

**BAINBRIDGE ISLAND SCHOOL DISTRICT NO. 303
SCHOOL BOARD STUDY SESSION MINUTES**

Date: May 19, 2015

Place: Board Room

Board of Directors Present

Board President – Mev Hoberg

Board Vice President – Sheila Jakubik

Directors – Mike Spence, Tim Kinkead, Patty Fielding

Call to Order

4:40 p.m. Board President Mev Hoberg called the study session to order.

The Facility Master Plan Committee: Jeff Bouma, Jason Collins, Jennifer Solseng, Kristen Haizlip, Reese Ande, Tim Harris, Janet Woolever, Vicki Clayton, Mary Curtis, Betsy Greene, Tom Kilbane, Margaret Powers, Aaron Murphy, Bernie Meija, John Gray, Tamela VanWinkle
Consultants: Craig Stauffer, Sharon Kennedy, Laurie Pharr, Dave Trageser, Butch Reifert

Topics for Discussion

A. Physical Assessment: Program Assessment

Capital Projects & Facilities Director Tamela VanWinkle briefly reviewed the history of the Facility Master Plan. A master plan was created for the district in 2005 – a complete analysis of all of the district facilities and their ability to meet the educational programming needs. Ten years later, the BHS 200 building and Wilkes have been replaced and essential renovations have occurred.

Mahlum Architect Butch Reifert reviewed the district building structures with a comparison to a model educational program. A building assessment was developed for each site. Four of the district facilities were identified as being in poor condition relative to OSPI evaluation criteria: Blakely, Ordway, Commodore and the 100 building on the BHS campus. Model programs that were developed during the first master planning process were confirmed and slightly modified using the district vision, potential legislation (McCleary, I-1351) and regional data as a guide for elementary, intermediate, middle, high school and options schools programs. Construction and non-construction (soft) project costs were calculated. Soft numbers were calculated with a 48.2% mark-up for new/replacement. Modernization soft costs were calculated at 55%. Non-construction “soft” costs include (every district pays these costs):

- Architect/Engineering/Consultant Fees
- Owner Consultants
- Washington State Sales Tax
- Testing and Inspection
- Permits
- Builders Risk Insurance
- Furniture, Fixtures and Equipment
- Construction Administration Management
- Staff Planning and Moving
- Sustainable Schools Monitoring
- Construction Contingency
- Contingency

Non-construction Related Costs include (variable costs):

Construction Administration Management

- Capital Staffing
- Legal Fees
- Admin. Support

Bond Issuance Fee

B. Summary of Finding & Capital Costs

Blakely Elementary School 43,505 GSF

The consultants looked at what needs to be addressed in the next 5-8 years. The immediate needs include: separate bus loop drive, modify student load and unload, provide ADA ramps/walkway, replace playground equipment, replace fire alarm systems, replace intercom system, upgrade toilet fixtures to ADA compliance and upgrade egress lighting, replace water heaters, hot water recirculation pumps, replace boilers, building control systems, electrical distribution systems, technology upgrades, add cafeteria. Other consideration include: replace the HVAC system (at end of life but will impact the structure) and provide lateral and shear support to meet earthquake code requirements, structural modifications and upgrades to support program and system modernizations.

Director Patty Fielding asked if building codes would be triggered with the enhancements. Reifert responded that the changes and improvements would consider building codes in the implementation.

An elementary school model program is 65,150 GSF (67,130 GSF with functional skills at Ordway). Core instruction, special education, functional skills, STEM, tech, library/media center, physical education, food service, commons/cafeteria, administration, student services, faculty/staff support, building support. Assumptions: 450 students (pre-k thru 4) with infrastructure for 650, central food prep off-site, gymnasium, functional skills (Ordway only), interior corridors.

