

**MINUTES OF THE APRIL 14, 2021
MEETING OF THE WASHOE COUNTY SCHOOL DISTRICT
CAPITAL FUNDING PROTECTION COMMITTEE**

April 14, 2021

1. Opening Items

1.01 Call to Order

The meeting of the Capital Funding Protection Committee was called to order at 4:00 p.m. Due to the COVID-19 health emergency declared by Governor Sisolak and consistent with current guidelines and directives, the meeting was conducted virtually.

1.02 Roll Call

Chair Dave Solaro and Committee Members Paul Anderson, Charlene Bybee, Sophia Cardinal, Jeanne Herman (arrived 4:20 pm), Justin Ivory (replied on Zoom by raising his hand), Elise Bunkowski, Andrew Diss, and Dave Solaro. Oscar Delgado, Devon Reese, & Bob Lucey were absent. Staff Liaison Adam Searcy and staff were also present.

1.03 Public Comment

None

1.04 Action to Adopt the Agenda

It was moved by Committee Member Andrew Diss and seconded by Committee Member Sophia Cardinal that **the Capital Funding Protection Committee approves the agenda as presented.** The result of the vote was Unanimous: Pass (Yea: Paul Anderson, Charlene Bybee, Sophia Cardinal, Jeanne Herman, Justin Ivory, Elise Bunkowski, Andrew Diss, and Dave Solaro) Final Resolution: Motion Carries.

2. Items for Presentation, Discussion, Information and/or Action

No Public Comment

2.01 Approval of the minutes from the December 3, 2020 Capital Funding Protection Committee meeting

It was moved by Committee Member Charlene Bybee and seconded by Committee Member Paul Anderson that **the Capital Funding Protection Committee approves the minutes from the December 3, 2020 Capital Funding Protection Committee meeting.** The result of the vote was Unanimous: Pass (Yea: Paul Anderson, Charlene

Bybee, Sophia Cardinal, Jeanne Herman Justin Ivory, Elise Bunkowski, Andrew Diss, and Dave Solaro) Final Resolution: Motion Carries.

2.02 Presentation and Discussion on the anticipated cadence and workload for future meetings of the Capital Funding Protection Committee (FOR INFORMATION AND DISCUSSION ONLY)

Adam Searcy, WCSD Chief Facilities Management Officer, reviewed the WCSD Capital Funding Protection Committee Draft Schedule and Topics for 2021.

April 1, 2021 (BOT April 13)

1. 2021 Draft CFPC schedule – INFO ONLY
2. CFPC History and Governing Documents – INFO ONLY
3. 5-Year Capital Improvements Plan FY22-FY26 - ACTION

June 3, 2021 (BOT June 8)

1. Legislative update – INFO ONLY
2. FY22 – I.T. Device Refresh – ACTION
3. FY22 – Capital Renewal Plan - ACTION

August 5, 2021 (BOT August 10)

1. New member introductions / 21-22 Cmte elections. - ACTION
2. Audit Recommendations – Status Report – INFO ONLY
3. Update on Debbie Smith CTE – INFO ONLY

October 7, 2021 (BOT October 12)

1. Enrollment / Growth / Budget updates – INFO ONLY
2. Update on Debbie Smith CTE – INFO ONLY

December 2, 2021 (BOT December 14)

1. 2021 Annual Evaluation Report – ACTION
2. Possible action on Rio Wrangler ES funding – ACTION
3. Update on Debbie Smith CTE – INFO ONLY

2.03 Presentation and Discussion on the origins and governing documents associated with the Capital Funding Protection Committee (FOR INFORMATION AND DISCUSSION ONLY)

Adam Searcy, WCSD Chief Facilities Management Officer and Pete Etchart, WCSD Chief Operating Officer gave a presentation on the origins of the CFPC and the roles and responsibilities regarding the importance of the Committee for WCSD and the Community.

