

DRAFT UNTIL APPROVED**Study Session (Tuesday, March 31, 2020)**

Generated by Shelley R Shelton on Tuesday, March 31, 2020

*Updated April 10, 2020***Members present**

Jim Pettersson, Melanie Hall

(via Zoom) Julie Rash, McKay Jensen, Rebecca Nielsen, Jennifer Partridge, Nate Bryson

Staff members present

Keith C. Rittel, Superintendent; Stefanie Bryant, Business Administrator; Jason Cox, Deputy Superintendent HR; Mark Wheeler, Facilities Director; Chad Duncan, Technology Director, Cade Brickey, Tech Support

(via Zoom) Anne-Marie Harrison, Asst. Supt Teaching & Learning; Todd McKee, Asst. Supt. Secondary Education; Alex Judd, Asst. Supt. Elementary Education; Doug Finch, Asst. Supt. Student Services; Caleb Price, Communications Director; Shelley Shelton, Exec. Assistant

Meeting called to order at 7:35 AM**A. 7:30 a.m. Study Session****Procedural: 1. Welcome: Pres. Jim Pettersson**

Called to order 7:35 a.m.

Mr. Pettersson read a prepared statement regarding Governor Gary Herbert's March 18 Executive Order regarding, among other items, the ability of the Board of Education to conduct public meetings electronically. Public comments are not normally taken by the Board during study sessions, and will not be taken today. Should the Executive Order continue until the April 21 Board Business Meeting, during which public comment is taken, the Board will provide for that opportunity at that time. This meeting is being streamed via YouTube for public attendance to meet the requirements set forth by the Executive Order from the Governor.

As a professor at Utah Valley University, Pres. Pettersson stated he didn't realize the amount of work that goes into online instruction. With universities having migrated all course work to an online format, he can now understand and empathize with what teachers are going through. He expressed appreciation to everyone in Provo City School District for the support being given to teachers, parents, and students to ensure students are given the best possible education given the unique circumstances we find ourselves in today.

Procedural: 2. Roll Call**Discussion, Information: 3. Preliminary Budgets, Capital Projects, TNT Plan: Stefanie Bryant, Business Administrator**

Ms. Bryant had included a pre-recorded presentation in the packet for board member review prior to the meeting.

- Each fiscal year budget priorities need to be determined so effective long-term strategies and fiscal year budgets can be developed.
- District executive staff begins reviewing budget priorities in December and January. The priorities presented represent the executive staff recommendations for the next fiscal year. These priorities, as well as ongoing funding for existing programs, are dependent upon funding and is only preliminary at this point in the budget process.
- Board discussion will include direction on next year's budget priorities as presented and will be refined and finalized in the following months.

Overview:

- The budget priorities process begins each year with a review of the board goals and the alignment of department budgets with the goals:
 1. Continuous Academic Improvement
 2. Support for Teachers; Teaching Aligned with Research
 3. Certainty and Stability in the Direction of the District
 4. Financial Prioritization/Long-Term Planning
 5. Teamwork, Professional Conduct & Civility
- Board Direction is Needed
 1. Salaries & Medical Insurance
 2. Student Safety & Security needs
 3. Continuing curriculum, Technology Learning Initiative, IT needs, support and data platforms
 4. Capital/Facilities/Transportation needs

Current FY Approved Budget (bond expenditures excluded)

- \$165 million in total revenues
 1. Revenues from federal sources: 8%
 - Ten-Year Assumptions
 - Annual 2% reduction

- Actual revenue has decreased.
 - Expenditures in those programs have also decreased. In some situations, we're having to backfill with some general fund revenues in order to provide the same level of services.
- Current Year Federal Revenues: \$13.2 million
 - Title IA: \$3,144,473
 - IDEA: \$2,722,500
 - Medicaid: \$750,000
 - CCLC: \$545,703
 - School Lunch: \$3,518,177

1. Revenues from state sources: 53%

- Ten Year Assumptions
 - Generally the state will mate at least CPI on WPU
 - State funds growth first
 - Governor's office has an aggressive ten-year plan (began I 2018)
 - Utah education to be in top 10 in nation
 - Typically requests a 4% WPU increase and growth funding
 - Legislature and economy will always impact
 - Last year WPU increase was 4.0%
- Current year state revenues \$81.5 million
- Amount from WPU \$60 million
- Flexible allocation one-time (TSSA) \$1.5 million
- State leeway programs \$6.2 million

