

Jarrell ISD Bond Planning Committee

Meeting 2

November 10, 2022



REGION 13
Education Service Center



Huckabee



Welcome

Meeting Agenda

- Recap of October Meeting
- Determine Consensus
- School Finance 101
 - Jarrell ISD Financial Overview
- Project Discussion
- Campus Tour*

*Optional



A group of approximately 20 young women, members of the Jarrell Cougars basketball team, are posing for a group photo on a gymnasium floor. They are arranged in several rows, some sitting on the floor and others standing. Many are wearing white t-shirts with "JARRELL" printed on them. Some are holding certificates or awards. In the background, a large mural of a cougar's face is visible, with a basketball hoop and backboard positioned in front of it. The words "Jarrell Cougars" are written in a large, stylized script across the mural. Above the mural, there are several championship banners. To the right, a scoreboard and a sign for "EAGLE BANK" are visible. The entire image has a blue color overlay.

Jarrell Cougars

Determine Consensus

Consensus

Consensus is defined by Merriam-Webster as:

- a general agreement
- the judgment arrived at by most of those concerned
- group solidarity in sentiment and belief;
- *concerned with the process of deliberating and finalizing a decision*

Goal:

Goal is to agree on a definition and then, once recommendation goes forward, for everyone to be able to support it.

Group Discussion: What is our definition of consensus?

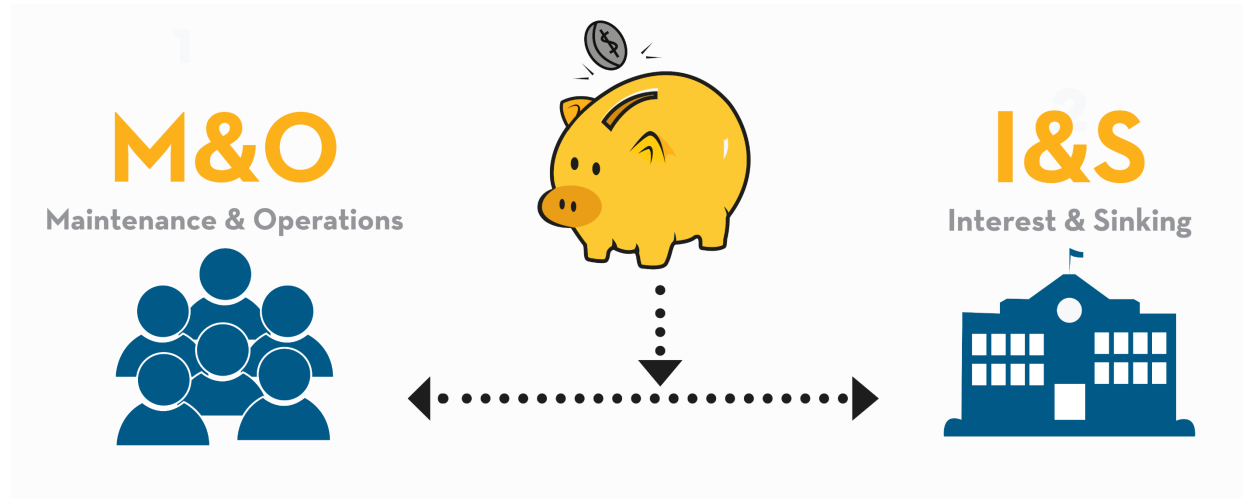
- Unanimous agreement
- Unanimous consent (“I can support that.”)
- Unanimous agreement minus one or two votes
- Unanimous consent minus one or two votes
- Super majority thresholds (90%, 80%, 75%, two-thirds, and 60% are common)
- Simple majority



School Finance 101

Texas School Tax Rate Facts

- School budgets and tax rates are made up of two parts: Maintenance and Operation (M&O) and Interest and Sinking (I&S). The money generated from each part can only be used for specific types of expenses.



