



**LIBERTY SCHOOL DISTRICT No. 25
Governing Board Minutes for Work Study Session**

TIME: May 9, 2019 – 6:30 PM

PLACE: Jerry Rovey District Facility, 19871 West Fremont Road, Buckeye, AZ 85326

I. OPENING MEETING

1. Mr. Paul Jensen, Governing Board President, called the meeting to order at 6:31 p.m. Governing Board members constituting a quorum were present: Mr. Mark Aguire, Mrs. Kathy McNamara, and Mr. Jeffrey Turbitt. Absent was Mrs. Yolanda Lopez-Bearden.
2. Pledge of Allegiance was led by Mr. Jensen.

II. CALL TO THE PUBLIC - None

I. ADMINISTRATIVE REPORTS

1. Maintenance Audit

Mr. Nuttall provided information on the Maintenance Audit that was conducted by EMG. He focused on the Facility Conditions Assessments and Staffing Audit. The Facility Conditions Assessment consisted of safety, performance/integrity, accessibility, environmental, retrofit/adaptation, and lifecycle/renewal. Mr. Nuttall shared findings and deficiencies and the Facility Cost Index (FCI) per each school addressing the immediate needs and the cost of needs by year with unaddressed FCI over time. Information was provided regarding current staffing and staffing recommended by AAPA standards (Association of Physical Plant Administrators). He shared with the implementation of School Dude it would facilitate the scheduling of preventative maintenance and provide accountability for efficiency. Mr. Turbitt asked when the school ceases to be viable. Mr. Nuttall responded it may last a while. Mr. Jensen asked about the driving force. In response Mr. Nuttall stated the roof and technology. He further stated the standards have changed and it will be hard to catch up with viability. Mrs. McNamara asked about the new and old trends for HVAC and kitchen equipment. Mr. Nuttall stated 6 months out of the year does affect the lifespan of the AC unit; however, he did suggest updating the kitchen to meet the current standards to expand its life span. Mrs. McNamara asked about School Dude and the training provided to new staff. Mr. Nuttall stated the process was onboarding and training is being conducted through Talent Ed. Mr. Aguire questioned how it was fair throughout the district. Mr. Nuttall responded through staffing and through the school design. Mr. Turbitt asked if in the past they have looked at the viability. Mrs. Baysinger stated no formal audit was conducted, and as a result of limited funds, they are unable to manage the replacement schedule. Dr. Shough stated last year's study evaluated the total cost of repairs to Liberty Elementary and what it would cost to bring it up to standards of other schools showed that it would cost 75% of the replacement cost. Mr. Aguire stated when the district had to make changes to one, there would be another waiting to be evaluated. He further stated when the funds were cut, they forgot about maintenance. Mr. Nuttall stated with School Dude, the district is hoping for the system to have more efficient measures to manage maintenance. Mr. Jensen asked what options they had to push out for 10-15 years. Mr. Nuttall responded they could look at the FCI, but there aren't any funds. Dr. Shough stated Rainbow Valley also showed needs for maintenance in the audit.

II. WORK/STUDY SESSION

1. Discussion/Review of Budget Needs

The purpose of the study session was to provide the Governing Board the opportunity to ask questions about budget needs and priorities for district additional assistance, maintenance and operations budget and information regarding potential override and bond elections to address budget needs. Much discussion was had regarding a bond election, amount of bonds (what can be obtained with different amounts), priority data results and timeline of release of bond (example of bond sales). Mrs. McNamara stated that 10% was reasonable as a result of the surveys. She asked when they visited the areas, are the answers agreeing with surveys or are they considering the \$60 Million. Dr. Shough the surveys they conducted were similar to Mr. Ulan's with minimal variations. Mrs. Baysinger discussed

the priority and needs discussed with staff members and parent surveys. The priority was focused on the Liberty School rebuild with transportation following in percentage. She further stated the surveys consisted of 69% were staff and 31% were parents. The survey for the bond election consisted of 188 people comprised from the PTO groups and staff members, none of them elected not to have a bond. The highest percentage was in favor of the \$60 Million. Mr. Aguire referred to Mr. Jensen's prior comment about the school district asking for money but only asking for the absolute needs. He asked if Blue Horizons included the SFB. Mrs. Baysinger confirmed that the \$18 Million is half the cost of the building. Dr. Shough stated the cost is projected with construction, escalation, and inflation costs if it isn't going to be built in the first year. It also includes 20% for building permits licensing, furniture, and architecture design costs.