The State Legislature created the Oversight Panel for School Facilities through statute in 1997 and it has two statutory requirements (Counties over 100,000 and under 700,000)

- Review and approve or disapprove a request by the Board of Trustees for the issuance of general obligation bonds.
- Submit a biennial letter to the Legislative Counsel Bureau with recommendations for financing the costs for construction, design, maintenance, and repair of School Facilities.

The biennial letter is to be turned in by July 1 of every even numbered year. The membership requirements of the Oversight Panel for School Facilities is spelled out in Statute both the elected members and the citizen members with specific expertise. When those were the only statutory requirements, it was not always easy prior to 2016 to get a quorum based on the very limited functions of the Oversight Panel for School Facilities. It all changed as the needs for additional sustainable source of Capital Funding was taken to the Legislature. After a failed attempt to secure funding through the State Legislature and the County Commission, in 2013 and 2014 the Legislature created what the Public Schools Overcrowding and Repair Needs (PSORN) Committee.

In 2015 through the efforts of the late Senator Debbie Smith was part of Senate Bill 411. PSORN looked at all the needs for WCSD and eventually requested that WCSD place a 0.54% sales tax increase question on the 2016 ballot, known as WC-1. Prior to the Ballot Item PSORN desired added transparency and Oversight of WCSD Capital Program. This request was because the public desired greater transparency when being asked to request revenue to the WCSD and the CFPC was created. PSORN liked the Committee makeup of the Oversight Panel for School Facilities so PSORN was supportive of adding the additional transparency and oversight duties to the oversight panel. They wanted the Committee to have the word Protection in it. Therefore, there are two Committees with the same membership and the added transparency and accountability requirements that were put in place for the CFPC came from the guidance of NRS 393 that basically says that Counties over 700,000 may add additional duties and requirements to their Oversight Panel for School Facilities. WCSD mimicked what was shown in NRS 393 and put into Board Policy that the CFPC would have those additional transparency and accountability provisions.

The CFPC is independent from the Board of Trustees.

The WC-1 Ballot Measure was passed November 8, 2016. A sales and use tax of 0.54% in the County was imposed to fund only capital projects of Washoe County School District for the acquisition, construction, repair and renovation of school facilities.

Chief Financial Officer, Mark Mathers, The PSORN Committee laid out a 7-8 year financial plan laying totaling a little over a billion dollars. This consisted of three sources, the sales

tax revenue generated by WC-1, the property tax revenues from debt rate and the bond proceeds that pledge either the sales tax revenues or property taxes. WCSD has received sources greater than what was forecast for the eight-year period in just four years.

Adam Searcy gave an update of the projects that have been completed, ones that are in progress and ones that are a part of the 20-year plan.

No Public Comment

2.04 Presentation, Discussion and Possible Action to recommend approval of the Fiscal Year 2022-2026, Five - Year Capital Improvement Plan, to the Washoe County School District Board of Trustees (FOR POSSIBLE ACTION)

Adam Searcy, Chief Facilities Management Officer, presented the 5-year CIP Plan. The content of the 5-year CIP is all encompassing and includes all the revenue streams the School District has available to put towards Capital Projects.

- WC-1
- Rollover
- Government Service Tax
- Indian Colony Funding

CIP is a short-term (5-year) plan which provides the timeline for planned capital projects and equipment purchases and identifies option for financing the plan. It is not authorization of individual projects and equipment purchases. The Capital Renewal Plan and every major project will go to the CFPC for review and the BOT for approval.

CIP is about demand and resources. Annually Capital Projects re-evaluates the needs and resources to address things as they come up.

- Growth Demands
- Asset Renewal
 - Critical Repairs
 - Department Needs Requests
- Financial Modeling and Prioritization

These preliminary recommendations are then vetted through:

- Executive Staff / Superintendent
- Capital Funding Protection Committee
- Board of Trustees

Mark Mathers spoke regarding the Financial portion of CIP. A mix of debt financing and when possible pay-as-you-go resources are used. There are two major revenue sources that fund the CIP, Sales Taxes and Property Taxes. There is also a small amount of the Government Services Tax. This 5-year CIP is a little smaller than last year, the estimated amount is 685,000,000.

