

**Minutes of the Meeting of the
Capital Funding Protection Committee
of the Washoe County School District Board of Trustees**

June 4, 2020

1 OPENING ITEMS

1.01 Call to Order

The meeting of the Capital Funding Protection Committee (CFPC) of the Board of Trustees was called to order at 4:00 p.m. Due to the current health state of emergency and Directive 006 from Governor Sisolak, the meeting was conducted remotely and live streamed for the community.

1.02 Roll Call

Chair Dave Solaro and Committee Members Devon Reese, Oscar Delgado, Charlene Bybee, Paul Anderson, Jeanne Herman, Justin Ivory, Andrew Diss, Elise Bunkowski and Ben Hutchins were present through phone/video conference. Bob Lucey was not present at the time of roll call.

1.03 Public Comment

All Public Comment can be sent to CapitalFundingCommitte@WashoeSchools.net. All Public Comment received will be forwarded to the Capital Funding Protection Committee for their consideration.

- No Public Comment

1.04 Action to Adopt the Agenda

On a motion by Jeanne Herman and seconded by Devon Reese, **the Capital Funding Protection Committee approved the agenda as presented** (Yea: Dave Solaro, Devon Reese, Oscar Delgado, Charlene Bybee, Paul Anderson, Jeanne Herman, Justin Ivory, Andrew Diss, Elise Bunkowski and Ben Hutchins) Final Resolution: Motion Carries 10-0

2 Discussion, Presentation, and Action Items

- No Public Comment

201 Discussion and Possible Action to Approve the Minutes from the February 6, 2020 Capital Funding Protection Committee meeting (For Possible Action)

On a motion by Devon Reese and seconded by Ben Hutchins, **the Capital Funding Protection Committee approved the February 6, 2020, Minutes as presented** (Yea: Dave Solaro, Devon Reese, Oscar Delgado, Charlene Bybee, Paul Anderson, Jeanne Herman, Justin Ivory, Andrew Diss, Elise Bunkowski and Ben Hutchins) Final Resolution: Motion Carries 10-0

202 Presentation and Discussion on the Fiscal Year 2021 Capital Renewal Program to include projects throughout the Washoe County School District pursuant to the Attached List of Program Projects and Associated Costs for Each Project (see Attachment A) (FOR INFORMATION AND DISCUSSION ONLY)

Teresa Golden, WCSD Director of Planning and Design, presented the 2021 Capital Renewal Program. Over the past fiscal year, Capital Projects has successfully designed and bid 63 projects for a total construction cost of approximately \$43,961,617 (does not include Remodel, Grant or major CIP projects). Teresa reviewed the proposed 2021 Capital Renewal Allocation Plan for \$25,000,000 which is lower than last year due to Covid 19 impacts.

203 Presentation and Discussion on the Updated Design Costs associated with the Debbie Smith Career & Technical Academy (FOR INFORMATION AND DISCUSSION ONLY)

Tami Zimmerman, WCSD Deputy Chief Facilities Management Officer, gave an update on the design efforts for the Debbie Smith Career and Technical Academy. Van Woert Bigotti Architects and Brain Spaces are the Architects on this project. The campus will be active until June of 2022 with plans to reopen for staff and athletics in June of 2023. WCSD Purchasing Department has issued a request for proposal (RFP) for the Construction Manager at Risk and it is intended to be awarded early August 2020.

204 Presentation, Discussion, and Possible Action to Recommend the Washoe County School District Board of Trustees Approve the Allocation of \$25,500,000 to the 2019/2020 'E' Major Projects Program (see Attachment B) (FOR POSSIBLE ACTION)

Committee Member Lucey connected to the meeting at 4:42 p.m.

Pete Etchart, WCSD Chief Operating Officer, presented the WCSD Capital Improvement Program attachment for funding with two main items:

- The \$25 million for the 20/21 Capital Renewal Plan
- The \$0.5 million preliminary design and CMAR for the repurposing of existing Hug HS (Debbie Smith CTA)

The total funding recommendation is for \$25.5 million, bringing the total budget allocation since November 2016 up to over \$905 million.

Item 2.07 was presented before the voting of this item

- No Public Comment

On a motion by Devon Reese and seconded by Andrew Diss, **the Capital Funding Protection Committee approved the Allocation of \$25,500,000 to the 2019/2020 'E' Major Projects Program** (Yea: Dave Solaro, Devon Reese, Oscar Delgado, Charlene Bybee, Paul Anderson, Jeanne Herman, Justin Ivory, Andrew Diss, Elise Bunkowski, Ben Hutchins and Bob Lucey) Final Resolution: Motion Carries 11-0

205 Presentation, Discussion, and Possible Action to Recommend the Washoe County School District Board of Trustees Approve the Fiscal Year 2021-2025, Five-Year Capital Improvement Plan (see Attachment C) (FOR POSSIBLE ACTION)

Pete Etchart, WCSD Chief Operating Officer, joined by Mark Mathers, Chief Financial Officer, and Adam Searcy, Chief Facilities Management Officer, presented the 5 year plan for Capital Improvement. Every year by August 1st Business and Finance has to submit a Capital Improvement Plan (CIP), required by State Statute to the Department of Taxation, the County Dept. Management Commission and the Legislative Council Bureau. The CIP is a short-term (5-year) plan which provides a timeline for planned capital projects, equipment purchases, and identifies options for financing the plan. The Capital Renewal Plan and every major project will continue to come to the Capital Funding Protection Committee for review and the Board of Trustees for approval. It will also provide the Public with increased oversight and transparency into the CIP process, including all of the Capital Funding Revenue Sources.

