

WILLITS UNIFIED SCHOOL DISTRICT
BOARD OF TRUSTEES
Regular Meeting
Willits High School Media Center
299 North Main Street, Willits, California
Wednesday, August 14, 2019
Closed Session 4:00 p.m.
Open Session - 5:00 p.m.

Public Comments- Individuals may address the Board on regular session agenda items at the time they are under consideration.

MINUTES

1. Call Meeting to Order

Board President Bowlds called the meeting to order at 4:00 p.m.

2. Agenda Approval

MSP (Colvig/King) to approve the agenda with the addition of closed session item (E), superintendent evaluation and action item (G-1) to regarding extension of superintendent's contract.

Ayes: Bowlds, Colvig, King

Noes: None

Absent: Chavez, Nunez

Abstain: None

3. Public Comments on Closed Session Items

4. Recess to Closed Session

A. Certificated Leave of Absence Request (1) (G.C. 54957)

B. Consideration of Request for Early Retirement Incentive (1) (G.C. 54957)

C. Approval of Inter-district Transfer Requests (E.C. 35146)

D. Public Employee Discipline, Dismissal, Release (1) (G.C. 54957)

E. Public Employee Performance Evaluation: Superintendent (G.C. 54957)

5. Reconvene to Open Session

Board President Bowlds reconvened at 5:03 pm.

6. Flag Salute

Board Member Colvig led the flag salute.

7. Report Out of Closed Session

A. Certificated Leave of Absence Request (1) (G.C. 54957)

MSP (Colvig/King) to approve the certificated leave of absence request (1) as presented.

Ayes: Bowlds, Colvig, King

Noes: None

Absent: Chavez, Nunez

Abstain: None

B. Consideration of Request for Early Retirement Incentive (1) (G.C. 54957)

MSP (Colvig/King) to approve the request for early retirement incentive as presented.

Ayes: Bowlds, Chavez, Colvig, King

Noes: None

Absent: Chavez, Nunez

Abstain: None

C. Approval of Inter-district Transfer Requests (E.C. 35146)

MSP (King/Colvig) to approve the inter-district transfer requests as presented.

Ayes: Bowlds, Colvig, King

Noes: None

Absent: Chavez, Nunez
Abstain: None

D. Public Employee Discipline, Dismissal, Release (1) (G.C. 54957)

MSP (Colvig/King) to approve the public employee discipline, dismissal, release as presented.

Ayes: Bowlds, Colvig, King
Noes: None
Absent: Chavez, Nunez
Abstain: None

E. Public employee Performance Evaluation, Superintendent (G.C. 54957)

Superintendent Westerburg received his evaluation from the board in the spring of 2019, the overall rating was effective and the board wishes to extend his contract through June 30, 2022. A vote will be taken at action item G-1.

8. Informational

A. Fieldman, Rolapp and Associates: Facilities/Bond presentation **ATTACHMENT A**

Adam Bauer presented on potential general bond for 2020. Discussion took place about scenarios and district needs.

9. WTA Comments

No comments received, no one present.

10. CSEA Comments

Dan Greene thanked all the paint crews for sprucing up the facilities over the summer. He shared “good byes” to classified employees Rose Mehtlan, Julie Orr, and Shauna Martin. Board members shared their appreciation for all the hard work done by the maintenance crew over the summer months.

11. Board Comments

Board Clerk Colvig stated that it is a new year and an exciting time.

Board Member King shared that she is impressed with all the hard work at Brookside and it looks really nice. King also introduced herself to every new teacher earlier today, it was a good use of her day.

Board President Bowlds commented that the school sites look really great and the hard work shows. He further commented that he witnessed Superintendent Westerburg and Principal Colvig rolling up their sleeves and pitching in, he was impressed by everyone.

12. Superintendent Comments

Superintendent Westerburg advised that there is new furniture at BGMS and WHS and also new cafeteria tables at Brookside and Blosser. He also stated that the work is never finished, our crew continues to work hard. He concluded that the bond is the only way to pay for all of the improvements needed for the facilities.

Introduction of Charlene Bredder the new director at Willits Elementary Charter School, she thanked the board for their support to WECS.

13. Action Discussion

A. Public Comment on Consent Agenda Items

B. Consent Agenda

The Consent Agenda included Approval of Minutes of the Regular Meeting held on June 12, 2019, Approval of Minutes of the Regular Meeting held on June 19, 2019, Approval of Minutes of the Regular Meeting held on June 26, 2019 Approval of Minutes of the Special Meeting held on July 24, 2019, Approval of Warrant Registers from June 1, 2019- July 31, 2019, Approval of Employee Status Changes (34), Approval of Authorized Signers on District Account 2019/20.

MSP (Colvig/King) to approve the consent agenda as presented.