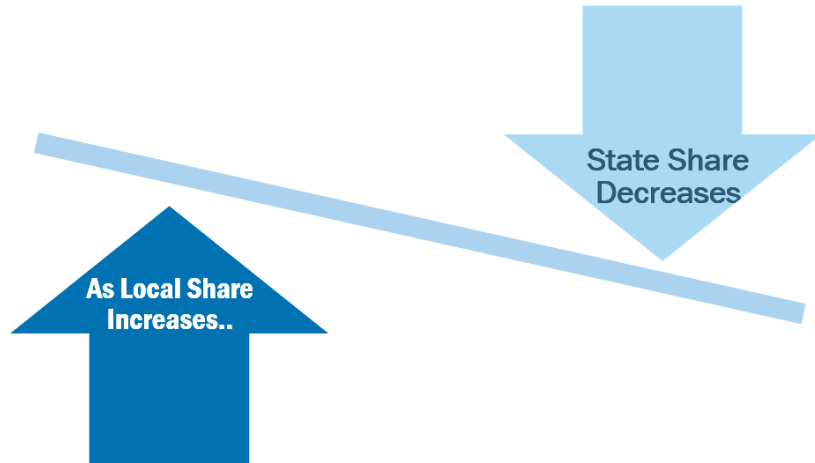


Maintenance & Operations (M&O)

Funding coming into this bucket is primarily used for operating JISD. Employee salaries and benefits; educational resources; classroom supplies; and services (i.e. utilities) are paid from this source of funding.

This is similar to buying things like car fuel and routine maintenance, groceries, clothing, cleaning supplies, and utilities like electricity, telephone and water.

Balancing Act



The only new money
comes from new
students

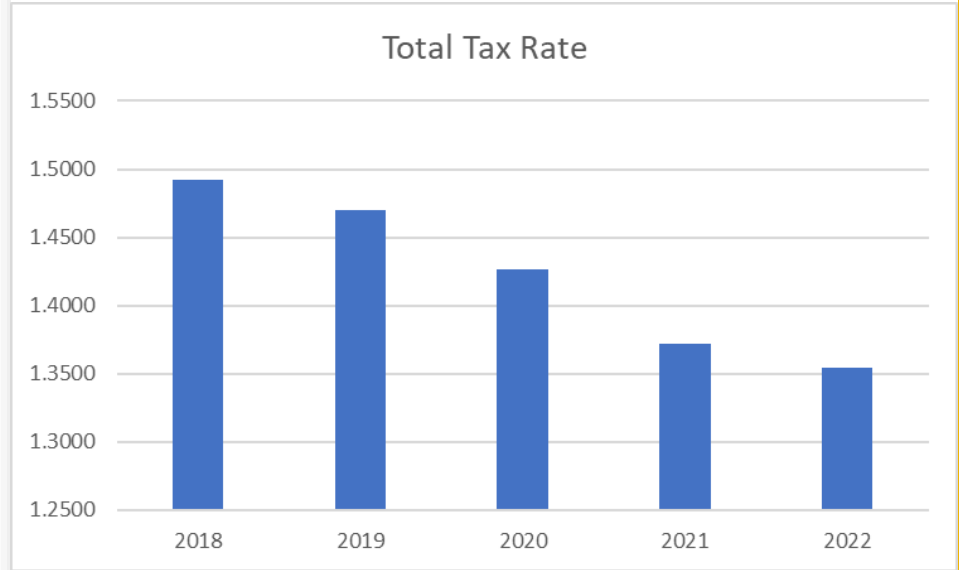
Interest & Sinking (I&S)



State law states \$0.50 is the max to issue new money bonds

- Funds from this portion of the tax rate can **only** be used to pay off bonds sold for construction and capital improvements to facilities.
- A school district can only take on new debt through a voter-approved bond election.

Jarrell ISD Tax Rate Trend





Capacity

What factors are considered when determining capacity?