1. Revenues from local sources: 39%

- Ten-Year Assumptions:
 - District will increase local fees at taxes at Consumer Price Index (CPI)
 - Annual average CPI estimate 2% increase
 - 2019 CPI in Utah 2.9-3.2% (1.4-1.8% nationally)
 - Last tax increase was for 2018 tax year/FY19 fiscal year
- Current Year revenues \$64.8 million
- Property tax portion \$54.5 million (includes GO debt)
- Indirect costs charged \$1.6 million
- Local fees/interest income \$3.2 million
- Assumed annual increase \$600,000-800,000
- Basic rate freeze \$300,000-500,000

1. Other sources & changes: 0%

- *\$168 million in total expenditures*

1. Salaries: 45%
2. Benefits: 21%
3. Purchased services: 13%
4. Supplies & materials: 11%
5. Property: 2%
6. Other objects: 8%

Note: The district is not operating in the red; this is a planned spend-down of some carry-over fund balances from the prior year, as well as fund balances in some restricted areas we have.

Expense Assumptions

- Three-Year Assumptions
 - Utah State Retirement: no increase expected for FY21
 - The district will save \$500,000 annually in unassigned funds
 - Minimum of 2% salary increase (includes steps) plus related benefits
 - Annual medical held at 2.5% (two more years)
 - Curriculum annual request of \$750,000 (\$350,000 from 2016 TNT)
 - Tech annual request of \$900,000 (\$400,000 from 2016 TNT)
 - Funds for Safety and Security will be needed (\$950,000 one-time)
 - Minor utility increases
- Five-Year Assumptions
 - Curriculum needs continue; on steady replacement cycle
 - IT continues to have \$900K annually for replacement cycle and infrastructure
 - Transportation needs to purchase 7 replacement buses in the next 4 years (caught up to a 2-bus-per-year cycle; 3 if grant money)
 - Safety and Security needs will continue
 - Utility increases
- Ten-Year Assumptions
 - Annual medical inflation 4-10%
 - Expected annual energy increase 5%
 - Replacement needs of tech, transportation, and curriculum will continue

Current Year Requests (Adds)

- Ongoing requests (in order of priority)

- o Teacher salary and related benefits (TNT) \$5 million
 - o Remaining employee salary/benefits (classified employees) \$1.5 million
 - o Employer annual medicare inflation (1.25%) \$140 million
 - o Utility increase \$50K
 - o Increased SRO coverage \$55K
 - o Net FTE requests \$240K
 - o Increase Color Guard program \$12K
 - o FY21 budget priorities - ongoing \$6,987,000
- o ONE TIME FUNDS: \$500K/yr. for 2 years: E-school transition, \$950K for safety/security: \$1,500,000

FTE Requests

- Safety and Security/Student Data Privacy position adjustments 60-70K
- Shift of .5 FTE each, two district admin salaries from restricted to General \$170K
- Risk Manager (carry-over from prior year, in budget already)

How Will FY21 Requests be Funded?

- WPU funding increase (est 6.0%/flat enrollment) \$2,900,000
- Less WPU held for E-school (enrollment *windfall) \$1,000,000
- Local funding increase (assessments *basic freeze) \$800K
- Property tax increase, TNT \$5,000,000
- Total ongoing net revenue available \$7,700,000
 - o One-time funds for safety & security are already assigned Fund Balance \$950K
 - o One-time funds for e-school transition will be held from FY21 WPU
- *Increased assessment may be questionable in recession

Long-term Priorities

- Annual tech needs \$900K
- Annual curriculum \$750K
- Learning Initiative \$550K
- Annual bus replacement from General Fund \$130K
- Capital projects ** \$4 million
- **Capital projects in this scenario do not include any additional needs for THS, Dixon, Wasatch

