

**KIDS Committee Meeting Minutes**  
**November 15, 2007**  
**George Whittell High School**

**JNA Consulting:** Marty Johnson  
Jennifer Ripplinger

**Members In Attendance:**

**Chair:** Johnelle Prado  
**Vice Chair:** Cheryl Blomstrom

**Members:** Michael Brown  
Kevin Kjer  
Carol Lark  
Holly Luna  
Jim Park  
James Settelmeyer  
Claudette Springmeyer  
Gary Thurm

***Minutes Approved  
November 29, 2007***

At 6:40 p.m., Mrs. Prado announced that the meeting would start with a tour of George Whittell High School facility.

**1. Site Tour – Sue Shannon, Principal George Whittell High School**

Mrs. Shannon, Principal, led the tour noting the school had been built in 1959 stating current and future capital improvement needs. Improvements reviewed included:

- 1) Remodel of the front entrance to include visibility of those entering through the front door. For safety purposes, office personnel need to see persons entering the building.
- 2) Science lab improvements necessary to meet current High School Proficiency requirements
- 3) Heating system (HVAC) replacement due to the current system dated to the 1960's
- 4) Window replacements to include double pane windows for efficiency
- 5) Outdoor lighting in both the front and back of the building
- 6) Remodel and repair of outdoor stadium stands, snack building, and restroom facilities
- 7) Locker replacement in boys' locker room

The tour concluded at 7:00 p.m.

## **2. Approve Minutes of the October 23, 2007 Meeting – Johnelle Prado**

Mrs. Prado invited members to review the Minutes of the previous KIDS Committee Meeting.

Ms. Blomstrom made a motion to approve the Minutes of October 23<sup>rd</sup>, seconded by Mr. Thurm.

Motion carried unanimously by members present at this time.

## **3. Committee Receives information About Abatement**

Marty Johnson, JNA Consulting, LCC informed the group that he was a part of the Committee on Local Government Finances that implemented regulations on abatement and that it was a complex system. Through explaining the abatement process, Mr. Johnson noted key points.

- 1) Abatement was enacted during the 2005 legislative session.
- 2) Applies to all property in the State of Nevada, but the Committee is discussing the cap on private dwellings only.
- 3) Cap can be as high as 8%.
- 4) An increase in assessed home value or tax rate equates to an increase in a tax bill, and a home's tax bill increasing more than 3% in value triggers abatement.
- 5) Abatement is essentially tax deference.
- 6) Abatement stays with an address, not the homeowner, even if sold.
- 7) There has not been an increase in tax rates exempt from abatement since abatement was put in place.

Mr. Johnson explained the difference in tax bill increases using 0% vs. 3% growth in values as applied to Indian Hills, Minden, Topaz, and Lake properties. An explanation was provided of how the "pie" changes, should voters choose to allocate the tax rate, through a "yes" vote to allow the issuance of bonds in 2011. Charts showed the increasing abatement from 2004-05 through 2007-2008, and the revenues generated in 2011 as a result of voters allowing the 0.10 tax rate to continue flowing to the District, as opposed to other entities. The consequence of a "no" vote dropped the percentage of revenue received, beginning in 2011, from 28.20% to 24.90% for the school district. A "no" vote would also greatly reduce the possibility of the District receiving the 0.10 in the future. These percentages were explained to the Committee as the amount paid to the State that was then reallocated to the District through the DSA model. Of .75 shown on an individual's tax bill as being paid to the District, 0.10 of that amount, based on debt rate, would be direct revenue to the District. Mr. Johnson further explained that the 0.75 rate was levied on behalf of the State for operating purposes. The 0.10 was paid to the District for Capital Improvement. The 0.10 being levied by the District through 2011 would be revenues used to pay off

bonds. Following the end of receipt of the 0.10 tax rate, the accumulated abatement would be paid out elsewhere.

Mr. Johnson reiterated that the property tax rate levied to pay off bonds is separate from the Government Services Tax. In the event bonds are paid off, this revenue disappears and allowance for funding of capital projects does, as well. For the next Committee Meeting, Mr. Johnson offered to supply a visual of the pieces of the pie that would disappear in an easy to see chart.