Summary of Findings: \$28,821,865

Additions/Modernizations: \$38,156,500

New in Lieu: \$38,964,667

Postpone/Patch/Repair: \$3,947,625

Other Considerations: \$1,509,452

McCleary Bill

Summary of Findings: \$33,260,062

Additions/Modernizations: \$40,844,200

New in Lieu: \$41,534,455

Postpone/Patch/Repair: \$3,947,625

Other Considerations: \$1,509,452

Ordway Elementary School, 52,000 GSF

The consultants looked at what needs to be addressed in the next 5-8 years and identified what needs to be postponed, patched and/or repair. The immediate needs include: revised bus load and unloading, pedestrian safety improvements, ADA access improvements, replace fire alarm system, allowance to upgrade building for ADA compliance (access to stage), replace hardware to all exterior doors, master clock system upgrade, technology and data closets, add modular cafeteria, HVAC system and controls.

Director Fielding asked about the addition of cafeterias within all of the schools. VanWinkle responded that instructional time suffers without a cafeteria – approximately 15 to 20 minutes a day.

7,500 Gross Square Feet
Enclose covered play area and convert to cafeteria, new infill

67,130 Gross Square Feet
Modernization and new administration, library, gym, classrooms, food service

71,410 Gross Square Feet (McCleary Bill)
Modernization and new administration, library, gym, classrooms, food service

67,130 Gross Square Feet
Summary of findings: \$29,817,343
Additions/Modernizations: \$38,090,158
New in Lieu: \$38,891,842
Postpone/Patch/Repair: \$2,180,760
Other Considerations: \$4,397,809

McCleary Bill
Summary of finding: \$34,989,076
Additions/Modernizations: \$40,844,200
New in Lieu: \$41,718,608
Postpone/Patch/Repair: \$2,180,760
Other Considerations: \$4,397,809

Superintendent Chapel asked for clarification on portables. The portable square footage was not calculated into the current square footage for the schools per OSPI guidelines. Portables are being utilized for some music rooms, computer labs and classrooms. Reifert responded that footnotes refer to the portable usage at each school.

Wilkes Elementary School

Potential legislative measures to reduce class size (McCleary) would require the addition of 5 new classrooms.

McCleary Bill
5 New Classrooms: \$3,305,966

Sakai Intermediate School, 63,228 GSF
Intermediate School Model Program 72,892 GSF

The consultants looked at what needs to be addressed in the next 5-8 years and identified what needs to be postponed, patched and/or repair. The immediate needs include: Revise relief dampers at the south building wall to avoid letting cold air into the classrooms, replace boilers, replace 2 sewer pumps. Other considerations include: Replace fire alarm system, upgrade intercom system, integrate master clock, replace 2 water heaters, replace vinyl surface on the gym wall, repaint interior of the building, replace HVAC controls, upgrade lighting controls to meet energy code.

Total Immediate Asset Preservation: \$599,343
Total Asset Considerations: \$1,566,963

Site health and safety improvements include ADA accessibility and the addition of a cafeteria.

Summary of findings: \$2,557,465
Additions/Modernizations: \$5,325,387
Immediate Asset Preservation: \$599,343
Asset Considerations: \$1,566,963

Woodward Middle School, 98,645 GSF
Middle School Model Program 102,825 GSF

Student load and unload improvements, ADA access for buses, add exhaust ventilation, replace water heaters, repair or replace modular buildings (6).

Summary of finding: \$13,510,203
Additions/Modernizations: \$3,328,237
Immediate Asset Preservation: \$1,421,537
Other Considerations: \$6,780,597

Director VanWinkle stated that the portables at Woodward are in need of immediate repair. A conversation needs to occur around replacing the portables with new portables or a permanent structure.

Bainbridge High School
100 Building, 41,509 GSF

The 100 building is one of the older buildings in the district. The building requires renovation of: fire sprinkler, smoke detectors, water fountains, water pipes, exhaust ventilation, roof and canopy, HVAC, lateral and shear support, electrical distribution panels and circuitry, voice and data system.