Long-term Capital Needs

- Proposed THS seismic/reinforcements \$13-18 million
- Annual recurring capital maintenance \$4 million**
- Maturity of lease revenue bonds \$3.5 million*
- **Capital projects in this scenario do not include any additional needs for THS, Dixon, Wasatch
- *Increases \$460K per year until maturity in 2026, held in Fund Balance

Summary

- WPU funding estimated at 6% \$1,900,000
- Local funding increase \$800,000
- Property tax increase/Truth in Taxation \$5,000,000
- Total net revenue available \$7,700,000
- Annual salary and related benefits, all employees \$6.5 million
- Employer annual medical inflation (2.5%) \$140K
- Utilities increase \$50K
- Increased SRO coverage \$55K
- FTE requests \$230K
- Color Guard program increase \$12K
- FY20 budget priorities - ongoing \$6,987.000
- One-time funds: safety & security are already assigned fund Balance \$950K
- E-school transition will be held from FY21 WPU

Discussion/Direction

- Is the board comfortable with:
 - o Direction of budget priorities for FY21
 - o TNT for teacher salaries
 - o Long-term needs - next agenda items

Additional points of discussion:

- The legislature will likely call an emergency session in June to address the anticipated recession. As a result of the economic downturn, the funding for the 6% WPU and growth will hopefully hold, but funding for any new initiatives would likely be cut.
- Property taxes could possibly go down due to the recession as a result of lower property assessments.
- Revenues: TNT - looking at August to cover an increase in teacher salaries in increments and raising the entry-level salary for a total of \$5M depending on what happens in June. \$7.7M combined total salary benefit plus regular increases for classified employees.

- Medical inflation is pretty low. Budgeted for a small utility increase and a small increase in SRO salary of \$55,000 for additional SRO. FTE requests primarily Gary Wilson leaving, Jason Garrison coming over, Steve O added. Move 1/2 each of two district admin FTE from unrestricted to restricted funds.
- Set aside a small surplus from FY19; earmarked for safety & security. Small windfall in WPU for losing out-of-district e-school enrollment.
- Long-term planning is a little up in the air. Generally, we have \$4-5 M in capital needs Mark has in addition to regular custodial budgets. Have more time to work through it for TNT. Mark doesn't have as much time. Will bring back to board in May with more detail; the final budget will be presented to the board for approval in August.

Questions:

- Pres. Pettersson: Is McKay hearing anything about the special legislative session?
 - Member McKay Jensen: They're looking to call back \$840 M from the state budget, of which education always a large part. A small buffer since the ask for the education budget isn't yet completed. A ballot initiative needs to be completed in November. The pressure will be to maintain 6% WPU funding. Growth might be reduced slightly. The depth of the recession and the speed of the recovery is yet unknown. We'll know more by August. We have reason to be concerned, but not to panic. The state may utilize their rainy day funds. The state has been putting away vast amounts; they're well-prepared. The approach Stef outlined is very wise. If we want to be like our neighboring districts we have to act like our neighbors and stay up with inflation.

Discussion, Information: 4. Bond Survey Result Discussions and Capital Planning: Mark Wheeler, Facilities Director

Facilities Director Mark Wheeler indicated he's seeking direction from the board regarding addressing the building settlement issues at THS. He prefaced his presentation by reminding the board staff recommendations are based only on decisions by the Board to proceed with a modified November 2020 bond.

- The Division of State Risk Management confirmed on March 12, 2020, that they agree with the following approaches to reduce the risks associated with building settlement:

Stabilize foundation without portables, which would be advantageous right now with an empty campus

- South and west academic wings, media center, plus seismic upgrade of the south gym.
- \$13-18 million which falls within the Building Reserve Fund expansion approved by the board February 2020. With funds already in place, there would be no tax impact.
- *This is a temporary way to minimize risks that would only last until a rebuild.*

Move the Industrial Arts wing to an off-site location

- A possible location is the vacant Allen's grocery store building on 300 South that could be used for robotics, auto and welding shops.
 - Challenges would include the distance from THS campus and transportation scheduling; \$18,000 per month lease; moving and setting up needed equipment.
 - The reason for the discussion stemmed from the position of a better use of funds for the south gym by not doing a seismic upgrade but by rebuilding it and the north gym north of the Thunderdome, which is where it's going to be long-term in the master rebuild plan.

