

CYPRESS SCHOOL DISTRICT  
Cypress, California 90630

MASTER FACILITIES PLAN COMMITTEE  
August 13, 2008  
3:00 p.m.  
Education Center

The sixth meeting of the Master Facilities Plan Committee convened at 3:02 p.m., August 13, 2008. Persons in attendance are listed below:

Facilitator:	Lynne Merrick, Consultant
District Administration:	Sheri Loewenstein, Superintendent Carrie Delgado, Chief Business Officer Robert Daley, Director, Maintenance & Operations/ Transportation
Board of Trustees:	Donna Erickson David Giese
City Representatives:	Steve Hunt, Director, Recreation & Parks, City of Buena Park Shelly Myers, Recreation & Parks, City of Cypress
Principal Representatives:	Jane Snyder Donna Layne Jeannette Lohrman Denine Kelly
District Employees:	Laurie Sooter, ACT President Chuck Voght, Dickerson Teacher Marsha Ahn, Morris/Vessels Teacher Donna Wittenberg, CSEA President Mike Baldwin, Lead Maintenance Worker
Parent Representatives:	Allison Ferrier, Cawthon Parent Joel Nelson, Morris Parent Kathy Schilling, Vessels Parent Lisa Blunk, Swain Parent Alison Mahony, King Parent

Superintendent Loewenstein called the meeting to order and welcomed committee members, introducing Shelly Myers with the City of Cypress Parks & Recreation Department. She reminded the committee that at our last meeting we said we would be taking information to the Board of Trustees regarding the possibility of going for a bond on the November 4 election ballot. The Board

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met on July 10, 2008, and Lynne Merrick and Steve Gald presented information to them on what it could mean if the District were to place a bond on the November ballot. The Board authorized the District to contract with a company to conduct a community poll to find out if there was support for such a bond measure. At the August 1, 2008 special Board meeting, the results of that poll, which were very positive, were presented to the Board. As a result of that data, the Board felt we had enough support to place a General Obligation bond on the ballot. The bond must pass with 55 percent approval and, if it passes, will provide \$53.6 million to upgrade our 40 year old facilities. Funds from such a General Obligation bond can only be used for facilities improvements. The Superintendent shared that in 2003 the District did a community poll to see if there was support for a parcel tax measure. Funds from a parcel tax can be used for any school or District expense, however, they are harder to pass, as they require 67 percent voter approval. The poll did not find sufficient support, and the Superintendent at that time decided not to go forward. This General Obligation bond is completely different. Ms. Loewenstein then recognized Lynne Merrick for a presentation regarding bonds and the survey results.

Ms. Merrick shared that to do all of the renovations needed on the modernization project list, we would need about \$62 million. The Board agreed that the only way to get the money for these improvements was with a bond measure. General Obligation bonds are long term debt instruments and sources for large capital facilities projects. The District's general fund is not at risk because GO bonds are secured solely by tax revenue. They are considered to pose minimal risk to the investor and therefore provide the lowest borrowing cost to the District. The GO bond option chosen by the Board is the Proposition 39 bond. In the past six years in Orange County, one traditional authority bond measure and 14 Proposition 39 measures have gone to the voters, with all but two passing. The high school district will not be going for a bond and there is no statewide bond with which to compete in November. A Proposition 39 bond requires that the District list specific projects to be funded by the bonds, provide an annual financial audit of proceeds, and set up an independent Citizen's Oversight Committee. The November 2008 election is the next time such an opportunity will be open to us.

The bond will be funded over a ten year period and, as a result, Landell was added to the project list.