Committee Member Delgado left the meeting at 5:00 p.m.

There are three major revenue sources for the Capital Improvement Plan.

- The first is Property Tax (\$0.3885 per \$100 of assessed valuation)
- The second is WC-1 Sales Tax (0.54% on sales of goods)
- The third is a Government Services Tax (tax on MRSP of Vehicles)

There are a few other minor revenue sources that support the CIP plan. The forecasted revenues overtime total over \$685 million.

Each year the forecasts and estimated project budgets get reevaluated based on enrollment growth, fchus deficiencies, etc. to help determine which projects should move forward. The CIP FY 21-25 Expenditure Summary breaks down into 5 areas:

- Major Projects 45% \$307,300,000
- Capital Renewal 24% \$163,151,579
- Debt Service 24% \$159,640,325
- Program Administration 4% \$27,206,650
- Operations Equipment 3% \$19,640,000

Some of the Major Projects included in the 5 year CIP are:

Proctor R. Hug HS @ Wildcreek - opening August 2022
Swope Middle School Expansion - Opening August 2022
O'Brien MS Rebuild - Opening August 2022
Career & Technical Academy HS @ existing Hug - Opening August 2023

Included in the Capital Improvement Plan is a Modeling of Recession Scenarios. The fiscal year is focused based on what different scenarios to sales tax will look like. The baseline scenario shows a 21% reduction to sales taxes for all of fiscal year 2021 and a worst case scenario gives a 34% reduction for fiscal year. These scenarios help to provide adequate coverage for debt service. The CIP Plan also has reserves available to cover Debt Service. There is \$42.6 million in the Property Tax Debt Service Fund and \$17.6 million WC-1 Debt Service Fund.

- No Public Comment

On a motion by Devon Reese and seconded by Bob Lucey, **the Capital Funding Protection Committee Approved to Recommend the Washoe County School District Board of Trustees Approve the Fiscal Year 2021-2025, Five-Year Capital Improvement Plan** (Yea: Dave Solaro, Devon Reese, Charlene Bybee, Paul Anderson, Jeanne Herman, Justin Ivory, Andrew Diss, Elise Bunkowski, Ben Hutchins and Bob Lucey) Final Resolution: Motion Carries 10-0

206 Update on the Timeline and Budgeted Cost associated with the Replacement of William O'Brien Middle School (FOR INFORMATION AND DISCUSSION ONLY)

Adam Searcy, Chief Facilities Management Officer, and Kevin Kemner, TSK Architects, gave an update presentation on O'Brien Middle School. On February 6, 2020 the CFPC approved \$8.5 million for the Architecture and Engineering (A&E) Design Phase at O'Brien MS. Since February 2020 the following accomplishments have occurred:

- O'Brien MS/Stead ES Site Rezoning (to PF) - 5/13/2020

- Site Plan Review Submitted to City of Reno - 5/18/2020
- 50% Schematic Design Cost Estimate - 5/28/2020
- 100% Schematic Design Complete - 5/29/2020
- Negotiations with Sky Vista HOA - Ongiong
- Public Outreach - Ongiong

The August 2020 CFPC Meeting will include a comprehensive update of all construction phase project costs, including 3rd Party Independent Cost Estimate. Introduction of Furniture Fixtures & Equipment (FF&E), and Construction Professional Services Budgets. Recommended allocation of full construction phase funding for GMP1.

Construction will start Spring 2021. School Completion is planned for August 2022. This means in June 2022 the students will leave the existing O'Brien MS for summer and return to the new O'Brien MS in August. Upon return, the old O'Brien MS will be getting demolished and repurposed. By Spring 2023, the entirety of the project will be completed.

207 Update on the Construction Auditing/Agreed Upon Procedures Services Associated with Washoe County School District's Capital Improvement Program (FOR INFORMATION AND DISCUSSION ONLY)

Kirk Starkey, WCSD Chief Audit Officer, advised the audit consulting group, Protiviti started April 2020 and has been performing a significant portion of their work remotely and the audit is progressing well. The audit is currently in the fieldwork stage where the audit team is currently sample testing certain project level expenditures (including change orders) and completing high-leveling benchmarking activities. Due to COVID-19 the audit team has been unable to travel to Nevada to perform site visit work. At this time travel for on-site observations is unknown. Due to the significant amount of work that has been performed remotely, it is anticipated that a draft audit report can be produced shortly after on-site audit observations are concluded and possibly a report by the end of summer.

208 Update on the Washoe County School District 2020-2039 Facilities Plan that was submitted for Conformance Review with the Truckee Meadows Regional Planning Agency's (TMRPA's) 2019 Truckee Meadows Regional Plan (FOR INFORMATION AND DISCUSSION ONLY)

Adam Searcy, Chief Facilities Management Officer, in December 2019 the 20 year Facilities Plan for Washoe County School District was presented to the CFPC. It was recommended to present the Facilities Plan forth to the Board of Trustees. The Board of Trustees reviewed it and directed staff to submit it to the Truckee Meadows Regional Planning Agency (TMRPA). In April 2020 TMRPA met and reviewed and voted to find the 20 year Facilities Plan in conformance with the newly adapted 2019 Regional Plan. Final approval has been received and this process has been completed.

3 CLOSING ITEMS

3.01 Public Comment

- No Public Comment

3.02 Announcement of Next Meeting

Thursday, August 6, 2020 at 4:00 pm, location to be determined.

3.03 Adjourn Meeting

The meeting was adjourned at 6:00 PM.

Dave Solaro, Chair