1. Create a portable village for the future; keep buildings as is and wait for another bond. Students would need to be shifted to portables immediately.
 2. It's imperative to immediately address the issues at Timpview to avoid a catastrophic event that would deplete State Risk funds.
- Bonding Timelines to Consider
 - The timeline given by the board will impact the direction taken regarding the capital improvement list. Should the board decide to not run another bond until November 2021, the Facilities Department would step back and hope everything continues to go well at Wasatch and Dixon. We would not invest significantly in those two buildings. To designate something a future-year project makes it more difficult to maintain those campuses

Lease and mobilize 12, four classroom pods, 2 pods for science classrooms and 3 restroom portables

- Portable classroom lease, set up, delivery/site prep for portable placement: \$5.5 million
- Initial delivery for portables after July 4th if we give approval now. Four pods & 1 restroom portable would be in place for the start of the 2020-21 school year. One pod per week after that initial deliveries
- Costs of \$5.5 million to shift students and teachers into portables is better financially than a \$13 to \$18 million foundation stabilization project that will only last until a rebuild.
- Close south gym

Prepare to propose a Phase 1 Rebuild for the Academic Wing, South Gym, Media Center. (See final graphic for phasing)

- Phase 1 Estimate: \$80 million
- Bond Timeline: November 2020; doesn't address Wasatch and Dixon.
- This approach allows us to eliminate the current risks by adding portables and avoid wasting \$13 to \$18 million for a stabilization system that would be demolished within 3 to 7 years.

Dixon Middle School:

- Table any projects for the existing Dixon campus for a future bond
- Allow needed time to determine future use of existing site and Footprinter's Site
- Building reserve can be used for any immediate needs at Dixon
 - Example is a re-roof: estimated at approx \$2.5 million
 - Example is boiler replacement & accessory components: estimated at \$4.5 million

Wasatch Elementary:

- Rebuild Wasatch Elementary as part of a November 2020 Bond
- \$30 million
- Rebuild on Existing Campus, working with BYU and City of Provo for boundary adjustments. Costs to purchase northeast triangle parcel from City is not included in this estimate.
- Including this campus in a November 2020 Bond eliminates the need to waste resources to improve anything with this aged-out campus.

Wasatch Elementary Draft Concept



Summary for November 2020 Bond

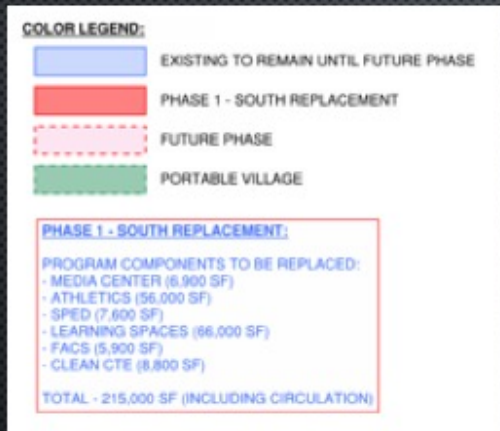
1. Allows Bldg Reserve for Dixon needs
 2. Allows Capital Improvement Funds to benefit campuses with remaining lifespan
- Timpview Phase 1: \$80 million
 - Wasatch Rebuild on existing Campus: \$30 million
 - Dixon: Dedicate protected Building Reserve for needs at Dixon until plans for existing campus and Footprinter's campus are determined for a future bond

