

Meeting Notes

PROJECT: Reynolds School District Bond and Finance Planning Committee
DATE: February 6, 2023
SUBJECT: Meeting 4
ATTENDEES: Mike Anderson, Alan Berry, Allison Brown, Alyssea Cephas, Kristy Curletto, John Dixon, Jelena Doney, Ismael Gonzalez, Jennifer Halleck, Anthony Lebron, Christopher Ortiz, Brent Perrin, Karen Roney, Karina Ruiz, Gary Schuh, Erika Teyema, Sarah Traglio, Brendan Watkins, Joanna Williams, Jeremy Wright.

Welcome and Opening Remarks

Karina Ruiz opened the meeting, reviewed the agenda and group agreements. She also reviewed the last meeting, and some brief updates on the project.

Polling Data

Jeremy Wright, Wright Public Affairs, then gave a presentation on the polling done in January 2023 with Patinkin Research Strategies. Key takeaways from the polling data include the following:

- Surveyed 400 likely voters in the Reynolds School District through telephone interviews.
- Data has a margin of error of plus or minus 4.9 percent.
- Voters who are likely to turn out in a November 2023 election are older (over 50), with higher numbers of Democrats.
- A higher percentage of people perceive RSD schools as in good condition.
 - People who believe schools are in fair or poor condition are most likely to vote 'yes' on a bond.
- About 52-55% of polled voters would vote 'yes' on a bond:
 - 30-36% would vote 'no.'
 - 8-19% are undecided.
 - The intensity of those feelings is light: people don't feel strongly either way.
- Three different packages were polled (estimated at \$274 million, \$200 million, \$133 million)
 - The largest and smallest bond packages receive similar levels of support.
 - The key takeaway from the data is to go for the larger bond package.
- Projects that fall under the 'warm, safe, dry and healthy' categories garnered the most support.
 - Grandstand and sports fields updates polled generally positively.
- Replacing four elementary schools polled better than combining four elementary schools into two, larger schools.

Questions from the group:

- Is there any fatal flaw in going for the November 2023 ballot?

- Not that we can see. If you do decide to go for a different ballot, it might change the electorate, but we don't see any major risks in aiming for November 2023.
- It looks like the stadium at RHS was added in, based on our recommendation in the last meeting. Is that actually feasible for the site?
 - CSG did a very rough test, and it looks like it's possible. However, there would need to be a deeper dive into the amenities for this site, and the parking required by code.
 - Once we decide what the projects are that we would want to go after, there would be a feasibility study conducted to make sure these can be conducted, and to produce visuals to put into voter education materials.
- Would an economic downturn affect this polling data?
 - Yes. However, people are currently feeling anxiety about a recession, but not many actual effects. If there is high unemployment because of an economic downturn, then yes, that would affect whether people are willing to vote for a tax increase.

Bond Financing Scenarios

Brendan Watkins, Piper Sandler, gave a presentation outlining some of the possible bond financing scenarios. Key takeaways from this presentation include:

- It's feasible for the District to pursue a larger bond package (at about the \$274 million level).
- There are financial mechanisms to support a larger bond package, and to ensure that there is financing available to the District in the future.

Questions and comments from the group:

- How soon can the committee start to build enthusiasm for the bond?
 - Technically, official 'campaigning' shouldn't start until the Board agrees on a package. However, folks can start talking about the process, and the ideas circulated here, with people that they know.

Next Steps

Karina reviewed the next steps with the group:

- The committee has received clear validation that the direction that they want to go aligns with the polling data and financing scenarios.
- Typically, the committee would do a 'build a bond' exercise, but a lot of that work is already done. However, we'll go through and fine-tune that to review some of the details of what goes into the overall package, and to ensure that the right projects are discussed and reviewed.
- The committee's next meeting is not scheduled yet, but Jelena will be reaching out to schedule that shortly. The committee will likely meet sometime in March 2023.
- The project team will still need to do some work on exploring feasibility, and also putting together more detailed information on projects (especially the deferred maintenance type projects, and making sure things still align with what was prioritized in the facilities assessment).

These meeting notes are a record. If there are any errors and/or omissions in the foregoing notes, please advise our office immediately; otherwise these notes will be considered correct and complete as written.

Submitted by

Allison Brown
BRIC Architecture, Inc.

Attachments:

- PowerPoint presentation, 2/6/2023, 42 pages



Bond and Finance Planning Committee

Meeting 4: February 6, 2023

As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.



Meeting Agenda

- 4:00 – 4:05 pm Opening Remarks/Group Norms
- 4:05 – 4:10 pm Brief Recap of Last Meeting, Project Updates
- 4:10 – 4:30 pm Polling Data
- 4:30 – 4:55 pm Possible Bond Financing Scenarios
- 4:55 – 5:00 pm Wrap-Up and Next Steps

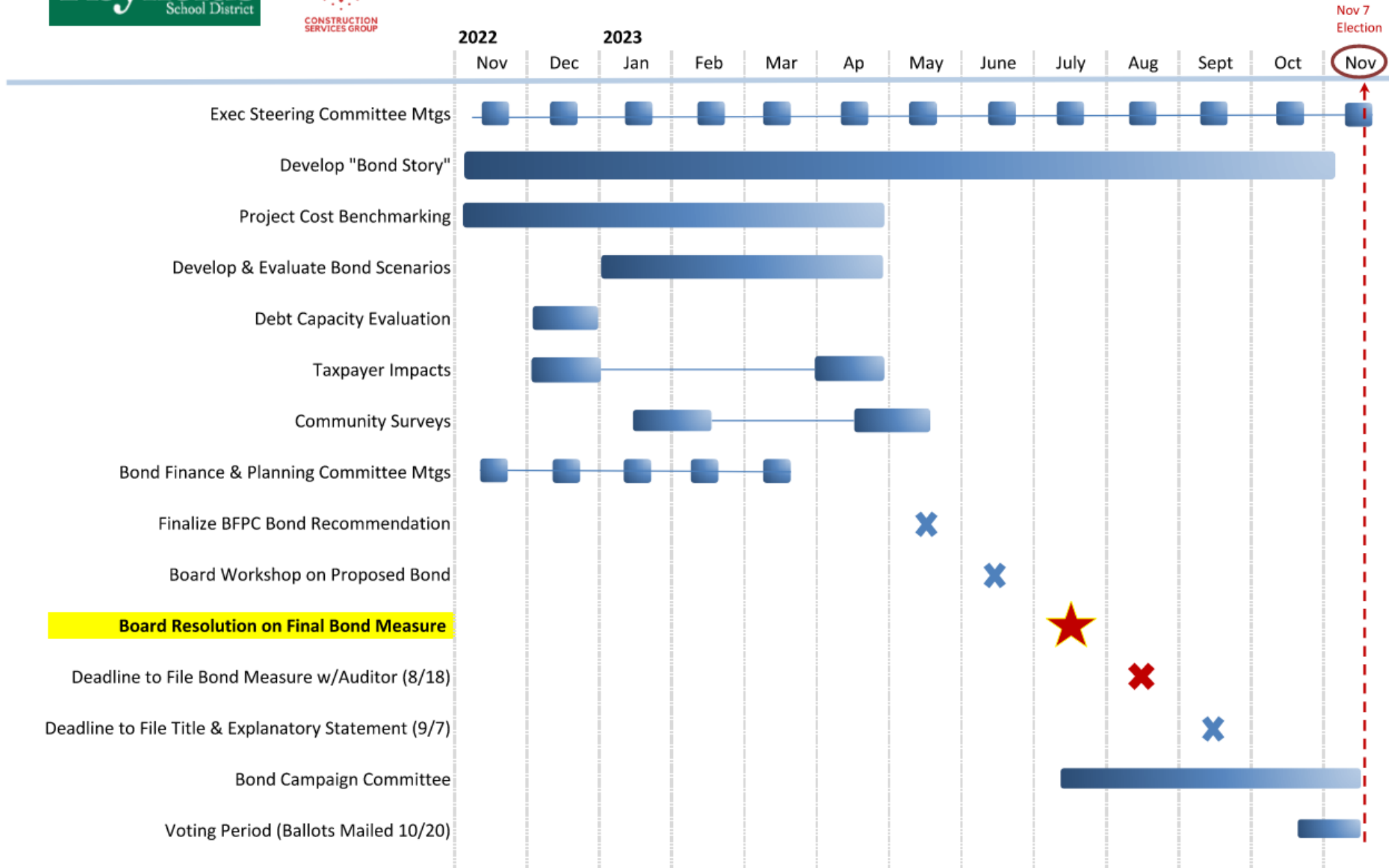
Group Norms

- Stay engaged.
- Speak your truth responsibly.
- Listen to understand, to believe.
- Be willing to do things differently and experience discomfort.
- Expect and accept non-closure.
- Take space, make space.
- Ensure each person has a chance to speak.
- Respect each others' voices and views.