Ayes: Bowlds, Colvig, King
Noes: None
Absent: Chavez, Nunez
Abstain: None

C. *Approval of Resolution 2019/20-1: Contract with Lattice Educational Services through MCOE MSP (King/Colvig) to approve resolution 2019/20-1 as presented. ROLL CALL VOTE

Ayes: Bowlds, Colvig, King

Noes: None

Absent: Chavez, Nunez

Abstain: None

D. *Approval of Resolution 2019/20-1: Contract with North Valley School through MCOE MSP (Colvig/King) to approve resolution 2019/20-2 as presented. ROLL CALL VOTE

Ayes: Bowlds, Colvig, King

Noes: None

Absent: Chavez, Nunez

Abstain: None

E. *Approval of MOU with Mendocino County State Preschool Consortium for 2019/20 MSP (King/Colvig) to approve the MOU with Mendocino County State Preschool Consortium as presented.

Ayes: Bowlds, Colvig, King

Noes: None

Absent: Chavez, Nunez

Abstain: None

F. *Approval of Agreement with Literacy Pro Systems- Adult & Career Education (ACE) for 2019/20 MSP (Colvig/King) to approve the agreement with Literacy Pro Systems- ACE as presented.

Ayes: Bowlds, Chavez, Colvig, King

Noes: None

Absent: Nunez

Abstain: None

G. *Approval of MOU with LaVida Charter School: July 1, 2019-June 30, 2024. MSP (King/Colvig) to approve the MOU with LaVida as presented.

Ayes: Bowlds, Colvig, King

Noes: None

Absent: Chavez, Nunez

Abstain: None

G. 1 Approval to Extend Contract for Superintendent Westerburg through June 30, 2022. MSP (Colvig/King) to approve the contract for Superintendent Westerburg through June 30, 2022.

Ayes: Bowlds, Colvig, King

Noes: None

Absent: Chavez, Nunez

Abstain: None

H. PUBLIC HEARING- 5:45 p.m. Pupil Textbook and Instructional Materials Adoption- High School Physical Science, Grades 9-12: Holt Science Spectrum, Houghton Mifflin Harcourt, Copyright 2013, ISBN: 978-0-030-49863-3

Board President Bowlds opened the public hearing at 6:20 p.m. Superintendent Westerburg advised that the staff recommended this textbook. Board member King shared that she looked at the textbook and was impressed. Public hearing closed at 6:21 p.m.

I. *Board Policy Revision: First Read BP/AR 0420.4, Charter School Authorization

J. *Board Policy Revision: First Read BP/AR 1312.1, Complaints Concerning District Employees

K. *Board Policy Revision: First Read BB/AR 3250 Transportation Fees

L. *Board Policy Revision: First Read BP 3510, Green School Operations

M. *Board Policy Revision: First Read BP/AR 3511 Energy and Water Management

N. *Board Policy Revision: First Read AR 3540 Environmental Safety

O. *Board Policy Revision: First Read BP/AR 3540, Transportation

Board acknowledges receipt of first read board policy changes, items I-O

14. Public Comments for Items Not on the Agenda

No comments received

15. Items for next board meeting agenda

- Bond survey- do it or not
- LCAP new component- Parent Summary

16. Adjournment

MPS (Colvig/King) to adjourn at 6:27 p.m.

Ayes: Bowlds, Colvig, King

Noes: None

Absent: Chavez, Nunez

Abstain: None

Mark Westerburg, Superintendent

Robert Colvig, Board Clerk

**WILLITS UNIFIED
SCHOOL DISTRICT**

Potential 2020 General Obligation
Bond Measure

Adam Bauer

Chief Executive Officer

Fieldman, Rolapp & Associates, Inc.

949.660.7303 tel

949.295.5735 cell

abauer@fieldman.com

August 14, 2019

Table of Contents

Fieldman, Rolapp & Associates, Inc.	Tab 1
District Overview and Outstanding Debt	Tab 2
Potential 2020 Bond Election	Tab 3



Tab 2:

District Overview and Outstanding Debt

**WILLITS UNIFIED
SCHOOL DISTRICT**

Willits USD Credit Ratings

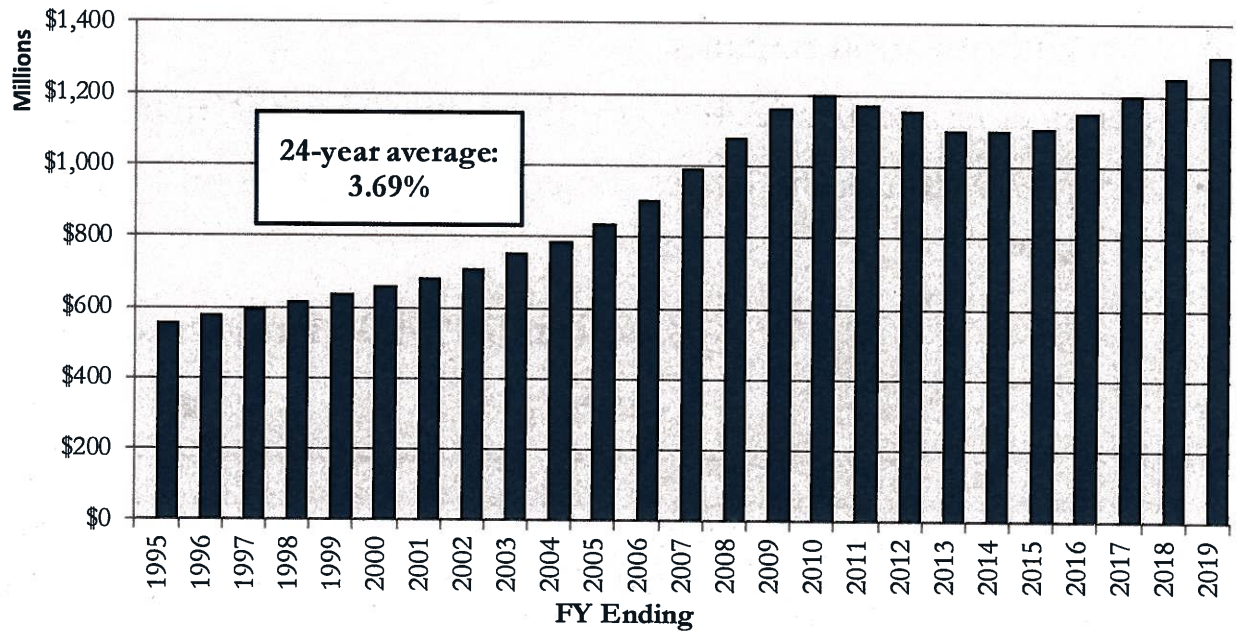
- ❖ The District's outstanding GO Bonds have underlying ratings of "A+" from S&P Global Ratings and "A2" from Moody's Investors Service
- ❖ Credit Strengths
 - ❖ Moderate debt burden
 - ❖ Relatively resilient property tax base
- ❖ Credit Challenges
 - ❖ Weak liquidity
 - ❖ Limited financial flexibility
 - ❖ Declining enrollment (though expected to stabilize)

Moody's	S&P	Credit Worthiness
Aaa	AAA	An obligor has EXTREMELY STRONG capacity to meet its financial commitments
Aa1	AA+	An obligor has VERY STRONG capacity to meet its financial commitments. It differs from the highest rated obligors only in small degree.
Aa2	AA	
Aa3	AA-	
A1	A+	An obligor has STRONG capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions that obligors in higher rated categories.
A2	A	
A3	A-	
Baa1	BBB+	An obligor has ADEQUATE capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.
Baa2	BBB	
Baa3	BBB-	

Historical Assessed Valuation

FY Ending	Assessed Valuation	% Change
1995	555,967,873	-
1996	574,401,048	3.32%
1997	591,382,084	2.96%
1998	614,327,528	3.88%
1999	634,197,363	3.23%
2000	657,646,060	3.70%
2001	680,314,021	3.45%
2002	709,926,470	4.35%
2003	749,704,881	5.60%
2004	782,873,636	4.42%
2005	832,182,015	6.30%
2006	901,414,537	8.32%
2007	990,302,185	9.86%
2008	1,077,721,216	8.83%
2009	1,159,987,942	7.63%
2010	1,196,337,917	3.13%
2011	1,172,944,471	-1.96%
2012	1,151,801,812	-1.80%
2013	1,097,861,218	-4.68%
2014	1,098,609,408	0.07%
2015	1,106,433,937	0.71%
2016	1,146,420,580	3.61%
2017	1,196,744,073	4.39%
2018	1,249,619,023	4.42%
2019	1,309,830,517	4.82%
5-year average		3.50%
10-year average		1.27%
15-year average		3.58%
20-year average		3.76%

Historical Change in Total Assessed Value



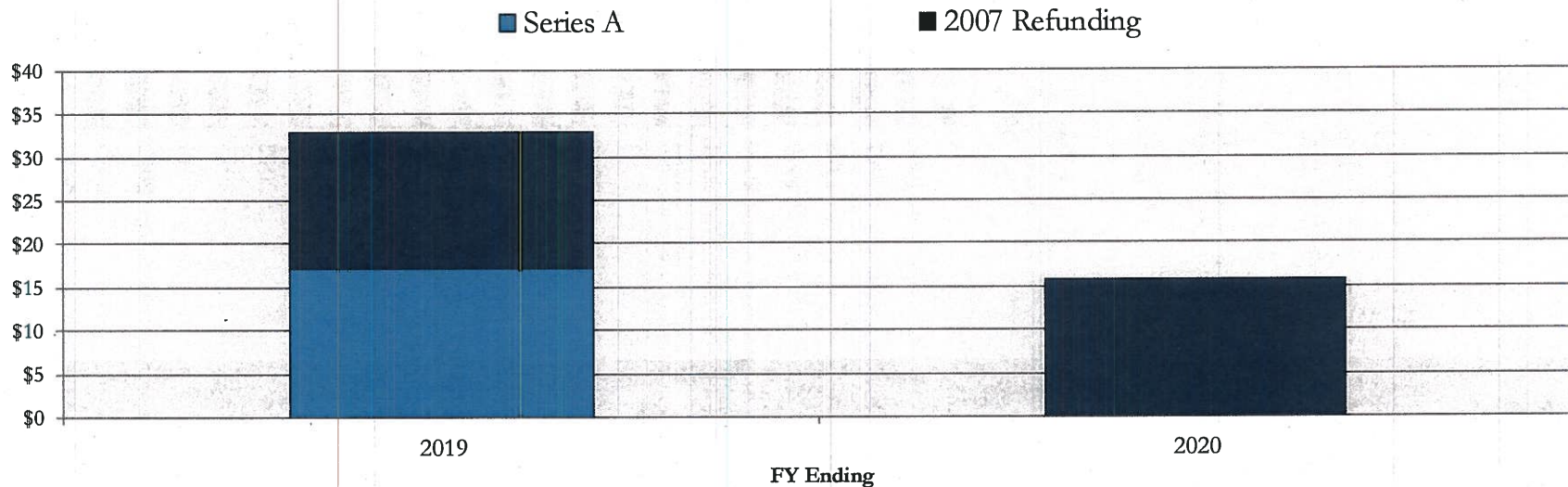
Fiscal Year	Assessed Value	Factor	Bonding Capacity	Outstanding Principal as of 8/14/19	Net Bonding Capacity
2018-19	\$1,309,830,517	2.50%	\$32,745,763	\$11,652,054	\$21,093,709