FY21 Capital Improvement Projects

- Amelia Earhart: Masonry Sealant, Waterproofing \$110,000
- Amelia Earhart: Reroof membrane system \$375,000
- Canyon Crest: North Playground Equip Replacement \$55,000
- Canyon Crest: Parking Lot Pavement Improvements \$150,000
- Centennial: Bus Lane Concrete replacement \$185,000
- Centennial: Wellness Center Rooms \$45,000
- Amelia Earhart: Masonry Sealant, Waterproofing \$110,000
- Amelia Earhart: Reroof membrane system \$375,000
- Canyon Crest: North Playground Equip Replacement \$55,000
- Canyon Crest: Parking Lot Pavement Improvements \$150,000
- Centennial: Bus Lane Concrete replacement \$185,000
- Centennial: Wellness Center Rooms \$45,000
- Lakeview: Seal Masonry walls/Waterproof/North Wall Panels \$200,000
- Provo Peaks: Clean Exterior Masonry/Reseal \$140,000
- Provo Peaks: Replace Playground equip at North playground \$85,000
- Spring Creek: Seal Masonry walls/Waterproof \$115,000
- Spring Creek: Carpet for 10 classrooms \$45,000
- Timpanogos: 1 more Playground & Equip \$65,000
- Westridge: ADA concrete pathway adjustments \$20,000
- Westridge: Gym Operable Wall Partition Replacement \$150,000
- Westridge: Playground Equipment Replacement \$80,000
- Westridge: Replace 5 remaining heat pump units \$65,000
- Technology: Backup Systems for Tech Equip at various locations \$100,000
- Technology: Camp Big Springs Maintenance \$35,000
- Technology: Metal Storage container \$10,000
- Transportation: 1 new bus for FY21 \$135,000

- SUPT's Contingency: \$80,000
- Facilities Contingency: \$500,000
- Asphalt & Concrete Maintenance: \$250,000
- CO Monitoring: final 50% of project started in FY20 \$400,000
- Centennial HVAC Phase 1 Upgrade: \$500,000 (previously postponed)
- Total Proposed Budget: \$4,858,000*
- *All funding focused on campuses with a long term return on Investment

TIMPVIEW HIGH PHASE 1 CONCEPT



Additional talking points addressing board member questions:

- Stabilize foundations for south, west academic wings, etc. \$13-18M already in place. \$16-18M option: move industrial arts wing to a different location. \$18,000 mo. lease at Allen's location. Would rebuild south and north gyms \$6M; \$16-18M.
- Classroom wing would stay and get stabilized, creating a way to minimize risk temporarily until we can address in 5 years
- Running bond 2020 - \$80M for THS. Academic wings, media center, both aux. gyms, ground and soils mitigation. Changes the master plan; would require a portable village on north side of campus \$5.5M. Four classroom pods and portable restrooms. Student parking would be utilized. Would require demolishing academic wing immediately. Risk would require moving students. If a bond doesn't pass, students would be in a portable village for at least two years.
- The first portable pod could be delivered the first week in July. Would take until fall break to get all pods in place. Start with south academic wing. If board decides to go for bond in near future, need to get started on portables.
- Risk Management isn't giving us a bond timeline; it's up to the board.
- Should a November bond pass, construction would take about two years. We could move students back into the portion that's finished first. If we move kids into portables and the bond doesn't pass...there would be some higher end expenses to replace boilers, etc.
- We need to get started as soon as we can. Have THS remain in online format for the remainder of this school year. We could do that with the 180-990 waiver from the state.
- If Wasatch was included on a 2020 bond, it would be approximately \$30M to rebuild onsite. That doesn't include boundary line adjustments between city and BYU. \$12 per year average household tax impact. Wait for a future bond - would need to spend \$1.5M yearly for maintenance. Re-roof, modify walls for roof connections to minimize seismic risk. Wasatch & Dixon were close in seismic needs; based on seismic needs, start on Wasatch: all walls need seismic upgrades. If we wait for a future year to bond for Wasatch, we need to be very careful in the money we spend to avoid wasting a significant amount of money.
- If Dixon becomes part of future bond: re-roof all of Dixon to improve wall to roof connections. \$2.5M per year for 4-5 years to eliminate the highest risk.
- THS: The least disruptive to students and teachers is \$13-18M option to stabilize foundations. We can start as soon as plans and pricing are completed to continue with empty campus. Would give us more time.
- Wasatch/Dixon: both buildings will have great impact on additional capital improvements.
- Keith, Stefanie and Mark need to determine the best options as the professionals and make a recommendation.
- The best option would be to go for \$89M bond. Would be a hard thing to ask between recession and TNT.
- The \$13-18M would be the least disruptive but involves the greater risk. An \$89M bond would have the least amount of risk.
- if we can't pass a bond, is it more risky to do stabilize or have portables? If portion is done to meet Risk Management requirements, and they sign off on it, we should be good to go for 4-5 years. The answer depends on the angle at which

you look at it: Risk Management /political/financial. There are benefits to allow the stabilization to happen and run a bond in 5-7 years.

