



## Nevada Joint Union High School District Independent Citizens' Bond Oversight Committee, Regular Meeting Minutes

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**November 5, 2018**

**5:00 p.m.**

**Nevada Joint Union High School District, District Office Conference Room**

**11645 Ridge Road**

**Grass Valley, CA 95945**

### **1. CALL TO ORDER**

Committee Chairperson Katy Schwarz called the meeting to order at 5:01 p.m.

### **2. ROLL CALL**

Chairperson Schwarz called roll. The following committee members were present: Bob Branstrom, Irene Frazier, Steve French, Rob Katzenstein, Eva Nau, Heino Nicolai and Katy Schwarz.

Others present: Superintendent Brett W. McFadden, Laura Flores, Paul Palmer, Jordan Kohler, Trisha Delaney and Nevada Union HS Student Nick Noll.

### **3. APPROVAL OF AGENDA**

Mr. Nicolai motioned, Chairperson Schwartz seconded, and the Committee approved the Agenda 6-0.

### **4. PUBLIC COMMENT**

There was no public comment.

### **5. CONSIDERATION OF MINUTES**

The minutes from the August 6, 2018 meeting were reviewed by the Committee. Mr. Nicolai motioned, Ms. Frazier seconded, and the Committee approved the meeting minutes 6-0.

### **6. DISCUSSION/ACTION ITEMS**

#### **6.1 Superintendent's Welcome**

District Superintendent McFadden welcomed the Committee and thanked everyone for their continued involvement and service to the community. Superintendent McFadden stated he has been through four bond sales at other districts and has found great success in using the CBOCs as bodies of input and in an advisory capacity. He intends to continue that here. Superintendent McFadden also took the opportunity to recognize and thank Paul Palmer, Director of Planning & Construction, for his 27 years of service to the District upon his retirement on December 31<sup>st</sup>. Members of the committee applauded in appreciation.

#### **6.2 Review of Bond Expenditures from 7/1/2018 through 9/30/2018 and Project Budgets**

A. The group had questions after having reviewed CBOC expenditure and project budget documents.

- (1) Several members of the group inquired as to who MHL Enterprises is and Tony Baca. Director Palmer mentioned that MHL Enterprises is Dennis Dooley. Both he and Tony Baca are DSA inspectors, and that DSA inspectors are categorized into four classes, 1 through 4. Dennis Dooley, our project inspector at Nevada Union and Silver Springs is a Class 1 inspector while Tony Baca, our project inspector for the three Bear River projects, is a Class 2 inspector. Mr. Nicolai asked

what the levels mean. A class 1 inspector is qualified to inspect the most basic level of projects with class 4 being the highest level of qualification and qualified to inspect all projects.

- (2) While looking at the initial budget for the NU pool house modernization, Mr. Katzenstein asked, "What is mobilization?" Director Palmer replied that it is the contractor's expense of bringing in and setting-up their construction trailer, heavy equipment, restrooms and establishing temporary power, etc., before construction can commence. Mr. Katzenstein also inquired about the NU Pool House modernization cost estimates and large increase. Director Palmer explained that a cost estimator who works with the architect provides an early cost estimate and a later cost estimate shortly before project submittal to DSA. We requested an additional cost estimate for the NU Pool House modernization because of the additional DSA path of travel (accessibility) requirements that had to be implemented. Director Palmer stated that the added ramp connected paths of travel on the campus. Mr. Katzenstein added, "The ADA parking at the pool house lot road and wheelchair access—not worth arguing with DSA?" Superintendent McFadden nodded in agreement. Chairperson Schwartz mentioned that we'll see the same issues at Bear River. Mr. Branstrom expressed concern about the totals for Issuance B/second issuance. Director Palmer responded that the BRHS VRF/HVAC project is critical and a large part of that issuance.