Mr. Aguire suggested it would be a hard sell when some of the community members have no investment in the district. Dr. Shough stated they did a projection over a 10-year model, but there are items that could wait to be considered. Mrs. McNamara stated she is struggling with asking for too much because she knows what the district needs. Dr. Shough suggested looking at the amount the Board wants to budget. Mrs. Baysinger would be able to list the options as discussed and present the options to the Governing Board. Mr. Jensen suggested including the two school builds, and asked if the district will have the tax base to sell the bonds. Mrs. Baysinger stated with the Liberty rebuild and Blue Horizons, it totals around \$41 Million. Dr. Shough stated if they did the Liberty rebuild, it would be a phased rebuild to maintain capacity. Blue Horizons would have to wait for SFB approval in 2023. The Governor's budget is considering restoring the budget to release funds 2 to 3 years prior, depending on the legislation going through. The district is closely watching for the decision. Mrs. Baysinger reviewed the tax rates and how it would affect. Mr. Jensen questioned if they asked for \$55 Million would they have the funding to rebuild the schools. Mrs. Baysinger reviewed examples of the bond sales and presented the scenario of the Liberty rebuild start in 2021 and completed in 2022. Blue Horizon could be completed around 2025. Mr. Jensen compared the five-year plan for Blue Horizon to the 10-year plan for Blue Horizon. Dr. Shough stated the example curtailed the building improvements and technology.

Mr. Moreno discussed the lack of Chromebooks and the effect it has on State testing. Mrs. McNamara asked about the growth. Mr. Moreno stated the district grew by 200 students. In the budget, they are trying to calculate for the growth. Mrs. McNamara asked about the cost for Chromebooks. Mr. Moreno stated the estimated cost is \$220 and reviewed some of the fees associated with that expense. Dr. Shough stated they estimate about 6% of growth each year. Since the bond has concluded, the funds are now expired. Mr. Aguire asked if technology could go into the override. Mrs. Baysinger stated the maintenance and operations is not meant for capital overrides. Dr. Shough reviewed the timeline of the budget. Mrs. Baysinger stated if a lower amount was considered, they would have to re-run the tax rates which will depend on the structure of the sale. Mr. Jensen asked if the people voted based on the dollar amount or the tax rate. Mrs. Baysinger stated some districts go off the tax rate and others review based on the need but suggested it would better be answered by Mr. Ulan. Mrs. McNamara stated it is based on how it is promoted. Mr. Jensen asked about the difference between the burdens of the tax amounts. Mrs. Baysinger reviewed the difference between the scenarios and stated the average home value within the district is \$152,000. Mr. Aguire asked about the revenue from the 5% override. Mrs. Baysinger responded that it would roughly generate around \$1 Million per year. Mr. Jensen stated the benefit to the override is you don't have to pay the interest, but the downside is the tax rate is higher but it costs less. Mr. Jensen stated he prefers a capital override but isn't sure if they could obtain both. He suggests doing a bond. Mrs. McNamara stated the community wants transparency. Mr. Aguire suggested the Governing Board review what is priority. Mrs. McNamara asked why there was a difference in the dollar amounts for the Rainbow Valley and Westar schools when the issues are similar. Dr. Shough stated it is not included in the visualization and is a communication issue. Mr. Jensen inquired about the additional classroom at Westar. Mrs. Baysinger stated it relieves the staff restroom issue, but there would still be a student restroom issue.