- A member of the former board had "promised" to not run another bond for 10 years. It's dangerous to invest money in a building just to rip it out later. Politically, if stabilization meets needs with Risk Management and we have another 4 years to prepare the public for another bond.
- If we wait, we would plan for immediate re-roof for Wasatch and Dixon. We would have to come up with more money.
- The oommunity survey indicated patrons preferred we go with the least expensive option on everything. The community's first priority was teacher pay according to the survey. Don't think we can minimize the community's concerns.
- The focus group indicated the community would rather see smaller, more frequent bonds. Would that mean the community would accept \$80M now?
- As long as they know we're moving forward, and they see it, this would satisfy Risk Management concerns. Stabilization has to happen to meet Risk requirements. If we move students into portables, close south gym, and academic wings.

President Jim Petterson indicated the board had reached a bit of a consensus to move forward on an \$80M for THS in Nov. and having Mark order portables. Draft plans for the next steps if the bond passes or doesn't pass would be determined.

Superintendent Rittel emphasized the board has not made a decision in the study session according to open meeting laws. This has been a discussion regarding the direction for Mark only.

Discussion, Information: 5. COVID: Camp Big Springs: Chad Duncan, Technology Director

- Chad sought board direction regarding Camp Big Springs amid the COPVID19 situation. A lot of work still has to be done by the city before the site is ready to go. A decision needs to be made by the April 21 board meeting.
- Teachers have already been hired to help with camp.
- Working closely with the health department. Both Alpine and Nebo are in a holding pattern.
- Challenges related to possibly postponing for two week:
 - Order food & supplies, new staff; order porta potties
 - Some parents have pulled kids out already; Chad will provide updated enrollment numbers during the Apr. 21 study session.
 - Uncertainty regarding social distancing

Discussion, Information: 6. COVID: Grading and Graduation: Dr. Todd McKee. Asst. Supt. Secondary Education

Graduation:

- Dr. McKee stated If we're back in school May 1, we'll proceed with graduations on May 17.
- 1/3 of students have met 27-credit requirement for a diploma. 20% of kids are credit deficient. We have a lot of kids who are struggling to get caught up and meet graduation requirements. While graduation requirement is 27 credits, we've given diplomas for 24 credits. We're very concerned about the senior class and helping them get through. If we're not back in school in May, we're having conversations with BYU about later dates in June. We're determined to provide as much of a sense of normalcy for students.
- Supt. Rittel had a conversation with State Superintendent of Schools Syd Dickson. We have a number of students who are going to need summer remediation to graduate. The fall graduation may be much larger this year. Once we get the final answer of what's going to happen for the rest of the year, we'll adjust.

Grading:

- It's been a difficult transition; online pedagogy is different from that in a brick and mortar setting. We've seen discrepancies in access and engagement numbers. There's high engagement in one part of the city, low engagement in another part of the city.
- How do we support at-risk students? Secondary principals requested we default to Pass/Fail while allowing students to request a letter grade. NCAA won't accept P/F grade. BYU Admissions: Committee is evaluating how to deal with P/F. How does it impact scholarships? If we want to venture into it, teachers would provide a letter grade; parents may request a p/f as long as they understand the implications of p/f grading. P/F not calculated in GPA. How would that work with our Latin honor system? T: Based on cumulative GPA, not course GPA. Above 60 would be a P; below 60 would be an F.
- We haven't yet talked through middle school implications.
- Asst. Supt. Anne-Marie Harrison sent a statement to parents outlining the expectation of the number of hours of instruction per day for both elementary and secondary grade levels.
- Supt. Rittel indicated the Special Education department is working to provide as many of the same services that we can provide remotely. Special Education Director Suraj Syal is receiving guidance from the state on a regular basis.

Dr. McKee will provide an update during the April 21 study session.

B. Adjourn

Action: 1. Motion to Adjourn

I move we adjourn the study session.

Motion by McKay Jensen, second by Melanie Hall.

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Petterson, Rebecca Nielsen, Melanie Hall, Jennifer Partridge, Nate Bryson

Adjourned 10:32 a.m.