#### **4. Presentation of the History of the Last Approved Bond**

Mrs. Luna, Business Services Director, reviewed and provided written information regarding the 1992 bond approval in Douglas County. Funds were noted to be used for new construction including, Pau-Wa-Lu Middle School, Minden Elementary, and Piñon Hills. Additionally, improvements were made to Douglas High and Carson Valley Middle School. Increased enrollment facilitated the need for the bonds that were issued in series from 1992 through 1994. Mrs. Luna stated the District was later able to refinance both bonds at lower interest rates. This saved taxpayers approximately \$472,000 on the 1992 bond issuance and \$235,000 on the 1994 bond.

#### **5. Capital Project Funding**

##### **A) Amount of Money that is Available**

Mrs. Luna stated information was available on the bidding process followed by the District, but she would not be reporting on it this evening. She reminded the Committee that Capital Improvements were needs in excess of \$100,000. Additionally, District demographics were noted to have changed over the past few years due to declining enrollment. Both enrollment and county population/demographic information was also available, but not reported on.

##### **B) Review of List of Needs and Future Expenditures**

A list of Capital Improvements was provided in chart form of District wide needs, as well as, by individual school sites. Following a review of immediate improvements necessary to each individual site, Committee members requested that administrative and supporting facilities be reported on in the future as they had not been included in this report. During the review of immediate needs, Mrs. Luna explained each item in depth and the reasoning for urgency of replacement, remodel or upgrades.

Administrative facilities, including the District office and airport buildings were therefore to be presented at the next KIDS Committee meeting.

Mrs. Luna stated that five projects had fallen off of the District Five Year Capital Improvement Plan due to the drastic decrease in revenues from Residential

Building Taxes. A new maintenance manager was reported to have been hired that had made a considerable impact on maintenance around the District, in a short period of time. Energy efficiencies were slated for the next agenda. This discussion would include projects affected, as well as, funding and savings offered by Energy Service Companies (ESCO's).

Mrs. Luna stated her desire was to gain from the Committee what they felt was important information to be gathered.

Suggestions from the Committee included using "replacement" in language rather than "upgrades." Also, referring to a "remodel" in certain instances suggests the whole project rather than individual smaller items being improved.

Mrs. Luna was requested to provide future projected demographic information. Declining enrollment was noted to suggest future changes in use of buildings, including possible elimination of building usage. Committee members agreed this would take some time to provide and would not expect information to be available before December.

It was noted that if several funding initiatives were placed on the ballot, they were likely to not pass in Douglas County.

The Debt Management Commission was reported by Mr. Johnson to be the entity that discussed tax rate issues and bond priorities. *The Debt Management Commission can be reached through their secretary, Concha Lord, at [clord@co.douglas.nv.us](mailto:clord@co.douglas.nv.us).*

### **C) Explanation of Different Funding Scenarios**

Mr. Johnson reported on capital financing. Three possibilities for financing were reviewed, along with examples given on a chart ranging from FY 2009 to FY 2019.

- 1) Traditional bonds - were stated as issued over a period of six years in order to be within the .10 tax currently levied. These bonds bring in more income in the early years than the rollover bonds.
- 2) Capital Project Tax – or "pay as you go" – The annual property tax revenues are accumulated and used to pay cash for capital projects.
- 3) Rollover Bonds – This type of bond also allows the District to receive the Governmental Services Tax. Although, property tax revenues through projections of ten years, have to be shown as sufficient to pay debt accumulated. The legislature recently approved the use of "pay as you go" from within the rollover program. If enough money is in the debt service fund, excess revenues are allowed to be transferred for use. This was noted to be a change to the current law.

Mrs. Luna reminded the group that the voter's choice is essentially, where the tax will be directed, either to the school district, or to another entity, and that would be the message that would need to be understood.

## **6. Public Comment**

There was none.

Mrs. Prado proposed a date and location for the December meeting. After some discussion, it was decided the next meeting would be held on Thursday, December 20<sup>th</sup>, 6:30 p.m., at Zephyr Cove Elementary School.

Mrs. Luna stated that a variety of reference information had been put out that had not been discussed this evening and invited everyone to take it for their use.

Meeting adjourned at 8:40 p.m.

Submitted by:

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Carolyn Moore  
Secretary to the Superintendent and  
Board of Trustees

Approved:

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Clerk of the Board

Note: Upon approval by the Board of Trustees in a public meeting, these minutes become the official minutes of the meeting held on the above date. Board minutes are kept on a permanent basis and are available for public review in the office of the Superintendent.