### 6.3 Special Citizens' Bond Oversight (CBOC) / Facility Advisory Committee

- A. Superintendent McFadden queried the group to see who attended the ad hoc CBOC/Facility Advisory Committee (FAC) meeting in October with teachers, community members, classified staff and administrators. He reiterated his goal of seeking input, advice and guidance from this group to make recommendations to the Board of Trustees. The Committee's recommendations included removal of Bear River HS solar from the bond project list (District is seeking alternative financing) and transfer that budget to be used for targeted HVAC improvements at NU campus classrooms and gyms; various areas of Silver Springs HS (HVAC equipment from the 1930's) while Bear River is covered. Bear River HVAC improvements for classrooms already are included in the Bond program. Superintendent McFadden mentioned another recommendation from the ad hoc CBOC/FAC meeting was to set aside money to purchase new classroom furniture. He mentioned the financing structure for the second issuance bond sale matches financing to the product shelf-life, and he's projecting a 10-year bond repayment for furniture expenditures. Superintendent McFadden stated it is important to assess our project priorities every 2 years, and that stakeholder input is healthy.
- B. Mr. Branstrom requested clarification on solar and classroom furniture. Superintendent McFadden stressed we want to install solar, just not pay for it with Bond funds. He stated our current classroom set-up is old fashioned based on the traditional lecture format. Now, learning needs to be project-based, team learning. Mr. Branstrom mentioned that the Bond language states we could not spend bond funds on furniture. Superintendent McFadden stated the FAC's interpretation was that language was meant to exclude spending the money on furniture for administrators, but that furniture for learning and instruction was permissible, and the recommendations of the FAC would be brought to the Board for approval. Mr. Branstrom was concerned that the ambiguity wasn't addressed at some sort of community town hall meeting. Ms. Nau added the new furniture would support flexible learning environments—we currently have desks from the 1950's. Ms. Frazier mentioned this has been a long-term issue—35+ years. We have some very large kids that have a hard time fitting into the desks. Chairperson Schwartz asked, "How will these changes affect the bond issuance?" Superintendent McFadden mentioned the Bond language addresses types of projects, and is not always specific, and the Board of Trustees has discretion to add specific projects. Chairperson Schwartz asked, "What about McCrory Gym?" Director Palmer responded that the gym already is slated to get restrooms and HVAC. Ms. Frazier mentioned teachers need HVAC controls at Nevada Union. Director Kohler responded that Silver Springs has had new controls installed and so will Nevada Union. Mr. Branstrom continued to express concern about blowback from the decision to purchase classroom furniture. Mr. Nicolai added "Look into the future...it's inevitable for another new bond...critical because of perception." Mr. Branstrom believes "Purchasing classroom furniture is a public trust issue...aren't there any grants or funding available for furniture?" Superintendent McFadden mentioned \$2M won't be enough; based on his experience it will cost \$35-40K per classroom. Mr. Katzenstein brought up that Power Purchase Agreements [for purchasing solar power] are easy. Superintendent McFadden mentioned his job is a balancing act—preparing kids for the future. Mr. Branstrom mentioned it's a good thing for kids. Mr. Nicolai noted, "It's a risk, for sure." Ms. Nau mentioned, "NU has the same desks that were there in 1996



when I was a student” and motioned to Student Noll (6'+ tall) in attendance. Student Noll mentioned some student desks have chairs that are broken and the backs are falling off.

- C. Ms. Nau mentioned the potential replacement of the Bear River stadium scoreboard is a want, not a need. Chairperson Schwartz agreed, stating, “It’s not part of the Bond.” Mr. Katzenstein was concerned about the implications of some classrooms having new furniture while others do not. Ms. Nau mentioned providing information and rolling-out the plan is important. Superintendent McFadden mentioned it drives the process. Mr. Branstrom mentioned our capital investments should be in infrastructure. Chairperson Schwartz stated, “That includes safe classrooms.”

