

**Spring Independent School District Bond
Steering Committee Minutes
Thursday, June 23, 2022**

The initial meeting of the Bond Steering Committee was held on Thursday, June 23, 2022, at the Community Engagement Center, located at 17125 Ella Blvd, Houston, TX 77090. The purpose of the initial meeting was to welcome participants and to give them an overview of the bond consideration process, as well as an introduction to the work the committee would be doing over the upcoming weeks.

Attendees

Bond Steering Committee Members Present: 46

Call to Order

At approximately 6 p.m., Spring ISD Chief Financial Officer Ann Westbrook began the meeting.

Agenda

- **Welcome and Introductions**
 - Ms. Westbrook welcomed the group and introduced some of the district leaders present, including Senior Leadership Team members Chief Operations Officer Mr. Mark Miranda, Chief of Innovation Dr. Matthew Pariseau, Chief Communications Officer Lester Gretsche, Chief of Chief of Human Resources and Human Capital Accountability Julie Hill, and General Counsel Jeremy Brinkley.
 - Superintendent of Schools Dr. Lupita Hinojosa also gave a brief welcome to attendees.
 - Board of Trustees Vice President Winford Adams welcomed guests and acknowledged Trustee Dr. Deborah Jensen and former Spring ISD Board of Trustee Captain Donald Davis.
 - An icebreaker activity took place where each table introduced themselves and explained why they feel Spring ISD is a special place. (6:09 p.m.)
 - The evening's agenda and meeting norms was briefly outlined. (6:16 p.m.)

- **Background and Overview (presented by Ann Westbrook) - 6:21 p.m.**
 - The district last took a bond measure to voters back in 2016.
 - The 2016 Bond went through Hurricane Harvey, Tropical Storm Imelda, Tax Day Floods, and a pandemic. Throughout it all, all projects stayed on track.
 - The anticipated tax impact of the \$330M bond in 2016 was 7 cents with an I&S tax rate of \$0.50. The district's current rate is proposed to be \$0.40 for 2023.
 - The original budget for the 2016 Bond was \$330M; the working budget \$339.8M; and expenditures through May 21, 2022 a total of \$332M, leaving about \$7M left over and earmarked to completed approved technology and facility projects.

- **2016 Bond Recap (presented by Mark Miranda)**
 - At approximately 6:24 p.m., Chief Operations Officer Miranda presented the 2016 Bond Timeline and explained that a bond timeline takes about five years total to complete.
 - The following needs were addressed during the last bond:
 - Facilities
 - Safety and Security
 - Technology
 - From 2020-21, the core technology was substantially completed, along with all three 9th Grade Centers for Dekaney, Spring and Westfield high schools.
 - The district's new Planet Ford Stadium and Randall Reed Community Center opened in 2019.
 - Safety and Security needs were also addressed, including new buses for the Transportation department.

- **Capital Needs (presented by Mark Miranda)**
 - Before kicking off the Capital Needs portion of the meeting, Chief Financial Officer Ann Westbrooks kicked off an 'Turn and Talk' activity at 6:33 p.m. where tables had to discuss among themselves if they were surprised by the 2016 Bond Recap, and what questions came to mind.
 - At approximately 6:40 p.m., Mr. Miranda took the floor to speak to attendees about the district's capital needs and covered typical bond buckets across school districts: Technology, Facilities, and Safety & Security.
 - Remaining capital needs for the district include:
 - High schools (age and educational suitability);
 - Technology (connectivity, cybersecurity, instructional technology, student devices);
 - School needs (shifting housing trends, opportunities and choice); and
 - Transportation (replacement buses)
 - He stated the district's need for Safety & Security, a need for a large gathering space, deferred maintenance needs and upgrades to the current Community Engagement Center.
 - At 6:46 p.m., attendees participated in another 'Turn and Talk' discussion topic: "Are there any other capital needs that you are aware of that were not listed?"

- **Debt Position (presented by Post Oak Municipal Advisors)**
 - At approximately 6:50 p.m., Chief Financial Officer Ann Westbrooks briefly took the floor to introduce Terell Palmer, President, and Francine Stefan, Executive Vice President of Post Oak Municipal Advisors, to speak to the group about the district's current debt position and the tax impact of a potential bond.
 - The tax impact of various proposed bond amounts was presented to the group.
 - Mr. Palmer explained that the higher the credit rating, which lowers cost for a school district's bond. The district currently maintains bond ratings of "Aa2" from Moody's and "AA-" from S&P.

