



DATE: FEBRUARY 1, 2022 TIME: 6 p.m.

MEETING: Capital Planning Steering Committee Meeting

LOCATION: Hattie Mae White
4400 W. 18th St.
Houston, TX 77092

DATE: February 1, 2022

TIME: 6 p.m.

PRESENT:

Capital Planning Steering Committee (CPSC)

- Marie Anstead (District 5)
Brian Barragy (District 5)
Gusta Booker III (District 4)
Janis Brackett (District 7)
Rebecca Briscoe (District 5) (Virtual)
Sarah Castro (District 6) (Virtual)
Emily Cole (District 3)
Danny David (District 7)
Marc Flores (District 1)
Michael Lunceford (District 5)
Josephine Rice (District 2)
Abbey Roberson (District 7)
Sandra Rodriguez (District 6)
Roger Soto (District 5)
Rob Wade (District 7)
Josh Wallenstein (District 6)
Timothy Williams (District 8)

Houston Independent School District (HISD)

- Wanda Paul, Chief Operating Officer
Andreas Peeples, Officer Construction Services
Eugene Salazar, Operations Administrative Officer
Sizwe Lewis, Construction Services
Eric Ford, Construction Services
Alejandro Banegas, Multimedia Manager
Larry Leonard, Media Relations Specialist
EJ Lucas, Senior Writer
Precilla Reyes, Exec Admin Assistant
Kathy Allen, Construction Services
Bridget Ward, Construction Services
Jim Rice, Rice & Gardner
Ian Powell, PBK Architects
Amanda Andrus, Rice & Gardner
Claude Yoas, Rice & Gardner
Caroline Harris, PBK Architects

ABSENT:

- Tanya Debose (District 2)
Alana Holmes (District 1)
Brittany Hyman (District 4)
Craig Johnson (District 9)
Allison Marshall (District 1)

The general purpose of the meeting is to introduce the Capital Planning Steering Committee to a collaborative effort on developing a bond program for the 2022 election. Related issues, questions, and activities were also discussed.

Item 1 Welcome and Summary of Discussion Topics

Andreas Peeples, officer of construction services, welcomed the Capital Planning Steering Committee (CPSC) and new member Emily Cole and outlined the following meeting goals:

- Review the FCI, EAI, and utilization demographics
- Consider the tax-rate review compiled by Chief Financial Officer Glenn Reed
- Discuss the original deferred-maintenance budget
- Discuss the projected cost of the 2022 bond and how its propositions would be applied to that program
- Familiarize the CPSC with transportation costs and square-footage costs that may have changed

Michael Lunceford (District 5) laid out a general agenda for upcoming meetings.

Mr. Peeples presented the following schedule:

Additional Meeting Schedule

CPSC Meetings	Important Dates
<ul style="list-style-type: none"> • February 1st – Current Meeting • February 15th – Discuss in detail Findings School / Financial Worksheet • March 1st – Financial Worksheet / Prep for Board workshop • March 22nd – Vote on finding Campuses to include / Prep for Board workshop • April 5th –Review recommendations • April 19th – Review recommendations • May 3rd – Board Meeting Prep 	<ul style="list-style-type: none"> • April 14th – Last day to add items for May Board Agenda • May 12th – May Board Meeting • Aug 11th – Last regular Board meeting for Bond Approval • Aug 22nd – Last day to notify county, placing Bond Ref. on Ballot • Oct 10th thru 21st – Publish election notice in newspaper • Oct 24th thru Nov 4th – Early voting • Nov 8th – Election Day

Item 2 Consulting and Finance Overview

Mr. Peeples reviewed the tax-rate increases in relation to potential bond amounts.

- \$3.5 billion bond: \$0.00 tax increase
- \$4 billion bond: \$0.0088 tax increase
- \$4.5 billion bond: \$0.0202 tax increase
 - Each penny increase would add an additional \$21.50 annually to a \$300K home's taxes

He then gave a preview of the deferred maintenance program items that has been gathered and vetted by the district and their consultants. The complete dossier amounts to approximately \$5 billion in improvements. He explained that if the district could support a \$3.5 billion bond without a tax increase, some items would need to be reduced to meet this limit so as not to impact the Houston taxpayers. The items were selected based on FCI, EAI, utilization and safety. Mr. Peeples reminded the committee that this phase one of a bond program that is part of a 20-year capital plan for improvements every five years. If the items are reduced or removed within this program, they will be picked up within the next.

Mr. Peeples introduced Jim Rice to go over the dossier in detail.

Both the full deferred maintenance program and the reduction to \$3.5 billion included 28 total school replacements across the district and two new relief elementary schools. The 28 replacement schools include 23 elementary schools, 4 middle schools and 1 Montessori school. Mr. Rice explained a slide that included possible locations for the two relief campuses, one near Almeda Genoa and the other along the Westheimer corridor. He reminded the committee that these needs are based on PASA's (Population and Survey Analysts) demographic survey showing growth in these areas. He also gave examples of how the schools in those areas are already at or over their campus capacities.