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### **Second Bond Issuance (Sale)**

- A. Superintendent McFadden stated the District has a strong FICA score (credit rating) from Moody’s and Standard & Poor’s. We switched Bond counsel, resulting in an 18% fee reduction. Additionally, we switched financial advisors from Capital Public Finance to Isom Advisors, which Superintendent McFadden said he has used in the past. Isom Advisors specializes in small school districts in northern California.
- B. The Board of Trustees has already approved the second issuance sale, which will include the remaining \$33M of the Bond. Superintendent McFadden stated he recommended the entire remaining amount for the sale because many of the fees/costs are the same, no matter what the issuance amount is, so doing so will result in a decrease in recurring costs to be paid by the Bond fund. Additionally, construction costs are rising at about 1% per month, and by selling now, we are locking in a lower interest rate as the bond market is expected to change in December with a projected Federal Reserve increase in interest rates. Additionally, we brought on a second architectural firm to expedite the design and construction process.
- C. Mr. Nicolai asked, “How long do you have to spend it?” Superintendent McFadden responded, “3 years.” Ms. Frazier queried, “Is there another Bond down the road, and if so, what?” Superintendent McFadden mentioned he wants to continue on this trajectory—land the District as one of the top districts in northern California. Superintendent McFadden stressed the District can’t sit on the money and can’t invest it, but must deposit it into the Bond fund held by the Nevada County Treasurer. [Note: the County Treasurer does invest funds deposited with the County.]

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### **Further Discussion**

- A. Ms. Frazier asked if there will be a staff development component to the new classroom furniture purchase—there are optional ways to present. Superintendent McFadden reiterated the important of student engagement and involvement. Student Noll mentioned the less experience teachers find it hard to connect classes in traditional rows. Ms. Nau stated Lyman-Gilmore instructor Scott Mills moves his classroom around every week. Mr. Nicolai mentioned he knows of teachers who trade classrooms. Ms. Nau mentioned poor ventilation at the Bear River Ag Mechanical shop. Mr. Nicolai added the exhaust gasses from welding can create a problem. Ms. Frazier queried as to the status of career tech. Superintendent McFadden mentioned that Culinary Arts has been approved, and that the HVAC and Culinary Arts is not an even/or situation.

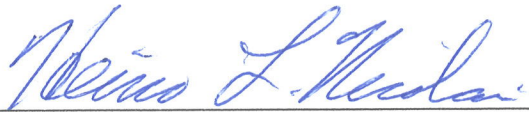
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### **Pictorial Presentation of Status for Bond Projects**

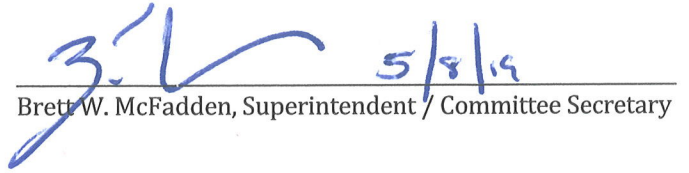
- A. The pictorial presentation was not shown due to time restrictions.

- 7.0 Committee members whose terms were expiring were queried as to their ability to serve another term. Ms. Nau and Mr. Nicolai agreed to serve another 2-year term, while Committee Chairperson Schwartz said she could not serve another term. Mr. Salter was not in attendance, but responded via e-mail afterwards that he would be willing to serve another term, but his availability often is limited. Mr. Katzenstein asked about the new architectural firm. Superintendent McFadden responded that DCA Architects is a minority first, is one of three firms he has used in the past and only works on K-12 projects.

- 8.0 Chairperson Schwartz announced the next meeting of the Independent Citizens' Bond Oversight Committee is scheduled for 5:00 p.m. on Monday, February 4, 2019, at the District Office Conference Room.
- 9.0 The meeting was adjourned at 6:31 p.m. after a motion by Mr. Branstrom, which was seconded by Ms. Frazier.



Heino Nicolai, Committee Chairperson



Brett W. McFadden, Superintendent / Committee Secretary