Summary of Findings: \$15,378,622
New in Lieu: \$27,022,727
Postpone, Patch and Repair: \$7,183,578
Other Considerations: \$1,269,266

Bainbridge High School
300 Building, 64,216 GSF

Postpone/Patch/Repair numbers include the immediate needs: fire alarm, smoke detector, plumbing fixtures, telephone and technology infrastructure, ventilation, master clock.

Summary of Findings: \$6,690,254
Immediate Asset Preservation: \$653,756

Bainbridge High School
400 Building, 36,144 GSF

Postpone/Patch/Repair numbers include the immediate needs: fire alarm, voice and data system, master clock

Summary of Findings: \$4,124,189
Immediate Asset Preservation: \$145,846

Bainbridge High School
500 Building, 32,818 GSF

Postpone/Patch/Repair numbers include the immediate needs: fire alarm, switchboard and electrical distribution system, lighting control, master clock, west wall (water intrusion), interior of lower gym.

Summary of Findings: \$10,756,027
Immediate Asset Preservation: \$3,665,317

With the 100 Building having a high dollar amount for the immediate asset preservation and total summary of findings, a total building replacement was evaluated. A total construction cost of the 100 and 600 building for \$18,233,959 – theater, music, art, special ed, functional skills.

Fielding asked if it was an option to separate the theater from the classroom space as there is a lot of community interest in the development of a community performing arts center. VanWinkle responded that the two may be separated.

Commodore Options School

Postpone/Patch/Repair numbers include the immediate needs: water pipes, seismic upgrades for 1948/51 wing, demolish 1948 south wing, seismic upgrades from 1970/'75/'81 buildings, HVAC, controls of steam system, plumbing fixtures, underground waste mains, ceiling tiles.

Summary of Findings: \$9,338,651
New in Lieu: \$33,097,790
Postpone, Patch and Repair: \$5,524,225

C. Tax Implications

In a comparison with the other districts in the state, BISD is in the bottom 25% with a 3.2981 per \$1,000 assessed value.

Based on 150 basis points above current bond market interest rates, a 20-year financing structure, the following estimates were made:

Par	Total School Levy Tax Rate Increase (per \$1,000 AV*)
\$25.3 Million	\$.07 - .11
\$60 Million	\$.14 - .38
\$80 Million	\$.18 - .63

The actual increase in levy rate is dependent on the amount of bonds sold, timing and structure.

Different scenarios are under consideration for the buildings and facilities:

Consideration #1

School	Summary of Findings	New in Lieu	Postpone/Patch/Repair	Immediate Asset Preserv.	Total
Blakely			\$3,947,625		
Ordway			\$2,180,760		
Sakai				\$599,343	
Woodward				\$1,421,537	
BHS 100			\$7,183,578		
BHS 300				\$653,756	
BHS 400				\$145,846	
BHS 500				\$3,665,317	
Commodore			\$5,524,225		
TOTALS			\$18,836,188	\$6,485,799	\$25,321,987

Consideration #2

School	Summary of Findings	New in Lieu	Postpone/Patch/Repair	Immediate Asset Preserv.	Total
Blakely		\$38,964,667			
Ordway			\$2,180,760		
Sakai				\$599,343	
Woodward				\$1,421,537	
BHS 100			\$7,183,578		
BHS 300				\$653,756	
BHS 400				\$145,846	
BHS 500				\$3,665,317	
Commodore			\$5,524,225		
TOTALS		\$38,964,667	\$14,888,563	\$6,485,799	\$60,339,029

Consideration #3

School	Summary of Findings	New in Lieu	Postpone/Patch/Repair	Immediate Asset Preserv.	Total
Blakely		\$38,964,667			
Ordway			\$2,180,760		
Sakai				\$599,343	
Woodward				\$1,421,537	
BHS 100		\$27,022,727			
BHS 300				\$653,756	
BHS 400				\$145,846	
BHS 500				\$3,665,317	
Commodore			\$5,524,225		
TOTALS		\$65,987,394	\$7,704,985	\$6,485,799	\$80,178,178

Costs are currently escalating at approximately 4.5% per year.

