

I. Welcome, Meeting Overview, and Adoption of Minutes

Facilitator Dick Withycombe told committee members it was wonderful to see them again, for three reasons. First, because this is a group he has come to enjoy — and also to admire for the quality of the conversations leading to decisions. Second, the district’s objective in convening the committee was honest, and the district has continued to behave that way; this has not been a directed citizen committee. Finally, facilities planning is legacy work. “You will be able to drive by one of these schools one day and say, “I was part of doing that.”

Since the December 9 meeting, the district staff has discovered that the estimates of state matching funds, a critical element in the committee’s decision-making, were incorrect. Dick said it is to the credit of the superintendent and board that they chose to reconvene the committee, rather than to resolve the discrepancy administratively. “So we will work together to get this fixed,” he said. “And we will be able to feel as good about tonight’s outcome as we felt at the end of the last meeting.”

The committee reviewed and adopted as submitted the minutes of their December 9 meeting.

II. Updated Cost Information

Saying she was honored that so many committee members returned, Superintendent Becky Berg agree, “This is legacy work. It’s why I do this work and why you came back. Because how you do something is as important as what you do.” She introduced Doug Nichols, a state-match specialist with Education Service District 112, who was called in to work with Facility Supervisor Greg Dennis to review the earlier estimates.

Greg told the committee that calculating state matching funds can be difficult: both eligibility rules and formulas are complex. Last month’s estimates were based on an assumption that the district had more eligibility than it has, and some formulas were incorrectly applied. He and Doug asked the state to reaffirm the district’s eligibility, and they recalculated the state match for each project included in the committee’s recommendation.

They also reviewed the project costs provided by the construction estimating firm in light of cost information from the Office of the Superintendent of Public Instruction (OSPI) and ESD 112. Based on those analyses, they adjusted project costs down.

The combined result of correcting the over-estimated state match and reevaluating project costs was to bring the estimated local share of the recommended bond package to \$249.1 million. On December 9, the committee believed this package could be funded with state matching funds and a \$196.3 million bond measure, a difference of \$52.8 million.

The greatest part of this difference was in the calculation of matching funds for the replacement of Marysville Pilchuck High School (MPHS). The earlier estimate assumed that the commons replacement did not consume part of the district's grade 9-12 eligibility and that the "freshman campus" would be eligible for replacement in 20 years (rather than 30 years). Together, these corrections reduced the district's high school eligibility for state match by 150,000 square feet.

In addition, the earlier estimate included state match for elementary schools that would be larger than the ones they replaced, and the state will match only the area replaced. One middle school estimate was for a larger school, one for a smaller school; so this component of the bond package was essentially correct.

All of the updated project estimates are "turnkey" costs. They include site work, soft costs (e.g., fees and permits), fixtures, furnishings, and equipment as well as construction costs.

In addition to an explanation of previous and updated project costs and state-match estimates, the spreadsheet Greg and Doug shared included alternative scenarios for health and safety projects and for tax rates.

III. Committee Recommendation

The committee spent the greater part of the meeting discussing alternative approaches to resolving the issue before deciding by consensus to replace their earlier recommendation with these specific instructions to the district staff.

- Retain all five school-replacement projects (Liberty Elementary School, Cascade Elementary School, Marysville Middle School, Totem Middle School, and MPHS).
- Retain the allocation of \$11.5 million for districtwide major-maintenance projects that address priority needs related to health and safety.
- Keep the resulting tax rate at *or below* \$1.29/\$1,000 assessed valuation.
- To lower the tax rate, consider adjusting elementary school capacity (enrollment, not space per student).
- A full high school replacement is preferred, but consider a partial replacement if necessary to lower the tax rate.

Committee members will receive the results of the effort to implement these instructions by email, with an expectation that, if they are fully met, the resulting bond package would be submitted to the superintendent as the committee's final recommendation. If it is not possible to create a bond package that meets the committee's criteria, the committee will meet again.

Discussion Points

Committee members considered a variety of issues as they worked toward this agreement.

- Whether to delete or modify some projects.
- Replacing the high school in phases within a master plan, replacing sections over time as state match is available and subsequent bonds are passed.

- Delaying the high school replacement for 10 years until the 9-10 campus is also eligible for state match.
- The complexity of replacing MPHS in phases, which could reduce any savings.
- The possibility that the estimators' MPHS site-work estimate could be significantly reduced.
- Student and community concerns about security issues associated with the current "California campus" design at MPHS, with its many exterior doors.
- Whether to build the new MPHS to house 1,600 students (as estimated) or something closer to its current enrollment (1,200 students).
- Building smaller elementary schools now and planning for future expansion, either modular or permanent construction.
- The desirability of moving students out of portables.
- The value of establishing a district standard for elementary school enrollment that is based on a district vision for the learning environment.
- Whether to replace all of these elementary and middle schools on their current sites or consider the implications of enrollment growth on the edges of the district.
- The input received from the community in the ThoughtExchange process.
- The value of retaining the projects the committee asked the community about.
- The value of providing quality schools: impact on community pride, on community growth, and on student achievement.
- The nature of the health and safety issues observed and reported at the schools to be replaced.
- The value of balancing needed facility improvements with consideration for district taxpayers.