Recap of Last Meeting

- Revised themes from Listening and Learning (you received report last week)
- You talked through some priorities you're interested in exploring for the bond
- Key takeaways included interest in going out for a bigger bond, interest in updating the four oldest elementary schools, interest in upgrading sports facilities at RHS, and safety and security project across the District

BOND PLANNING TIMELINE



Updated Meeting Schedule

Nov. 1: Kickoff Meeting

Nov. 7

- Timeline, Updates & Proposed Engagement
- Draft Guiding Principles
- Proposed Bond Priorities

Nov. 14

- School Facility Tour

Late November – Late December

- Community Dialogue Sessions
- School Facility Tours

Dec. 5

- School Facility Tour

Dec. 12

- Review community feedback
- Early (not final!) prioritization
- Project cost estimates

February 2023

- Review bond scenarios
- Review polling results
- Prioritization, ‘build a bond’ activity

Polling Data

Reynolds School District Bond



**PATINKIN
RESEARCH
STRATEGIES**



- **A survey of 400 likely voters in the Reynolds School District was conducted by telephone using professional interviewers.**
- **A voter file sample was used and the poll universe was diminished to reflect a likely November, 2023 electorate.**
- **Interviews were conducted January 22-24, 2023.**
- **The margin of error for the sample as a whole is plus or minus 4.9 percentage points at the 95% level of confidence. The margin of error for subgroups varies and is higher.**
- **Throughout this report we refer to “younger” and “older” voters. Younger voters are under age 50 and older voters are age 50 and up.**

Demographics:

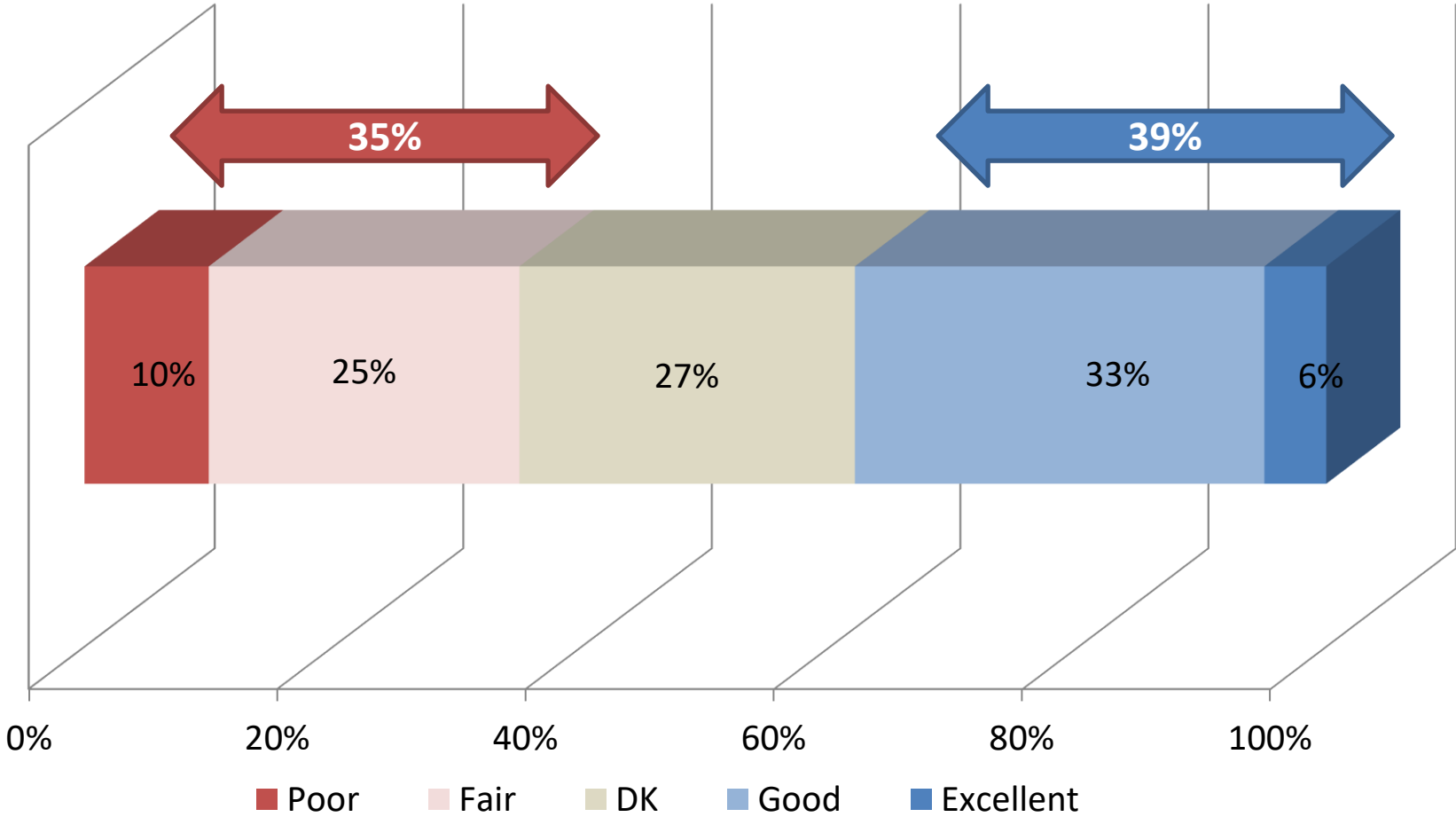


	Registered Voters	Likely November 2023 Voters
Men	41%	42%
Women	44%	48%
Unknown gender	15%	10%
Under age 50	52%	31%
Over age 50	48%	69%
Over age 70	16%	31%
Fairview/Wood Village	20%	19%
Gresham	32%	27%
Portland	24%	27%
Troutdale	24%	27%
Democrats (reg.)	37%	45%
NAV/independents (reg.)	44%	28%
Republicans (reg.)	19%	27%



Perceptions of the School District

While perceptions of school facilities are divided, intensity of feeling is low



Do you think Reynolds School District facilities are in excellent physical condition, good condition, fair condition, or are they in poor physical condition?

