



Wenatchee School District

Board Workshop

Minutes of Sept. 16, 2013
WSD District Office

Board Members Present

Jesús Hernández
Laura Jaecks
Gary Callison
Kevin Gilbert
Walter Newman

Staff Present

Brian Flones, Superintendent
Cabinet

I. Workshop. 6 p.m.

Jesús Hernández, Board President, opened the board workshop at 6:10 pm with the Pledge of Allegiance.

- 1) Superintendent Flones gave a summary of the agenda and the desired outcome of the workshop, see below.

1. Review of the Facility Committee recommendations from 2010 and 2012, review August 2012 WSU Community Survey, identify projects to be included in a future bond.
2. Develop a timeline between September and November that includes the following:
 - Create an outline and schedule for internal and external information and feedback opportunities with our district staff and community.
 - Identify the types of communication mediums to use in gathering feedback: public meetings and tours at the facilities, Inside Wenatchee Schools newsletter, district web-page, district Facebook, webpage e-survey, other?
 - Determine the role of the current facility and future capital bond committee involvement in the process
 - Set a November date for board decision and resolution for a capital bond election.

Handout Materials:

2010 facility committee recommendations
2012 facility committee recommendations and bond tax rate estimates
2012 WSU community survey results
2010 planning timeline
2010 district webpage e-survey

- 2) Superintendent Flones reviewed the Facilities Committee recommended projects based on phase I and phase II:

VII. LONG-RANGE BOND PACKAGES

The Capital Facilities Committee, in using all of the information discussed previously, developed long-range bond packages to ensure they met the charge from the school board to "develop a 20-year long-range bond plan." These bond packages attempted to balance all of the requirements and needs identified within the District while working to solve facility problems.

Table 19 - Phase I Bond Package

Table 19 - Phase I Bond Package		Proposed Election Date: April 2012	
BOND #1 = \$66,494,700			
MAJOR PROJECTS			
PROJECT	COST	FRONT FUNDED LOCAL \$	REIMBURSEMENT SMF \$
Lincoln Elementary (mod & add)	23,316,400	23,316,400	(5,526,065)
Washington Elementary (new in lieu)	29,200,000	29,200,000	(5,051,300)
*Castlerock (full mod)	6,000,000	6,000,000	TBD
Pioneer (gym & bleachers)	6,471,135	6,471,135	N/A
TOTAL \$	64,987,535	64,987,535	(10,577,365)
* Castlerock could be made operational for \$350,974 or have a partial mod for \$2,722,879			
MINOR PROJECTS			
PROJECT	COST	LOCAL COST	SMF \$
WHS (portable pad)	1,507,165	1,507,165	N/A
TOTAL \$	1,507,165	1,507,165	

* Taxpayer-Borne Cost Estimates assume State Match Funding Assistance

Superintendent Flones talked about covering the four priority projects in the upcoming bond and possibly adding three other projects: Mission View parking lot (safety hazard), WHS Tennis Courts (safety hazard) and Apple Bowl Artificial Turf project. Discussion followed about each project.

Table 20 – Phase II Bond Package

BOND #2 = \$29,223,355 (Based on 2011 cost estimates)			
MAJOR PROJECT			
PROJECT	COST	LOCAL COST	SMF \$
		BOND + SMF REIMB.	
WHS (full modernization)	74,023,465	19,817,270 + 9,348,005	44,858,190
TOTAL \$	74,023,465	19,817,270 + 9,348,005	44,858,190
MINOR PROJECTS			
PROJECT	COST	LOCAL COST	SMF \$
Foothills (HVAC)	798,237	798,237	N/A
Mission View (envelope)	686,813	686,813	N/A
Lewis & Clark (envelope)	686,813	686,813	N/A
WHS (track/concessions/bleachers/ tennis courts/ 9th grade baseball field)	3,857,369 941,583 1,240,220	3,857,369 941,583 1,240,220	N/A N/A N/A
Apple Bowl (turf)	1,195,050	1,195,050	N/A
TOTAL \$	9,406,085	9,406,085	0

Table 21 – Future Bond Projects

PROJECT	COST	LOCAL COST	SMF \$
WHS - Softball Complex	7,141,789	7,141,789	N/A
Rec Park Field - modernization	3,756,728	3,756,728	N/A
Future New Elementary or K-8	TBD	TBD	TBD
Mission View - modernization	TBD	TBD	TBD
Columbia - modernization	TBD	TBD	TBD
Lewis & Clark - modernization	TBD	TBD	TBD
Transportation Center	TBD	TBD	TBD
M & O Site Improvements	TBD	TBD	TBD

3) CFO Les Vandervort showed the most recent projected tax rates from (SNW) Foster Pepper as follows:

