

Granite School District

Board of Education Study Session October 20, 2020

A study session of the Board of Education of Granite School District convened in Auditorium A at the Granite Education Center, 2500 South State Street, Salt Lake City, Utah. President Karyn Winder called the meeting to order at 5:03 p.m., those in attendance:

Karyn Winder	President
Connie Anderson	Board Member
Terry Bawden	Board Member
Nicole McDermott	Board Member
Kris Nguyen	Board Member
Todd Zenger	Board Member

The following board member participated electronically:

Connie Burgess	Vice President
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The following members of the administration were present:

Martin Bates	Superintendent
David Garrett	Business Administrator/Treasurer
Don Adams	Assistant Superintendent
Rick Anthony	Assistant Superintendent
Leslie Bell	Assistant Superintendent
John Welburn	Assistant Superintendent

Ben Horsley, Communications Director, Doug Larson, Policy & Legal Services Director, Donnette McNeill-Waters, Human Resource Director, and Stacy Bushell, Executive Secretary were in attendance.

STUDY SESSION:

Bond Sale Report

David Garrett introduced Dale Okerlund, Granite's financial advisor, who detailed the sale of \$88 million in bonds on October 7, 2020. This completes the bond issuance. The successful bid came from Citigroup Global Markets, Inc. with a true interest cost (TIC) of 0.758104 percent which is very advantageous for the district. Mr. Okerlund congratulated the board on the execution of the bond plan. (Exhibit #2123)

A/B Calendar and Distance Learning Days

John Welburn presented information about the current A/B calendar for the 2020-2021 school year. A and B days are balanced in quarters one and four. In the second and third quarters of the year there was a discrepancy in the number of A and B days on distance learning Fridays.

Adjustments were made to the calendar during the weeks of November 23, 2020, February 8, and March 22, 2021 to balance the number of A and B days on Fridays. Friday A and B days are now balanced at 19 days each. The board asked for additional communication to parents and students about the changes to the calendar. The district will send notifications through Blackboard, the district website, school websites, etc. (Exhibit #2124)

Long Term Capital Outlay Project Update

Don Adams reviewed building project projections from 2018. Actual costs for building projects have exceeded our conservative projections. Project timelines are delayed 5-7 years because of this. Construction costs increased 10% annually from 2017 to 2020 and we believe annual increases will continue to be 6-7%. The final payments for two high schools, Cyprus and Skyline, will be in 2025. We believe that in 2024 cash flow will be at its tightest. By 2028 debt will be paid off and the district will transition to pay-as-you go for projects.

Mr. Adams also presented an update regarding the unforeseen expenses associated with earthquake damage to West Lake Junior High in March 2020. Insurance negotiations are ongoing with rehabilitation cost estimates 30% less than a rebuild. Structural rehabilitation will be covered by insurance. The district will be responsible to pay for any upgrades made to the building such as HVAC systems, technology, etc. This brings the cost for a rehabilitated building even closer to the cost of rebuilding. There is a funding option separate from the revenue used to fund our Long-Term Capital Outlay Projects. Using our existing Municipal Building Authority (MBA) it would allow the district to sell bonds and borrow the money for this unforeseen expense. The bonds would have to be paid back at some future date with our capital tax levy. This bond would help bridge the gap between the insurance payout and the cost of a rebuild. (Exhibit #2125)

Board Comments:

The board discussed the life of the building in each scenario. A rehabilitated building will be usable for 20 years. The structural life span of a new building will be 60 years. The MBA could be used for a West Lake Junior High rebuild. The timeline for rehabilitation or rebuild is 2 ½ years. Currently students are housed in some temporary structures at the former Westbrook Elementary campus. The board asked Don Adams to research and recommend a timeline for the board to decide about the direction to move on this issue.

Motion: **I move we adjourn.**

Made by: Nicole McDermott

Seconded by: Kris Nguyen

Called for vote: President Winder

Results: Motion Passed Unanimously

Meeting adjourned at 6:34 p.m.