

**Summary of Discussion/Recommendation of Finance Subcommittee Meeting
August 27, 2008, 7:30pm, RSS Library**

Attendees:

Larry Rand
Debbie Faust
Jonathan Ross
Joseph Rodriguez
Andrew Rosson

Bond Specifics

20 year financing not 30 (JR indicated necessary, not sure why)
5% assumed rate for planning purposes
Can draw down in multiple tranches due to phased construction funding needs
(saves interest costs)

Typical Process

Generally a typical approach for school construction project would be:

- 1) Needs Analysis
- 2) Costs associated
- 3) Funding requirements and approval process

Not sure typical approach will work in current economic climate especially with such a short time frame.

Funding Cap? What will community support?

As a result, if intent is to proceed quickly, will likely need to set spending/funding cap based on realistic view of community support.

Assumptions/Environment

- 1) Must do roofs in near term no matter which plan is chosen
- 2) Challenging current economic climate
- 3) Not sure Constituencies exist for Plan C
 - Empty nester resistance (always true)
 - Additional reduction in support from current high school only families
 - Even existing elementary parents will see only minor benefits
 - Justification for new classrooms with DECLINING demographic
- 4) Previous bonds typically passed with approx 55% - does that level of support exist for \$20mil bond? Not likely.

5) Average Projected Annual Cost to Taxpayer (based on average homestead assessed value of \$900K):

| | |
|----------------------------------|----------|
| Plan A (Bond Value: \$9.25mil): | \$203.40 |
| Plan B (Bond Value: \$12.5mil): | \$275.40 |
| Plan C (Bond Value: \$20.75mil): | \$458.10 |

Administrative Viewpoint

Jon Ross believes that plan C is warranted for long term and should be funded if at all possible. Joe Rodriquez believes classroom additions are needed given current curriculum and projected demographics.

Recommendations to Committee and Board

Option A

- Seek current approval for bond of \$12.5 – \$15 mil
- Fix infrastructure needs based on that cap
 - No additional classrooms
 - No replacement of Butler building
 - Minus Enrichment Improvements - \$1 Mil
 - Reduction in library improvements - \$400K
 - Addition for Complete Kitchen/Servery Redesign/Rebuild

Option B

If Committee and Board believe that full Plan C is required, wait a year to fully develop plans and fully explain need for new classrooms and new building before seeking funding approval for \$20+ mil bond. FIX ROOFS from operating budget in Summer 2009.