Sources: Willits Unified School District

Election of 1999

- ❖ The District authorized the issuance of \$2,500,000 in general obligation bonds on March 2, 1999
- ❖ No authorization remains
- ❖ Series A issued for \$2,498,975.55 on July 15, 1999, matured on July 15, 2019
- ❖ 2007 GO Refunding Series issued for \$1,695,000 on December 4, 2007 to refund the Series A Bonds

Election of 1999 - Projected Tax Rates ⁽¹⁾

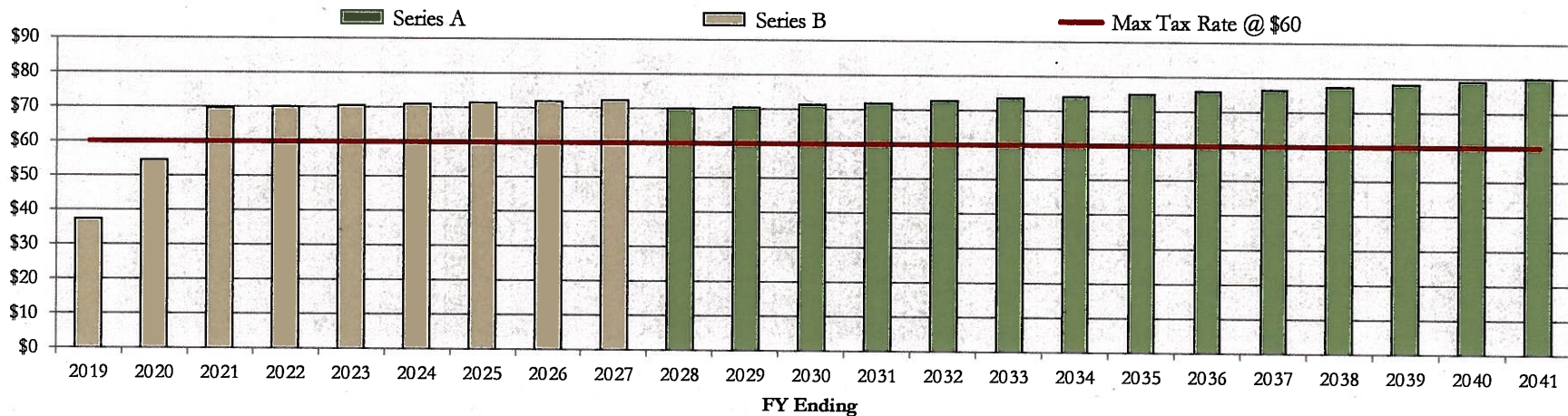


⁽¹⁾ Assumes 3.00% growth in Assessed Value for FY 2019-20 and every year thereafter.

Election of 2010 (Measure B)

- ❖ The District authorized the issuance of \$43,000,000 of general obligation bonds on June 8, 2010, which was approved by 61.31% of voters
- ❖ Approximately \$29,092,946 remains in authorization
- ❖ The District has two series of bonds outstanding
 - ❖ Series A was issued on July 22, 2010 in the principal amount of \$3,787,053.95
 - ❖ Series B was issued on July 22, 2010 in the principal amount of \$10,120,000
- ❖ 2010 Bond Anticipation Notes (“BANs”) were repaid with a combination of BAN proceeds and other funds