Wenatche School District No. 246

Projected Tax Rates

Calculation Factors			
Rating:	Aa1 (State Guarantee); Aa3 (Underlying)		
Interest Rates:	2014 Issue: Current Plus 1.00 Percent All Other Issues: Current Plus 1.00 Percent		
Assessed Value Increases at:			
	R&P	Timber	
2013	-4.33%	92.42%	
2014	0.00%	0.00%	
2015	0.00%	0.00%	
2016-2062	0.00%	0.00%	
Issue Structure:	Combined Level Tax Rate		
	<u>Issue 1</u>	<u>Issue 2</u>	<u>Total</u>
Bonds Issued:	6/1/2014	6/1/2015	
Issue Size:	\$67,500,000	\$32,000,000	\$99,500,000

	(in 1,000's)						
Levy Year	Bond Assessed Value	M&O Assessed Value	Debt Service				
			Prior Debt	2014 Issue	2015 Issue	Total Bonds	
2013	\$3,495,913	\$3,495,468	\$2,463	\$0	\$0	\$2,400	(1)
2014	3,495,913	3,495,468	2,511	1,589	0	4,100	
2015	3,495,913	3,495,468	2,571	6,524	0	9,095	
2016	3,495,913	3,495,468	2,618	3,112	3,535	9,264	
2017	3,495,913	3,495,468	2,676	4,377	2,202	9,254	
2018	3,495,913	3,495,468	2,731	4,323	2,202	9,255	
2019	3,495,913	3,495,468	2,790	4,264	2,199	9,253	
2020	3,495,913	3,495,468	2,848	4,208	2,198	9,254	
2021	3,495,913	3,495,468	2,909	4,143	2,205	9,256	
2022	3,495,913	3,495,468	0	7,055	2,198	9,253	
2023	3,495,913	3,495,468	0	7,051	2,203	9,254	
2024	3,495,913	3,495,468	0	7,053	2,200	9,254	
2025	3,495,913	3,495,468	0	7,053	2,200	9,253	
2026	3,495,913	3,495,468	0	7,054	2,202	9,256	
2027	3,495,913	3,495,468	0	7,052	2,200	9,252	
2028	3,495,913	3,495,468	0	7,053	2,199	9,252	
2029	3,495,913	3,495,468	0	7,056	2,196	9,251	
2030	3,495,913	3,495,468	0	7,055	2,199	9,254	
2031	3,495,913	3,495,468	0	7,053	2,203	9,256	
2032	3,495,913	3,495,468	0	7,053	2,202	9,255	
2033	3,495,913	3,495,468	0	0	9,253	9,253	
2034	3,495,913	3,495,468	0	0	9,256	9,256	
2035	3,495,913	3,495,468	0	0	0	0	

Projected Tax Rates			
Prior Debt	2014 Issue	2015 Issue	Total Bonds
\$0.70	\$0.00	\$0.00	\$0.69
0.72	0.45	0.00	0.72 (2)
0.74	1.87	0.00	2.65 (3)
0.75	0.89	1.01	2.65
0.77	1.25	0.63	2.65
0.78	1.24	0.63	2.65
0.80	1.22	0.63	2.65
0.81	1.20	0.63	2.65
0.83	1.19	0.63	2.65
0.00	2.02	0.63	2.65
0.00	2.02	0.63	2.65
0.00	2.02	0.63	2.65
0.00	2.02	0.63	2.65
0.00	2.02	0.63	2.65
0.00	2.02	0.63	2.65
0.00	2.02	0.63	2.65
0.00	2.02	0.63	2.65
0.00	2.02	0.63	2.65
0.00	0.00	2.65	2.65
0.00	0.00	0.00	0.00

- (1) Certified Bond levy amount.
- (2) Utilizes DS Fund reserves.
- (3) Builds DS Fund reserves.

2015= \$32,000,000 - Bond

Mr. Vandervort also shared the projected tax rates for \$67,500,000 bond, \$65,000,000 bond, \$60,000,000 bond and a \$30,000,000 bond.

Calculation Factors			
Rating:	Aa1 (State Guarantee); Aa3 (Underlying)		
Interest Rates:	2014 Issue: Current Plus 1.00 Percent All Other Issues: Current Plus 1.00 Percent		
Assessed Value Increases at:			
	R&P	Timber	
2013	-4.33%	92.42%	
2014	0.00%	0.00%	
2015	0.00%	0.00%	
2016-2062	0.00%	0.00%	
Issue Structure:	Combined Level Tax Rate		
	<u>Issue 1</u>	<u>Issue 2</u>	<u>Total</u>
Bonds Issued:	6/1/2014	6/1/2015	
Issue Size:	\$67,500,000	\$0	\$67,500,000

