Welcome

Barry Edwards
Superintendent of Schools
The Purpose & Work of the CATF

▷ Your charge was to study the most critical needs of the district and make recommendations that aligned with the Board’s Priority Goals.
▷ You did this in January 2020.
▷ The Board of Trustees have identified the district’s 2020-2021 priority goals in four key areas:

- Safety, Security & Discipline
- Academic Achievement
- Relationships & Broad Based Support
- Facilities Improvement
Your Table Facilitators

Kenneth Parker
Amanda Brantley
Reba King
Karen Trevino
Daniel Brown
Jackie Waneck
Freddy Nunez
Emily Allen
Your Facilitator

Alma Molleur
Outcomes for Tonight

- Overview of Where We’ve Been Together & Reminders of Our Work Process
- Growth & Economic Development Trends
- Construction Market Conditions
- Bond Capacity & Tax Implications
- Overview of subsequent meetings
Our Journey Thus Far
(Slide from Meeting #6 December 2019)

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<tbody>
<tr>
<td>Multiple Campuses Over or Nearing Capacity</td>
<td>Grade Alignment of PK-5, 6-8 and 9-12</td>
<td>Facility Tours (meetings 2 and 3)</td>
<td>Safety Growth</td>
<td>Fast Growth District</td>
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<td>Continued Enrollment Growth</td>
<td>Full Day PK</td>
<td>Comprehensive Assessment Results</td>
<td>Grade Alignment</td>
<td>Superior FIRST Financial Rating</td>
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<td>1,100+ Students in 5 Years and 2,100+ Students in 10 Years</td>
<td>Minimized Transitions</td>
<td>Buildings and Facilities Are Well Cared For</td>
<td>Limit on School Size</td>
<td>$37.3 Million in Savings to Taxpayers Since 2009**</td>
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<td>Current Tax Rate $1.371**</td>
<td>Enhanced Relationships</td>
<td>Deferred Maintenance List is Extensive</td>
<td>Straight Feeder Pattern</td>
<td>7 Cent Tax Rate Reduction in 2019**</td>
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<td>Nearly 70% of Budget Goes to Instruction</td>
<td>Smaller Learning Communities 6-8</td>
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<td>No Tax Rate Impact</td>
<td>$140,535,000 Projected Bond Capacity with No Tax Rate Impact**</td>
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<td>Enhanced CTE</td>
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<td>Project Recommendations</td>
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Ground Rules

▷ One conversation at a time, no sidebar talk.
▷ Honor the time contract.
▷ Listen to understand, respect & honor others’ input.
▷ Think WE not ME.
▷ Be kind.
▷ Be honest.
▷ Be relentless in pursuing consensus.
▷ Have fun!
Dynamics of Group Decision Making

- **Divergent Zone**: Business as usual.
- **Groan Zone**: The diamond of participatory decision-making.
- **Convergent Zone**: Closure point.
Decision Making Process

Consensus

Sustainable Decision

Supermajority
Consensus is our goal!
GROWTH & ECONOMIC DEVELOPMENT TRENDS

Cameron Cox, CEO
Bastrop Economic Development Corp.
City’s ETJ & BISD Shared Jurisdiction

- Both BISD & City of Bastrop have large, legal jurisdictions covering rural Bastrop County to the Travis County line.
- This is where the development is coming due to Tesla & Austin.
- This is the area the BEDC is interested in for a sewer study.
- Benefits City of Bastrop, BISD and our core strategic plans of strengthening our land for development and our schools.
BEDC Study

- To be completed over next 5-6 months
- Will provide the feasibility, costs, and proposed locations for trunk lines, collection lines and treatment systems
- Needs to include BISD proposed schools and facilities
Q & A
Growth & Economic Development
CONSTRUCTION MARKET CONDITIONS

