

## **BANKS SCHOOL DISTRICT 13.**

Board of Directors – Work Session

450 S. Main Banks, OR

January 12, 2009 5:30 PM

District Conference Room

Present: Duane Lundsten, Kathy Edison, Angi Duyck, Will Moore, Marv Ott, Superintendent, Simon Levear, Marlo Mosser, Secretary, Rick Rainone, Cornerstone Consulting, Schann Nelson, Independent, Ryan Birr, Pete Edison, Ron Frame, Vicky Van Domelen, Jenny Compton

### Refunding Resolution

Mr. Ott reported that Javier Fernandez has informed the board that Bonds are starting to sell. He said that this puts the district in the position to refinance outstanding debt and save the district patrons some money. Timing of the bonds and the market coming down is the perfect situation for the bonds to be refinanced. He said that the 1998 bonds have 10 more years and by replacing these with a lower debt service the district could save the taxpayers approximately \$500,000. Mr. Fernandez said this saving will have no effect on the General Fund – it goes directly to the taxpayers. Mr. Fernandez said that the district could concentrate the savings as the district wishes – for example, a savings of \$535,000 at \$65,000/yr starting next fiscal year would translate to 14¢ to 15¢ /\$1000. Bond counsel has prepared a resolution if the board chooses to approve the resolution tonight. Mr. Fernandez said the costs of refinancing that have to be paid in advance would be \$300 to the State of Oregon. The proposed savings in his presentation are net. He said that costs to the district from Seattle Northwest would only occur if the bonds sell. To go out for the bond immediately, the district would realize savings next fiscal year. If the district chooses to delay the bond, the district can realize the savings later. The more the district delays, the savings are concentrated in fewer years. Mr. Fernandez said that starting late February and early March a number of school districts would be coming to the market to sell bonds, and affect the number of investors. He said the earlier the district moves on this the better the chance to sell the bonds with the anticipated savings. Mr. Fernandez said this is not a binding resolution – if the savings cannot be delivered, the bonds will not be sold. Mr. Lundsten said the resolution would be added to the agenda. Mr. Fernandez said the bond structure can wait – he said we have until the week before we go to the market to decide how the savings would be structured.

### Audit RFP

Mr. Levear said that he is requesting a member of the board on the selection committee for the district's auditor. He said that his timeline is to send the request for proposals to selected auditing firms beginning January 16 with the date proposals need to be received February 20. He would like the selection committee to review the proposals from February 20 to March 6, and the board receives a recommendation for the hiring of the district's auditor at the March 9 board meeting. Board consensus was for Kathy Edison to serve on the selection committee.

### Bond Update

The board took the time to read the facilities report update. Mr. Birr said that the committee did come up with a lower cost option for the district. Mr. Birr said that the priority mission of the committee was the safety and security of the students of the district. He said that the group feels both the junior high and high school need to be replaced, and the 25.5 million-bond election would allow for this. He said there still needs to be a complete site plan that includes traffic flow, and the relocation of students during construction. The second plan was for 19.6 million bond, which would move the current junior high school students to the high school, and a new high school would be constructed, and would include some modular costs. Mr. Birr said that updates to the current high school would still have to be done. Mr. Birr said that the

committee still feels the 25.5 million option is still the best option. Mr. Moore said he understood in the 19.6 million approximately 4 million would be designated to high school reconstruction. Mr. Edison said that he thought the cost was 2 to 4 million. Mr. Moore said that the cost for building a new high school would be approximately 15 million. Mr. Everett said there was some advantage to moving to the old high school, and he is not opposed to the move if this solution would be one the community could go for. Ron Frame said the high school problems such as mechanical issues, fire-suppression systems, updates to meet ADA requirements, would still have to be dealt with, and the bond would be needed for that. Mr. Ott asked how much the cost would be for the needed structural renovations for the junior high – Mr. Frame said he estimated the structural costs would be approximately \$100,000, and would be a conservative figure. Mr. Edison said that it will be vital to educate the community and students and staff on all aspects of the bond. He said this was not done prior to the November election, and he felt there was a need to hire a campaign manager. Mr. Rainone said that during the last 6 weeks prior to the election in Scappoose there were 200 people working. Mr. Moore said that it is necessary to be proactive and have a meeting of the “no” voters. The facilities committee and the board discussed the importance of addressing the immediate need in the junior high, consideration of modules being used and the logistics of such a consideration. Mr. Edison said that the \$25.5 million would get all the work completed.

Mr. Ott said that he and Mr. Moore met with Brian Coussens, and Mr. Coussens said that there was no negativity on the district bond election from the department, but he had heard some comments from individuals. If the fire department does go out for a levy it would cost 60¢/\$1,000, and would not increase the current costs to voters.

Board consensus was for Mr. Rainone to obtain costs on the logistics of modules for students and materials.

#### Make up days

Mr. Ott said that the revised calendar would make up the 5 missed days for both students and staff. Mr. Everett said that 8<sup>th</sup> grade promotion will change from Monday June 8 to Wednesday June 10.

#### Transportation Discussion

Mr. Ott said that John Peterson, the district’s attorney, reviewed the contract and said the district is tied to Shafer’s Bus Services until 2013, unless the district could compile information and file a breach of contract. Mr. Ott said Mr. Shafer has talked to him about the district’s thoughts on him selling the business.

The Board recessed the work session at 7:00 PM. The Board reconvened the work session at 8:22 PM

The board continued the discussion on the costs for the logistics of the move of the jr. high to the high school. Mr. Moore expressed concern over the numbers supplied by Mr. Rainone in the past in that they may be oversimplified. Mr. Lundsten said he would like to see the staging and timing factored into the logistics price. Mr. Moore discussed the complete site plan additional cost. Mr. Levear said that Buxton funds can be used. Mr. Lundsten expressed concerns that the current site plan is considered by some to be too extravagant and too elaborate. Mr. Lundsten said that he would like to have the discussion concerning the "go, no go" with a communications/campaign specialist. Mr. Moore said that he is inclined to go out in May. Mrs. Edison said that representatives from the bond campaign would need to hit all the local groups, Mrs. Duyck said the St. Francis area needs to be included. The board consensus was to hire a campaign manager/communication director to advise the board on a "go, no go" timeframe, work on the ballot title, and define the campaign manager's role in the bond process. The board consensus was to have a special board meeting to approve the additional expenditure of a more district-wide inclusive site plan, and the hiring of a communications director for the bonding process.

The workshop adjourned at 8:55PM.

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Duane Lundsten, Chairman

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Marlo Mosser, Secretary

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Date approved by Board