

**Spring Independent School District  
Bond Steering Committee Minutes  
Tuesday, Aug. 2, 2022**

The sixth meeting of the 2022 Bond Steering Committee was held on Tuesday, Aug. 2, 2022, at the Spring ISD Family and Community Engagement Center, located at 17125 Ella Blvd., Houston, TX 77090. The purpose of the meeting was to review previous meeting content and to finalize the list of bond recommendations to be presented to the Spring ISD Board of Trustees at its August meeting.

**Attendees**

Bond Steering Committee Members Present: 43

**Call to Order**

At approximately 6:05 p.m., Spring ISD Chief Financial Officer Ann Westbrooks began the meeting.

**Agenda**

- Welcome and Agenda Overview
  - Ms. Westbrooks welcomed the group, referred them to the meeting norms governing the proceedings, and shared the agenda for the evening, to include a review of construction cost estimates and methodology; a review of tax rate impacts on bond funding capabilities; a final vote on the bond fund amount; a review of the various bond package options already under consideration; and a final vote on the bond package to be presented to the Board of Trustees.
  - Based on feedback from the committee prior to the meeting, Westbrooks explained that the group would go back through construction cost estimates, giving the committee additional details regarding the estimation of project costs.
  - She explained that the evening would culminate in a series of votes that would ultimately lead to the bond recommendations that would be presented to the board.
  
- Greetings
  - Superintendent of Schools Dr. Lupita Hinojosa gave a brief welcome to attendees, thanking them for returning for the additional meeting to finalize the bond recommendations.
  - She explained that district administrators were again stationed at each table in the room, as well as with the committee members attending over Zoom, in order to help facilitate the discussion.
  - “We appreciate all of your feedback, and your transparency,” Hinojosa said. “That’s the most important piece, because you have heard from me, you’ve heard from the team, that we want this to be a very transparent and very collaborative process. Because at the end of the day, what this committee decides, it’s our

decision as a group, as a steering committee, for our community, for the 33,500 children that we serve.”

- Board of Trustees President Justine Durant also welcomed attendees.
  - “We’ve got a lot of work to do together as a team,” Durant said, going on to thank members for their hard work and commitment to the steering committee process.
  - Once the proposal was finalized following the final meeting, Durant encouraged the group to work together in support of the agreed-upon recommendations.
  - “We have to come together as a team and be able to support this package so that we can sell it to our community,” she said.
- Review of Cost Estimates and Methodology
    - Executive Chief of District Operations Mark Miranda opened the presentation with a review of construction cost estimates and the methodology involved in coming to those estimates.
    - The estimates for the potential 2022 bond projects, Mr. Miranda explained, were impacted not only by local market factors related to the construction industry, but also to national and international factors currently impacting the global economy, material supply chains, and longer-term unknowns like inflation that could have reverberations even years into the future of any approved projects.
    - Miranda explained that a delegation of district administrators and board members had had the opportunity earlier in the day to attend a joint meeting of the Houston area chapter of the Associated General Contractors of America and the Association for Learning Environments (A4LE), where they had received useful information about the current state of the construction industry and factors that will be affecting the industry in the coming years.
    - Miranda explained that forecasting construction costs in the current economy required taking into account general best practices for project cost estimation, as well as mitigating factors in the current environment, including national and international shipping delays and labor shortages, both of which are affecting project timelines and projected costs.
    - Ms. Durant, who as Board of Trustees president also attended the meeting earlier in the day, discussed how long delays in shipping pathways and materials acquisition were having large impacts on school construction projects around the region, in some cases even forcing districts to go back to the drawing board when previously approved projects went over cost estimates.
    - Durant, Miranda and other administrators and meeting facilitators stressed the importance of conservative budgeting and careful cost estimation to ensure the district would be able to deliver on any proposed bond projects, once approved.
    - Miranda discussed the fact that budgets for such projects are always estimates, and that a consideration of market conditions, combined with outside consultation with experts in the field of construction planning, were necessary to ensure projects’ ultimate feasibility.
    - He explained that the basic unit in planning construction costs was the “cost per square foot,” a figure that takes many factors into account and varies

