



Alvin ISD 2018 Citizen's Advisory Committee

Meeting 5 Notes

Monday, May 7, 2018, 6:30 p.m.

Manvel Junior High School

1. Welcome & Agenda Review

Dr. Buck Gilcrease, Superintendent of Schools, opened the fifth CAC meeting. He reminded the committee that there has been a sixth meeting scheduled on May 21 to ensure the committee has ample time to come to consensus on a recommendation.

2. Review New Schools & Land Timeline & Cost

Dr. Gilcrease reviewed the timeline and costs for new schools and land projects identified by the committee that were discussed in the previous meeting, totaling approximately \$370 million.

Dr. Gilcrease provided the committee with additional information regarding school construction cost, sharing an analysis of construction cost per square foot for new schools by grade level and comparing AISD campuses built to other schools in the region. The data demonstrates that AISD has historically built schools for less cost per square foot than surrounding school districts.

The average cost for area high schools is \$266.85 per square foot; AISD is using \$230.00 per square foot for its budget. The average cost for area junior high schools is \$221.19 per square foot; AISD is using \$210.00 per square foot for its budget. The average cost for area elementary schools is \$213.62 per square foot; AISD is using \$195.00 per square foot for its budget.

Q: Why have we been able to build less expensive?

A: We have diligently employed good construction practices. We are strategic about timing. We provide tight, well-defined construction documents. We have a lot of knowledge of the industry and strong relationships with contractors and sub-contractors. They want to work for us and are profitable at a tighter margin on our projects.

Follow-up comment: We need to message how good we are at this. Voters need to know their money is being used effectively.

Q: Are these *all* high schools that have been built in the area?

A: No, we used comparable schools – similar type and size. We didn't include 9th grade centers or renovation/expansion schools, for example.

A high school is 551,000 square feet. These are not simple spaces and a high school includes a lot of support infrastructure. We build facilities with durable and sustainable materials that will last our community for 50+ years.

We are \$20-\$30/square foot below many districts that have recently bid projects. We feel like we are being as lean as possible with our budgeting. We want to properly budget for everything we know will be needed to open a facility and we don't want these numbers to be the low bid, so we can ensure we are able to deliver on what we promised the voters. To budget for a bond project, we take the square foot cost we are comfortable with based on current and historical data, add in escalation for when we will construct the project and add in soft costs, fixtures, furniture, equipment, etc.

3. Consideration of Additional Needs

A committee member request asked for an assessment of aging facilities. The district has provided data on its oldest campuses comparing them to the district's new baseline campuses.

A chart provided key stats in comparing Alvin Primary, Stevenson Primary, Disney Elementary, and EC Mason Elementary to the district's newest standard for elementary schools. Each of these campuses are over 39 years old, are undersized in many spaces, are much less efficient to operate and don't meet current codes.

The same comparison at the junior high level was provided for Harby Junior High School, which was built in 1980. Harby Junior High is the only junior high campus that has not been brought up to our current size and standard.

Based on this analysis, the following additional needs were discussed:

- Alvin Primary School Replacement
- EC Mason Elementary School Replacement
- Stevenson Primary School Replacement
- Disney Elementary School Replacement
- Harby Junior High School Renovation and Expansion

We have been in a good pattern with each of our previous bonds to replace at least one older elementary.

Q: What was the intended life expectancy of these schools?

A: We now build schools to have a life expectancy of 50+ years. In the 20's and 30's there was a higher standard of construction. Buildings were full masonry and lasted a very long time. However, in the 70's and 80's there were several construction methods used that had not yet been vetted and do not have the same durability and sustainability. At Harby Junior High School, for example, there is tilt wall construction which is just not as efficient and doesn't completely keep moisture out.

Q: What is the cost to remodel a school versus replacing it?

A: When studying whether to renovate/expand or completely replace, we must understand the existing building's site constraints and whether expansion is feasible. We must consider materials and systems used and what it would take to bring the campus up to current codes and standards. In our analysis at the elementary level in particular we have found it is more expensive to renovate/expand these campuses.

