



2016 School Study Committee

Meeting Minutes

May 10, 2017

5:00 – 9:00 p.m.

Harvey Education Center, Board Room

Present: Ted Berryhill, Erik Cargill, Lance Delbridge, Susie Disselkoen, Steve Duane, Shelly Fanson, Josh Galloway, Amy McVaugh, Patrick Meyers, Kerry Minshall, Christopher Mumby, Mitch Perrault, Mike Prelesnik, Jerry Schaffer, Sandy Smalley, Joe Starch, Chris Waltz, Russ Whipple, Chris Wright

Absent: Brian Bushey, Jessica Curtis, Jon Droscha, Liz Evans, Matt Hall, Mike Thompson, Sally Trout, Tim Williams

Also Present: Ronald Drzewicki, Superintendent; Cheryl S. Wald, CFO; Ted Moore and Dave Wright, Moore Trosper; Mike Kenney and Mike Kounelis, Skillman Corporation; Jesse Nelson and Amy Thurston, Umbaugh and Associates; Jeff Hoag, GMB

The meeting was called to order at 5:06 pm

Public Comment

None

Approval of Minutes

The minutes of the April 25, 2017 meeting were approved as presented.

Request/Clarification Forms

None

Proposed Scope of Work – Harvey Education Center

Mike Kounelis, Skillman Corporation, reviewed the revised scope of work cost model summary for the Harvey Education Center site that would house the Kindergarten classrooms under the current proposal. Site work, new construction, remodeling, and project costs at the Harvey Education Center as presented would total approximately \$10.4 million.

To accommodate the number of students on this site, the projections have included a new cafeteria/gym space (6300 sf.), additions of 7 classrooms (8,750 sf.), remodeling of 3 existing classrooms and a new media center (1420 sf.). Additionally, parent drop off and reworking the existing parking lot and drive and additional playground equipment was including in the proposal.

Committee members asked several questions related to site work.

Pro Forma Financial Data – Jesse Nelson, CPA, Umbaugh

Financial Summary – Bond Proposal 2017

Jesse Nelson, CPA and partner with HJ Umbaugh & Associates, presented a financial summary of how the bond proposal could be structured to pay for the improvements that are being investigated. Jesse provided information on the history of the debt service millage rates in the Mason Public School District. Current debt service millage rate for MPS is 2.95 mills.

Taxable value history and growth assumptions were shared. The 5 year average and 20 year average will allow you to make assumptions regarding taxable value increases or decreases for the duration of the bond payback.

Mr. Nelson shared an estimated bond proposal summary with the committee. A proposal for bond issuance that includes issuing a series of three bonds for a total of \$79 million proposal:

- \$30 M issued in 2018 for 30 years
- \$25 M issued in 2021 for 25 years
- \$24 M issued in 2023 for 23 years

All bonds issued will end at the same date. It will be 30 years total with the 3 series. An estimate of 6.10 total estimated millage rate expected throughout the three bond series. Existing bonds millage rate 2.95 plus millage increase 3.15 for a total estimated millage rate of 6.10.

Mr. Nelson explained that having a series of bond issuances helps the district have time to pay off existing debt and the first bond series debt without accumulating additional interest on unused dollars.

Bonds for the high school pool and athletics complex have been refinanced and now have a lower interest rate.

The committee was given time to ask questions of Mr. Nelson.

A question was asked about what the possible scope of work per bond series would be. *The first bond series could include the three elementary buildings, Harvey Education Center, buses and technology district-wide. The 2nd and 3rd series could include the middle school and high school.*

A question was asked if the scope of work could be reduced if prices change over time and if that could impact the work done to the middle school and high school. *It is possible that as the school gets further toward the 3rd bond series that remaining scope of work may be impacted.*

A question was asked about the approximate amount of funding earned for each mill. Currently, one mill raises approximately \$670,000.

Committee Discussion on K-12 Proposed Scope of Work

The Superintendent shared with the committee that this summer there are plans for approximately \$600,000 for HVAC repairs. Additional HVAC work is planned for the summer of 2018.

North Aurelius \$11.2 M

Mechanical and HVAC
Lighting
Technology
Secure entry and new office
Gym addition
Parking and site improvements
Land acquisition
New Septic
Two classroom addition

Alaiedon \$10.4 M

Mechanical and HVAC
Lighting
Technology
Secure entrance, parking and site improvements
Two classroom addition
Gym addition

Steele \$21.8 M

Newer addition remains but the older building could be demolished
Bus and parent pick up and drop off
Classrooms, art room, music room, mechanical rooms,
Gym – larger than at Alaiedon and North Aurelius. This could help with school and community sports.
Expect 16 new classrooms added to the existing remaining classrooms. Consultants need to re-look at the numbers for the addition of classrooms.

Middle School \$8.3 M

Parent and visitor parking
Entrance walks
Secure entrance
Renovation of science labs
Mechanical and HVAC
STEM, wood, and robotics removed from plan for a future proposal

High School \$14.9 M

Wood shop addition
Mechanical and HVAC
Technology

Multi-purpose room
STEM and Robotics addition
Performing Arts and Visual Arts improvements
Science rooms addition and renovation removed from plan for a future proposal

HEC \$10.4 M

Bus \$1.9 M

Total \$78.9

Many items from the facility audit are included in the above proposed scope of work.