- considerably based on the type of site being worked on, the type of facility being built, and the facility's intended use.
- Construction costs are the driver for overall project costs, which also include other cost elements such as:
    - Inflationary costs
    - Architect fees
    - Technology costs
    - Furniture, fixtures and equipment
    - Professional services (e.g., surveying, materials testing)
    - HVAC testing and balancing
    - Contingency costs
    - Demolition costs
  - Some of these are considered “owner’s costs” and do not come out of the general contractor costs. For example, professional services such as materials testing, surveying and geotechnical investigations, along with HVAC testing and balancing, are costs that owners will typically fund separately in order to ensure objective third-party analysis as a quality check on the work of general contractors and subcontractors.
  - Miranda fielded several questions from the committee regarding the impact of inflation and other factors in the current economy on the various construction cost categories related to potential bond projects. Miranda assured the committee members that the district was carefully considering price increases in its estimation process.
  - The committee reviewed a comparison between several recent construction project bids in Region 4 and how those bids compared to the current budget estimates for construction projects in Spring ISD.
  - The overall trend showed construction costs per square foot going up across the region, even since the beginning of 2022, a factor the district is considering carefully in projecting the cost of potential bond projects.
  - In response to questions from the committee, Miranda and his team also noted the fact that, due to the complexity of certain projects (including school renovation projects and the construction of new school buildings on sites already in use, such as sites alongside current school buildings), costs for those projects could be considerably higher.
  - The estimated cost per square foot used in projecting a new high school campus in Spring ISD was \$475, based on an expected 2024 bid, if the 2022 bond measure were to be successful.
  - In response to a question about capacity needs at rebuilt or new high schools, General Manager of Operations Gary Hutton explained that TEA facility standards also play a role in planning new school buildings and how big they will have to be to meet current requirements and statewide standards.
  - A question was raised about potential funding to support establishing new schools through the TEA’s Instructional Facilities Allotment (IFA) program. Ms.

Westbrooks explained that the district could apply for those funds at some point in the future, as bond projects progress.

- A question was raised regarding demolition costs and the feasibility of salvaging elements or features of old buildings, which led to additional comments about the possibility of salvaging commemorative or historically significant items from district schools in the process of being replaced.
  - Ms. Westbrooks addressed a question about potential safety-and-security-related funding from the state, which she explained was a possibility, but which could come with specific requirements for how it could be used by districts.
  - Conversation continued around information on projected construction costs that was presented during the meeting of the Associated General Contractors of America earlier in the day, and whether Spring ISD was overestimating construction costs and thereby being too conservative in its estimates. Additional clarification was given regarding construction on “clean” or “greenfield” sites versus construction work on more complex or restricted sites, such as adjacent to existing school buildings that were currently in use.
- Table Talks and Share Out
    - Committee members were invited to spend a few minutes at their tables discussing the newly presented information regarding construction cost estimates.
    - Afterward, representatives from each table had the opportunity to share reflections with the group.
    - Committee members touched on several themes, including:
      - The feeling of “sticker shock” when trying to comprehend the large numbers and costs involved in large construction projects.
      - “Hard costs” vs. “soft costs” when it comes to building projects.
      - Additional discussion around the need to estimate conservatively to ensure the feasibility of bond projects in the current economic environment.
      - The logistics of how to handle current students while new buildings are in the process of being built.
      - The need for equity in supporting schools across the district through the bond, including schools in both the eastern and western portions of Spring ISD (including Reynolds and Jenkins elementary schools).
      - Additional concerns regarding the figures from the Association of General Contractors and how that data might affect construction projects in Spring ISD.
      - Trusting the due diligence of district administrators in preparing the proposed numbers and estimates, including trusting the budgetary conservatism embedded in the process.
      - Thoughts about how excess bond funds, if savings are realized, could be put back into related priorities such as acquiring land for future new campuses.