Q: What do you do with students when a school is being remodeled?

A: Students usually stay at the campus and construction is phased around the students. If available, we can utilize existing unoccupied facilities as a swing campus to temporarily house students.

Q: Why renovate and not replace Harby Junior High?

A: The solution is for you to discuss. We have completed an architectural study and the items we'd need to address do have solutions and are feasible to fix through renovations. Our analysis shows that we can renovate and expand the facility for approximately 75% of the cost to build new. We would add a classroom wing and make other expansions to make it equitable in size. We would upgrade systems to bring it up to energy code and secure the building envelope, including replacement of windows and store fronts. It would be exactly what we did at Alvin Junior High School and it would make it comparable to our other junior high schools programmatically.

Q: How do we prioritize the elementary campuses in need of replacement?

A: All of these facilities have needs and it's the district's desire to have equity amongst all its campuses. One thing to consider is that a replacement for EC Mason would allow us to use the existing facility as a central location to be repurposed for specialized district programs, including the Options program. We would have to go in and touch parts of that building, but we wouldn't have the same type of student traffic in the facility.

Q: How many students do we have in Options?

A: We average anywhere from 40-100 students.

Q: What grades does Alvin Primary serve?

A: Alvin Primary serves grades K-2.

An Alvin Primary School replacement would be built as an 800-student K-5 elementary school, the district's current standard. Current Alvin Elementary students (grades 3-5) would go to this replacement school or to the new K-5 campus at Nelson Elementary.

Alvin Elementary school could serve as a swing campus for Alvin Primary while it is being rebuilt. Then all students would move into the new facility and the existing Alvin Elementary facility would serve as a district facility for purchasing, storage and warehouse.

Stevenson Primary and Disney Elementary are set up the same way but you will need to replace both as K-5 campuses because they are over 800 students combined. We would replace one at a time and redraw lines. These replacement campuses could be considered less urgent than Alvin Primary and EC Mason because of low growth in these attendance zones. The demographic report shows this area remaining pretty consistent in enrollment.

Comment: I don't think you will ever have 800 students for each Stevenson and Disney. But it's hard to ignore that there are inequities for those students.

Q: What junior high do Disney and Stevenson students go to?

A: Most go to Alvin Junior High and a small amount go to Fairview.

Q: Could you handle these students with one replacement and redistribute some students to neighboring schools with capacity?

A: The demographic data is based on what we have hard facts on today. It doesn't account for things we all know are likely to happen. The completion of the Grand Parkway will very likely excite that area and we believe long-term we will fill both campuses.

Comment: We should be looking to purchase land near 35 and 129 knowing long-term there will be growth in that area.

We are always keeping our eye on good property. We want to plan for the future and secure land in areas we know there is still growth.

4. Funding Follow-Up Discussion

Dr. Gilcrease reminded the committee how the district's current tax rate is structured. The public school finance law that set up the funding formulas still used today was adopted in 1949 and there have been multiple "band-aids" put on it since.

AISD has a current I&S tax rate of 41 cents and state law caps it at 50 cents. In looking at a straight, traditional bond to be financed by the I&S tax rate, we ran three different scenarios: a \$370 million bond would increase the I&S tax rate by 5 cents; a \$425 million bond would result in a 6.5 cent increase; and a \$475 million bond would result in a 9 cent increase.

These scenarios are based on very conservative assumptions we feel we can safely make. Especially being fast growth, we need to know we have future capacity.

Dr. Gilcrease reviewed what a Tax Ratification Election is and how it works.

AISD could consider asking voters to approve a 13-cent increase to the M&O Tax Rate, and at the same time, decrease the Debt Service Tax Rate by the same 13 cents. This particular type of Tax Ratification Election is often called a "Penny Swap" or "Tax Swap" because the exchange in pennies is tax neutral.

Q: Why 13 cents?

A: That is the state allowed maximum.

The overall tax rate remains the same and by swapping the pennies it generates approximately \$8.4 million annually in additional funding from the state. This additional funding would allow us to finance the bond program with potentially no increase for taxpayers.