The \$3.5 billion bond would require a decrease in the budget for a few items, including the superintendent initiatives, safety and security (S&S), technology software, districtwide system replacements (roofs, chillers, cooling towers, parking lots, campus improvements), districtwide direct digital controls (DDC), system upgrades, and districtwide LED lighting conversions. All items will still be addressed, but at a reduced level to fit within this budget.

It was explained that although the items for the superintendent initiatives were reduced, these items could be incorporated into the current selected 28 campus replacements rather than standalone items. Both Mr. Rice and Mr. Peeples explained that these items will be more concrete once the superintendent and his cabinet finalize their programs and initiatives. *For more information, please see the HISD website for Superintendent House's 100-day address.*

Items that were prioritized and remain at their original cost include the 28 campus replacements, two new relief campuses, transportation (replacing approximately 450 buses), technology improvements and soft cost (such as capital planning software). They also noted that the separate scope for athletics was removed from the program to meet the reduced budget.

Mr. Rice continued his presentation with a breakdown of the state legal requirements for breaking out scope by propositions. By law, athletic and technology items that are not incorporated directly into a campus must be listed separately on the voting ballot.

Item 3 Q&A

Questions from the committee were answered by Mr. Peeples, Mr. Rice and Mr. Powell.

Question: How detailed are the reductions, and do they account for the impact of the reductions?

Answer: Reductions are considered on a case-by-case basis, and recommendations will be presented to the board in detail.

Question: What athletic improvements will be terminated post-reduction?

Answer: The athletic facility in former North Forest ISD, the field house at Butler stadium, various tracks that need replacing, and football lights at Del Mar Stadium. A breakdown of athletic improvements will be presented to the committee.

Question: Are other district vehicles included in the transportation improvements?

Answer: No, the budget is only for school buses.

Question: Why are we rebuilding schools more frequently than other districts globally?

Answer: The life expectancy of our schools is 50 years. Construction standards change, and paying to maintain a facility that is no longer appropriate for modern education and its needs is not efficient.

Question: Is there a cushion in the proposed bond amounts to allow for inflation and other increases in cost?

Answer: Mr. Rice referenced “The Goldilocks Rule”—not too much and not too little. Careful budgeting and planning on the committee side ensure there are enough funds to complete the planned projects but not so much that there will be too much left over.

Question: Are each of the schools designed individually, or do we put thought into not repeating poor or costly design choices made in previous schools?

Answer: Modules pull down costs but are customizable to schools, which makes it possible to suit each school’s unique needs without the cost.

Question: How much excess capacity is built into new schools? Are there projections to tell us how to build schools to anticipate maintenance needs in the future?

Answer: There is a desired capacity designed for a certain number of students (a certain number of square feet per student). Generally, additions and improvements are considered once schools have exceeded 120% capacity.

Question: Do the proposals for the 2022 bond include initiatives to get students out of T-buildings (temporary buildings) and back into main-campus classrooms?

Answer: Yes, the plan is to eliminate the need for T-buildings four or five years out, to the largest extent possible, depending on population swings.

Question: Does bond information provided to the voters include conversations about relocating/hiring teachers

Answer: There are auxiliary costs associated with hiring and relocating educators that will likely come up later in the bond-budget discussion.

Several members questioned the loss of historical buildings. Mr. Peeples and Mr. Rice explained schools would be replaced but iconic historical elements can be incorporated into the new construction.

The question was further answered to say that HISD has a design guidelines committee that meets with vendors to vet products and materials for use in replaced and repaired campuses. A charge of the committee is to ensure that the items selected are cost-effective and maintainable by HISD's facilities and maintenance departments.

Mr. Peeples discussed the cost of utilities for new construction vs. old construction—newer schools are constructed to be larger, and the utility cost per square foot is less than in previous years due to the evolution of construction standards and practices.

Mr. Rice and Mr. Powell reviewed spreadsheets of schools that most need improvement, showcasing their individual FCI, EAI, and permanent utilization.

- A school with a FCI over 60% needs replacement
- A high FCI indicates that a school is in bad shape physically
- A low EAI is not meeting education needs of the students and staff
- Permanent utilization is not desirable if over 100% or under 65%

Item 4 Closing Statements

Mr. Peeples addressed the content of the next capital planning meeting on Tuesday, Feb. 15, to discuss campuses under consideration in detail and compare selected campuses on a cost worksheet.

He urged committee members to email CPSC@houstonisd.org with additional questions or comments that will be addressed at the next meeting.



HISD CAPITAL PLANNING STEERING COMMITTEE | NOTES

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