Those who believe school facilities are in “fair” or “poor” condition are most likely to vote “yes” on the bond



How the bond performs amongst those who have a positive perception of school facilities:

- 48% yes
- 41% no
- 10% DK/NA

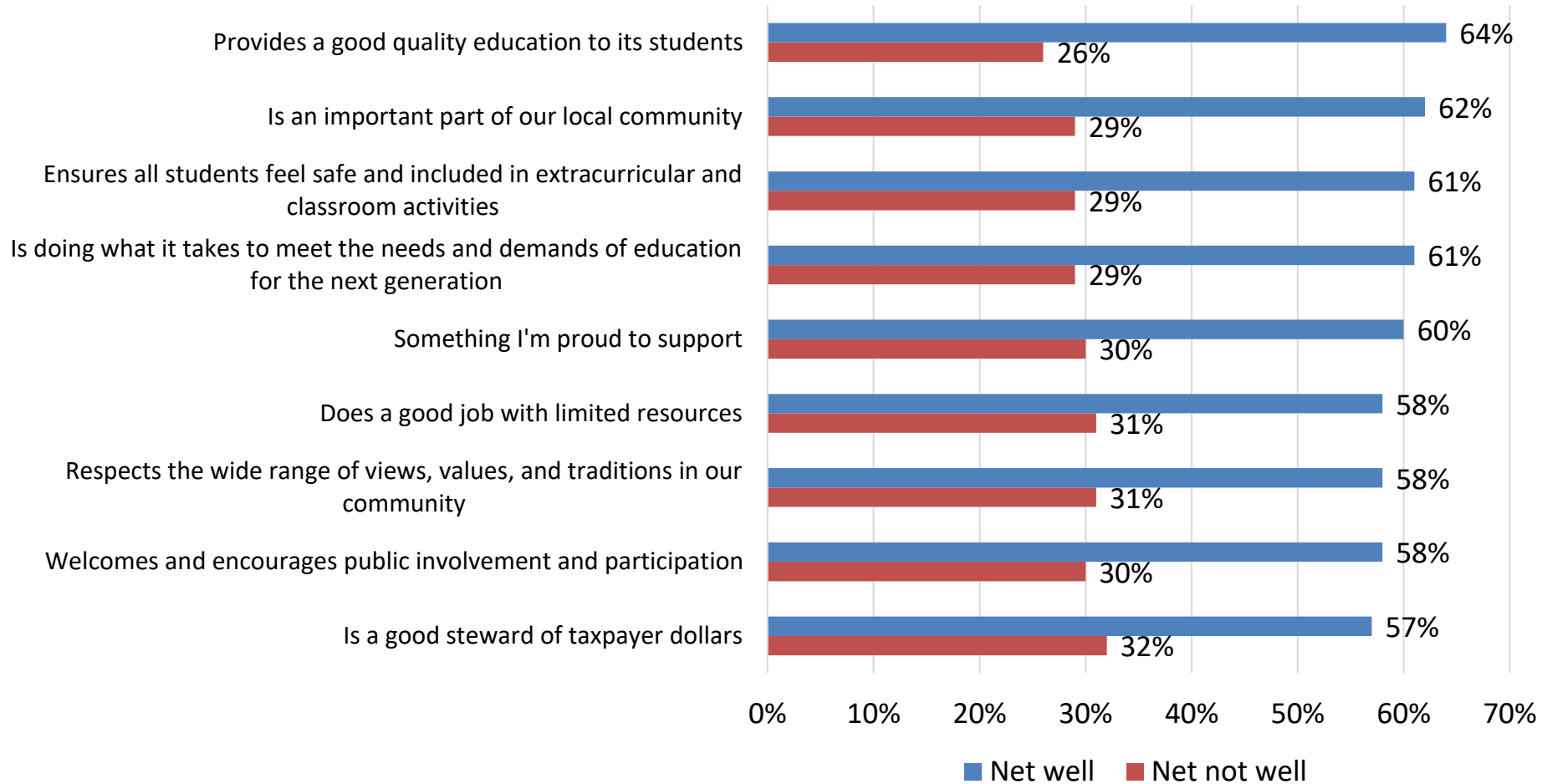
How the bond performs amongst those who are unsure of the condition of school facilities:

- 18% yes
- 37% no
- 45% DK/NA

How the bond performs amongst those who have a negative perception of school facilities:

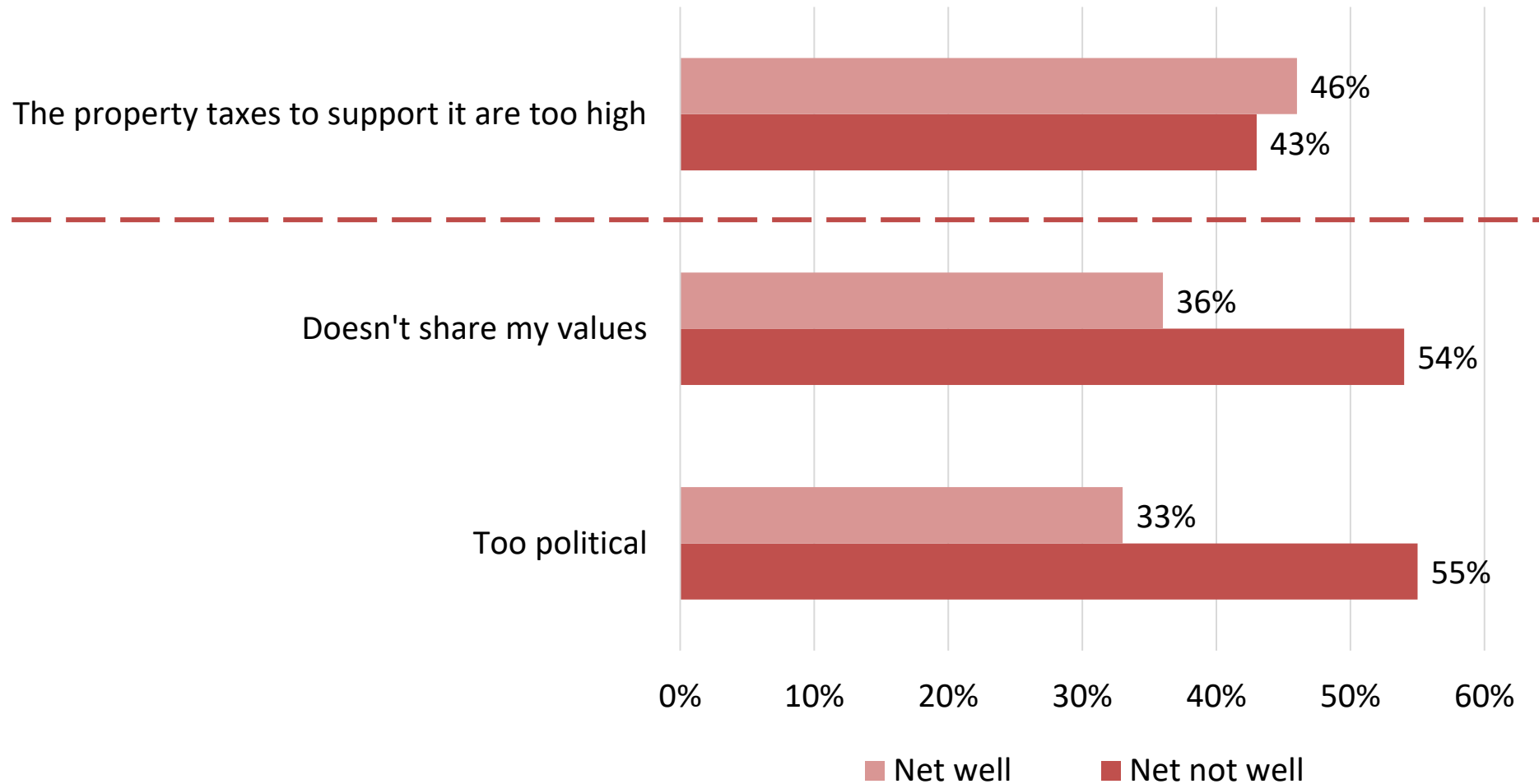
- 70% yes
- 11% no
- 9% DK/NA

The district receives positive ratings on educational quality, relationship with the community, and fiscal responsibility



Switching gears now, the following battery is a list of words and phrases that people use to describe public school districts. After each, please tell me how well you think it describes the Reynolds School District – does it describe the Reynolds School District very well, pretty well, not too well, or not well at all.

While voters disagree with assertions that the district is too political and doesn't share their values, they are divided over whether school taxes are too high



Switching gears now, the following battery is a list of words and phrases that people use to describe public school districts. After each, please tell me how well you think it describes the Reynolds School District – does it describe the Reynolds School District very well, pretty well, not too well, or not well at all.