The committee discussed the net added teaching stations per elementary building.

The committee was concerned the community will think a \$78.9 million bond is too much and concerned community does not think we need a brand new building at Steele location.

Member thinks the committee needs to have a strategy. Feels Steele having additional space for 4 teaching stations per grade and agree it could be perceived as new building. However, unlike the other bond proposal the additions are on existing land and the old building at Steele needs to be demolished. The member is concerned about going for same amount of bond as last time. The member feels some things at high school and middle school are not the top priority.

Certain group of voters are not as educated on what is happening with the school system. A member is concerned that last bond was voted down for essentially the same amount. A general concern is that the committee may not be able to educate the voters on all the details. If the committee goes to the School Board next month there would be limited community input on what they are interested in.

The Chair, Chris Waltz, explained that the last bond proposal did have community forums but only 30 to 40 people attend and this time around the committee conducted a survey and had 300+ people respond.

A member commented that if the next bond only addresses the most critical things now and not include all the middle school and high school items that we have not addressed all the important items because the students in elementary will be moving to the middle school and high school.

Discussion among members about the risk of not having a larger bond pass now than waiting to learn what we really need in 5 years and going for another bond in 5-10 years. Some members felt the community would support the \$78.9 million bond and others felt that it would not be supported. Some members feel that we need to do one bond and not go back to ask the community for an additional bond in 5-10 years.

Another member feels there is lack of community trust in the School Board and it will be hard to have the Board control when the bonds are issued and it would be easier to have the Board control

a smaller ask and show they can manage the funding. The member is concerned with \$78.9 m being controlled by the current Board based on the structure of the current Board.

The committee discussed possible options of scaling back the \$78.9 million bond scope. The committee also discussed that the committee needs to be supportive of whatever bond scope the group approves. Steve Duane started a motion to vote on support of a \$78.9 million bond proposal, however, discussion started on which members and how many members were absent if the group did a vote. A vote was taken and 10 voted yes, 6 voted no, and 1 did not vote. Another motion was brought forward to vote on support of a \$65 million bond. Before this motion moved forward, a member said that they voted no to the \$78.9 million bond scope because not everyone was here to vote. Many people put months and months into this and they couldn't make it tonight and that is why that person voted no.

The Chair, Chris Waltz, asked the group if we should have the Steele additional classroom number more precise and have 3 options for people to vote on. A member asked when the drop dead date to take this to the Board. The Board date is June 12th. The committee work needs to be done by the end of the month. The group discussed having an email vote though some members felt the bond numbers and scope were just given to us and there was not enough time to review the information.

A member asked if we could have another meeting and have a few options with the scope of work and dollar amount attached to it. The committee could ask each member to vote for the ones they are supportive of and this would yield which item would have most consensus. A member asked if this was already done with the survey. A member asked if we could get a flavor for what others could support. Some felt this would be asking the group to vote on hypothetical options that are not determined.

Motion was made for a temperature check, however, discussion continued before a second of the motion occurred.

A member commented that the work of this committee does not end until the day of the election and should be committed to sell/support the bond until the day of the vote.

Discussion around if we looked at different scope of work with a lower dollar amount would anyone that voted yes to \$78.9 m change their vote. Many members shared they would also be supportive of other dollar amounts as well.

The Superintendent shared with the committee that we need all members behind the proposal and we may not get 100% support from this group but we need everyone behind a proposal from this group or this will be a big uphill battle. We have time to think about this, but we need to be supportive of it and need a win for the community.

A member motioned that we take a temperature check for support of doing work at all elementary buildings, plus HVAC and secure entrance at the middle school and high school, plus technology and bus for all. Estimated cost of \$65 million. Josh Galloway seconded the motion.

A member thinks elementary scope needs to be less but feels this motion is closer to what the member would support. Another member said they would vote no because the schools need more. Another member said if the process is going to work we need to have the group say what they would support rather than what they would not support. The group needs to decide a vote based on what the community will support. A vote was taken and 7 voted yes, 5 voted no and 3 did not vote.

A member asked what this group do if we vote next time and not all members were present at the meeting. How will this handled.

A member asked if we could come to the next meeting and use the scope of work presented so that we could come up with the scope that each member would be ok with. Use the work that we already have and take items off the lists as an individual. Bring back to the meeting and discuss. Another member felt that doing line item removal would take too long.

Chair asked if we should give the all members an opportunity to vote even if they are not here. We'll allow for a proxy vote. Before the next meeting the committee will be provided with options to vote.

A member asked if the school had considered getting more than one contractor to give the committee another proposal for the scope of work. The committee was reminded that this was discussed before. Four firms were interviewed by the board and one firm was selected.

Discussion continued regarding if there could be a proxy vote. Revised motion that the proxy could be provided to another member of the committee. Majority voted yes that another member could vote for them if they could not attend on May 25, 2017.

Public Comment

None

Next Meeting

- May 25, 2017 at 5:00 pm