

**Weber School District
5320 Adams Avenue Parkway
Ogden, UT**

**SPECIAL BOARD MEETING
STUDY SESSION**

**May 1, 2020
8:00 a.m.**

The Board of Education of Weber School District held a Special Board Study Session in the Board Room at 5320 Adams Avenue Parkway, Washington Terrace, Utah. The meeting convened at 8:00 a.m. The following Board Members and Superintendency were present:

Jon Ritchie	President
Dean Oborn	Vice President
Jan Burrell	Board Member
Janis Christensen	Board Member
Douglas Hurst	Board Member
Bruce Jardine	Board Member
Paul Widdison	Board Member
Jeff Stephens	Superintendent
Lori Rasmussen	Assistant Superintendent
Art Hansen	Assistant Superintendent
Robert Petersen	Business Administrator

Also attending were Lane Findlay, District Community Relations/Safety Specialist; and Scott Zellmer, Director of Facilities & Operations.

1. Items for Study / Discussion

A. Legislative Update – Senator Ann Millner

Superintendent Stephens introduced Senator Ann Millner and turned time to her to share information about legislation related to education funding.

Senator Millner explained the legislature has had conversations over the last year about how to meet the needs of a growing state. As growth occurs, we need to provide for education but also additional services to support others in our community. She has met with educational leadership in her district as well as local and state school boards and education associations about how to meet those needs. They have worked through several scenarios and believe they found a solution with broad support. The legislature passed a proposed constitutional amendment that will need to be approved by voters. It allows the state to open up the use of income tax funds to not only be used for education but also for other social and health services in support of children and individuals with disabilities. This allows the legislature to have more flexibility and provides assistance for two of our most vulnerable populations. Income tax is the most volatile state tax and the challenge is that education funding is earmarked to this most volatile tax.

In addition to the proposed constitutional amendment, the legislature passed HB357. It says if the constitutional amendment passes, protections will be put in place to help protect and stabilize education funding. In the Utah constitution there is a uniform school fund which is totally dedicated to public education. Currently, there is a small amount of discretionary funding coming into that fund. This proposal says we will take money we have in the minimum school program and move it all over to the uniform school fund which can only be used for public education. As the legislature adds money for growth and inflation every year, those funds will also move into the uniform school fund.

The second component provides that in the base budget every year, if there is funding available, the legislature will fund growth and an inflation factor on the minimum school program (WPU and other elements). The proposal says, as long as there is funding, growth and inflation would be more automatically funded at the start of the session, rather than having to fight for growth and WPU after appropriations. Education would have this foundational funding as part of the base budget to support basic needs.

A third element sets up an ongoing rainy day fund for public education. Every year the legislature would continue to add money. It would help stabilize public education funding through recessionary times. An ongoing fund would allow the legislature to continue to fund growth and foundational needs even during a recession. Accumulated funds could be used during a time of recession and then the fund would begin to be rebuilt as we come out of recession. It is good, conservative planning to support public education over the long term. The question was asked, who defines “rainy day?” Senator Millner responded, the rainy day fund will be used when there is a downturn that doesn’t allow the legislature to fund education from new revenue. What is proposed is an ongoing revenue stream, so during a downturn you can tap that money to help cushion what otherwise would be a deficit or shortfall.

Board Member Jan Burrell asked what impact the current pandemic will have on upcoming education funding. Senator Millner noted this is a challenging time. We’ve never had a recession like this one. Hopefully by early June they will know what revenues look like.

In conclusion, Senator Millner reiterated in order for this to take place, citizens must pass the constitutional amendment. There is no tax increase in this. It is just about building a better approach over time to support our children and provide some flexibility and stability for public education funding.

B. Financial Overview

Dr. Robert Petersen, Business Administrator, presented an estimated FY 21 budget summary. A conservative estimate of new revenue is \$1,029,753 based on 4.5% local tax revenue increase and no new WPU money or enrollment growth. Estimated expenses include funding steps and lanes (\$847,314), 1% base increase (\$1,293,117) and 7.11% insurance premium increase (\$980,304) for a total of \$3,120,735. Based on these estimates, there would be a revenue shortfall of \$2,090,982 if we don’t get additional WPU funding and if there is no enrollment growth. However, we are expecting enrollment growth. WPU funding is unsettled right now. Tax collection data and information from the state will be available in May and June. Dr. Petersen projects a \$3 million fund balance increase. The school district is on solid footing. Dr. Petersen also

reported one-time teacher substitute savings resulting from the soft closure of schools since March 16th. Spring is typically a busy time for substitutes due to spring sports and activities. The total cost difference in substitute pay from FY 19 to FY 20 is \$554,776.28. Another savings is gas costs because buses aren't running. These savings are offset as we continue to pay spring coaches because the vast majority of coaches actually coach year round. We've also refunded spring participation fees. Dr. Petersen then turned time to Preston Kirk of Stifel Financial, District Financial Advisor.