Election of 2010 - Projected Tax Rates ⁽¹⁾

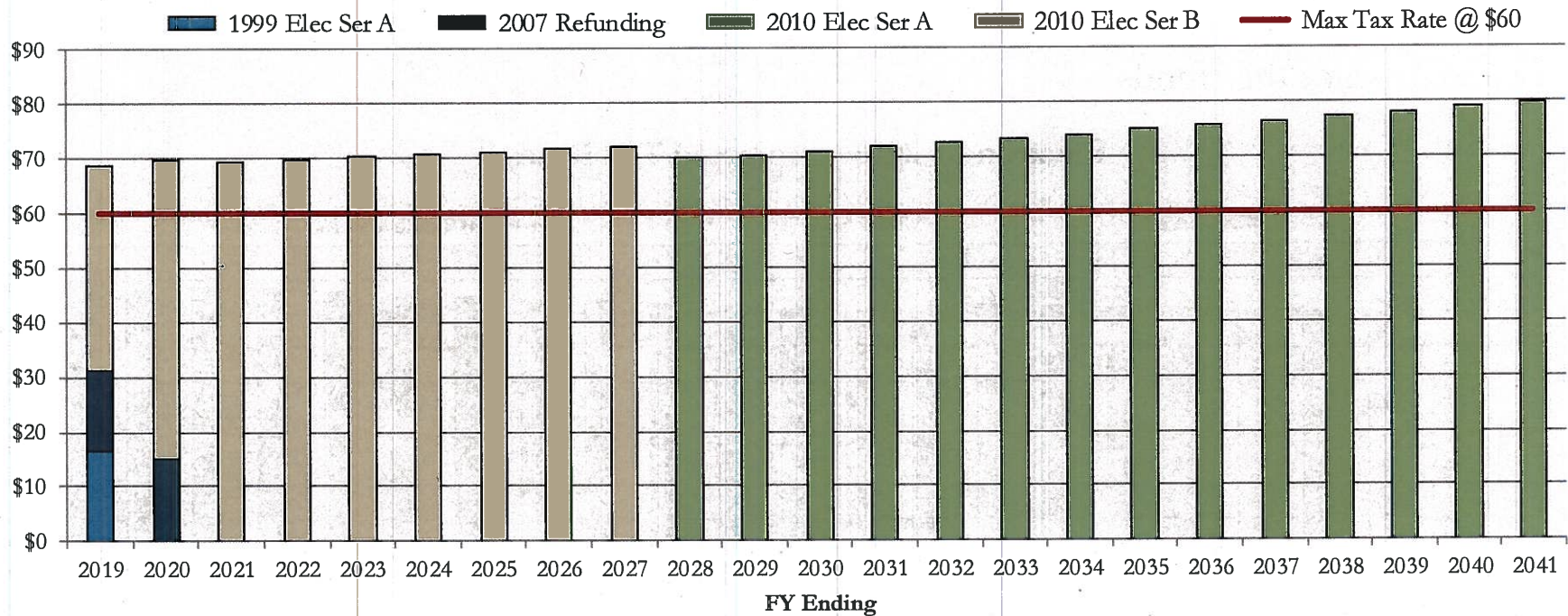


^[1] Assumes 3.00% growth in Assessed Value for FY 2019-20 and every year thereafter.

Aggregate Tax Rates

- Four series of general obligation bonds outstanding with a final maturity date of 2041

Aggregate Projected Tax Rates ⁽¹⁾



⁽¹⁾ Assumes 3.00% growth in Assessed Value for FY 2019-20 and every year thereafter.

Summary of Long-Term Debt Outstanding

Issue	Dated Date	Final Maturity	Original Principal	Principal Outstanding as of 8/14/19	Next Call Date
2007 Refunding	12/20/07	7/15/20	\$1,695,000	\$195,000	Any date @ 100
2010 Elec Ser A	7/22/10	7/15/41	3,787,054	3,787,054	Not callable
2010 Elec Ser B	7/22/10	7/15/27	10,015,000	7,670,000	Not callable
Total				\$11,652,054	

- ❖ The District's 2007 Refunding Bonds are callable on any date at par value
- ❖ However, due to the small par amount and short duration to maturity (1 year), the costs of issuing a refunding bond outweigh the potential savings
- ❖ The remaining outstanding bond issues do not have optional call provisions



Tab 3:

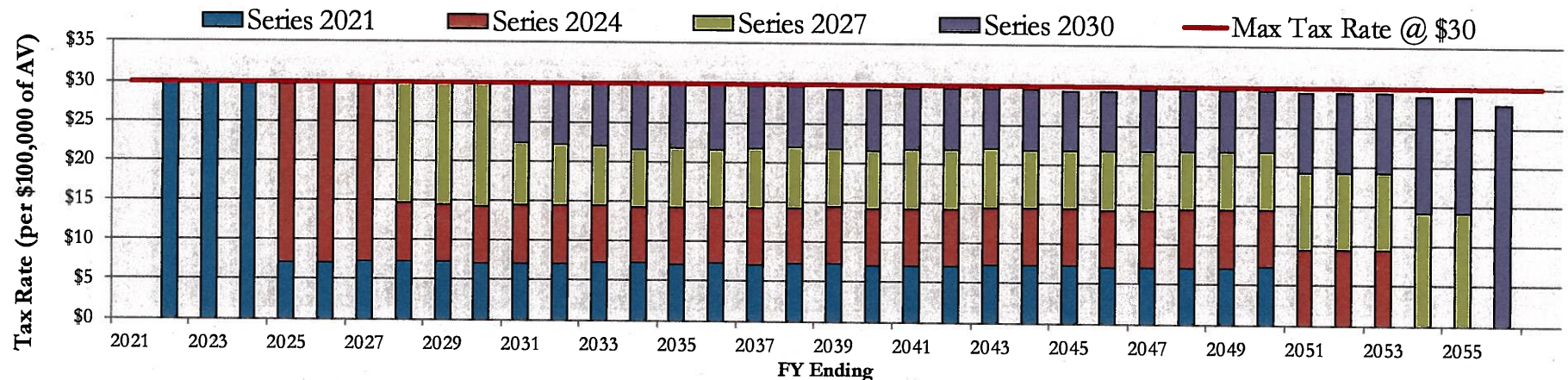
Potential 2020 Bond Election

**WILLITS UNIFIED
SCHOOL DISTRICT**

2020 Election Scenario (\$30 Tax Rate)

- ❖ The District can issue \$13 million in general obligation bonds as soon as 2021 assuming a successful bond measure in November 2020
- ❖ Maximum tax rate of \$30 per \$100,000 of Assessed Value

