

2016 School Facilities Bond And HVAC Project February Update



Presentation to the Board of Trustees

Brett W. McFadden
Assistant Superintendent / CBO
January 21, 2016

What we will cover tonight

- Update on district credit rating
- New bond planning schedule
- Board homework assignment – your tardy!
- HVAC Project Update



Updated credit rating

- District's credit rating has once again been upgraded (as of today)
 - Moody's upgraded district from AA2 to AA1 – just short of highest level (AAA)
 - Other major credit agencies have us at similar levels

- This is equivalent of one's FICA score going from 860 to 910

- District's overall credit rating is in top 10 percent of all CA school districts



Higher credit rating =

1. Lower interest rates for taxpayers
2. Easier to sell bonds at better rates / structuring
3. Greater financing flexibility for district

Why our credit rating is going up

- Credit rating agencies have cited the following:
 - District's overall financial position
 - Staple and strong General Fund reserves
 - Strong financial operations and systems
 - Local economy and property tax values

- What will protect / improve the district's credit rating:
 - Continue to maintain strong reserves
 - Implement a board adopted reserve policy – minimum 15 percent
 - Continue to improve financial systems and policies



Board homework assignment

- Staff request the board's support
- Need assistance with community engagement and outreach
- Staff has fact sheets and will develop talking points
- **Assignment:**
 - Please identify groups / individuals for community engagement
 - Please identify and reach out to 3-5 community / parent leaders
 - We will invite them to the march planning meeting

Updated bond action schedule

Now to June 2016

March – April 2016

- Community stakeholder meetings
 - Internal stakeholders
 - Key parents leaders in District
 - PTA councils for feeder schools
 - Principals, employees, teachers etc.
 - External stakeholders
 - Elected officials
 - Business leaders
 - Civic organizations
 - Senior organizations
 - Update bond page on District website
 - Hold initial planning meeting with interested parties and stakeholders
 - Review and approve Facilities Master Plan and Needs Assessment
 - Conduct site tours

April – May 2016

- Continue one-on-one community stakeholder meetings
- Develop bond measure resolution •
- Project list to board for review before board approval (May)
- Send informational mailer #2 to all registered voters and parents as an update on potential bond measure either prior to board adoption or post-board adoption (May) June 2016

June 2016

- Wrap-up one-on-one stakeholder meetings
- Finalize bond measure resolution
- Approval of bond resolution at board meeting (June)

Post board action in June – Transition to advocacy campaign



HVAC project update

- Board selected Indoor Environmental Services (IES) in late January
- IES and district staff have visited all sites and analyzed district energy data and architectural plans
- Project remains on schedule
- IES will issue project implementation recommendations in early March