Mr. Kirk noted his colleague Matt Dugdale was joining the meeting remotely. Mr. Kirk explained the bonding process is the only way school districts raise funds to build school buildings. Utah continues to grow and the needs are great throughout the state. Weber School District's last bond was in 2017. The bond was for \$97 Million with no tax rate increase and passed with 58.6% of the vote. A chart was displayed showing interest rates over the past 20 years. Amid spikes and dips and the impact COVID-19 has had, interest rates are still in the lower quadrant. Since 2005 there has been no increase in the tax levy. Among rural and Wasatch Front school districts, Weber is below average in tax rates. In addition, residences within Weber School District have had steady increase in market values. There were three issuances with the 2017 bond resulting in a premium of \$7.4 million which was beneficial as construction costs were higher than expected. The legislation has since eliminated our ability to collect premium, so we will need to consider that as we contemplate a future bond. Weber School District has an Aa2 rating. There are only two ratings higher and many levels lower. Ratings are affected by stability of fund balances. A chart was displayed showing our outstanding bonds. They are layered in a way that we have decreasing payments that allows us to go forward and get new bonds. We try to maintain balance. We've had pretty low interest rates and have been able to refund some bonds and tap into some of the premium. It has helped to keep the debt service down.

Options outlining priorities and costs were reviewed.

Bond Option 1	Bond Option 2	Bond Option 3
New Taylor High School	New Taylor High School	New Taylor High School
New West Haven Junior High	New West Haven Junior High	New West Haven Junior High
New West Haven Elementary	New West Haven Elementary	New West Haven Elementary
Rebuild Roosevelt Elementary	Rebuild Roosevelt Elementary	Rebuild Roosevelt Elementary
Rebuild T. H. Bell Junior High	New Elementary in Harrisville	
	Canyon View to Pioneer	
Total Bond \$257.54 Million	Total Bond \$249.26 Million	Total Bond \$213.66 Million

Mr. Kirk explained bond payments would have to go up with projects in the \$250 Million range. We would hope for growth in taxable value. Based on existing debt, debt service tax rate and factoring in a 5% increase in property values, he estimates the impact on taxpayers for Option 1 to be an increase of around \$72 per year on a \$280,000 home. Tax impact for Option 2 would be around \$68 per year. Superintendent Stephens commented bringing on new schools involves planning for new ongoing operating costs. The bond funds the facility, but the operating costs need to be funded another way. One way is through a Voted Leeway which must be passed by voters. Once it is passed, you begin collecting the revenue, which may be 2-3 years before it is actually needed because the schools haven't been built yet. In the 2017 bond for Silver Ridge and Orchard Springs, rather than do that and collect the tax before we needed it, the board increased its

Board Levy. We made it very clear in all of our presentations that the levy would add about \$1 per month on an average home. Our challenge, if we look at a scenario that requires a tax rate increase plus an additional Board Levy to fund ongoing expenses for new schools, this changes the calculus. Many factors go into it. Given the uncertainty we have, it would be tough to do a lot without a tax increase. We will have additional information going forward.

The question was raised about how tax increases have affected the passing of bond initiatives around the state. Mr. Kirk commented every community is different. We would never want to see a triple digit tax increase. No tax increase has usually been successful. Anything over \$80-\$100 is quite different. A lot depends on what is happening in the economy. Superintendent Stephens commented maybe our thinking could be around what the monthly cost would be, for example \$3-6 per month. As tax data is released next month, we will have a clearer picture to help our discussion. We need to assess what is absolutely essential.

C. Capital Facilities Assessment

D. Enrollment Trends

Scott Zellmer, Director of Facilities & Operations, gave an overview of building capacity. He shared projected school capacity (# of chairs available) in 2026. Projections are based on current capacity, which includes portables, and numbers of building units approved by cities within each cone. He was not able to get information from all cities. For approved units, he calculated 40% of houses would have a student. Of those students, he estimated 60% would be elementary students, 20% junior high and 20% high school.