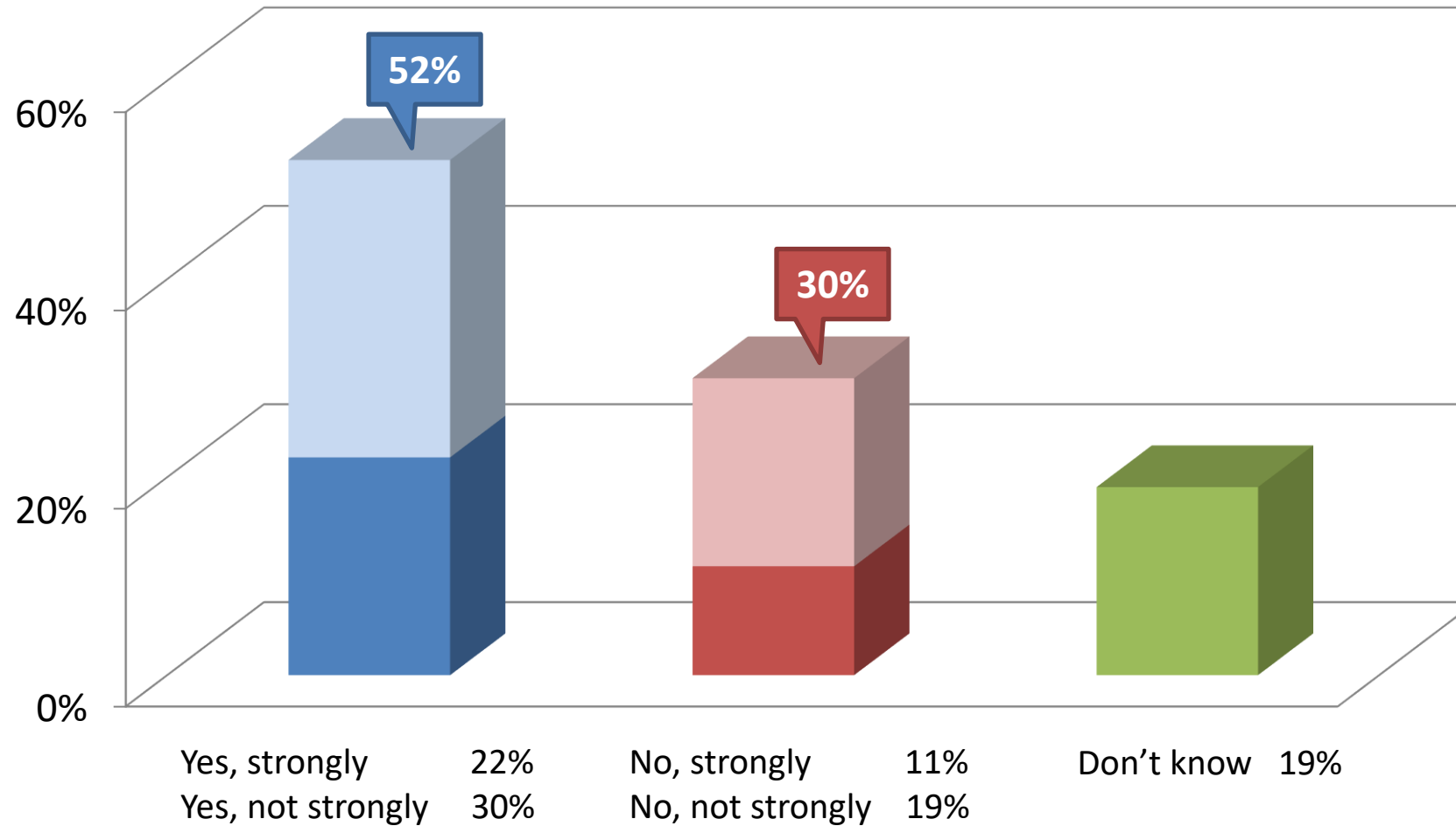


Where We Start

A slim majority start out voting “yes” based on mocked up ballot language



Intensity of feeling is fairly weak and one-in-five are undecided.



The Reynolds School District may place a bond measure on the November 7th, 2023, ballot which would read:

“Bonds to increase safety, repair schools; replace four elementary schools. Shall district increase safety, replace elementary schools; repair, improve facilities; issue \$275 million dollars in general obligation bonds; audits required?”

Having heard this, if the election were held today, would you vote “yes” or “no” on this bond measure?

Younger, college educated voters and renters are the biggest supporters of the bond



	Yes	No	Don't Know	Yes Margin
Men	50%	28%	22%	+22
Women	52%	32%	17%	+20
Under age 50	73%	17%	10%	+56
Over age 50	42%	36%	23%	+6
Over age 70	34%	42%	24%	-8
No college education	43%	35%	22%	+8
College+	64%	21%	15%	+43
Homeowners	43%	39%	18%	+4
Renters	64%	15%	21%	+49
TOTAL	52%	30%	19%	+22

Having heard this, if the election were held today, would you vote "yes" or "no" on this bond measure?

Voters of color are also a core base support group



	Yes	No	Don't Know	Yes Margin
White voters	49%	32%	18%	+17
BIPOC voters	60%	20%	20%	+40
Fairview/Wood Village	57%	18%	25%	+39
Troutdale	49%	27%	24%	+22
Gresham	52%	33%	16%	+19
Portland	49%	37%	13%	+12
TOTAL	52%	30%	19%	+22

Having heard this, if the election were held today, would you vote “yes” or “no” on this bond measure?

District parents are also a key base subgroup though they make up a relatively small portion of the likely electorate



	Yes	No	Don't Know	Yes Margin
Democrats	64%	23%	14%	+41
NAV/Independents	48%	24%	28%	+24
Republicans	34%	47%	19%	-13
Current SD Parents	70%	19%	10%	+51
Previous/Future SD Parents	57%	29%	14%	+28
Never SD Parent	26%	40%	34%	-14
TOTAL	52%	30%	19%	+22

Current Reynolds School District parents are estimated to comprise 17% of the likely November 2023 electorate.

Having heard this, if the election were held today, would you vote “yes” or “no” on this bond measure?

More information about the bond:

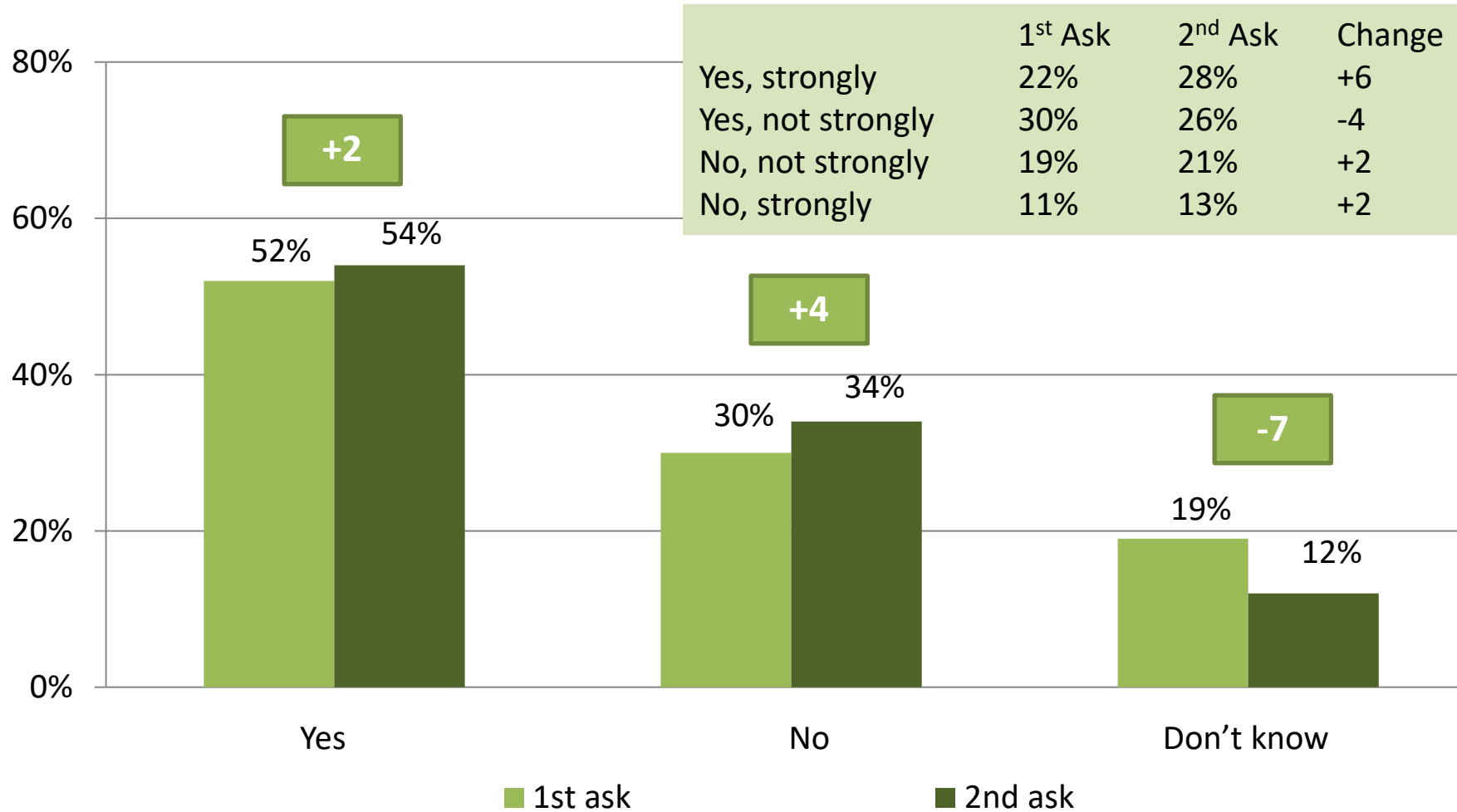


Let me tell you a little more about the bond we just discussed. The bond would pay to replace the district's four oldest elementary schools, all of which are nearly 60 years old or older. This proposal is also designed to address critical repair and safety needs across the district including improving indoor air quality by updating heating and cooling systems, addressing aging roofs and constructing high school grandstands and fields so that students, their families, and the community can attend sporting events on campus. The bond would replace outdated fire safety and security systems, upgrade emergency communications, and reduce possible exposure to lead, asbestos, and mold. These improvements are estimated to cost an additional one dollar and 21 cents per one thousand dollars of assessed value per year for a property owner in the district. Having heard this, would you vote yes or no on this bond proposal?

The plain language description of the bond does little to move overall support or opposition



That said, strong support grows by six-points as voters learn more about the bond.



Having heard this, would you vote yes or no on this bond proposal?



Building a Popular Bond

Bond packages tested:



\$274 million

- A bond that is estimated to cost an additional \$1.21 per one thousand dollars of assessed value per year for a property owner in the district. This bond would replace the district's four oldest elementary schools, address critical updates and repairs at schools across the district, increase student and staff safety, and construct grandstands and fields at the high school

\$200 million

- A smaller bond that is estimated to cost an additional \$0.71 per one thousand dollars of assessed value per year for the average property owner in the district. This bond would address critical updates and repairs at schools across the district and would fund the replacement of the district's two of the four oldest elementary schools. It would not fund a grandstand and fields at the high school and would pay for a more limited amount of safety and security improvements

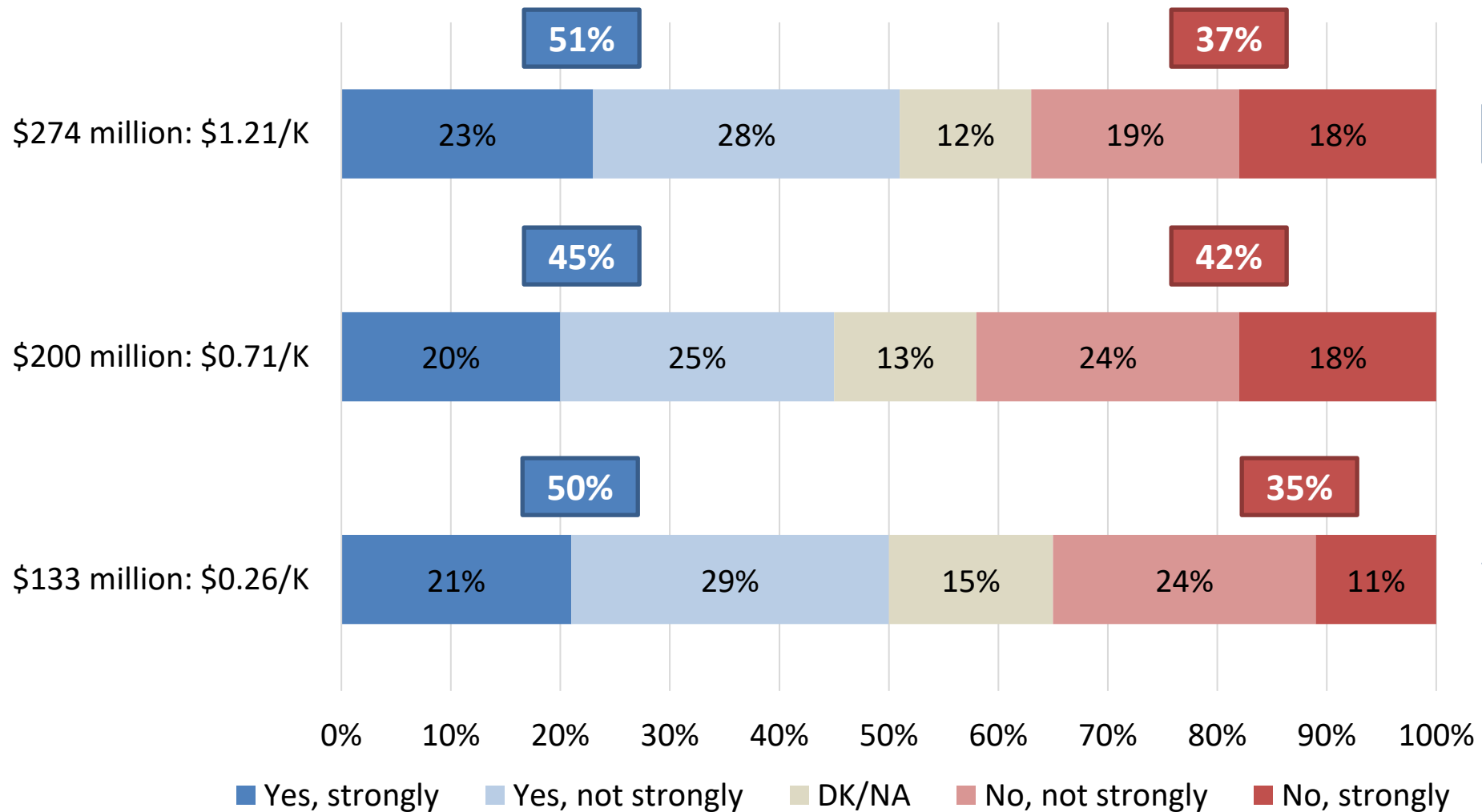
\$133 million

- A smaller bond that is estimated to cost an additional \$0.26 per one thousand dollars of assessed value per year for the average property owner in the district. This bond would only pay to address H-VAC upgrades and a smaller number of safety and security upgrades at schools across the district. It would not replace any of the district's four aging elementary schools

Both the largest and smallest bond packages receive similar levels of support—for now, we should keep every option on the table



Looking deeper at the crosstabs, the higher bond amount is more popular amongst Democrats, while the lower bond amount is more popular with Republicans. The shift is purely partisan, with little change in overall support based on parental status and age.