Comment: I am concerned for voters to understand the issue.

Q: Can we use these M&O funds to pay for teachers?

A: Not the way we are currently showing it. We are saying we would need the additional funding to finance the bond and keep the I&S tax rate down. Anything additional we wanted to use the M&O funds for, would most likely result in a penny increase on the I&S side.

Q: Can we see the ballot language?

A: Yes, we can get you an example. It is a bit confusing. We will need to do our due diligence to educate the community that a vote for both propositions would result in a zero tax increase.

Comment: I think a straight traditional bond with a 9-cent increase for our taxpayers is too much. The TRE and a 2-cent increase is okay.

Comment: I see the value of doing them together – it would be great to communicate that a “yes/yes” vote equates to a zero tax increase.

5. Large Group Discussion: Prioritization & Consensus Building

Dr. Gilcrease opened the floor for large group discussion on prioritizing projects for consideration. He explained that the committee can add and remove projects as well as move them in the timeline. The timing of a project affects the amount of escalation included in the budget.

Comment: Well I think we all agree we can't put forward all of these projects to voters and we have to prioritize. Based on what we discussed earlier, I think we agree that we should remove Disney and Stevenson replacements for this bond.

Comment: It doesn't seem realistic for the district to do all this work at once. We should push back the Alvin Primary replacement a year and the EC Mason replacement two years in the timeline.

These two adjustments brought the overall total to approximately \$490 million for:

- Two new elementary schools
- Two new junior high schools
- One new high school
- Alvin Primary School Replacement
- EC Mason Elementary School Replacement
- Harby Junior High School Renovation and Expansion
- Two future elementary school sites
- Two future junior high school sites
- One future high school site

Q: Do we need the land?

A: Historically, our bonds have done a good job of helping us stay on top of land.

Q: I missed last meeting. Are we considering an ag facility?

A: We discussed having this bond program focus on classrooms/academic spaces only. We discussed addressing the Ag facility out of the general fund. We have a good plan to address the needs at that facility.

Q: Alvin Primary would still be a primary school?

A: No, the Alvin Primary replacement will serve grades K-5 and be renamed. It would be built on the same site in place of the existing building while students would be housed in Alvin Elementary. We would then repurpose the existing Alvin Elementary once the new facility opens.

Q: Is there anything we should do at the existing Disney and Stevenson since we are pushing out those replacements?

A: We do take care of these facilities out of our annual capital improvement plan. For example, we recently replaced old carpet and casework. We have to ask ourselves what makes sense to put into something we plan on replacing. Therefore, we try to do things that are a wise use of dollars and not invest dollars we aren't getting our return out of. These campuses will continue to serve our students well.

Q: What will the design of the new elementary schools be?

A: In general, we think it's time to look at new designs. However, depending on the speed needed and site constraints, it may make sense for some to be prototypes.

Q: You provided us the cost to construct McNair Junior High. Is this just construction?

A: Yes, that was the cost for just construction and that was a few years ago. The Harby construction is pushed out a few other years and, therefore, includes additional dollars for inflation. Some districts are carrying 8% a year for inflation. We are carrying 5% per year; so again, we feel that we are being as fiscally lean as possible.

Q: What was the McNair Junior High turnkey cost?

A: Approximately \$35 million. This doesn't include land, or the extra civil and detention costs that we know will be required at Harby Junior High.

Q: We had the McNair land?

A: The McNair site, approximately 30 acres, was purchased through TIRZ (tax increment reinvestment zone) funds.

Comment:

I think that a bond and TRE "yes/yes" vote equaling a zero increase, or even a decrease, makes too much sense. It is easier to sell. I think it will be hard for voters to say no to that.

6. Meeting Wrap-Up

Dr. Gilcrease wrapped-up the meeting encouraging committee members to digest all the information provided and be prepared to come to consensus next meeting. The next meeting will be held at Fairview Junior High at 6:30 p.m on May 21.