

1.0 CALL TO ORDER/FLAG SALUTE

On February 16, Chairman Penrod called the Special School Board meeting to order at approximately 6:30 p.m. in the cafeteria of Central Linn High School.

2.0 ROLL CALL:

Members Present: Parker Leigh, DeeDee Thomas, Mark Penrod, Eric Gerber, George Frasier, David Goracke, Chris Wyne

District Staff Present: Brian Gardner, Superintendent; Susan Beaudin, Board Secretary; Celeste Van Cleave, Business Manager.

Others: Kim Smith, Art and Danee Kallai, Michelle Hawkins, Patty Lynn, Jennifer Moody, Skip Smith, Bob Anderson, Kaye and Phil Fox, June Schlosser, Dick and Shirley Golter, Bill Fast, Mike Smith, Amelia Garcia, D.C. Gunter, Mike Lowry, Travis Hewitt, Dusty Burchfield, Grace Glenn and others.

3.0 CONSTRUCTION BOND DISCUSSION – Chairman Penrod gave an overview of the work the district has done over the past three years regarding the district's facilities. This has involved a number of committees that included community and staff representation and an outside engineering firm. We are struggling to keep the schools operating and address safety and security concerns. As a Board we have come to the same conclusion we either need to spend a significant amount of money to make repairs or build a new school. The district has received a matching \$4 million grant but to collect this money the community has to pass a bond of the same or greater amount. The Board went through the process of looking at different repair scenarios with different bond amounts/terms and most of those would require coming back in the future to the community for more money. The Board is therefore considering asking the voters for a \$32.1 million bond on a 30 year term to replace our two schools with a single new K- 12 school on the high school campus; the best option that would last another 50+ years.

Director Frasier repeated a patron's comment, "The schools are the core of the community, and if the school goes away you will have different communities with no connection". He voiced concern that if we don't do something and we have a catastrophic event there will be no place to hold school. Do we want a community or don't we? We are elected to do the best we can; the money comes from the state and we have no control over the money. The state funds education not facilities. We will have to spend a lot to keep the current facilities running and with repairs you run into the unknown and then you have to consider the required earthquake upgrades. If we had a new campus we can save a substantial amount that could be set aside for maintenance; upkeep and new programs.

Chairman Penrod stated the 'do nothing' option is scary, we would give up the \$4 million and we don't have the money in our operating budget to repair the major needed repairs. If the school closes and we lose the heart of our community the students will be absorbed into surrounding communities that have higher tax rates anyway.

Director Wyne stated the Board can only float a bond levy and take it to a vote in May. But if we continue down the current path based on the conditions of these buildings and the level of deterioration that will continue, that is a decision the community at large has to make. Do we want to use buildings until they fall down or build something to be proud of? "We have to do, what we have to do, for the education of the future."

Superintendent Gardner explained the breakdown of the tax base of approximately \$667,814,910 million. The City of Halsey proper is valued at approximately \$47 million; Brownsville \$92 million; utilities that run through the district railroad, gas, fiber optic are approximately \$50 million of the assessed value. If you take the 20 top payers and look at the corporations that do not live in the district they will pay for about 37% of the bond total. This is less than a complete analysis but the towns themselves will count for about 25% of the payback.

Director Thomas commented in reviewing the budget detail one can see how the cost of repairing our facilities is eating into our education and repair costs will increase. She felt it would be a sound decision to build new, keep our students safe and set aside funds for the upkeep of the building. There is also the track to consider which is condemned.

- 4.0 **HEAR IMPUT FROM COMMUNITY** –Michelle Hawkins, Shedd patron and Linn County Treasurer recommended a bond planning committee with representatives from the community, school board and business manager. Definitely include the public. She has been working with Greater Albany School District in passing their bonds and they go out every ten years for a bond. To help pass their bond they communicate their plan whether its renovation or new construction to the community. They use the same dollar and term amounts each time. They also poll the community before going out for a bond. Chairman Penrod stated the Board did look at that option but with new building option there is a greater savings in operating costs at \$300,000 a year. With increasing employee costs and increasing interest rates and both schools needing to be addressed, the phasing option didn't make sense. Ms. Hawkins asked what the backup plan was if the bond did not pass. Chairman answered there was no Plan B, we will try to keep the buildings open, heated and pay the teachers.