Top tier bond aspects focus on student health and safety and basic repairs



	Favor, strongly	Net “favor”
Addressing student health and repair needs at the same time by replacing aging, rusting, and led plumbing and pipe fixtures	30%	65%
Increasing student and staff safety by removing toxic asbestos	33%	64%
Improving fire safety by installing up-to-date fire alarm systems, upgrading sprinklers, installing a fire access road at the high school, and hydrants and fire lines at other schools across the district	31%	63%
Improving student and staff safety and security by improving emergency communications, adding exterior lighting and fencing, updating secure entry vestibules, and replacing security systems	31%	63%
Replacing outdated heating and cooling systems that are well beyond their useful life, and expensive to repair. The bond would also install air conditioning in schools in order to improve indoor air quality and reduce student exposure to smoke during fire season	30%	62%
Saving money from increased efficiencies like upgrading inefficient exterior windows	30%	61%
Conducting needed replacement and repair work on aging roofs	32%	60%

Next is a list of possible aspects of the potential Reynolds School District bond we’ve been discussing. After each, please tell me whether you favor or oppose that particular aspect of the bond.

ADA improvements and athletic upgrades fall into the second tier



	Favor, strongly	Net “favor”
Improving accessibility in a number of school buildings in order to meet A-D-A requirements, also known as Americans with Disability Act requirements	23%	58%
Increasing student safety by upgrading aging playgrounds at area schools, including adding an A-D-A accessible covered play area at Alder and Davis Elementary Schools so that all students can have a place to exercise outdoors during the rainy season	26%	57%
Constructing a grandstand and updates sports fields at the high school, allowing students, their families, and the community to attend sporting events on campus just like every other high school in the county	28%	56%

Next is a list of possible aspects of the potential Reynolds School District bond we’ve been discussing. After each, please tell me whether you favor or oppose that particular aspect of the bond.

Voters prefer replacing neighborhood schools over consolidation in a split sample exercise



	Net “favor”	Net “oppose”
SPLIT SAMPLE A: Replacing the districts four oldest elementary schools with four up-to-date neighborhood schools that meet the needs of a modern education while maintaining the smaller school communities that students and families are accustomed to	60%	29%
SPLIT SAMPLE B: Replacing the districts four oldest elementary schools with two up-to-date larger schools that meet the needs of a modern education while creating operating efficiencies and savings that allow the district to provide students with a broader selection of elective courses and programs	46%	39%

Next is a list of possible aspects of the potential Reynolds School District bond we’ve been discussing. After each, please tell me whether you favor or oppose that particular aspect of the bond.

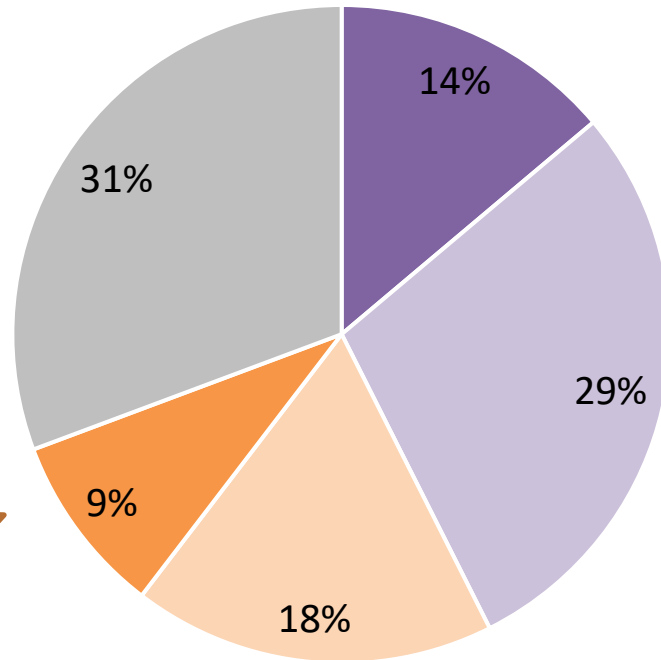
Direct questioning results in the same finding with a plurality preferring smaller neighborhood elementary schools



It's worth noting that district parents feel even more strongly on the issue with 59% preferring the four school approach and only 20% opting for the two school approach.

[OPTION B: TWO SCHOOLS] ONE/THE OTHER option would replace the four oldest elementary schools with two new schools. This option would result in larger schools with around 900 students each. Larger schools allow the district to save money by creating administrative efficiencies, allowing the district to offer students more access to a full host of elective courses including music, art, and STEM, while also providing them with better access to school mental health counselors and nurses.

NET OPTION B/TWO SCHOOLS: 27%



- Option A, strongly
- Option A, not strongly
- Option B, not strongly
- Option B, strongly
- DK/NA

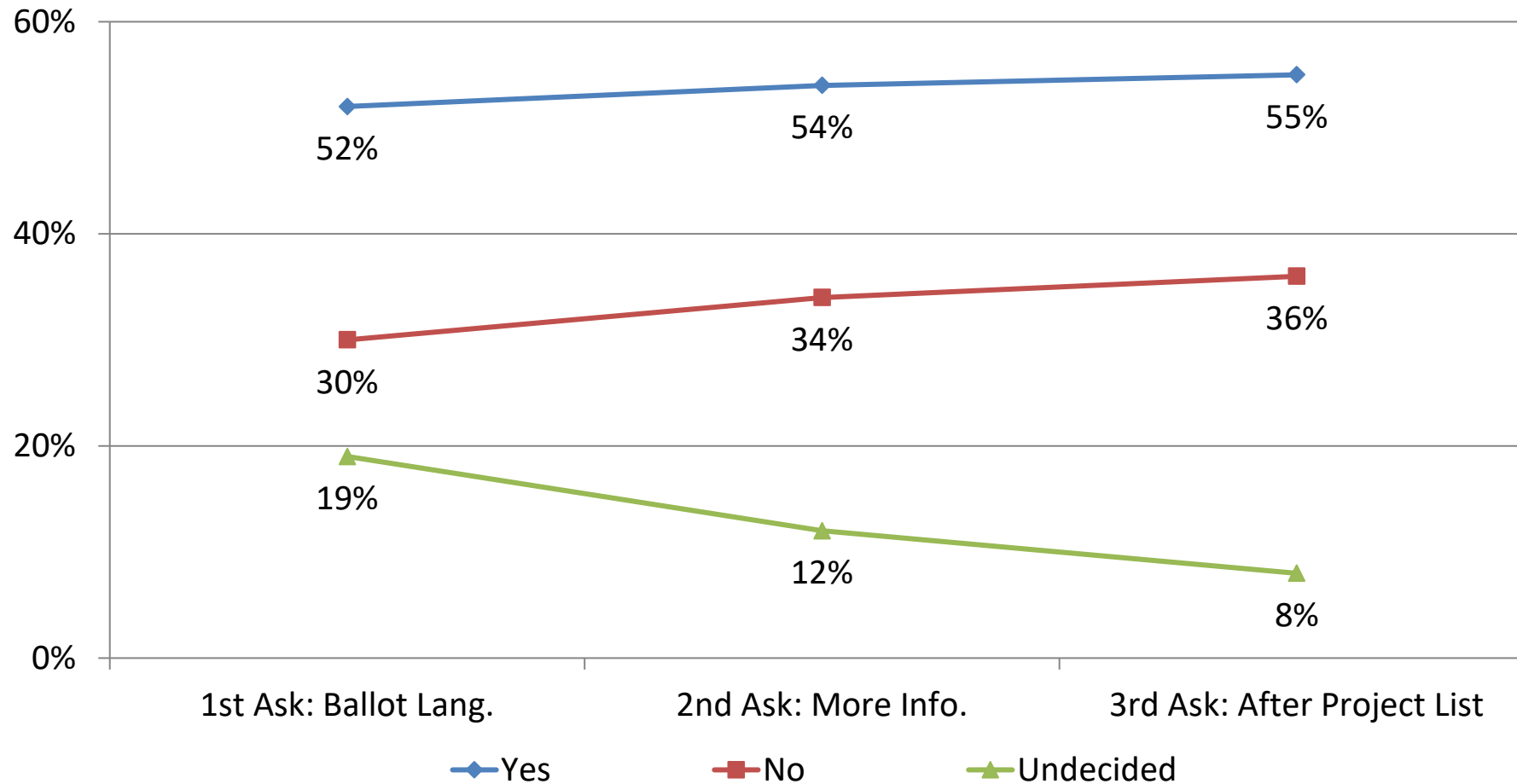
[OPTION A: FOUR SCHOOLS] ONE/THE OTHER option would replace the four oldest elementary schools with four new neighborhood schools. This option would result in smaller schools with around 450 students each. Small neighborhood schools can more easily create a sense of community, allow for more individualized attention and can serve as important anchors for the local community.