Justin Huling
Project Manager
CONSTRUCTION COST TRENDS

PRIOR TRENDS
- National Economy
- Texas Economy

CURRENT CONDITIONS

PROJECTIONS
WHERE WE HAVE BEEN

- SLOWDOWN STARTING IN 2007; RECESSION FROM 2008 - 2010
- SHARP INCREASE IN PRICES JUST PRIOR TO RECESSION
- STABLE ECONOMY FOR SEVERAL YEARS PRIOR TO COVID
- COVID AFFECTING LOCAL MARKETS AND GLOBAL SUPPLY
CHICAGO FEDERAL RESERVE - NATIONAL ACTIVITY INDEX
ECONOMIC FACTORS AFFECTING CONSTRUCTION COSTS

- Employment Rate
- Natural Disasters
- Trade Policies & Global Economics
- Government Policies
- Local Growth & Development
- Supply Chain & Manufacturing
- Commodities Pricing
UNEMPLOYMENT RATE

SOURCE: BUREAU OF LABOR STATISTICS
CENTRAL TEXAS

- Bastrop County population increase of 19.6% since 2010*
- Austin MSA population increase of 29.8% since 2010*
- Texas population increase of 15.3% since 2010*
- Leading tech & automotive manufacturers investing in Texas
- School Bond Activity
- Austin area resistance to economic downturn

*US BUREAU OF THE CENSUS
Business Cycle Indexes: Major Texas Metros

Index, October 1980 = 100*  

- Austin - Round Rock  
- Dallas - Plano - Irving  
- Fort Worth - Arlington  
- San Antonio – New Braunfels  
- Houston – The Woodlands – Sugar Land  

*Monthly, seasonally adjusted  
Last data entry September 2020  

SOURCE: FEDERAL RESERVE BANK OF DALLAS
$7.5 Billion in bonds passed in Texas in November 2020 election

$2.5 Billion in bonds passed regionally around Bastrop in November 2020 election

$2.5 Billion
• MAJORITY OF SUBCONTRACTORS ARE LOCAL TO THE AREA

• SOME TRADES AFFECTED MORE THAN OTHERS

• TIMING IS IMPORTANT

• RELATIONSHIPS MATTER
GOVERNMENT POLICY & PROJECT COST

**EPA**
- Manufacture of Polyliso Insulation
- Coal plant shutdown & fly ash

**TARIFFS & TRADE WARS**
- Manufactured steel
- Lighting
- Kitchen components

**TRADE AGREEMENTS**
- Renegotiation of NAFTA
  - Mexico is primary trade partner to Texas

**LOCAL ORDINANCES**
- Recycling & energy mandates
- Flood plain revisions
- Updated building codes
FUTURE COST INFLUENCES

COVID-19 ACCOMMODATIONS

• COVID-19 shutdowns affecting manufacturing and lead times
• Revised construction processes reducing productivity
• Contractors may sharpen pencils in the short term, but are subject to labor and material costs

DISTRICT TEACHING & FACILITY PROGRAMMING

• Building programming of spaces
• Extra-curricular and co-curricular activities
• Updated design standards
FUTURE COST INFLUENCES

GOVERNMENT POLICIES

- Energy codes
- Building codes
- Green deals

ECONOMIC CLIMATE OF TEXAS AND AUSTIN

- Texas is the nation’s largest exporting state
- Texas job growth is outpacing the national average
- Austin growth is outpacing the rest of the state
EXPECT THE UNEXPECTED

- Plan for cost increases
- Anticipate code and ordinance changes

USE THE PAST TO PLAN FOR THE FUTURE

- Pre-COVID business cycle expansion was 2nd longest in history
- Market still has growth indicators
- Sharp price fluctuations level out eventually
- Unexpected cost increases happen periodically
Q & A

Construction Market Conditions
BOND CAPACITY & TAX IMPLICATIONS

Josh McLaughlin
BOK
TABLE TALK
Bond Capacity & Tax Implications
Lingering Questions
Meeting #2 is December 7 at 6:00 pm

Cedar Creek High School

Consideration of Additional Projects for Bond Recommendation