Projected Tax Rates - Election of 2020 (1)(2)



	Series 2021	Series 2024	Series 2027	Series 2030	Total
Dated Date	2/1/2021	8/1/2024	8/1/2027	8/1/2030	
Par	\$3,250,000	\$3,250,000	\$3,250,000	\$3,250,000	\$13,000,000
Project	3,060,750	3,060,750	3,060,750	3,060,750	12,243,000
Final Maturity	8/1/2050	8/1/2053	8/1/2055	8/1/2056	8/1/2056
Repayment	1.74	1.86	2.04	2.20	1.96

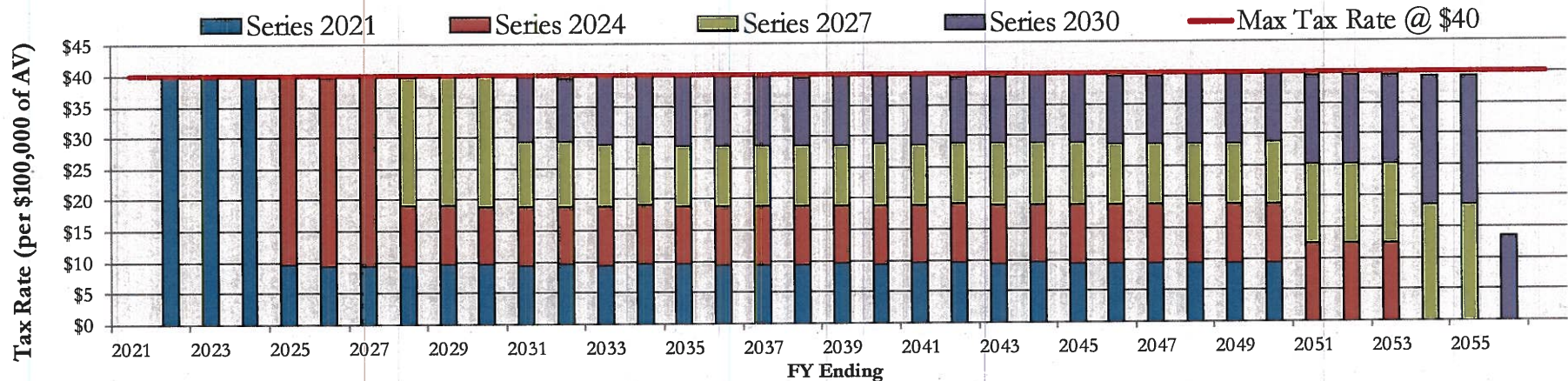
[1] Assumes 3.00% growth in Assessed Value for FY 2019-20 and every year thereafter.

[2] Series 2021 assumes 15-year average "A" scale per maturity. Each future bond series assumes an additional 25 basis points.

2020 Election Scenario (\$40 Tax Rate)

- ❖ The District can issue approximately \$17.2 million in general obligation bonds as soon as 2021 assuming a successful bond measure in November 2020
- ❖ Maximum tax rate of \$40 per \$100,000 of Assessed Value

Projected Tax Rates - Election of 2020 ⁽¹⁾⁽²⁾



	Series 2021	Series 2024	Series 2027	Series 2030	Total
Dated Date	2/1/2021	8/1/2024	8/1/2027	8/1/2030	
Par	\$4,300,000	\$4,300,000	\$4,300,000	\$4,300,000	\$17,200,000
Project	4,101,300	4,101,300	4,101,300	4,101,300	16,405,200
Final Maturity	8/1/2050	8/1/2053	8/1/2055	8/1/2056	8/1/2056
Repayment	1.74	1.85	2.03	2.12	1.94