NET OPTION A/FOUR SCHOOLS: 43%

By the end of the survey the bond continues to hover right above the 50+1 mark



Given that 46% of respondents feel that taxes for the district are too high, it may be that with this particular electorate support in the mid-50s could be our high-water mark.



Having heard this, if the election were held today, would you vote “yes” or “no” on this bond measure?

Bond Financing Scenarios

Reynolds School District Bond Finance and Planning Committee

**Brendan Watkins
Vice President
Piper Sandler**

What is a General Obligation Bond?

- **“Bonds” are loans that are broken into pieces and sold to investors.**
- **“General Obligation Bonds” are secured by property taxes and District’s “full faith and credit”.**
- **Debt service is repaid by property tax levy on all properties within District.**
- **GO Bonds require voter approval for the new property tax levy to repay the Bonds.**

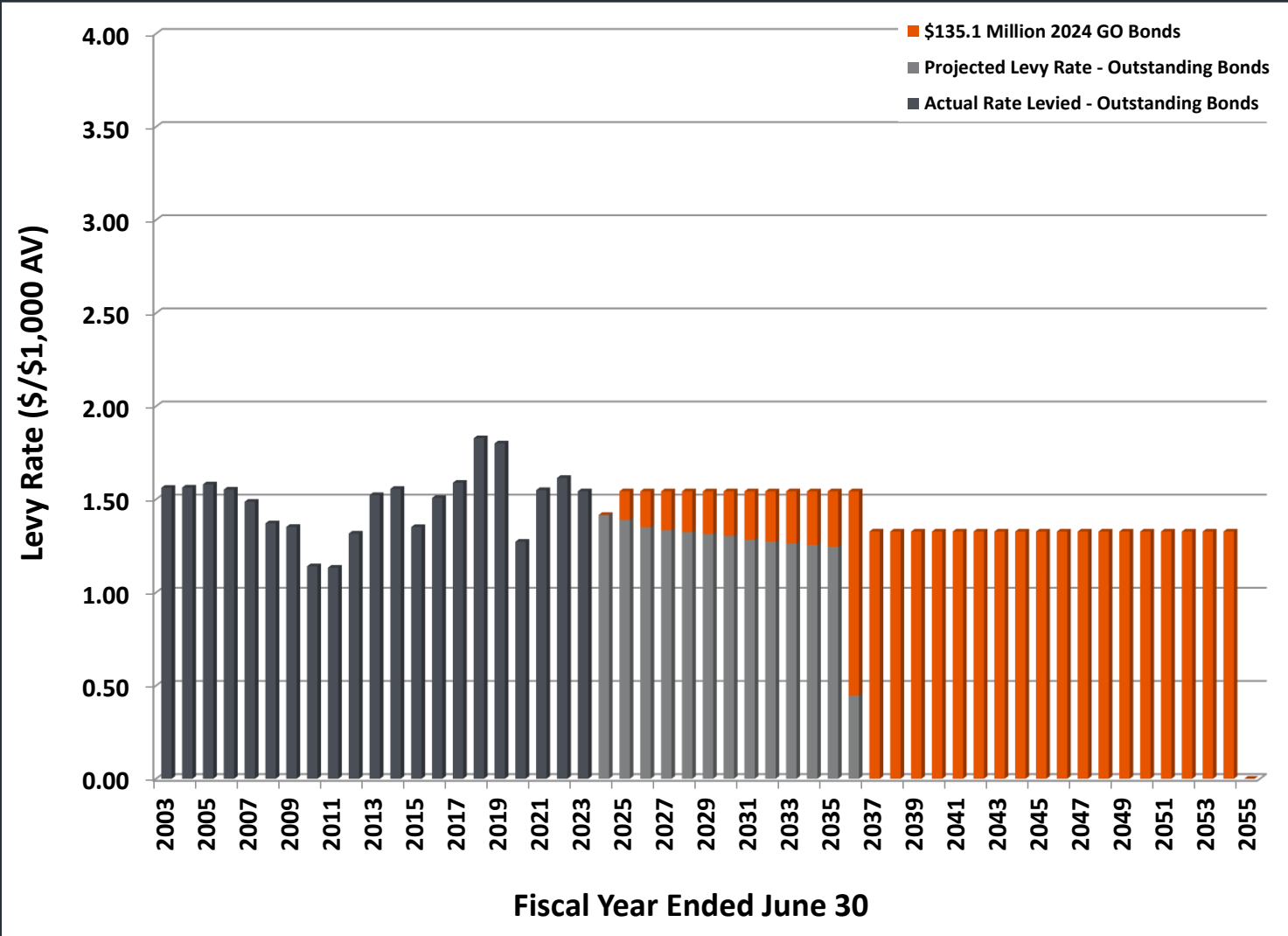
Summary of Structuring Scenarios

Structure		\$133.7 Million Project \$1.80 Levy with Step		\$200.0 Million Project \$2.25 Levy with Step		\$273.9 Million Project \$2.75 Levy with Step	
Par Amount		\$135,050,544		\$202,024,500		\$276,668,650	
Dated Date		2/15/2024		2/15/2024		2/15/2024	
Final Maturity		6/15/2054		6/15/2054		6/15/2054	
Amortization Period		30.33 Years		30.33 Years		30.33 Years	
Projected Average Levy Rates*							
	Prior Debt	New Bonds	Combined	New Bonds	Combined	New Bonds	Combined
2023.....	\$ 1.54	\$ -	\$ 1.54	\$ -	\$ 1.54	\$ -	\$ 1.54
2024.....	1.42	-	1.42	-	1.42	-	1.42
2025-2035.....	1.30	0.50	1.80	0.95	2.25	1.45	2.75
2036.....	0.45	1.35	1.80	1.80	2.25	2.30	2.75
2037-2054.....	-	1.04	1.04	1.36	1.36	1.71	1.71
Key Statistics for \$200,000 AV Home							
Levy Increase per \$1,000		\$0.26		\$0.71		\$1.21	
Annual Tax Increase		\$51.29		\$141.31		\$241.28	
Current Annual Tax		\$308.66		\$308.66		\$308.66	
Projected Annual Tax		\$359.95		\$449.97		\$549.94	