CIP is composed of Major Projects and Programs:

- Major Projects
 - New Schools
 - Major Expansions
 - Core Schools Investments
- Annual Capital Renewal Program
- I.T. – Device Management

Adam Searcy spoke on the need for a new High School in the Cold Springs Area to relieve the overcrowding at North Valleys High School. Another Elementary School based on growth maybe needed in the Spanish Springs or North Valleys area. Adam reviewed the proposed expenditures in the CIP plan.

Andrew Diss asked what will happen if the Growth and housing doesn't match up with students enrolling in school. What will happen to the Capital Funds, do they build up and accrue or will more be spent on deferred maintenance? Adam Searcy replied there is plenty of work and will be put towards maintenance, non-capacity related issues and revitalization of existing academic spaces.

Justin Ivory asked if in the IT expenditures if it will be mostly equipment or programming? Adam Searcy replied it includes IT hardware and Infrastructure bolted to a school building, a facility asset. The IT device refresh is a new aspect of the CIP to centralize the management of and the annual refresh of school district owned, issued, laptop or computer owned devices. It will be brought back in June for approval and discussion. It is for student devices.

Dave Solaro stated between years 2 and 3 it is about a 10-million-dollar bump and wondered why. Adam Searcy replied it is due to inflation and demand within the CIP moving away from so many new schools and more toward Capital Renewal investment into our existing facilities.

No Public Comment

It was moved by Committee Member Andrew Diss and seconded by Committee Member Sophia Cardinal that **the Capital Funding Protection Committee recommends the Board of Trustees approves the Fiscal Year 2022-2026, Five-Year Capital Improvement Plan, to the Washoe County School District Board of Trustees.** The result of the vote was Unanimous: Pass (Yea: Paul Anderson, Charlene Bybee, Sophia Cardinal, Jeanne Herman Justin Ivory, Elise Bunkowski, Andrew Diss, and Dave Solaro) Final Resolution: Motion Carries.

3. Closing Items

3.01 **Public Comment**

The Capital Funding Protection Committee received comments from the following:

No Public Comment

3.02 **Announcement of Next Meeting**

The next meeting of the Capital Funding Protection Committee would take place on Thursday, June 3rd, 2021 at 4:00 pm.

3.03 **Adjourn Meeting**

There being no further business to come before the members of the Committee, Chair Solaro declared the meeting adjourned at 5:33 p.m.

Dave Solaro, Chair

From: Church, Jeffrey
Sent: Wednesday, March 31, 2021 11:13 AM
To: Capital Funding Committee
Subject: Public Comment
Attachments: CP Public Comment.doc

Capital Funding Protection Committee:

Greetings. I am a newly elected Trustee but want to make clear that opinions are mine. I did not give up my free speech rights and thus want to share the following:

We have no teachers to put in schools. Just before I was elected, they cut another 13 teacher positions.

WCSD documents report that our schools were at about 85% overall capacity. Now we have seen an enrollment drop of about 2,000 students.

With the completion of schools just opened in progress: Arrowcreek/ Herz and soon Hug High and then Obrien, I guesstimate we'll be at under 75% capacity. It's time to stop and re-group. WCSD kept its promises but the world has changed in unpredictable ways since WC1 passed in 2016.

I also point out that WC1 creates a hardship on car dealers and revenue about \$46 is about half of what was predicted (\$781 over 9 years).

I believe that we need to stop all future planned building and planning and that the elected Board of Trustees needs to do their duty to re-evaluate the way forward. Proceeds from WC1 and property taxes may be used to pay off existing debt and as a reserve for future building.

Sincerely,

Jeff Church
Trustee, District A
(Views are mine)

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