- Mr. Palmer also shared that the district’s total tax rate is comprised of two components:
 - the maintenance & operations (“M&O”) tax rate; and
 - the interest & sinking fund (“I&S”) tax rate
- Ms. Stefan explained bond capacity, which is the district’s ability to issue new bonds within the I&S tax rate and within the limitations imposed by state law. Bond capacity increases as taxable value grows, bonds are repaid and/or the district’s borrowing capacity.
- Some of the assumptions currently used to calculate possible new bonds for November 2022 would be 2023-2025 (3-year period) for an amortization period of 30 years and an interest rate of 4.50%.
- At an I&S tax rate of 40 cents with no tax increase, the district could qualify for a \$525 million bond. With an I&S tax rate of an additional 5-cent tax increase at 45 cents, \$750 million bond.
- Mr. Palmer explained potential legislative changes, which included Texas Gov. Greg Abbott announcing in January 2022 his priorities for future property tax reforms. This includes:
 - All bonds to require approval of a two-thirds supermajority of the local governing body
 - If the bonds require voter approval, the approval would require a two-thirds supermajority of voters if it is not on a November ballot
 - During the most recent State legislative session, separate bills were filed to require 20% or 25% voter turnout at bond elections in order for the elections to be valid
- **Voter Survey (presented by Basalice & Associates, Inc.)**
 - At approximately 7:08 p.m., Matt Gamble of Basalice & Associates, Inc. joined the meeting via webinar to present attendees with the details and results of a recent voter survey conducted in the district.
 - The survey, in which 350 registered voters from across the district, was conducted between April 28-May 3, 2022, and was designed to gauge current voter attitudes of Spring ISD, measure current level of perceptions, knowledge, and sentiment about a potential bond measure, including levels of support or opposition for a bond.
 - The survey involved both an “initial” and an “informed” ballot scenario, gauging three different sample bond propositions.
 - Mr. Gamble suggested that the steering committee pay attention to those non-parents living in the district, who had a lower voter participation rate.
 - While some potential bond elements received higher levels of support in the survey than others, the overall levels of support among survey participants were promising, especially on the “informed ballot” (after participants received information about why a bond might be needed at this time). This was evident when asking survey participants about a replacement school for Spring High School, for example.

- In positive news, both Safety & Security and the purchase of new district buses received 80 percent in the sample survey, which were much higher towards the end of the survey period compared to the initial launch.
 - Another question that scored high was in favor of a new districtwide education and performance center, with 69 percent.
 - Mr. Gamble noted that people are changing their opinions once they learn more information about why the bond is needed. The “informed” ballot showed that most were in favor.
 - He stated the district is at a great starting point for support of a bond.
 - A question was asked if Mr. Gamble could provide a projection of how recent economic changes would create cost increases for construction. He said he wasn’t sure, but feels the district would still have support regardless of how the economy is doing.
 - At 7:38 p.m., a final “Turn and Talk” was held: “What are you wondering after hearing the voter survey results?”
- **Wrap-up and Questions (led by Ann Westbrook)**
 - At approximately 7:43 p.m., Ms. Westbrook took the floor and conducted an interactive discussion and decision point poll among attendees to see what they believe the bond amount should be. Out of 46 votes, 17 attendees voted for \$750 million.
 - Westbrook addressed ‘Parking Lot’ questions from committee members at 7:54 p.m. which included:
 - How much did Planet Ford Stadium cost? Answer: \$46 million
 - How many recent graduates are registered to vote? Answer: We do not know at this time.
 - A question about the age groups of the non-parent registered voters surveyed. Answer: Of the 240 non-parent individuals surveyed:
 - 15 percent were between ages 18-34;
 - 9 percent were between ages 35-44;
 - 17 percent were between ages 45-54;
 - 25 percent were between ages 55-64;
 - 33 percent were between ages 65 or older; and
 - 1 percent did not disclose age.
 - Some quick reminders were given that the steering committee’s role is to evaluate the needs of the district to put together a blueprint to ultimately bring forth to the Spring ISD Board of Trustees to vote on in order to call an election for the November 2022 ballot.
 - Attendees were reminded to watch for emails where they could provide feedback and keep discussions going in between meetings.
 - The schedule of upcoming steering committee meetings was discussed.
 - Attendees were thanked for their time, and for their willingness to get involved and help out with this important process.

Adjournment

After final thanks were offered to attendees, the meeting ended at approximately 8 p.m.