Superintendent Gardner commented our facilities technicians were being trained to do more maintenance but even still the district is spending approximately \$40,000 a year, per building, for contracted services. In addition we had to eliminate the Facilities Director position due to budgetary costs. Question was asked what would be done with the elementary school if a new K-12 was built. That question is open for discussion with the Halsey Community. Mr. Gardner stated there would be no layoffs with a new building but staff would be reduced through attrition.

Bill Fast, Halsey patron, pointed out a sewer bond measure is coming up in Halsey and much of the Central Linn population is retired and on fixed incomes. "How do you expect these people to afford that?" Director Gerber responded if we lose our schools you will be paying more than that for this bond. If Central Linn students are absorbed with surrounding districts, people will be paying those schools tax rates which are higher than if we passed a bond for a new school right here.

Patron, Bob Anderson, former school board member, stated we have areas in the district where taxes are one of the highest in Oregon. Brownsville has the second highest tax rate in Linn County. Simple put we can't go bond after bond, sewer, fire, school, and expect taxpayers to keep up. He spoke to people who own rentals or commercial property that will need to pass the increase on to their renters and that affects the community. He hoped the school board would look at a different course, a smaller "band aid" measure of perhaps \$6 million - \$10 million with the state money, with the understanding that it would come back in a decade to ask for another round. He recognizes it is not enough, but it might sell. "I don't think we can do the full-meal deal," "It's not going to happen. It won't pass."

Brownsville patron and Halsey Fire Chief, Skip Smith, voiced his concerns: can we afford it without moving away; where will education be in the next 10-15 years, online; will we need buildings? The buildings are a maintenance issue with not being kept up; if pumps aren't maintained they fail and tunnels will flood. Director Penrod stated it was the other way around; the recent flooding came from ground water seeping the tunnels and flooding the boiler and then our sewer pumps; and new roofs don't last 50 years but 20 years and windows are rotting out. Director Frasier added yes, we need maintenance but Salem is funding education and not facilities. Mr. Smith argued that if the district pursued a 30 year bond Brownsville's taxes will be the highest tax rate in the County and if the fire districts needed to go for a bond it would never pass. High school student, Grace Glenn, stated she hoped for a new school. Her classrooms do not have consistent heat, excessive heat in some and too cold in others.

Patron Travis Hewitt, asked if the district had a grant writer and that he was told the district could write for \$1.5 million grants to do earthquake upgrades. The Board responded the district did have a grant writer but had to eliminate the position due to budget reductions. Mr. Gardner explained seismic grants were misunderstood. You cannot do a partial job with that grant money but have to address the whole facility; you can't just repair the gym roof. The state has tagged the current high school as 100% collapsible in an earthquake. \$1.5 million would not cover needed earthquake upgrades, but the district would be responsible for

doing all upgrades. It was suggested a second measure be placed on the ballot for repairs at a lesser amount giving the voters a choice.

Director Leigh understood what the patrons were saying and he looked at the cost and thought why he wouldn't want better for his child. A new school will provide room for more electives. A \$10 million bond just doesn't get us anywhere and we would be asking the community for another bond. We can't continue to band aid.

Mr. Smith commented the student enrollment keeps dropping. Chairman Penrod stated enrollment trends, and currently it is trending up. Director Gerber commented the district has done an academic overhaul and we did lose some students but for the ones who have stayed it has been great; we have been doing some amazing things. We are drawing some students back and he credits the staff. Academic programs are on track here at Central Linn.

5.0 DISCUSS/ADOPT RESOLUTION PLACING BOND ON MAY BALLOT

The Board discussed at length the different bond rates of \$1.74 based on 50 basis points or \$1.87 on 100 basis points per thousand and the decision to move forward or not with a \$32.1 million bond and/or a second ballot measure of a lesser amount. The Board was reminded March 17, is the drop dead date for placing bond measure(s) on the May ballot and the district also needed to submit resolution to the Oregon Department of Education by February 25, regarding the \$4 million.

Director Frasier moved to adopt Resolution 16-02-01, as submitted, including Exhibit A, Notice of Bond Election, as submitted with the approximate \$1.87 per thousand tax rate with the understanding that the rate is subject to change with assessed value. Director Leigh second, motion passed 7-0. The district office was directed to research the option of a second bond measure. It was noted another special board meeting may need to be held to meet filing deadlines if the Board were to consider a second bond measure.

6.0 ADJOURN

With no further business before the Board, Chairman Penrod adjourned the meeting at approximately 8:43 p.m.


Susan Beaudin, Board Secretary


C. Mark Penrod, Chairman

3-14-16
Date Approved