- Concerns about whether the proposed districtwide multipurpose facility is a priority when compared to facility needs at, for example, Reynolds Elementary School. A question was raised about what voters were more likely to support at the ballot in November.
    - A suggestion for shade structures at elementary school playgrounds.
  - Mr. Miranda addressed a question about site acquisition and how the real estate market may impact the district's ability to purchase additional land. He also spoke about the complexities of building new schools on existing sites, which will present certain challenges related to student flow, traffic, parking, and other considerations throughout the duration of the building process.
  - Mr. Hutton spoke further about the differences between building new facilities on "ideal sites" as compared to work on existing sites, including adjacent to in-use buildings.
  - Ms. Westbrooks explained that any savings on bond projects would (pending the approval of the board) go to support priority capital projects in the district. An example was raised regarding emergency HVAC work at Wells Middle School that was funded in part through leftover bond funds that had been set aside for facilities and maintenance needs.
- Review Tax Rate Impact
  - Ms. Westbrooks discussed the relationship between property values and the district's ability to service its debt obligations, including obligations resulting from the sale of bonds after passage of a successful bond measure.
  - As property values increase, property taxes generally increase proportionately, and Westbrooks explained that these projected increases are taken into account when considering the overall capacity for any potential bond measure.
  - Westbrooks said that assumptions and estimates play a role, but so does "building in conservatism," to safeguard projects and to ensure the district exercises good stewardship of resources and can consistently meet its debt obligations.
  - Each year, the district receives property valuation information from the Harris County Appraisal District (HCAD).
  - Preliminary values are sent by HCAD in April (which are used for determining the proposed tax rate), followed by revised values in July, and the certified values, which are provided to the district by the end of August and which are then used to determine the final property tax rate for the year.
  - Westbrooks explained how the district had taken property value information into account in determining the capacity for a potential 2022 bond, keeping in mind the willingness of voters to support bonds of different sizes, including depending on how the bond would impact their taxes.
  - Even when they may support a bond measure in principle, Westbrooks said voters are always mindful of how its passage might impact their own finances.
  - In the early part of 2022, Westbrooks explained that the district believed it had the capacity for a \$600 million bond with a 5-cent increase in the district's tax rate

(per \$100 of assessed value). This was the amount community members were originally surveyed on.

- When HCAD released its April figures, Spring ISD saw a surprising 14% increase in average property values in the district, outpacing other nearby areas, but also related to recent surges in home prices seen in many locations across the country.
  - With this new information, the bond capacity was revised to \$750 million with the same expected tax increase.
  - The revised July HCAD information showed additional growth in property values.
  - Following the bond steering committee's July 28 meeting, administrators consulted with the district's financial advisors and, considering the likely rates of continued property value growth, Westbrook said they now believe that an \$850 million bond is feasible, with the same 5-cent tax increase.
  - A question was raised about whether recapture by the state was a risk if property values continued to grow by double digits. Westbrook said that continued growth at that rate was unlikely, and that the district's projected average property value growth over the next five years, of 5%, was likely to be a reasonable estimate.
  - Dr. Hinojosa also commented, emphasizing the need for budgeting conservatively.
- Table Talks and Share Out
    - Committee members were invited to spend a few minutes at their tables discussing the newly presented information regarding tax rates, property values, and bond capacity.
    - After a brief discussion, committee members said they were comfortable with the newly presented information and were ready to proceed with a vote on the bond amount.
- Vote on Bond Amount
    - Ms. Westbrook then led the committee through a Mentimeter vote on the following question: "What should be the amount of the bond?"
    - Options included \$750 million, \$775 million, \$800 million, and \$850 million.
    - More than two-thirds of the votes were for the newly increased \$850 million figure.
- Review Bond Package Options
    - Committee members were presented with five potential bond package options at the \$850 million funding level, and Ms. Westbrook walked the group through the various options.
    - Westbrook explained that each of the package options had been formulated based on the discussion and voting that had already been completed during the July 28 meeting when the committee members began sorting and prioritizing the various bond project options.