President Mev Hoberg asked for input from the advisory committee. The committee shared concerns with the current state of the 100 building and the inequity among the elementary schools – Blakely, Ordway and Odyssey.

From a structural point, many changes occurred with codes due to earthquakes in the 1960's and 1970's. There are structural and seismic concerns with Blakely, BHS 100 building, Ordway and Commodore. The postpone/patch/repair did not include earthquake modifications. The structural engineering consultant stated that it would not be cost effective to bring an older building up to the same level as a new building through modifications.

Committee member Mary Curtis shared that an item to consider is the escalating costs of construction and to ask for a larger bond with staggered construction projects.

D. Bonds and Tax Implications

Managing Director of DA Davidson Dave Trageser presented the attached scenarios as a benchmark for what the tax rate implications would look like with a median residence value of \$486,000 based on the collection of 2015 taxes.

Director Fielding referred to the 2015 Comparison of School Bonds for King and Kitsap school districts. The list is a snapshot but many districts will be issuing bonds next year. A helpful picture would be comparing the total tax burden for the districts in King and Kitsap.

Director Kinkead asked if there is a choice point for the structured finance piece. Trageser responded that the total school levy rates fluctuate based on the scenario and those listed provide just a starting point for discussion purposes and may be adjusted by deferring principal etc. Trageser assumed 150 basis points above the current bond market interest rates and only a 1% increase in the tax base annually. The prior debt drops off dramatically by 2029.

VanWinkle recommended using available funds from the 2009 bond to engage an architect to start a more thorough analysis of educational program at Blakely and the BHS 100 Building to get a clearer picture of the sites. The post occupancy evaluation for Wilkes will be leveraged in the design of Blakely. The information will be shared throughout the Ed Spec process.

VanWinkle requested direction from the board on what additional information is needed to get to the decision of a bond. With a February bond date, a resolution needs to be approved by the board by October. The bond requests need to coordinate with the levy requests.

Committee member Vicki Clayton suggested that the district consider the addition of a scaled-down 200 seat theater with the elimination of the 100 building theater. A community performing art center joint venture could take a significant amount of time to fundraise and build. VanWinkle proposed investigating a black box (simple/small theater) option. Some districts have both a performing arts center and a black box.

Committee member Janet Woolever suggested replacing the 100 building with a multi-purpose building with a flexible design to move forward with fixing the building then addressing the corner at a future date.

President Hoberg stated that the voters need to see a clear plan for the 4 buildings with some type of a small theater with the 100 building. Hoberg suggested staggered bonds.

Director Spence requested clarity on the total tax burden as well as the 100 building replacement and black box option.

Director Kinkead stated the district needs to invest in the arts and use this time to push the district further rather than just incrementally improving the building.

Vice Principal Kristen Haizlip responded that one semester of theater will be offered next year serving 30 kids. The bigger need is to fix the 100 building.

VanWinkle asked for clarification to prepare a mini Ed Spec for the main campus and a have a separate conversation with an Ed Spec for Blakely. Due to instructional time, VanWinkle recommended a temporary portable for Ordway to use as a cafeteria – see consideration #2.

Director Kinkead asked VanWinkle to merge the Replacement Matrix 2015-2070 with the financials for the upcoming board meeting.

No formal vote was taken. The board reached consensus to move forward with the Ed Spec to provide additional information to the board on Blakely and the main campus. The board would like information on the 100 building as a first bond option and/or as a second bond option. The voters need to hear about both visions at the first bond ask.

The key elements will be presented at the next board meeting for further board discussion. No formal decisions will be made until at least June.

Adjournment

8:03 p.m. President Mev Hoberg closed the study session