

BUSINESS MEETING MINUTES

A Business Meeting of the Springfield School District No. 19 Board of Education was held on May 10, 2021. In order to comply with the Governor's executive orders, the Board conducted this meeting by video conference only. The public was invited to watch or listen to the board meeting via Zoom Webinar or Zoom Phone. Information for participating was shared with the public on the district website and news media outlets.

1. CALL MEETING TO ORDER

Board Chair Zach Bessett called the Springfield Board of Education virtual meeting to order at 7:00 p.m.

Attendance

Board Members attending the Zoom webinar included Board Chair Zach Bessett, Board Vice Chair Naomi Raven, Lisa Barrager, and Dr. Emilio Hernandez. Todd Mann was excused due to illness.

District staff and community members identified included Superintendent Todd Hamilton, David Collins, Brett Yancey, Judy Bowden, Mindy LeRoux, Darian Gorman, Ame Beard, Dustin Reese, Lesa Haley, Joan Bolls, Jen McCulley, Marion Malcolm, Amber Mitchell, Marilyn Williams, Whitney McKinley, Taylor Madden, Kelly Mason, Brian Megert, Charles Jett, Krystal, Lacey Macdonald, Jeff Fuller, Jonathan Light, Colleen Hunter, Jonathan Gault, Nicki Gorham, Chris Reiersgaard, Clark Morberg, Sherry Moore, Jeff Michna, Kim Sherman, Emma Routley from *The Chronical* and Jayson Hayden, minutes recorder.

2. APPROVAL OF AGENDA

Chair Zach Bessett called for a motion to approve the agenda as presented.

MOTION: Dr. Hernandez moved, Ms. Barrager seconded the motion to approve the agenda as presented.

Chair Bessett called for a roll call vote. Mr. Bessett asked each board member to indicate if they supported the motion to approve the agenda as presented: Ms. Raven – yes, Ms. Barrager – yes, Dr. Hernandez – yes, and Mr. Bessett – yes.

Motion passed, 4:0

3. PRESENTATION

A. Student Communication

A3 Principal Ame Beard introduced student Darian Gorman who shared a PowerPoint presentation about the activities happening at A3. Mr. Gorman shared that the school would return to in-person instruction on April 19th while still observing safety restrictions. He said the school received a \$15,000 grant for a temporary stage and silk screening material. He said the silk screening material would be used at the annex for merchandise printing. Principal Beard added that silk screening was part of an internship art class and that the stage would be used for theater and music performances.

Mr. Gorman shared that they had virtual open houses for prospective students. He said that student art installations had been added to the lobby of the school and he outlined their Earth Day observation. During the week of April 26th, there was a photo op for any students who wanted to participate. During the week of May 3rd, students began forecasting for next year's classes and also celebrated teacher appreciation week.

The board expressed appreciation for Mr. Gorman's presentation.

4. PUBLIC COMMENT: Submitted Electronically Only

Chair Bessett explained that members of the public were asked to share electronically their ideas and opinions with the Board by noon on the day of this Board meeting. As of the noon deadline, the District had not received any public comment for the meeting this evening.

5. ACTION ITEMS

A. Approve Consent Agenda

- 1. April 12, 2021 Board Meeting Minutes**
- 2. Financial Statement**
- 3. Personnel Action, Resolution #20-21.036**
- 4. 2021-2022 Board Meeting Schedule, Resolution #20-21.037**
- 5. High School Science Program, First Read**

MOTION: Ms. Barrager moved, Ms. Raven seconded the motion to approve the Consent Agenda.

Chair Bessett called for a roll call vote. Chair Bessett asked each board member to indicate if they supported the motion to approve the Consent Agenda : Ms. Raven – yes, Ms. Barrager – yes, Dr. Hernandez – yes, and Mr. Bessett – yes.

Motion passed, 4:0

B. Approve PERS Pension Bond, Resolution #20-21.038

Chair Bessett asked Mr. Yancey to introduce this resolution.

Earlier this spring, it was reported that the District was considering the issuance of PERS pension bonds to assist in addressing the (growing) unfunded actuarial liability, and has been an ongoing discussion. In the early 2000's, this issue was dealt with by some municipalities issuing PERS Pension Bonds, allowing them to pay off their outstanding debt, at the time of issuance. For Springfield School District, we previously participated in the pension bond program in 2005 to address our (at the time) \$61,250,000 liability. We were able to issue bonds at an interest rate of 4.77%, saving significant resources over time. By participating in this program and addressing the outstanding liability, at that time, the cost saving for our District has totaled approximately \$16.6 million over the past 15 years. It is anticipated that the total savings could exceed \$20 million when the bonds fully mature in the year 2028.

With the current status of the financial market, staff have been analyzing the opportunity to participate in this program, once again. The District's actuarial liability, since 2005, is estimated to be approximately \$107 million and this tool may provide another opportunity to realize significant cost savings for the District. As due diligence, Springfield School District hired ECONorthwest to conduct a statistically based assessment to assist in evaluating potential risk.