	Projected Tax Rates		
Prior Debt	2014 Issue	2015 Issue	Total Bonds
\$0.70	\$0.00	\$0.00	\$0.69
0.72	0.46	0.00	0.72 (2)
0.74	1.30	0.00	2.04 (3)
0.75	1.29	0.00	2.04
0.77	1.27	0.00	2.03
0.78	1.25	0.00	2.03
0.80	1.24	0.00	2.04
0.81	1.22	0.00	2.03
0.83	1.20	0.00	2.03
0.00	2.04	0.00	2.04
0.00	2.04	0.00	2.04
0.00	2.04	0.00	2.04
0.00	2.03	0.00	2.03
0.00	2.04	0.00	2.04
0.00	2.04	0.00	2.04
0.00	2.04	0.00	2.04
0.00	2.04	0.00	2.04
0.00	2.04	0.00	2.04
0.00	2.04	0.00	2.04
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00

D. I. cf.

4) Superintendent Flones shared the WSU Survey results along with the demographics of the survey.

2010 Results for a \$67 million dollar bond: 61.7% somewhat or strongly support

5) Superintendent Flones shared the priority list recommended by the facilities committee in 2011.

**Wenatchee School District No.246
COMMITTEE PRIORITIES
SEPTEMBER, 29, 2011**

PROJECT	PRIORITY (1-4)	URGENCY		
		BOND 1	BOND 2	FUTURE BOND
Lincoln	1	X		
Washington/Castlerock	1	X		
Pioneer (gym & bleachers)	1	X		
WHS (full modernization)	1		X	
Foothills (HVAC)	2		X	
Columbia (envelope)	2	X		
Mission View (envelope)	2		X	
Lewis & Clark (envelope)	2		X	
WHS - Site Improvements				
Portable Pad	1	X		
Track/Concessions/Bleachers	2		X	
9th Grade Baseball	3		X	
Tennis Courts	2		X	
Softball Complex	4			X
Apple Bowl (turf)	3		X	
REC Park (bleachers/concessions/etc.)	4			X

Mr. Flones recommended the four top (# 1) priorities for the upcoming bond in February 2014 & suggested three additional add-ons.

Discussion continued:

- The three recommended add-ons, MV parking lot, Tennis Courts, Apple Bowl Turf
- State Match Money details –
- WHS auditorium still in need of improvements & very visible to our community
- Apple Bowl turf replacement benefits
- Tennis courts dilapidated condition
- Portable pads, necessary for expansion at WHS
- Front Funding projects to help Match money when it comes into play
- Timeline critical in the next few months in getting the word out

John McQuaig, John Hultman, Bryan Visscher & Jim McNeil, added a lot to the discussion in terms of what to add to the bond - pros and cons of each and how important it is to take the advice of the Facilities Committee. Also the dynamics of a bond election were discussed. Mr. McNeil suggested that WSD have a public forum before a decision can be made on spending State Match money, that could take up to 5 years, usually doesn't but there is always that possibility.

6) Jim McNeil, Foster Pepper PLLC, shared the latest Public Disclosure Commission guidelines for school district elections. He gave copies to all the board members and others present. Mr. McNeil recommended that everyone read it and be familiar of what is allowed within the guidelines of the law. He pointed out that school districts and election committees relationships can only be “information providing” and that also has its limitations. In addition Mr. McNeil handed out the *Overview of Voter Approval Requirements for School District Unlimited Tax General Obligation Bonds* packet for everyone to keep and refer to for information. Mr. Flones pointed out that we always send our materials & communications to Mr. McNeil for editing and approval prior to publishing and making public.

After much discussion Mr. Flones stated that if there is any State Match money left after taking care of all the specified projects that a public forum would be held to collect public input on how those funds should be dispensed.

After additional discussion, all the board members gave their individual opinions and ideas of what would work best for the district and they came to a consensus:

- Put the four #1 Priorities on the ballot plus the critical safety issue of the Mission View Parking Lot.

Lincoln	1
Washington/Castlerock	1
Pioneer (gym & bleachers)	1
WHS (full modernization)	1

- The board also wanted it made clear that the early childhood special education facilities (Castlerock) safety improvements be included in the resolution. Mr. McNeil will draft up a resolution to go on the Sept. 24th board meeting for the first reading. He will try to capture the essence of what we need into the resolution. We will have the second reading on October 10 Workshop and go for the February 11th 2014 bond election date.

Mr. McQuaig, bond chairperson, will organize the Facilities Committee and see if anyone wants to serve on the bond committee. He made several recommendations to the board. They thanked him for his input.

The board wanted it also made clear that regardless of the outcome Mission View will have the parking lot and street improvements completed for safety reasons.

The board thanked everyone for their input and information.

MEETING ADJOURNED: Board President Jesús Hernández adjourned the meeting at 7:35 p.m.

President

Superintendent

Date