

On February 4, 2016, Chairman Penrod called a Board work session to order at approximately 6:30 p.m. in the conference room of the district office. There was consensus to limit the work session to two hours or less.

**ROLL CALL:**

Members Present: Parker Leigh, Mark Penrod, George Frasier, Chris Wyne, Eric Gerber, Dave Goracke

Members Absent: DeeDee Thomas

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

Others: Jennifer Johnson

As a reminder, Superintendent Gardner provided the Board with the Facilities Committee's final recommendation to the school board reported February 2014, regarding the district's facilities.

**Review the Terms of the OSCIM Matching Grant Award** – Celeste Van Cleave explained the necessary steps and timelines if the Board were to pursue a construction bond. A bond resolution and explanatory statement would be drafted and reviewed by bond counsel prior to Board adopting a resolution. The district must respond to the Oregon Department of Education by February 25, as to whether it will be accepting the \$4mil OSCIM Grant with the knowledge the district will need voter approval of a bond (matching funds). The deadline to file with the County for the May 2016 Election is March 17. The Board was reminded if the district does not pass a bond the matching OSCIM grant money goes away. The district could apply in November with a chance of being chosen again from the lottery.

Superintendent Gardner had prepared five different options for the Board to consider.

**Option 1**

Do nothing, but buildings would stay in disrepair. The buildings are currently close to a catastrophic failure whether it is by a complete loss of water and sewer, heating systems or roofs. If this were to happen there would be no other place to hold school and the likelihood of being absorbed by surrounding districts is fairly certain. Patrons would take on those districts' tax rates which are currently higher than Central Linn's. There was discussion on going for a maintenance bond knowing that the bond would need to be very specific on what the district would repair with those funds. By doing nothing the district would also be turning down the OSCIM Grant of \$4mil.

**Option 2**

Submit a ballot measure for a minimum bond amount of \$5mil over a 10, 15, or 20 year period which would guaranty receiving the OSCIM grant of \$4mil. This amount (\$9mil) could be considered "Triage and Fix" or "Band-Aid and Plan". With this amount the district could begin with some of the immediate repairs but would be postponing the inevitable of a more significant long term solution. Some of this money could be used for the design and engineering of a more complete proposal to take back to the community with another bond.

Board members felt they needed to determine, with each option, the likelihood of it passing the voters. Concern was expressed that any repairs would only last ten years. At that point, are we back asking the voters for another bond? Board members felt it would be irresponsible if a first bond was used mainly at the high school and the next bond used for a new school, tearing down the old school.

For a \$5mil bond, on a 10 year term, the tax rate of \$5.37 per \$1,000 represents an approximate \$0.75 increase that would impact the average homeowner an estimated \$112.50 per year; based on a house with a \$150,000 assessed value.

For a \$5mil bond, on a 15 year term, the tax rate of \$5.13 per \$1,000 represents an approximate \$0.51 increase that would impact the average homeowner an estimated \$76.50 per year; based on a house with a \$150,000 assessed value.

For a \$5mil bond, on a 20 year term, the tax rate of \$5.02 per \$1,000 represents an approximate \$0.40 increase that would impact the average homeowner an estimated \$60.00 per year; based on a house with a \$150,000 assessed value.

### Option #3

Submit a ballot measure for a \$10mil bond over a 15 or 20 year period to make repairs at both schools. This could address the more serious conditions at both schools; create a maintenance reserve and replace the high school track. The operational savings would be low, estimated \$50,000 a year; still have old buildings with continued repair and same configuration; earthquake risks and the wildcard of the waterline from the high school to Halsey would not be addressed.

Board members discussed having a need for a maintenance reserve for capital repair; upgrading the holding tanks and sewer pumps at the high school; and after that what to do with the standing water in the tunnels. Again, with this option the district would be putting off the inevitable of a new school.

For a \$10mil bond, on a 15 year term, the tax rate of \$5.64 per \$1,000 represents an approximate \$1.02 increase that would impact the average homeowner an estimated \$153.00 per year; based on a house with a \$150,000 assessed value.

For a \$10mil bond, on a 20 year term, the tax rate of \$5.42 per \$1,000 represents an approximate \$0.80 increase that would impact the average homeowner an estimated \$120.00 per year; based on a house with a \$150,000 assessed value.

### Option #4

Submit a ballot measure for a \$25mil bond over a 30 year period to repair the elementary school and replace the high school. This was the recommendation in 2013-14 from the Hill International Co., who worked with the Facility Committee in providing recommendations regarding the conditions of our facilities at the time. The operational savings would again be low, estimated \$55,000 a year. This plan would include replacing the high school track.

It was noted that if the district went with a 30 year bond it would have to be addressing the elementary before this bond was paid in full. With this plan the earthquake and safety upgrade at the high school would be provided and, the long term solution for grades 6-12.

For a \$25mil bond, on a 30 year bond, the tax rate of \$6.08 per \$1,000 represents an approximate \$1.46 increase that would impact the average homeowner an estimated \$219.00 per year; based on a house with a \$150,000 assessed value.

#### **Option #5**

Submit a ballot measure for a \$32mil bond over a 30 year period to build a new K-12 school. With this option the district could save an estimated \$380,000 a year in operational costs in fuel, contracted services and labor. Currently a large part of our labor costs comes from operating two parallel special education programs. A K-12 building on one campus would also provide safety and defense ability for our students and staff.

With this plan the total estimated tax rate for Central Linn patrons would be approximately \$6.49 which is below our neighboring school districts. It was pointed out that some of those districts are discussing going out for a bond which would further increase their tax rates. If the district were to be absorbed by neighboring districts Central Linn patrons would be paying higher tax rates than the \$6.49.