I&S Tax Rate

Term

Competing Goals

Property Tax Base

Defer/Accelerate Principal

Term



State law allows up to
40 years



Generally speaking, asset life
drives the term

Technology & buses in 5 years

Improvements in 15-20 years

New construction in 25-30 years

Competing Goals



- Early retirement of existing bonds?
- Future capacity for growth beyond this bond election?
- Preserve savings account for slow downs in the economy?

Property Tax Base



NEW IMPROVEMENTS

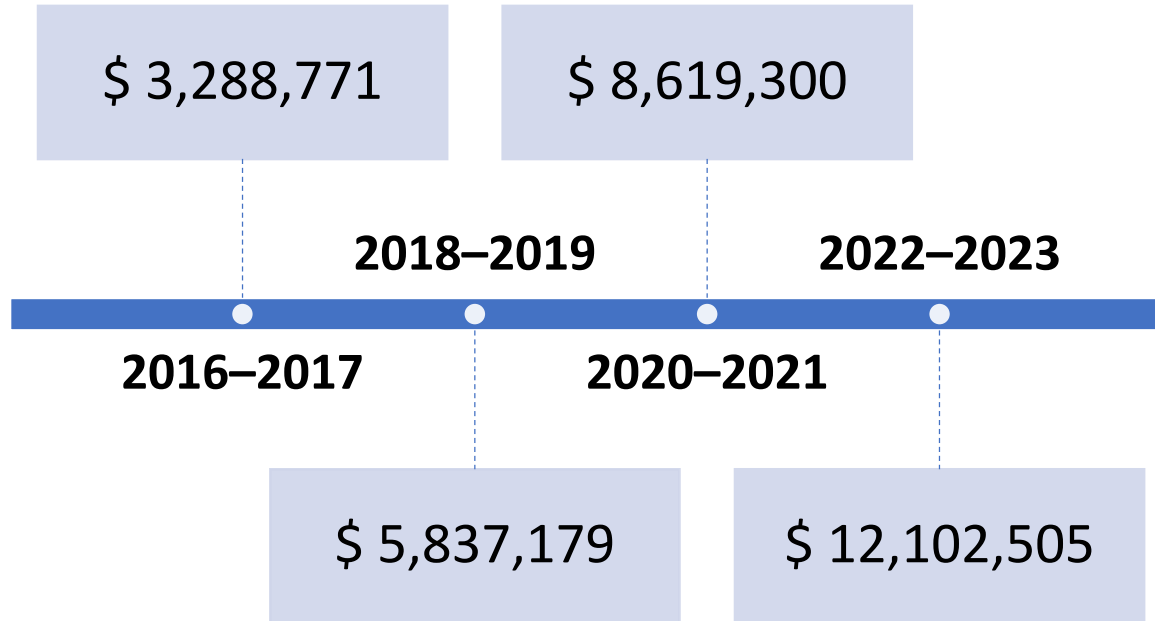


APPRECIATION/DEPRECIATION
OF EXISTING PROPERTIES



TAX EXEMPTIONS

6-Year I&S Revenue Trend

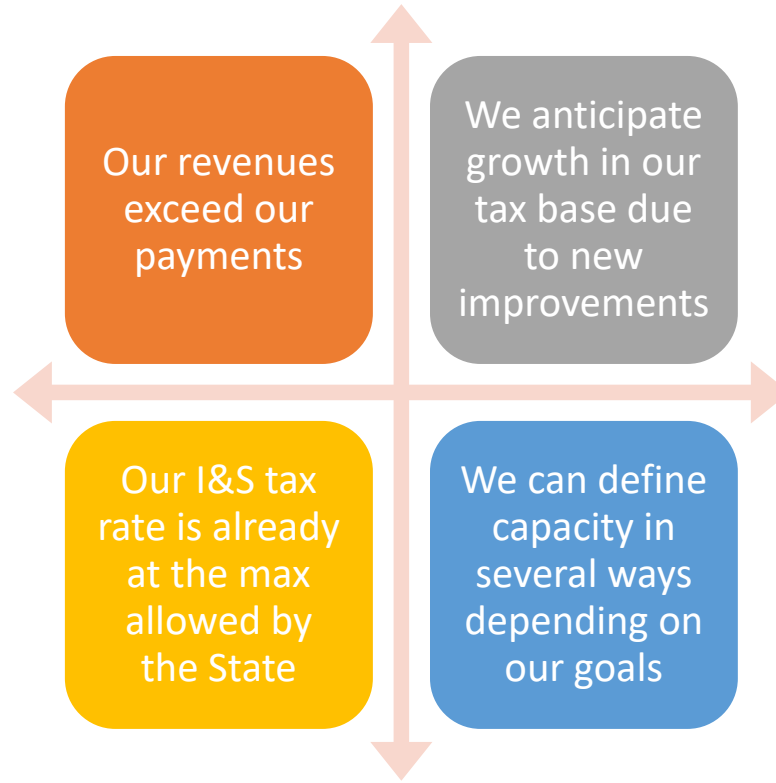




Existing Bond Structure

- Average payment is \$11,680,925
- Final maturity from last sale is 2048
- All fixed rate bonds
- No prepayment penalties to payoff early
- Can be refinanced 8-10 years after issuance

What Have We Learned Thus Far?



Bond Capacity/Expectations

- \$275 – 300 million bond election can be funded
- 30-year max term
- Tapered property value growth
- Remain at \$0.50 I&S tax rate
- Collection rate remains strong
- Strong savings account is maintained
- Economic slowdown should be offset by use of conservative property value assumptions



Jarrell Cougars



Questions?



Project Discussion

Project Recap

		<u>Potential Project Costs</u>			
		<u>Project Description</u>	<u>Consutruction Cost</u>	<u>Project Cost*</u>	<u>Est. Completion</u>
Pre-Bond Committee Charge	Facility Committee Recommendation	Elementary School #4	\$52,000,000	\$62,700,000	July '25
		Elementary School #5	\$60,000,000	\$74,900,000	July '27
		Middle School #2 (Phase 1, 700 Students)	\$60,000,000	\$76,500,000	July '25
		JHS Additions & Renovations (+950 Students)	\$65,000,000	\$89,250,000	Dec. '25