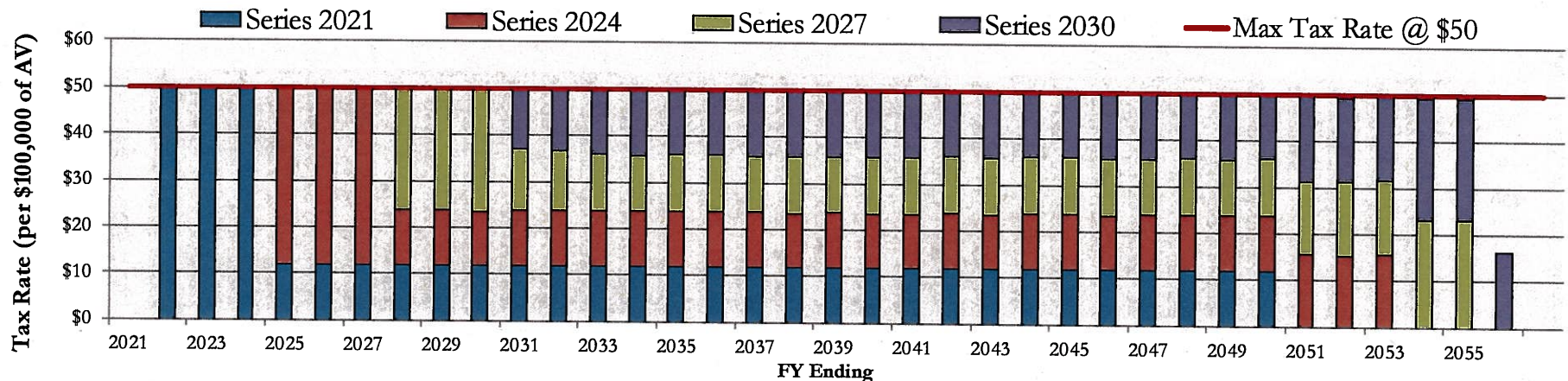
^[1] Assumes 3.00% growth in Assessed Value for FY 2019-20 and every year thereafter.

^[2] Series 2021 assumes 15-year average "A" scale per maturity. Each future bond series assumes an additional 25 basis points.

2020 Election Scenario (\$50 Tax Rate)

- ❖ The District can issue approximately \$21.5 million in general obligation bonds as soon as 2021 assuming a successful bond measure in November 2020
- ❖ Maximum tax rate of \$50 per \$100,000 of Assessed Value

Projected Tax Rates - Election of 2020 ⁽¹⁾⁽²⁾



	Series 2021	Series 2024	Series 2027	Series 2030	Total
Dated Date	2/1/2021	8/1/2024	8/1/2027	8/1/2030	
Par	\$5,375,000	\$5,375,000	\$5,375,000	\$5,375,000	\$21,500,000
Project	5,166,625	5,166,625	5,166,625	5,166,625	20,666,500
Final Maturity	8/1/2050	8/1/2053	8/1/2055	8/1/2056	8/1/2056
Repayment	1.73	1.86	2.03	2.12	1.94

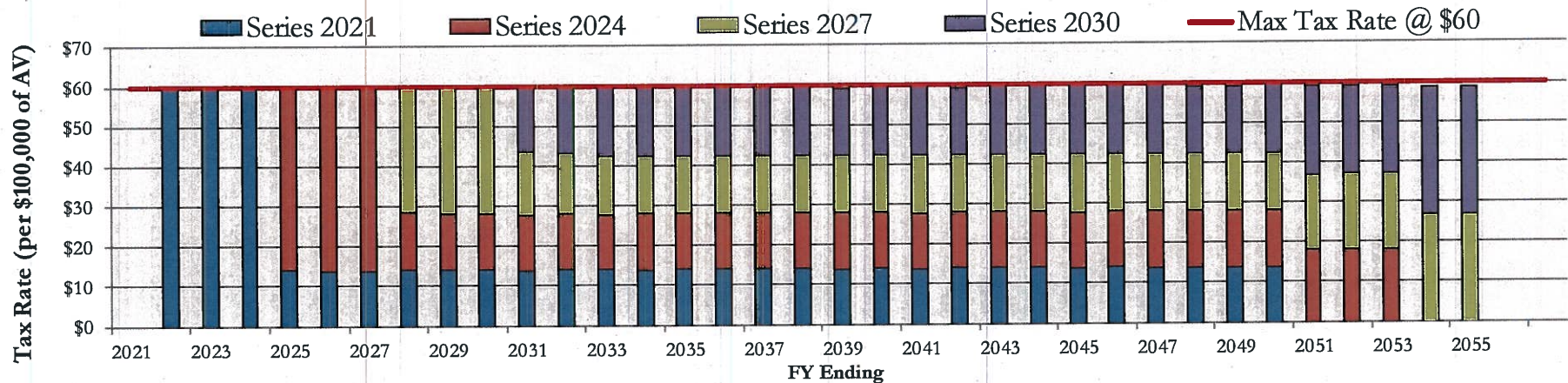
^[1] Assumes 3.00% growth in Assessed Value for FY 2019-20 and every year thereafter.

^[2] Series 2021 assumes 15-year average "A" scale per maturity. Each future bond series assumes an additional 25 basis points.

2020 Election Scenario (\$60 Tax Rate)

- ❖ The District can issue approximately \$25.6 million in general obligation bonds as soon as 2021 assuming a successful bond measure in November 2020
- ❖ Maximum tax rate of \$60 per \$100,000 of Assessed Value

Projected Tax Rates - Election of 2020 ⁽¹⁾⁽²⁾



	Series 2021	Series 2024	Series 2027	Series 2030	Total
Dated Date	2/1/2021	8/1/2024	8/1/2027	8/1/2030	
Par	\$6,400,000	\$6,400,000	\$6,400,000	\$6,400,000	\$25,600,000
Project	6,182,400	6,182,400	6,182,400	6,182,400	24,729,600
Final Maturity	8/1/2050	8/1/2053	8/1/2055	8/1/2055	8/1/2055
Repayment	1.73	1.85	2.02	2.06	1.92

^[1] Assumes 3.00% growth in Assessed Value for FY 2019-20 and every year thereafter.