Seats Available 2026	Bonneville Cone	Fremont Cone	Roy Cone	Weber Cone
Elementary	418	-845	1064	481
Junior High	307	-1403	247	-161
High School	116	-2232	95	-659

Discussion and additional considerations:

- In some areas we have space, but it is not where we can functionally use it, based on where the growth is.
- The major pockets of growth are in the north and west.
- Units approved by cities have not necessarily started. There is no guarantee they will build.
- The job market is a variable. People are willing to commute to Salt Lake from Davis County but not so much from Weber County. Legacy Parkway will extend north to Smith and Edwards over the next decade and it could impact commuters.
- In relation to project priorities, enrollment supersedes replacement. We have to find a place for kids.
- About 10% of our students are enrolled in charter or home school. There are fewer charter high schools. Last year there was negative growth in charter schools.

A chart outlining building needs assessments was shown. A low score indicates the greatest need. Scores were determined by our Maintenance Department

based on 40 categories such as electrical and plumbing. Categories were weighted based on cost.

School	Type	Year Built	Score
Roosevelt	EL	1957	4
T.H. Bell	JH	1962	4
Municipal	EL	1957	6
Lomond View	EL	1959	6
Lakeview	EL	1952	8
Canyon View	ALT	1968	10
Valley View	EL	1964	11
Bonneville	HS	1959	11
Bates	EL	1964	11
Riverdale	EL	1967	11
Roy High	HS	1964	11
H. Guy Child	EL	1966	12
Pioneer	EL	1966	12

Roosevelt is the most in need and T. H. Bell was a close second. Some of their needs are not critical in their function. Municipal, Lomond View and Lakeview have needs related to age, but they are functioning well. Canyon View's score does not reflect the actual need. It is also in a tough location for us to manage. Other schools on the list are in need but doing okay.

E. Potential Bond Projects

Bond Option 1: The new junior high would be built in Taylor west of our bus shops using the Roy Junior High model. The elementary school would use the Silver Ridge model. The Roosevelt rebuild would be a new design so there would be additional architectural costs. The earliest the high school could be completed is August 2024. The elementary and junior high could be finished a year sooner. It was noted bond authorization is good for ten years. Stretching out the projects over time may provide more flexibility with payment but rising construction costs could be a challenge.

Bond Option 2. This option removes the T. H. Bell replacement, adds a new elementary in West Haven and creates a new Canyon View to Pioneer project. All of the students at Pioneer are bused. The building has value and could become a long-term solution for a new Canyon View. This option also includes an additional \$7 Million for the high school to increase functionality. Building a high school for seating capacity and large enough central services such as cafeteria and auditoriums would be hard to do for \$100 Million. Mr. Zellmer is working with architects to make sure square footage is utilized efficiently as well as mechanical systems that will be cost effective. There was discussion as to whether a separate special education facility (Canyon View) is needed or if those students could be accommodated in our other schools. Assistant Superintendent Lori Rasmussen explained Canyon View's biggest load is the Life program (18-22 year olds). We have 150 Life students coming and going into the community. Trying to add that capacity to a high school would be a challenge. In addition, lock downs happen daily

at Canyon View. The school has the ability to section off during those moments. It would put extraordinary stress on a regular facility. The Canyon View facility is quite efficient.

Bond Option 3. This option removes the T. H. Bell replacement and the Canyon View to Pioneer project. We could adjust this option by including additional funds toward the high school and be at a total of \$218 Million. We should see good growth next month. There are some unknowns but it is possible we could get to around \$4-5 per month tax increase with this option.

The bond process was discussed. Looking around the state and other districts, it is hit and miss when bonds don't pass. In talking to districts about bonds not passing, the indication is there were opposition groups in pockets around the district. Good information is crucial. It is not just about the tax rate. For the 2017 bond, a survey was conducted. Of biggest concern to the people was growth. If we choose to go forward, a campaign has to be focused on not just providing information, but listening. The process needs to begin with collecting information. This can be done through focus groups, surveys, community events and personal connections. The first step would be to define the projects. If projects are selected sometime in the summer, information gathering could start in the fall.

Adjusting Option 3 with a \$7 Million increase for the high school and taking \$1 Million out of the junior high and elementary, would bring the total to \$218 Million. This is \$40 Million less than Option 1. If it is cushioned with good figures next month, refunding a bond series and spacing out the issuance of bonds, it could get us closer to a \$3-4 a month tax increase.