		Operations Center	\$12,000,000	\$15,300,000	June '25
		Admin. Bldg Additions & Renovations	\$10,000,000	\$14,500,000	July '26
		Academic Support Center (Relocate PAW Prints/DAEP)	\$18,000,000	\$22,600,000	June '25
		Technology	-	??	-
		Security	-	??	-
		Land	-	??	-
		Buses	-	??	-
		Other	-	??	-

*includes Fees/Permits/FF&E/Contingencies/Soft Costs

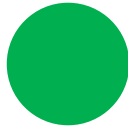
Project Discussion

There are three stations around the room. You will rotate around the room to each station as small groups for an opportunity to discuss specific projects, needs, and questions.

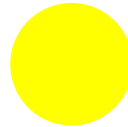
You will be in each station for 15 minutes before rotating to the next. At the end of that 15 minutes, you will have an opportunity to place stickers on a “Priority Sheet” to represent which projects and features you deem as the high priority, medium priority, and low priority.

Project Discussion

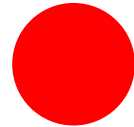
- Station 1: Elementary, Middle and High School Projects
- Station 2: Operations Facility, Admin Building, and Other Facility Needs
 - DAEP, PawPrints, etc
- Station 3: Miscellaneous Needs
 - Land, Storm Shelters, Security, Technology, Playgrounds, etc



High Priority



Needs Discussion



Parking Lot

Next Meeting

- The next meeting is Thursday, December 8 at Jarrell High School beginning with light refreshments at 5:30 and the meeting at 6:00.
- We will cover:
 - The group's priorities as they were determined tonight
 - Bonding Capacity & Tax Rate Scenarios
 - Revisit Priorities with Cost Analysis
 - Come to initial consensus

Thank you!

The optional campus tour will begin in 5 minutes.



Huckabee
MORE THAN ARCHITECTS