity beyond what the state identifies as needed, so the cost for building more space falls totally on the community. Choices about how much money to spend for each project and in total determine where and how the funding is invested. It is a complicated subject and is hard to explain to the community, but we need to do a better job of it. This is where the Task Force can help us tell the story, so the community better understands the tradeoffs to be made.

Terry Brown, architect with Zervas, shared information about the conditions of district facilities and a potential project list with costs that was developed to address facilities that need upgrading or replacement. He presented the condition rating for each school in the district, noting that 12 schools were in poor condition. He pointed out that the schools are not in poor condition due to lack of maintenance, but rather due to being old facilities, with systems simply wearing out. Questions and comments included:

- Task Force members discussed the potential project list and asked clarifying questions about some of the items on the list. Terry clarified that the security upgrades discussed in his handout were all designed to improve access control, provide better lighting, and improve door visibility.
- Questions were asked about why Horizon needed a second gym already. Terry noted that a second gym was included in the original design, but was not included to save costs at the time. He noted these are the kinds of trade-offs that get made between establishing a bond measure amount and the actual design of improvements.

Requests of the Recommendations Working Sub-Committee (RWSC)

Penny noted the RWSC would be meeting on December 12th and asked the Task Force what work the sub-committee should be doing. She noted the Task Force needs to develop a list of projects and determine how much to ask the community to support. To do that, what information does the sub-committee need to consider? Task Force discussions included:

- The RWSC needs to determine scenarios regarding new versus remodel
- There needs to be a focus – we shouldn't waste time on things we most likely won't have time or money to commit to in the future



- Projects need to be itemized, in other words, we need to show what the bond measure will buy for Ferndale.
- We need to prioritize needs, and recognize that it can't all be done.
- Tradeoffs are crucial, and we need to try to sustain the needs the community expects will be met.

Bond Task Force Guiding Principles and Charter

Penny reminded the Task Force of the work they did in Meeting #2 to develop guiding principles. She provided a draft Guiding Principles document based on that work. She asked Task Force members to If the draft principles would serve to help inform discussions and evaluation of different options for the bond measure. The Task Force reached consensus on adopting the draft as their guiding principles.

Penny noted that the Task Force's charter was final with one exception. She reminded the Task Force about the discussions they had about the School Board's guidance to the Task Force to not exceed \$100 million in its recommended project list. Penny noted that if the Task Force wanted to have the School Board remove that cap from their guidance, a request would need to be made to the board. She asked if all present wanted to request removal of the cap. All Task Force members consented to have Linda Quinn ask the School Board, on behalf of the Task Force, to consider removing the cap and allowing the Task Force to come to their own conclusions, based on information developed, on what a reasonable bond value should be.

Communications Working Sub-Committee Report (CWSC)

Penny noted the CWSC had met on November 30. She asked Connie Faria to give an overview of their work. Connie noted the group had discussed key messages, target audiences, and communications methods for the Task Force to share their work and involve the community in the development of recommendations. She noted that Penny had shared the new Task Force website that was close to completion with them and the CWSC made recommendations for making the website more representative of the Task Force.

Penny noted that all Task Force members will be listed on the website. The CWSC had recommended the interests members were representing be listed as well to show how diverse and inclusive the Task Force is. She asked each member to let her know what interests they are representing, so that information can be included on the website.

Next Steps

Penny noted the next Bond Task Force meeting is on January 9th. The Task Force was asked for desired location and suggested Custer. An optional tour will precede the meeting.

Penny closed the meeting at 9:00 p.m.

Handouts:

Meeting agenda
Draft guiding principles
Ferndale District Bond Planning (from Terry Brown)
Task Force meeting evaluation