^[2] Series 2021 assumes 15-year average "A" scale per maturity. Each future bond series assumes an additional 25 basis points.

Summary of 2020 Bond Election Scenarios^[1]

Tax Rate (per \$100,000 of AV)	Par Amount	Project Amount	Final Maturity	Debt Service	Repayment Ratio	Est. Annual Tax per Median FY 18-19 Homeowner ^[2]
\$30	\$13,000,000	\$12,243,000	8/1/2056	\$25,499,118	\$1.96 to 1	\$52
40	16,750,000	16,405,200	8/1/2056	33,302,694	1.94 to 1	69
50	21,000,000	20,666,500	8/1/2056	41,619,011	1.94 to 1	86
60	25,250,000	24,729,600	8/1/2055	49,035,482	1.92 to 1	104

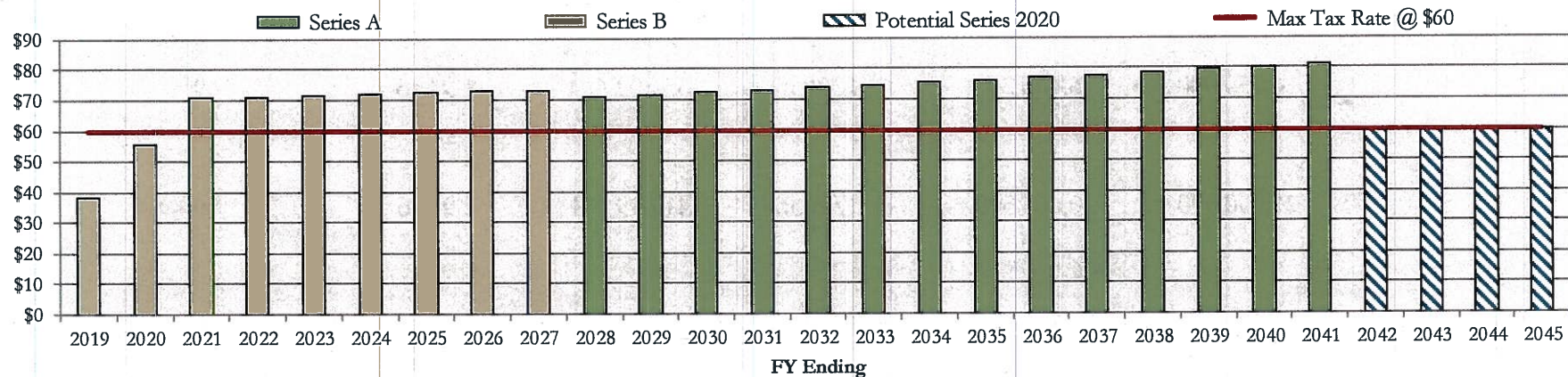
^[1] All scenarios assume 3.00% growth escalator beginning in FY 19-20 and every year thereafter.

^[2] Fiscal Year 2017-18 Median Assessed Value of \$170,075 provided by California Municipal Statistics, Inc. increased by 2%

Election of 2010, Series 2020 (Measure B)

- ❖ The District could issue 25-year Capital Appreciation Bonds to fund \$2.6 million if the need for capital facilities funding was very necessary
- ❖ Per the District's Revised Board Policy 7214 adopted May 2, 2018 and rules surrounding AB 182, the School District requires two consecutive Board meetings prior to issuance

Election of 2010 - Series C Projected Tax Rates ⁽¹⁾⁽²⁾



Dated Date	Principal Amount	Project Fund	Final Maturity	Total Debt Service	Repayment Ratio
2/1/2020	\$2,835,390	\$2,624,353	2/1/2045	\$6,365,000	\$2.24 to 1

⁽¹⁾ Assumes 3.00% growth in Assessed Value for FY 2019-20 and every year thereafter. Scale assumes 'A' insured CAB scale as of 8-8-19 plus 15 bps.

Schedule of Proposed Next Steps

Date	Description
July - November 2018	Update to Facilities Plan or list of facilities
November 15, 2018	Interview Communication Consultants
January - February 2019	Independent Voter Survey Completed
January - November 2019	Communication Consultant Efforts
March 13, 2019	<p>Board of Trustees Meeting:</p> <ul style="list-style-type: none"> - Present Initial Survey Results - Present Project List and Bond Financing Plans to Board for feedback
October 2, 2019	<p>Board of Trustees Meeting:</p> <ul style="list-style-type: none"> - First Reading of Election Resolution - Review Tax Rate Statement, Proposed Bond Project List
November 6, 2019	<p>Board of Trustees Meeting:</p> <ul style="list-style-type: none"> - Consider Resolution Ordering Election - Resolution requesting consolidation with other elections, authorizing a Tax Rate Statement, and authorizing Board Members to sponsor ballot arguments
December 6, 2019	<p>Deadline for Board to Withdraw or Amend Bond Measure (88 days prior to Election Date)</p>
December 6, 2019 through Tuesday, March 3, 2020	Advocacy Campaign (Independently-Funded)
March 3, 2020	Election Day