



***Citizens’ Advisory Committee***  
***Meeting 2 Summary Notes***  
**Thursday, October 5, 2017**

**Welcome**

Dr. Jamie Wilson, superintendent, welcomed the committee members and introduced the following:

- CAC co-chairs: Jeff Williams and Lauren Baccus
- Sub-committees:

<b>Sub-Committee</b>	<b>District Point of Contact</b>	<b>Sub-Committee Lead</b>
Growth	Dr. Richard Valenta	Susan Parker
Elementary Schools	Susannah O’Bara	Molly Tampke
Secondary Schools	Dr. Gwen Perkins	Mike Vance
Extracurricular Programs	Jackie deMontmollin & Joey Florence	Tim Crouch
Special Programs	Dr. Daniel Lopez	Nancy Murphy-Chadwick
Innovation	Dr. Mike Mattingly	Kevin Roden

**School Finance 101 & DISD Financial Overview**

Dr. Wilson reviewed school finance and presented the differences between the General Fund and Debt Service Fund.

The District’s budget is based on a tax rate set forth by the Board of Trustees and is the rate necessary to support the budgets for the current fiscal year.

**General Fund** – maintenance and operations (M&O); supports the major operational and educational programs of the district for expenses such as salaries and benefits, utilities, supplies and materials, and many other costs.

**General Fund Sources**

- Property taxes (Property values are provided by Denton Central Appraisal District) and through other local sources (tuition, athletic revenue, facility rental and interest earnings).
- State sources are through the Foundation School Program whereby the state establishes the amount of state funding due to school districts under Texas school finance law, administered by the Texas Education Agency.
- Federal Sources are indirect cost related to federal grants and SHARS

**Debt Service Fund** (Interest & Sinking) (I&S) – supports the repayment of debt authorized by district voters. The district cannot use I & S funds to pay salaries or operational costs.

#### **Debt Service Sources**

- Property Taxes derived by applying the I & S tax rate to the property values

### **Bonding Capacity & Tax Impact Scenarios**

Bill Gumbert, BOK Financial Securities, presented the District's current debt position and preliminary Bond Capacity analysis. Since year 2011, Texas school districts within Regions 10 and 11 ESC have completed 29 successful bond elections over \$100 million, totaling over \$9.7 billion.

Denton Independent School District (the "District") has implemented 7 refunding programs, prepaid \$39.25 million of existing bonds, strategically used variable rate bonds and certain synthetic debt structures to generate more than \$165.3 million of savings for taxpayers. Each year, the District is required to set two separate tax rates: 1. Maintenance & Operations ("M&O") Tax Rate: Used for the "day-to-day" operational expenses such as teacher salaries, instructional programs, instructional supplies, utilities, security, student transportation, extracurricular activities, facilities maintenance/infrastructure, etc. 2. Interest & Sinking Fund ("I&S") Tax Rate: Used for annual debt service requirements of bonds approved by voters.

Since year 1999, the District has had five successful bond elections to meet the facility needs of its growing student population and the desires of the community. The District maintains independent bond ratings of "AA" by Fitch Ratings and S&P Global Ratings, respectively. For comparison purposes, the District's bond ratings are in the same rating category assigned to the debt of the United States.

The District's bond capacity at a 48.0 cent I & S Tax Rate would be \$519,565,000 with a \$623,951,410 annual tax base growth or the District's bond capacity at a 50.0 cent I & S Tax Rate would be \$573,650,000 with a \$623,951,410 annual tax base growth.

(The full presentation can be found on the Presentation section for Meeting Two.)

### **Demographic Projections**

Trent Smith with Templeton Demographics provided an overview of the DFW market. Denton's unemployment rate is currently below 4% with the average home sale price within Denton at \$258,000 which is a rise of 8% over last year. Denton has nearly 2,300 lots available to build on with more than 28,600 planned future lots. Denton currently has 943 multi-family units under construction that will impact the school district by the end of 2018 and an additional 2,590 planned multi-family units within the District in various stages of development. Denton ISD will enroll more than 30,000 students by 2018.

(The full presentation can be found on the Presentation section for Meeting Two.)

## **CAC Website**

Mario Zavala and Lesley Weaver showed the Committee website, [www.dentonisdcac.org](http://www.dentonisdcac.org) and explained where meeting notes and resources would be. The site is available for the general public and available for committee members to use as a resource.

## **Sub-Committee Work**

Since the presentations took the entire length of the meeting, there was not much time to work in sub-committees. Committee members were encouraged to make notes of what they heard tonight, think about how it relates to their sub-committee, and write down any questions they have.

## **Closing**

Dr. Wilson mentioned that future meetings will give more time for sub-committees to work and there will be less presentations from the District.

The next meeting will be Thursday, October 19 at 6 pm at Stephens Administration Building.

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## **Attendance:**

### Committee Members in Attendance:

Lizzie Asbury, Gina Anderson, Lauren Baccus, Georgianne Burlage, Happy Carrico, Kari Conner, Cameron Cox, Ray Croff, Suzanne Danhof, Mile Donnelly, Lyle Dresher, Larry Fisher, Sheryl English, Kathryn Flores, Hope Galloway, Larry Gilbert, Robert Insley, Sam Kelley, Kathy Lawson, Anita Martinez-Strickland, Karen McDaniels, , Nancy Murphy-Chadwick, Efren Olvera, Tammie Palasota, Susan Parker, Gary Peppers, David Piccolo, Todd Price, Anita Reeves, James Renfro, Randi Skinner, Teresa Starrett, Molly Tampke, Mike Vance, J.D. Walker, Jeff Williams, Mike Woods

### DISD Staff in Attendance:

Paul Andress, Joey Florence, Mike Mattingly, Debbie Monschke, Gwen Perkins, Kim Stevenson, Ernie Stripling, Richard Valenta, Jamie Wilson, and Mario Zavala

### Others Present:

Steve Hafer, Tim Hopkins, Lesley Weaver – Huckabee Architects

Committee Members Absent: Carissa Acker, Catherine Bell, John Cabrales, Tim Crouch, Mariella Cudd, Tiffany Eaglin, Larry Fisher, Kathryn Flores, Karen Goff, Laquita Harmon, Wendy McGee, Beena Momin, Luke Olson, Kevin Roden, Becky Rodriguez, Dr. Rudy Rodriguez, Sr., Bud Sasser, Greg Sawko, Dr. Elizabeth Seymour and Christi Shiflett