They compared the data to determine a better decision. Mr. Aguire stated he was interested in the Liberty rebuild, transportation, Blue Horizon, maintenance, and technology. He suggested looking into scholarships for technology and moving technology from \$10 Million to \$7 Million. Mr. Jensen asked if the projects are completed in phases will it affect the designs. Mrs. Baysinger stated it depends on how they created the design. Dr. Shough stated they could balance the school sizes. Mrs. Baysinger discussed possible alternatives to the Liberty rebuild. Mr. Jensen stated where we are at, we need to minimize what we want, and reduce the numbers by \$6 Million. Mr. Jensen asked about Liberty Building D's condition. Dr. Shough stated the building has been reinforced structurally, but the overall building is a lower standard. Mr. Jensen agreed with Mr. Aguire's list but suggested adjusting maintenance to \$3 Million. He would also add on the restroom enclosures. Dr. Shough the enclosures would include the roof line. Mr. Aguire asked about a privacy wall. Mrs. Camp stated for security

purposes, you don't want children going outside for the restrooms. Mrs. McNamara agreed with the priority list. Mrs. Baysinger suggested categorizing differently to identify importance. For instance, identifying the restrooms under safety and security. Dr. Shough discussed the importance of funding the transportation depot. Mr. Jensen suggested looking at where the funding is coming from. They inputted various numbers in the spreadsheet to determine the best option. Mr. Aguire suggested fixing some of the items or it will be a constant issue. Mrs. McNamara stated the community would be more inclined to support their child's safety as compared to maintenance. She stated if this doesn't pass, nothing gets done. Mr. Aguire asked, if they leave it at as is, it shows the voters without children that we are taking care of the property. It also shows that we will show savings in maintenance. Mrs. McNamara stated there are people in the community that care about children's safety. Dr. Shough stated it is important to communicate with the voters by showing the community what is important. Mrs. Baysinger stated maintenance includes projects such as carpet, lights, and water fountains. Mr. Jensen suggested removing the restroom enclosures. Dr. Shough suggested reducing the total bond from just over \$50m to just under \$50m. It was suggested removing the theater system. Mr. Aguire confirmed if they reduce the size of Blue Horizon, it would increase the need for a larger Liberty rebuild.

Mr. Jensen stated we should only go for the bond. Mr. Aguire suggested only apply for what we need. Dr. Shough stated we need the 10% but the 15% adds to learning. Mrs. McNamara suggested continuing with the 10% and focus on one. Dr. Shough stated we would be in year three unless we wait until after the presidential election. Then, it would be our last year to attempt a renewal or increase to the override before the override funding begins to reduce down in Year 6. Mr. Aguire stated in the past, it has been successful. Mrs. McNamara stated in the past, the trust level was different, and we are trying to build that trust level. Dr. Shough shared the data collected through the surveys. Mr. Aguire stated he knows what the goal is, but it comes back to the needs. Mr. Jensen stated they need a 5% capital override more. Mr. Turbitt stated he is more about leading the voters to better schools. He wants the district to be advocates for education. Mrs. McNamara stated you have to follow the voters and make it successful. Mr. Turbitt stated the wishy washy is depressing. Mrs. McNamara responded that the professional is gathering the information to advise the district. Mr. Turbitt stated he is interested in 15% for bond and believes they are aiming low. Mr. Jensen stated they can't be too far in front to where people won't follow. Mr. Turbitt stated he believes school funding tends to poll very well. Mr. Jensen presented Buckeye's proposal and stated it didn't pass. Mr. Turbitt believes he is here to lead education and should be bold. Mrs. McNamara suggests \$49 Million and maintaining. Mr. Turbitt stated anything less would be no. Dr. Shough stated if the district attempted 15% , the district would be able to maintain 10% and could go out for an election again if it failed. The bond could be listed first on the election to give it first priority with voters. The district is already paying for an election for the bond; so, the override could be included in the same election. The only risk is asking voters for both and voters voting no on the bond. Mr. Jensen stated if we don't get the override, there is minimal downside. He suggests that the district pursue a capital override in the next couple of years. Dr. Shough stated that administration will bring back options for both the maintenance and operations override election and a bond election in the proposed May 22nd meeting.

III. ADJOURNMENT

A motion by Mrs. McNamara, a second by Mr. Aguire was entered to adjourn the Governing Board Meeting at 9:23 p.m. Upon call to vote, Mr. Aguire, Mrs. McNamara, Mr. Turbitt, and Mr. Jensen voted 'aye', and the motion carried.

Signed:

Date:

June 17, 2019