

MINUTES
CLARK COUNTY SCHOOL DISTRICT
SPECIAL MEETING OF THE BOARD OF SCHOOL TRUSTEES
BOND OVERSIGHT COMMITTEE
ADMINISTRATIVE CENTER, ROOM 466
5100 W. SAHARA AVE., LAS VEGAS, NV 89146

THURSDAY, FEBRUARY 20, 2014

11:30 a.m.

Members Present

Davis, Al
Earl, Debbie
Hawkins, Frank
Halsey, Jim
Kubat, Charles

Lazaroff, Gene
Lopez, George

Members Absent

Bruins, David
Haldeman, Joyce
Lavelle, Eleissa
Philpott, Steve
Tate, Cameron

A recording of this meeting can be obtained by contacting the Capital Program Office at 799-8710.

1.01 ROLL CALL.

Jim Halsey, Chair, called the meeting to order at 11:35 a.m.

1.02 ADOPTION OF THE AGENDA.

Motion was approved to adopt the Agenda for February 20, 2014.

Motion: Kubat Second: Davis Vote: Unanimous

2.01 PUBLIC COMMENT PERIOD.

None.

3.01 APPROVAL OF THE MINUTES.

Approval of the Minutes for January 16, 2014.

Motion: Hawkins Second: Kubat Vote: Unanimous

3.02 FUTURE BOND CAMPAIGN.

Jim McIntosh, Chief Financial Officer of the Business and Finance Division, provided Reference 3.02, "Future Bond Campaign," and summarized the pros and cons of initiating a ballot question for 2014 and/or 2016, the campaign preparation deadlines for each year, reasons the ballot question lost in 2012, and a list of anticipated ballot questions for 2014.

3.02 FUTURE BOND CAMPAIGN (continued).

Mr. McIntosh summarized the reasons to take a question to the voters in 2014; however, a question for the ballot would need to be prepared and submitted to the Board of School Trustees (Board) by June 26, 2014. One of the recommendations from staff is that we not go forward with a question in 2014, but to wait until 2016 to allow more time to pull together the necessary resources.

Mr. McIntosh stated that staff presented and made recommendations to the Board earlier this month. Staff will bring this discussion back to the Board for a decision on whether a question should be prepared for 2014 or to wait until 2016.

Frank Hawkins expressed his support for 2016 and suggested staff provide a list of projects so that the public could be more responsive.

Al Davis expressed that there were a few people who approved of the 2012 campaign without the support of the community and businesses. Mr. Davis stated changes have occurred since the failure of 2012, such as, the development of how the District is restructured, and some of the issues that businesses had with the Facilities Department that are in the process of changing. Mr. Davis stated that he feels it is too early for a 2014 campaign for those changes to be implemented and expressed hope for support from community and local businesses in 2016.

Gene Lazaroff expressed support for 2014 due to the increased housing developments. If not 2014, publicity needs to take place to illustrate the condition of the buildings. By not going for a 2014 campaign, it appears, the District is not as important as the other ballot questions being proposed. Mr. Lazaroff stated that the District needs to compete.

Mr. Hawkins questioned if the District's capacity to borrow has changed to support a 2014 campaign. Mr. McIntosh explained that the capacity and our ability to borrow changes every year.

Mr. McIntosh stated that the 2014 or 2016 question would be to freeze the existing tax rate. To move forward in 2014, there is not as much capacity going forward earlier on compared to later on. There will always be more capacity in the future as debt is paid; plus, property taxes are on the increase.

If the 2014 bond question were to pass, the District would be able to borrow in 2015 with a rough estimate of \$97 million. The total capacity over a ten-year period would be \$1.3 billion. Waiting until 2016 would provide an estimated \$2.1 billion total capacity. Mr. McIntosh stated that upon approval, it would take another two years before a school could be built.

3.02 FUTURE BOND CAMPAIGN (continued).

Mr. McIntosh stated that by not going to the public in 2014, he does not feel the District is being relegated to a lower standard. The opposite is felt, by putting the question on the ballot every year, the fear would be voter fatigue by making it appear that this is something the District asks for every year. Even though staff would be asking for a freeze on the tax rate, staff does not want to compete with the other initiatives. Voters may also feel that if they vote for the margins tax, they may not vote for the tax freeze.

Mr. Hawkins asked what a freeze would mean to the voters and to the District. Mr. McIntosh stated a freeze would mean there would not be a tax increase to the voters. The District receives approximately 55 cents for every \$100 of assessed valuation in Clark County. The District continues to receive this rate even though the 1998 bond program is over; however, the District no longer has the authority to bond against this money, even if there was capacity. The current revenues are being used to pay debt service that the District owes. Staff's recommendation for a 2014 or for a 2016 bond question would be to freeze the tax rate and give the District the authority to bond against the revenues for the next ten years.

3.03 HOT SPOT MAPS ILLUSTRATING STUDENT GROWTH.

Linda Perri, Director of Real Property Management, and Rick Baldwin, Director of Demographics, Zoning, and GIS provided copies Reference 3.03, "Hot Spot Maps Illustrating Student Growth."

