

The Bond Oversight Committee met December 10, 2019 at 6:00 p.m. in the conference room at the district's Mountain View site located at 5780 Hendrickson Road, Ferndale.

1. CONVENE

1.01 Call to Order

Riley Cornelsen called the meeting to order at 6:00 p.m.

1.02 Roll Call of Committee Members

Committee members present: Riley Cornelsen, Anya Milton, Mark Harting, Sandi McMillan, Dan Cornelsen and Brian Lynch.

Also present were Ferndale School District Assistant Superintendent Mark Deebach, Construction Services Group Representative Heidi Hanson and Ferndale School Board Member Andrew McLaurin. There were seven audience members present.

1.04 Adopted the Agenda

The committee considered adopting the agenda.

Sandi McMillan suggested adding a couple of items to "New Business:" discussion about 1) a Debt Policy and 2) Uniformity and Taxation.

Anya Milton moved to adopt the agenda with the revisions of adding two items for discussion under "New Business:" a debt policy and uniformity and taxation as items 4.02 and 4.03, and renumbering the remaining items in that section. Sandi McMillan seconded the motion. Motion carried.

1.04 Approval of Minutes

Anya Milton moved to approve the minutes as presented. Sandi McMillan seconded the motion. Motion carried.

2. PUBLIC COMMENT

2.01 Received Public Comment

No comments were received. Also, Riley Cornelsen reported that no comments were received through the committee's online portal.

3. UNFINISHED BUSINESS

3.01 How do we communicate with the Public

Riley Cornelsen reported the online dashboard for the high school project is now "live."

There was discussion about the amount of bond information that is being made available to the public through the district's website, particularly related to the work of the Design Advisory Committee. Both Brian Lynch and Riley Cornelsen cited what Bellingham School District had on its webpage during the construction of Sehome High School.

Sandi McMillan noted that a big piece of the committee's responsibilities is to review and make recommendation about contracts, projects and proposals, and with the assistance of the district ensure an efficient and effective way to communicate the work related to the bond to the greater public. She noted that the contract between the district and Dykeman indicates Dykeman will provide a document about the visioning process for publication prior to the holidays taking place.

Anya Milton noted that as momentum builds for the bond projects, there will be more and more information to share. She suggested a conversation take place between the district and Dykeman to ensure Dykeman is aware of what the committee's responsibilities are in this area. She said the district and committee want to ensure they are being as transparent as possible with the bond projects to the public.

This agenda item will remain as a standing item for future committee meetings.

3.02 Received Update on Business Sponsorships of District Programs and Projects

Andrew McLaurin reported that the school board has asked the district to provide additional information to them about sponsorships. Also, at the last board meeting, a couple of board members had some concerns about how community members might respond to sponsors that don't appeal to everyone.

Mark Deebach added that the board also expressed reluctance to commercialize schools, exposing kids to more advertising since kids are a captive audience. He said he will present more information and policy options to the school board at its next week's meeting.

Anya Milton said she hopes the board, even though reluctant, will consider how various businesses invest in and have a positive impact in the community. She suggested the district speak with leadership of the Boys' & Girls' Club which has entered into similar agreements with local sponsors.

3.03 Reviewed Draft Cash-Flow Plan

Mark Deebach presented a draft chart showing a cash-flow plan. Riley Cornelsen said it will be good for the committee to review the plan at least quarterly. The plan should include a tracking line: actual vs. projected cash-flow.

Overall, committee members liked the plan. Mr. Deebach will adapt into a more visually appealing document.

4. NEW BUSINESS

4.01 Reviewed of Bylaws for Membership Requirement and Recruitment Strategy
Riley Cornelsen reminded members that at the committee's meeting last month, a community member suggested that members be eligible to serve on the committee who are taxpayers but do not necessarily live within the district.

There was discussion about the pros and cons of this idea and whether or not the "taxpayer" would be vested in the interests of the district if they did not reside in the district.