Ms. Merrick then provided a PowerPoint presentation regarding the community poll survey results. She shared that the feasibility survey results were a cornerstone of the campaign. She went over the objectives of the community survey, which included:

- assessing potential voter support for a bond measure
- surveying the tax rates at which voters would support such a bond measure
- surveying potential projects voters would support
- testing voter reaction to possible supporting and opposing arguments regarding the bond measure
- identifying differences in support by demographic

The survey was conducted by telephone between July 11 and 15, 2008. It lasted about 15 minutes. Data collected included the following:

- Positive support was indicated for an annual property tax rate of \$24 per \$100,000 in assessed value. This allows us \$53.6 million in bond proceeds.

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- Projects voters are most likely to support and the influence of different projects on voter support. Landell was included even though they currently do not qualify, as over the 10 year life of the bond they will be eligible for funding.
- Influence of supporting projects on voter support and the influence of potential opposition messages on voter support.
- At the end of the survey, after hearing all the information, voter support was at approximately 68 percent. Given the five percent margin of error, this keeps us over the 55 percent required to pass the bond.

Steve Hunt asked how a successful bond measure would affect school closure. Ms. Merrick responded that the money will follow the children, so even if we have not identified a school or schools we may close over the next few years, we will not modernize a school under consideration for closure. Also, we are not obligated to spend all of the funds. So if, due to closing a school, we do not need the entire \$53.6 million, we can conclude the tax assessment sooner. The Superintendent added that we will continue to also look at developing Mackay and the District office property, but any funds realized would not meet our facilities funding needs. If the bond is passed, more funds from asset management could be used for programs.

Ms. Merrick continued, noting that support at several different taxation levels was polled. The poll found that we would be most successful with a bond requesting between \$24-\$25 per \$100,000 of assessed value. After the Board voted in favor of moving forward with the bond, a series of resolutions were filed with the Registrar of Voters, including the 75 word ballot statement and project list. A cost of \$24.63 per \$100,000 of assessed value was decided upon, with the average assessed value in Cypress being \$200,000, or approximately \$4.00/month. Taxpayers will pay for the bond over a 30 year period. With the filing of the bond statement, the District has gone from a fact finding mode into a campaign mode. All of the consultants who are helping have agreed to work on a contingency basis, and will not be paid unless the bond passes.

Kathy Schilling asked if consideration was given to the fact that if the District is funded over a ten year period, parents will not necessarily be able to see the results of this bond measure on their children's school. Ms. Merrick stated we will be sure that something is done at every school each year, in order to keep community support. This may mean that although major renovations are being done at only one school in a year, other schools will get roofs replaced or parking lots repaired. If the bond passes in November, the earliest we could get funding would be March, April, or May of 2009. As a result, next summer would be the earliest any work could be done at the school sites.

The Superintendent thanked Ms. Merrick and went on to discuss the campaign. The first thing that had to be done was to get together a community campaign committee, which includes parents and community members: Darrell Essex, co-chair (former city manager and co-chair of the Cypress Community College bond drive); Johnnie Strohmeyer, co-chair (former co-chair of the Cypress Community College bond drive); Sue Osbon, co-coordinator (worked on the Anaheim Union High School District bond drive); Karen Gibo, co-coordinator (worked on the Anaheim Union High School District bond drive); Debbie Parker, treasurer (employee and community member); Alison

Mahony (parent); Carol Prescott (parent); and Kerry Benson (community member). When staff  
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returns for the new school year, they will be provided with factual information, as will parent groups such as the PTA. We will put together school site teams, each with a different night to handle phone banks or walk neighborhoods. The Superintendent has recruited five people willing to sign the "Argument in Favor" of the bond measure: Marsha Ahn, teacher; Carol Erbe, principal; Darrell Essex; Cindy Clack, parent; and Larry Boberg, businessman. As a result of all of the work necessary to assure a successful bond, we will not be addressing school closure for a few months. We will schedule a meeting with the City of Cypress regarding Mackay School and the District office property development. However, our major focus will be on the bond.

The Superintendent told the committee members that meetings would be suspended until after the election, at which time we would begin to schedule once more. She thanked everyone for their participation on this committee. The meeting was adjourned at 4:15 p.m.

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