Ms. Perri displayed the "Land Inventory Map – Las Vegas Valley," and the "Land Inventory Map – Clark County." Ms. Perri also invited members to go online at ccsd.net/departments/real-property/resources and get a better view of the maps by zooming in on a particular area.

Mr. Baldwin, Director of Demographics, Zoning, and GIS, summarized the information provided on the Hot Spot Maps (pages two through four of Reference 3.03) and stated the elementary school program is currently 16.5 percent over capacity which includes approximately 4,500 students in the Early Childhood and Title 1 programs.

Charles Kubat stated that this presentation was helpful and it should be done on a regular basis to keep the conversation ongoing about what we are planning to do when funds are available. In the past, the District had a process and formula to identify the greatest need in the number of places based on knowledge of preliminary maps, where growth was taking place, etc. Mr. Kubat expressed his hope that process is utilized when funds are available.

Mr. Kubat stated that the students in the elementary schools will move up to the middle school level within a year. As the students advance, the District will have growth issues at the secondary level as well.

3.03 HOT SPOT MAPS ILLUSTRATING STUDENT GROWTH (continued).

Mr. Baldwin stated that his office does look at anticipated growth and explained that his office puts out a monthly enrollment report each month. This report identifies the net gains and losses for each school. The percentage of growth that the District is experiencing is even among each of the Trustees' areas for elementary students.

Mr. Baldwin stated that Rogich Middle School has been identified as a school that will experience student growth. The Attendance Zone Advisory Commission made some recommendations to the Board for a solution to make use of available seats at Johnson Junior High School that is currently 25 percent under capacity.

Jim Halsey questioned how many portables are in the District and if additional portables would be used if the District were to wait until a 2016 campaign/bond. Mr. Baldwin stated that there are approximately 1,300 elementary classrooms, and explained there are single-wide portables (one classroom) and double-wide portables (two classrooms).

Jim McIntosh explained that portables are an acceptable solution to respond to overcrowding, and the State Legislature recently approved full-day Kindergarten with one teacher for every 21 students. The additional students will increase the capacity at the elementary schools. There are an additional 80 portables that will be placed at various elementary schools to meet this new legislative requirement.

Mr. Baldwin explained there are currently three elementary schools on a year-round schedule and next year there will be 13 schools out of 217 elementary schools that will be on a year-round schedule. Debbie Earl expressed that she did not like a year-round schedule and stated that the 1998 Capital Improvement Program anticipated year-round schools. Mr. Baldwin explained that prior to 2010, there were 76 schools operating on a year-round schedule.

Gene Lazaroff questioned if staff has considered designating a middle school to an elementary school or combining grades. Mr. Baldwin explained that the Instruction Unit would have to address that question and mentioned that "fifth grade academies" in middle schools that had space available had been discussed; however, a decision to move forward never came to pass.

Mr. Baldwin explained it is not just the southwest that is overcrowded. The central portion of the valley has older schools that were designed and built for 600 students. These smaller sized schools currently have 800-900 students. The next area to experience over capacity will be the northwest area near Bozarth Elementary School. Due to planned development, staff expects an additional 400 students to occupy this school that currently has 1,100 elementary students.

3.03 HOT SPOT MAPS ILLUSTRATING STUDENT GROWTH (continued).

Frank Hawkins questioned why there isn't a drop in student population from the elementary schools to the middle schools. Mr. Baldwin answered that there are six grade levels in elementary versus three grade levels in middle schools and junior high schools. Also, during the 1998 bond program, the middle schools were on double sessions and the program built a lot of middle schools. The bond program was predicated on all elementary schools going to a year-round schedule; however, for the last few years, we were able to save \$21 million per year by having all elementary schools on a 9-month schedule. Without an additional building program, Mr. Baldwin stated that continued growth at the elementary schools will cause year-round and/or double-sessions, and more portable classrooms.

3.04 MEETING CONSTRUCTION SCHEDULE DEADLINES.

Jim McIntosh provided copies of Reference 3.04, "Meeting Construction Schedule Deadlines," and summarized the reasons for delays, solutions, and lessons learned for the past delays on installations of intrusion alarms and local area networks at several schools.

Charles Kubat stated that this document generally covers the information requested; however, it does not speak to the amount of time, which was part of the question of how staff can cut some of the time from what we learned in terms of how much time it did take. Mr. Kubat expressed hope that staff will look back at some of these projects, obtain lessons learned, and change how it is performed in the construction process.