Mark Harting said the purpose of writing the bylaws was to provide the groundwork for the next bond committees that follow ours. He said he was not in favor of changing the bylaws.

Dan Cornelsen agreed with Mr. Harting. He said that committee members should have attended Ferndale Schools or have children who have gone to Ferndale Schools, not only own a piece of property in the district.

Committee members agreed to leave the bylaws intact and not make any revisions to them.

4.02 Discussion about Debt Policy

Sandi McMillan said she sent a packet of information to Mark Deebach, Anya Milton and Riley Cornelsen. She said there is a big untold story for the citizens of Ferndale. The district's credit rating is good and the promise of the school enhancement program benefit. She would like these items considered for placement in the second quarterly report to the school board. These speak highly to the district's financial accountability and all the district has done on a daily basis. Her suggestions in the information she shared with Mr. Deebach were to look at a policy that would include a statement about the district striving to fund capital projects and creating a long-term master plan for how debt will be structured for Ferndale Schools.

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Mr. Deebach will share the packet of information that Ms. McMillan sent on the committee's Sharepoint site for all members to review.

4.03 Discussion about Uniformity and Taxation

Sandi McMillan said that uniformity in taxation ensures that taxpayers in different counties pay the same dollar amounts in property taxes that they pay for schools. She asked if there was some kind of tax equalization for the whole state. She asked if the district could ask the state legislature to standardize school buildings much like WSDOT standardizes our roads. She said there should be a way to build standard schools across the state.

Mark Deebach said local taxpayers vote to fund buildings on the local level. If they are funding construction, they want a say in what gets built. He said he didn't believe most school districts would want to bring the idea of building uniformity to the state level until the state funds the capital program.

Mark Harting added that this might increase costs if the state chose to impose more requirements for buildings. Right now, the sales tax the district pays to build a building is about equivalent to the SCAP amount.

Brian Lynch suggested districts lobby the state to do away with districts paying sales tax on capital projects.

4.04 Discussion about Template for Quarterly Report to School Board

Discussion was held about what items should be in the next quarterly report to the school board. Sandi McMillan suggested a cost efficiency item. Brian Lynch suggested including communication items. Riley Cornelsen suggested an update on the first quarter items, as well as the design aspects for the high school.

It was determined that Riley Cornelsen, Anya Milton and Brian Lynch will prepare the report and share it with all committee members at their next meeting in January. The presentation to the school board is scheduled for January 28.

4.05 District Comments/Input

a. Reviewed Bond Related Spending for November 2019

Heidi Hanson presented the expenditure report and master preliminary budget to the committee for review.

c. Received an Update on Items Related to the Bond from Ferndale School District and Construction Services Group

- Ferndale High School
- Critical Maintenance Needs
- Safety/Security Needs

Heidi Hanson presented the three site proposals for Ferndale High School. She said there are pluses and minuses for each of them. She said the district wants to ensure that no matter what site plan they choose, it will provide for expansion for the future. Mark Deebach said that Cornerstone is reviewing the three versions and completing cost estimates. Heidi Hanson said Cornerstone is taking into consideration building efficiencies so the district can afford program needs. Mr. Deebach said the district will be meeting with Cornerstone and Dykeman tomorrow to discuss and get more information about the proposals.

Sandi McMillan asked about safety of each of the options. Brian Lynch brought up the proximity of the Performing Arts Center and safety for kids. Mr. Deebach said the district is keeping safety and security at the forefront of the design process.

- 4.06 Discussion Regarding Upcoming Meeting "Needs"
Committee members discussed when they would like Cornerstone and Dykeman to provide in-person reports to them. It was decided, reports would be provided when significant design milestones are achieved or input is needed.

5. ADJOURNMENT

The meeting adjourned at 8:02 p.m.

The next meeting of the committee is scheduled for January 21, 2020. The agenda and materials for the meeting will be available to the committee for review one week in advance of the meeting.