It was suggested we let things settle over the summer and start the conversation in the fall. Superintendent Stephens asked Lane Findlay, Community Relations Specialist, to formulate a team to layout a process. We can share information about growth and then ask for feedback. That should be through September-November of this school year. It will be important to be consistent with our message. Suggestions include:

- We've tried to keep rates steady for 15 years, but with new growth, we can't keep up with it.
- We are a "property poor" school district, which means the majority of our district is residential. Every tax payer gets a 45% residential exemption. Some districts have a lot of business and second homes that don't have the exemption and fewer students.
- When people or groups want to throw in special projects, a response could include the concern that the cost of additional projects could jeopardize passage of the bond.
- Talk about enrollment growth based on housing starts and the number of units approved by cities.
- We have to balance growth and aging facilities. Growth takes precedence, but you can't get too far behind in keeping up with aging facilities. Our pattern has been to replace one or two at a time while also accommodating growth.
- We are always conscious of the burden to tax payers.
- We have a very open and transparent process for boundary adjustments that involves the community.

F. Other

Graduation. We are all heartbroken at what this pandemic is doing as far as disrupting the school year and some of the activities that take place, especially for our seniors. Many of the decisions are not coming from schools or districts. They are coming from local health department officials. As the state has moved from level red to orange, schools are still closed and all school activities are canceled, including sports, dances and graduation. There have been proposals for graduation that are not consistent with state and health department guidelines. One suggestion was an outdoor graduation where all 500-600 seniors are placed 6 feet apart on a football field. But the kids still have to gather and get organized and get to the seats. Health department guidelines would be violated as students breach the 6' distance and we would be liable. A drive through program was proposed where each graduate's car proceeds to the front, the student gets out of the car to receive a diploma and have a picture taken and then gets back into the car as the next vehicle pulls forward. If it takes two minutes per graduate, it would be a 10-hour procession, not to mention traffic concerns. Some of the proposals look good on paper but logistically don't work. Superintendent Stephens, Davis District Superintendent and Ogden District Superintendent discussed doing virtual graduations and then, conditions permitting, a more traditional ceremony in the summer. Communities weren't interested, partly because young people are leaving for college or military service. Superintendent Stephens provided a letter to Board Members from Governor Herbert stating graduations would be virtual. Our high schools are doing everything they can to recognize students, including yard signs, parades and fireworks are planned for May 29th. The virtual graduations being developed will be meaningful and celebrate our kids. It is important for people to understand it isn't our decision. We are following the guidelines of the Health Department.

Board Members will still need to accept the graduating class and share a message in the virtual graduation. It will be prerecorded. The following assignments were made:

Weber High School - Janis Christensen and Dean Oborn
Bonneville High School – Doug Hurst
Roy High – Jan Burrell
Fremont High – Paul Widdison
Two Rivers – Jan Burrell
Weber Innovation – Bruce Jardine

Schools are organizing yearbook pickup. High schools are talking about a celebration sometime in the future. Superintendent Stephens reported he has been asked why school hasn't been dismissed because of a waiver of the 180 day requirement. He explained the waiver was for the two days teachers had in March to get ready for distance learning. It was not to end school early. School is to go through the end of our regular calendared school year.

Federal CARES Expenditures. Board Members received an outline of proposed federal CARES expenditures. Weber School District will receive \$2,170,647. It must be used for matters tied to the pandemic. We are proposing the money be spent on three main categories.

1. Academic - \$700,000. We know we will have children who will experience a learning slide and there are some kids who will lose some credits. These funds are allotted to address those needs.
2. Facilities - \$600,000. These funds are directed for facility cleanliness and sanitation to ensure when we come back in the fall we will have buildings as sanitized as possible.
3. Technology - \$600,000. If we have a situation like this again, we have increased capacity to better manage technology needs.

In addition, \$10,000 is provided for each high school for virtual graduation. CTE will receive \$35,000 to maintain preschool teacher salaries not covered by tuition which was lost when school was canceled. Students at Two Rivers High School are an especially vulnerable population and have been hit hard. Two Rivers will receive \$10,000 to assist with credit recovery.

Superintendent Stephens is working with Coleman Knitting Mills on designing face masks using school colors and logos. If there is a resurgence or requirement to wear masks, we may want to have masks for every student and employee. We can wait until we know more to make a decision. We have until September of 2021 to expend the funds.

After determining no further business need be conducted, President Ritchie called for a motion to adjourn the meeting.

Motion: Jan Burrell

Seconded: Bruce Jardine

Meeting adjourned at 1:06 p.m.