Al Davis stated that the reasons explained are some of the familiar issues that have happened with the District. Mr. Davis explained that he worked on District projects in the 1980s and 1990s, and had meetings with staff in early 2000 where contractors had the same issues. There are a lot of contractors that will not bid District projects due to some of the issues mentioned. Mr. Davis stated that if these issues are not addressed, the District will not have a competitive market in the bid process for these projects. Mr. Davis expressed that he does not know if the construction manager at-risk method is a solution, because it limits the amount of contractors and the how competitive the projects will be. Mr. Davis expressed hope that these issues will be addressed with whoever is in charge of facilities in the future. Mr. Davis stated he had several meetings with local contractors where the same complaints existed. These contractors were financing these projects in a lot of instances and direction from the District was null and void. Mr. Davis stated he managed some of these projects, walked 40 times on a job walk with the same exact punch list and he had nothing to do with the punch list. That does not promote contractors wanting to bid and do work for the District. Now there is a small core of companies because they know they are going to get strung out before the project is finalized. Mr. Davis stated that this is not a realistic process.

3.04 MEETING CONSTRUCTION SCHEDULE DEADLINES (continued).

Gene Lazaroff questioned if there is a commissioning process in place. Rory Lorenzo, Interim Director of the Capital Program Office, explained that there is a commissioning process in place for heating, air conditioning, and ventilation replacements.

3.05 REPORT BY STAFF AND/OR LIAISON REPRESENTATIVES.

None.

3.06 QUESTIONS REGARDING MONTHLY STATUS REPORTS.

Ruby Alston provided her reports and explained Reference 3.06(E), "Projects in Progress," lists all of the active projects with dates for design, bid, and completion. This report also identifies projects contracted under a construction manager at-risk.

3.07 REPORT BY THE CLARK COUNTY SCHOOL DISTRICT BOARD OF SCHOOL TRUSTEES LIAISON.

Trustee Linda Young provided an update on the Las Vegas Global Economic Alliance on transforming the business of education. Trustee Young summarized some educational and economical statistics and provided the Board of School Trustees' new vision statement, "All students progress in school and graduate prepared to succeed and contribute in a diverse global society."

Trustee Young also mentioned that another reason why the 2012 ballot question didn't pass was due to District staff not being in support of the measure and expressed that she is leaning toward a 2016 campaign so that more time could be utilized to message the need and recommend the committee assist with strategies for messaging.

Trustee Young stated that accountability starts with us and expressed the Board's gratitude to the committee for taking the time out of their schedule to support the District.

3.08 QUESTIONS ON AND/OR REMOVAL OF ITEMS ON MOTIONS AND TASKINGS.

*Motion was approved to remove "Monthly Reports" from the Motions and Taskings.
Motion: Davis Second: Hawkins Vote: Unanimous*

*Motion was approved to remove "Hot Spots" from the Motions and Taskings.
Motion: Kubat Second: Hawkins Vote: Unanimous*

*Motion was approved to remove "Future Bond Report" from the Motions and Taskings.
Motion: Davis Second: Hawkins*

3.08 QUESTIONS ON AND/OR REMOVAL OF ITEMS ON MOTIONS AND TASKINGS
(continued).

Discussion:

Charles Kubat expressed his concern that there may be continuing discussion on this item and feels removing it at this time is necessary. This committee may want future updates. Al Davis explained his motion and stated that as things change we will get a report from the Board and/or staff on this issue. If we need a separate presentation, we can ask for it.

*Vote: Yeas: Davis, Earl, Hawkins, Halsey, Neas: Kubat
Lazaroff, and Lopez*

In reference to Meeting Construction Schedule Deadlines, Charles Kubat requested staff review their information to identify costs and scheduling that might confirm staff's conclusions.

3.09 AGENDA PLANNING: ITEMS FOR FUTURE AGENDAS.

Frank Hawkins requested that staff provide a report to identify if the procedures were followed as it applies to the projects contracted with a construction manager at-risk to include advertising and bidding timelines; date of project approval; and scope-of-work; and based upon preliminary projections, provide information on whether the CMAR saved the District time and money. Mr. Hawkins also questioned why staff used the CMAR process on small projects as compared to construction of new schools, and if staff brought the use of CMAR on the small projects before this committee.

Motion: Davis Second: Hawkins Vote: Unanimous

4.01 PUBLIC COMMENT PERIOD.

Sam King suggested the use of messaging the adequacy and equity of the schools when asking the public for additional funding. In reference to all-day Kindergarten, Ms. King stated the legislature did not address the requirement that a child attend school by the age of seven and stated that all-day Kindergarten is remains voluntary.

Fred Smith (former District Construction Manager) stated that in 1994, the Board of School Trustees gave direction to staff that also applied to the 1994, 1996, and 1998 bond programs. That direction was that all elementary schools that could operate on a year-round schedule would operate on a year-round schedule. Mr. Smith questioned what would the capacity numbers be if the schools operated on a year-round schedule.

4.01 PUBLIC COMMENT PERIOD (continued).

Mr. Smith also stated that in the minutes for the February 2014 meeting there was a discussion regarding “deferred” maintenance. Mr. Smith clarified that the problem is not “deferred” maintenance. The problem is the lack of preventative maintenance. The policy in the Board meetings is one on funding of preventative maintenance.

5. ADJOURN: 1:05 p.m.

Motion: ~~Earl~~ Davis Second: ~~Bruins~~ Hawkins Vote: Unanimous