For a \$32mil bond, on a 30 year term, the tax rate of \$6.49 per \$1,000 represents an approximate \$1.87 increase that would impact the average homeowner an estimated \$280.50 per year; based on a house with a \$150,000 assessed value.

For a \$30mil bond, on a 30 year term, the tax rate of \$6.37 per \$1,000 represents an approximate \$1.75 increase that would impact the average homeowner an estimated \$262.50 per year; based on a house with a \$150,000 assessed value.

It could be argued that patrons would save money by building a new school and keeping our students here rather than being absorbed by other districts. Spoke to what our children and grandchildren will lose (our identity, sports) if the district were to be absorbed. It was noted a new school could increase property values.

Several Board members felt Options 1-4 would be a waste of time and money and were looking at something like Option 5. It was stated, "As a community we need to do the right thing and continue education in our town."

#### **Discuss the District's Goal for Its' Facilities**

The Board discussed what the prudent thing was to do. If we don't build new we are postponing the inevitable of having to build later with increased construction and lending costs. It was noted that current 30 year interest notes of around 3% are historically low. We need to keep the viability of our school and community. There also remains the question if we build new what would become of the building in Halsey. This will need to be answered.

Board members commented on plans for a new school. We would need someone who knows how to build schools; know the regulations that apply; someone who has done it. Also, we need a strong user group sitting on a committee to keep the architects in line. Can we consider adding back some home economics, personal finance, more shop, or include an auditorium?

**Discuss Terms of A Ballot Measure**

After much discussion and a strong desire to ensure the health, safety, and education of Central Linn children the Board directed the Superintendent to prepare a draft resolution and notice of bond election to place on the May 17, 2016 Ballot. The bond amount being considered would not exceed \$32,136,000 over a 30 year period for the construction of a new K-12 school. The resolution will be reviewed by bond counsel.

A Special Board meeting will be scheduled for Tuesday, February 16, 6:30 p.m. in the high school cafeteria. The topic will be to discuss and vote on a resolution to place a construction bond on the May 2016 Ballot.

**Adjourn**

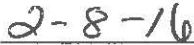
Chairman Penrod adjourned the work session at approximately 8:36 p.m.



Susan Beaudin, Board Secretary



C. Mark Penrod, Chairman



Date Approved

# CENTRAL LINN SCHOOL DISTRICT NO. 522

## School District Levy Rates in Neighboring Districts

District	2015 ADMw (20-05-14)	Assessed Value (Net of Urban Renewal)	2015 Levy Rates					
			Permanent Rate	Local Option Rate	Bond Amount	Bond Term (Years)	Bond Rate	Total District Rate
Philomath	1,839.69	662,325,481	4.8664	1.5000			2.8439	9.2103
Creswell	1,516.9	624,863,573	4.6426	-			3.5383	8.1809
Eugene	18,879.1	13,244,235,395	4.7485	1.5000			1.5817	7.8302
Corvallis	7,246.6	5,605,379,979	4.4614	1.5000			1.7886	7.7500
Lebanon	4,931.2	1,729,698,588	4.9925	-			2.0901	7.0826
Sweet Home	2,700.9	848,594,655	5.0057	0.3200			1.6615	6.9872
Fern Ridge	1,768.9	814,307,220	4.8240	-			2.0625	6.8865
McKenzie	373.5	349,975,783	4.6915	-			2.0135	6.7050
Central Linn #5					32,000,000	30	1.8700	6.4900
Central Linn #5					30,000,000	30	1.7500	6.3700
Greater Albany *	10,493.3	4,773,814,361	4.5855	-			1.7317	6.3172
Pleasant Hill	1,087.5	562,949,999	4.6414	-			1.6726	6.3140
South Lane	3,422.4	1,337,935,320	4.7532	-			1.5318	6.2850
Bethel	6,655.6	3,008,190,363	4.5067	-			1.6229	6.1296
Central Linn #4					25,000,000	30	1.4600	6.0800
Oakridge	684.2	234,598,935	4.8223	-			1.1432	5.9655
Harrisburg *	1,040.2	364,191,096	4.6552	-			1.2739	5.9291
Springfield	12,618.9	5,105,202,651	4.6412	-			1.0066	5.6478
Central Linn #3					10,000,000	15	1.0250	5.6400
Siuslaw	1,512.9	1,672,663,221	3.8928	0.7500			0.8876	5.5304
Central Linn #3					10,000,000	20	.8000	5.4200
Central Linn #2					5,000,000	10	0.7500	5.3700
Central Linn #2					5,000,000	15	0.510	5.1300
Blachly	408.6	54,888,185	5.1023	-			-	5.1023
Alea	288.1	73,219,429	5.0811	-			-	5.0811
Lowell	469.6	199,272,757	5.0409	-			-	5.0409
Central Linn #2					5,000,000	20	0.400	5.0200
Crow-Applegate	414.8	221,727,828	4.9255	-			-	4.9255
Mapleton	311.4	123,406,991	4.8917	-			-	4.8917
Santiam Canyon	696.3	342,528,731	4.8880	-			-	4.8880
Marcola	328.5	161,076,357	4.6687	-			-	4.6687
Monroe	599.3	235,047,648	4.6341	-			-	4.6341
Central Linn #1	893.3	658,264,077	4.6179	-			-	4.6179
Junction City *	1,912.9	996,732,433	4.5604	-			-	4.5604
Scio	5,221.9	269,404,888	4.5080	-			-	4.5080

\*Considering seeking additional bond in 2016-17.