As PERS currently manages the District's unfunded actuarial liability at a rate of 7.2%, the District would like to move forward with this bond program at a maximum true interest cost of 4.5%, given market conditions. This pension program would essentially "pay off" the approximate \$107 million liability at a maximum rate of 4.5%, instead of the current 7.2% offered through PERS.

As a requirement of participation, each municipality must adopt and return an authorizing resolution to our underwriter (Piper Sandler & Co.) no later than May 21, 2021. The underwriter will prepare a Preliminary Official Statement that contains information about each participating district. Following this procedure, Districts will participate in due diligence and structuring conversations. The issue is expected to price on or about July 20th, and close on August 19, 2021. Funds will be sent directly to PERS and payroll rates will be reduced on September 1, 2021.

Each participating School District will be responsible for the debt service (only) on its bond. No district will be responsible for any other district's obligations under this program. The sale of the obligations of all participating districts will be coordinated through the Piper, Sandler & Co. and the financing team, including bond counsel, which will negotiate an intercept agreement with the Department of Education for purposes of making debt service payments directly from State appropriations. Such funds will be diverted from the existing State appropriation.

Brett Yancey recommended that the Board of Directors approve the resolution authorizing Full Faith and Credit Pension Obligations, series 2021.

Mr. Yancey said that they would be working with other districts to get the resolution to an underwriter by May 21st, and would close around the third week of July. The impact would be a reduction in PERS payroll rates effective September 1st. This money would be added to an investment account managed by PERS which would lead to further interest earned. This method had saved almost \$17 million dollars in 15 years. Mr. Yancey outlined the different risk factors at different interest rates. In response to inquiry, Mr. Yancey explained that the board would be the authority to vote on this matter.

MOTION: Dr. Hernandez moved, Ms. Raven seconded the motion to approve the resolution authorizing Full Faith and Credit Pension Obligations, series 2021.

Chair Bessett asked if there was any discussion.

Mr. Yancey explained that the school board would be responsible for the approval of this resolution, but that he would announce to the community when there were any PERS changes. Mr. Yancey explained the other districts considered were all Oregon school districts.

Hearing no further discussion, Chair Bessett called for a roll call vote. Chair Bessett asked each board member to indicate if they supported the motion to approve the resolution authorizing Full Faith and Credit Pension Obligations, series 2021: Ms. Raven – yes, Ms. Barrager – yes, Dr. Hernandez – yes, and Mr. Bessett – yes.

Motion passed, 4:0

The Board thanked Mr. Yancey for his presentation.

6. Discussion

A. HVAC Design/Build Process Review and Exemption

Brett Yancey shared the following report:

As the District continues to focus on maintaining safe and healthy learning environments for students and staff (Board Goal #4), operations staff are considering options for upgrading/replacing aging HVAC systems in a number of our educational facilities. Many of our facilities are not positioned to comfortably welcome occupants year round and require a significant amount of attention, upkeep and financial resources to maintain.

While this may be an exciting opportunity to upgrade systems, this is also a very technical process with many considerations prior to purchase and installation. Mechanical operating systems for large facilities can be difficult to design to realize maximum capacity, while at the same time maximizing maximum operating efficiencies. Due to these goals, there needs to be consideration when deciding “how” to move through the procurement process.

Design/Bid/Build Process

The most common procurement method in municipal government, and the minimally required process in Oregon State Statute (ORS 279C.335), is the design/bid/build process. Also referred to as “low bid”, this process focuses on hiring a design firm that produces construction documents and submits them to the owner. The owner then advertises the construction documents for interested contractors to submit a proposal (bid). The owner conducts a review process and selects the lowest responsible, responsive bidder. This process involves a separate contract with the design firm and a separate contract with the builder.

The design process does not involve a builder as that would be perceived as limiting competition. This process, often times, results in a number of clarifying questions and/or change orders throughout the construction process. While the initial goal of this method is to be more cost effective; this can also present risk to the owner by not fully understanding the challenges of constructing a product that has not involved the builder.

Design/Build Process

As an exception to the traditional procurement method, the design/build process is often times considered to be a more cost-efficient process, resulting in a better product for the owner. This process requires competition, however it's accomplished during the beginning stages, rather than the final steps. In this process, the owner issues a request for proposal inviting any qualified firm to design and build the desired product. Operating under one contract, the owner, designer and builder are involved in the entire process from beginning to completion. The process identifies the available budget on the front end and a negotiated, guaranteed maximum price, thereby eliminating the need for change orders. This process is often a much quicker process that takes less time and tends to stay on budget better than the design/bid/build process, as a result of less change orders or revisions. This process is becoming a more preferred method amongst municipalities.