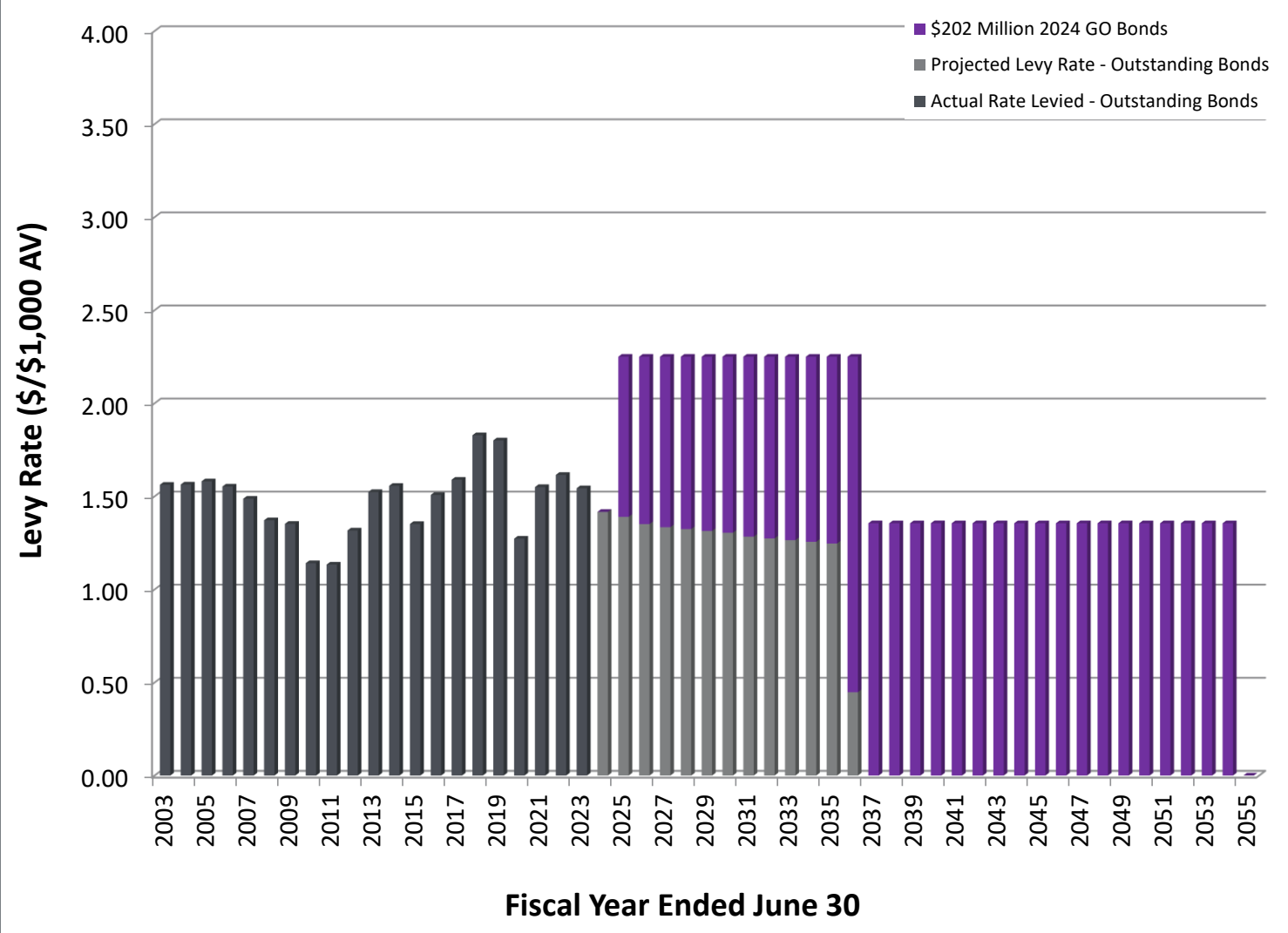
Structuring Assumptions			
Assessed Value (AV) Growth		Tax Collections	
2024	3.25%	2025	94.00%
2025	3.25%	2026	95.00%
2026	3.25%	2027	97.00%
2027	3.25%	2028	97.50%
Thereafter	3.25%	Thereafter	97.50%

* Projected levy rates and taxes are based on assumptions regarding AV growth, tax collections & interest rates that may prove to be untrue. FY 2023 bond levy rates represents actual levy rate paid by taxpayers for current year.

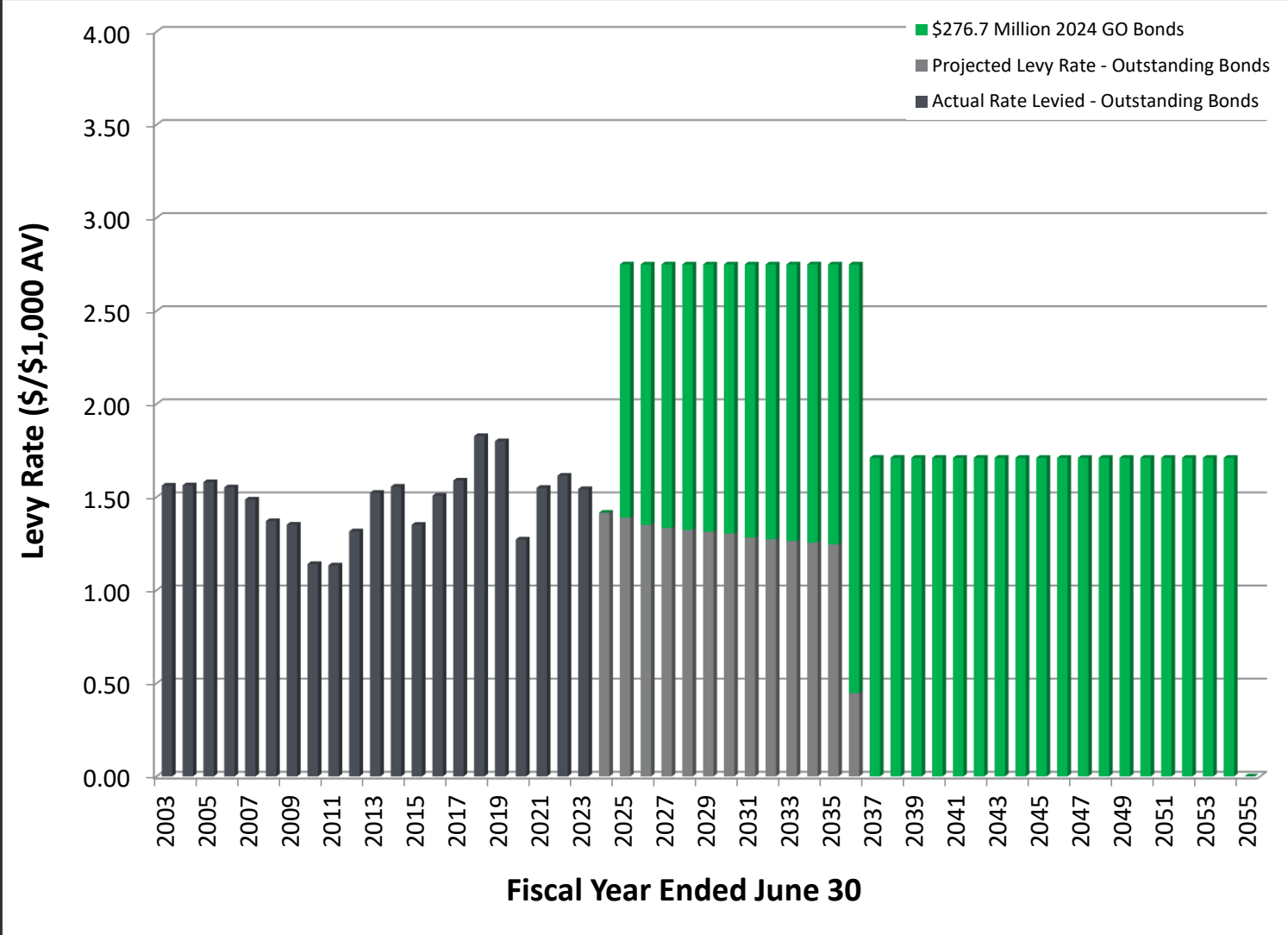
GO Bonds, Series 2024 – \$133.7M Project



GO Bonds, Series 2024 – \$200.0M Project



GO Bonds, Series 2024 – \$273.9M Project



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Next Steps

Next Steps

Next committee meeting





Thank you!



As a community, we prepare lifelong learners to achieve their full potential in a complex and interconnected world.