- For example, the committee had already decided by a vote that if a districtwide multipurpose facility was included in the bond, it should be built with a 5,000-seat capacity (rather than a smaller facility that could only seat 3,000). Thus, every package option containing the multipurpose center included the project at that higher capacity and higher relative cost.
  - In addition, the rebuild of Spring High School had been included in every group's proposed plan during the previous meeting, and so was included in each of the finalists for the overall bond package.
  - Other items, such as potential renovations at Reynolds and Jenkins elementary schools, were still undecided at the end of the previous meeting, and so were included on some of the bond package finalists but not others, to allow members to vote for or against those projects.
  - Districtwide safety and security funding, priority maintenance funding, and technology funding were also included across the various package options at different funding levels to provide voting options for the committee based on the feedback from the previous meeting.
  - Westbrook noted that, depending on the final project breakdown, the bond would be required to be broken into multiple propositions on the ballot according to current state law governing bond elections.
- Solo Review, Turn and Talk, Share Out
    - Committee members were invited to take time to reflect individually on the proposed plans, followed by a period of small-group and paired discussion at tables.
    - Following this, committee members were invited to share reflections on the various options. Their discussion touched on a number of themes, including:
      - Prioritizing the multipurpose facility versus elementary campus rebuilds.
      - The fact that funds from a failed proposition would not be available to support projects presented as part of separate propositions on the ballot.
      - The desire for parity in projects throughout the district.
      - The question of whether high schools and local churches, e.g., Fallbrook Church, were sufficient for the time being as potential reunification sites in the case of an emergency.
      - A concern that Westfield families and others on the west side of the district would feel left out if the bond package included the Spring High School rebuild but no funding for significant facilities work on the west side of Spring ISD (e.g., at Westfield High School and/or Reynolds Elementary).
      - Concerns about dividing the community and losing sufficient support for the bond measure to pass.
      - Discussion of the relative ages and facility needs at Spring High School, the district's oldest high school campus, and Westfield High School, which is also an older facility but which is still several years newer than the original campus at Spring.

- Whether money spent on aesthetic improvements at Reynolds and Jenkins following the 2022 bond would make them ineligible for major rebuilds following an upcoming bond (this would not necessarily be the case, but would have to be determined by a future bond committee).
    - The competition many schools in the district are facing from charter schools, and concerns that such trends may continue.
    - The idea that annual convocation events could continue to be held at non-Spring ISD facilities as in the past.
    - Discussion about potentially using 2022 bond funds to pay for the architectural design of a new campus for Westfield High School, with the actual construction of that new campus following the district's next bond measure.
    - The committee's continued desire to put safety and security as top priorities in formulation of the final bond proposal.
    - Discussion of prior renovations at Reynolds and how that prior work affects current needs at the campus.
    - General concerns about how to use bond funds to make the greatest direct impact on students and their education.
  - After several rounds of comments and general discussion, committee members were given another opportunity to discuss the options at their tables.
  - During this time, Mr. Miranda and Ms. Westbrooks helped to prepare an additional bond package option that would provide more significant funding to Westfield High School, allowing for the possibility of undertaking both the design and Phase 1 construction of a new Westfield campus.
- Vote on Bond Package and Review/Discuss Results
  - Using the text-message-based Mentimeter polling system, committee members then proceeded through several rounds of voting to narrow down and, ultimately, come to a final bond package selection.
  - Ultimately, the committee voted 23 to 20 for Option E, which included the following overall funding breakdown:
    - Prop A
      - Westfield High School - \$20,000,000
      - Spring High School - \$430,500,000
      - Districtwide Safety and Security - \$123,500,000
      - Districtwide Priority 1 Maintenance - \$77,038,978
      - Reynolds Elementary - \$15,000,000
      - Jenkins Elementary - \$15,000,000
    - Prop B
      - Districtwide Multipurpose Facility - \$141,000,000
    - Prop C
      - Districtwide Technology - \$27,961,022
  - Some discussion followed the vote around whether the committee would need to decide how exactly the funds apportioned to Westfield, Reynolds and Jenkins in

Option E would be spent (e.g., renovations vs. architectural design in preparation for future construction work, etc.). It was determined that those questions would be taken to each local school community to allow them to steer the process for their own neighborhood campus.

- Committee members were reminded of their agreement to support the group's decision, to move forward with making the recommendations to the board, and to support the final bond proposal.
- A final Mentimeter poll was conducted, asking committee members how they were feeling after the vote. Results included the following:
  - Accomplished
  - Optimistic
  - Thrilled
  - Relieved
  - Productive
  - Satisfied
  - Excited
  - Proud
  - Heard
  - Concerned
  - Skeptical
  - Loved
  - Enthusiastic
- Finally, a motion was introduced for members of the committee to proceed, after the steering committee's final meeting, to form a Bond 2022 Political Action Committee (PAC) in order to promote the bond to the community (since the district itself can work to inform the public about the bond, but cannot campaign for the bond's passage).
- The motion was carried to form a PAC in support of the bond.
- The meeting ended at approximately 9:23 p.m.