Mr. Yancey also shared the following information in response to board member questions in regards to this process:

- This allows the District to get the lowest priced product for our needs,
- Gives the District the flexibility to define the quality of the product, giving us more control,
- All buildings would have the same climate control and the efficiency of the systems would be consistent across all buildings,

- The District will be able to incorporate the air purifiers that were installed last year into the new systems and
- ESSER dollars are guaranteed 2022 thru 2023 and the District hopes to start installing the systems beginning in the summer of 2022.

Chair Bessett thanked Mr. Yancey for his presentation.

7. Information/Reports

A. Superintendent Communication

Superintendent Hamilton shared that he had been working with High School Director Mindy Leroux on the final details for the upcoming graduation ceremonies. He shared that many students and families expressed a desire for some form of in-person graduation.

The Oregon Department of Education released guidelines for summer learning and there were teams planning and preparing for a large extended learning and unfinished learning program including academic support and enrichment opportunities. One concern was a shortage of staff to teach these classes, but when an email was sent to staff members, over 120 staff expressed interest.

The Oregon Department of Education began meeting with superintendents and other leaders to gather feedback on what next fall will look like as students return to school. Mr. Hamilton commended the board on approving the regular school calendar for next fall, expressing a desire to return to as normal as possible, while still observing evolving health and safety requirements. He expected the release of these guidelines by July 22nd. Mr. Hamilton would provide more information as it became available.

B. Board Communication

The board did not have anything to share.

Dr. Hernandez suggested waiting to discuss board assignments until the new board members were sworn in.

8. NEXT MEETINGS

The next meetings will be:

- May 13, 2021, Budget Committee Meeting 6:00pm
- May 18, 2021, Budget Committee Meeting 6:00pm, if necessary
- June 14, 2021, Business Meeting 7:00pm

9. The Board met in Executive Session (non-public) pursuant to ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

The Board moved into Executive Session at 7:48 p.m.

The Board returned from Executive Session at 8:05 p.m.

10. Action Item

A. Approve Oregon School Employees Association (OSEA) Contract Memorandum of Agreement, Resolution #20-21.039

Chair Bessett asked Dustin Reese to introduce the resolution.

The District and OSEA bargaining teams met in April 2021 to negotiate wages and insurance contributions as part of the reopener obligations agreed upon in the 2020-2022 collective bargaining

agreement. The District and OSEA came to agreement on terms of a Memorandum of Agreement (MOA), with the effective dates of July 1, 2021 – June 30, 2022. The school board is being asked to ratify the MOA.

Dustin Reese recommended the Board of Directors approve the Memorandum of Agreement (MOA) between Springfield Public Schools and Oregon School Employees Association (OSEA), effective July 1, 2021 through June 30, 2022.

MOTION: Ms. Barrager moved, Dr. Hernandez seconded the motion to approve the Memorandum of Agreement (MOA) between Springfield Public Schools and Oregon School Employees Association (OSEA), effective July 1, 2021 through June 30, 2022.

Chair Bessett asked if there was any discussion.

Hearing no discussion, Chair Bessett called for a roll call vote. Chair Bessett asked each board member to indicate if they supported the motion to approve the Memorandum of Agreement (MOA) between Springfield Public Schools and Oregon School Employees Association: Ms. Raven – yes, Ms. Barrager – yes, Dr. Hernandez – yes, and Mr. Bessett – yes.

Motion passed, 4:0

B. Approve 2021-2021 Springfield Administrators and Confidential (SAAC) Agreement, Resolution #20-21.040

Chair Bessett asked Dustin Reese to introduce the resolution.

The District and SAAC leadership met in April 2021 to discuss terms for a new one-year agreement. The District and SAAC leadership came to agreement on terms of a new agreement, with the effective dates of July 1, 2021 – June 30, 2022. The school board is being asked to approve the agreement.

Dustin Reese recommended the Board of Directors approve the agreement between Springfield Public Schools and the Springfield School District Licensed and Non-Licensed Administrators, Supervisory and Confidential Employees (SAAC), effective July 1, 2021 through June 30, 2022.

MOTION: Dr. Hernandez moved, Ms. Raven seconded the motion to approve the 2021-2021 Springfield Administrators and Confidential (SAAC) Agreement, Resolution #20-21.040.

Chair Bessett asked if there was any discussion.

Hearing no discussion, Chair Bessett called for a roll call vote. Chair Bessett asked each board member to indicate if they supported the motion to approve the agreement between Springfield Public Schools and the Springfield School District Licensed and Non-Licensed Administrators, Supervisory and Confidential Employees (SAAC), effective July 1, 2021 through June 30, 2022: Ms. Raven – yes, Ms. Barrager – yes, Dr. Hernandez – yes, and Mr. Bessett – yes.

Motion passed, 4:0

11. Adjournment

With no other business, Chair Bessett adjourned the meeting at 8:09 p.m.

(Minutes recorded by Jayson Hayden)