

**SHERMAN COUNTY SCHOOL DISTRICT
SPECIAL BOARD MEETING MINUTES
October 6, 2014**

The Board of Directors of Sherman County School District met in the Sherman County Public/School Library Meeting Room in Moro, Oregon on October 6, 2014. The following were present: Chair, Bill Martin; Vice Chair, Angie Thompson; Directors: Liz Mills and Kyle Blagg; Superintendent, Peter Tarzian; Business Manager, Kim McKinney; Board Secretary, Jennifer Berry; Confidential Secretary Jeanie Pehlke; Administrators: Bill Blevins and Sheri Sharp; Staff Members: Gerald Casper, Amy R-Huffman; Visitors: Janet Pinkerton, Kristie Coelsch, Mike Marino, Jeanie McArthur, Cliff Jett, Lowell Smith

Absent: Director Macnab

SUMMARY OF ACTIONS TAKEN

Motion by Director, Blagg with second from Director, Mills to amend the agenda. **Vote:** 4 yes (Martin, Thompson, Blagg, Mills) **Action:** The motion carried unanimously.

CALL TO ORDER

Chair, Bill Martin opened the meeting with the Pledge of Allegiance to the American Flag at 6:03 p.m. and thanked everyone for coming.

Executive Session was moved to the end of the agenda.

Motion by Director, Blagg with second from Director, Mills to amend the agenda. **Vote:** 4 yes (Martin, Thompson, Blagg, Mills) **Action:** The motion carried unanimously.

SINGLE CAMPUS CONSOLIDATION PROJECT

Chair Martin began the discussion by noting that Superintendent Tarzian had suspended work on the project while he clarified funding items. We have received our updated waiver of the administrative rules from ODE, which will allow us to continue to get special small school funding for grades K-6, and we will begin getting 7/8 funding again when K-6 students are moved to the new Moro campus. Dr. Tarzian noted that the District received a definitive email from ODE staff stating that no changes in the grade configurations are required by the department, and that 7/8 grade funding eligibility is solely a function of reuniting the K - 8 program under one school roof.

Superintendent Review

Superintendent Tarzian gave a history of the consolidation project. As a result of combining North Sherman and South Sherman Elementary, the District has been receiving “double funding” which ended last year. Enrollment was declining but has now leveled off. In 2012 further consolidation discussion started to create one campus. The general consensus is that

this would be a good idea for the kids. It would benefit student support, and create a more cohesive and collaborative instructional staff. There are other benefits in transportation due to the current and projected demographics. The high school campus is the most logical place to put the consolidated campus.

Business Manager Kim McKinney handed out a spreadsheet that outlines a financial comparison of the consolidated and current configuration. She reviewed the spreadsheet details with the board. The most significant difference would be a \$250,000 savings in personnel and an extra \$100,000 in revenue if the district was consolidated to one campus. The other would be savings in miscellaneous expenditures and transportation. The Grass Valley line shows costs to keep the building warm if used for sports and other community services. There is also an increase in kindergarten expenses since it will be going to full time, but that is offset by full day funding from the state.

Superintendent Tarzian discussed funding options for the project. Specifically, taking a loan against known assets or continuing to set aside money from SIP funds. The latter may take an additional 6-7 years to reach the point of being able to capitalize the project. This is a decision that does not need to be made now, but will need to be made before the construction bid. Tarzian noted that in a loan situation, the assets that can legally be considered to secure a loan are basic school support dollars.

Kim supplied a spreadsheet showing an estimate of loan payments would be.

Mike Marino Presentation – Design RFP

Mr. Marino began by giving a recap of what he and Steele and Associates have done to this point. All of which is outlined in the program that was made available. Mr. Marino developed an RFP for architectural services. Mike recommends bringing in an architect to phase the project out based on budget.

There are escalation costs to factor in if the project time is extended. Escalation costs are running 4% this year and 6% next year.

The district would need an architect by November for a spring construction date. In order for this to happen the board would need to approve the RFP on the Oct 13th meeting and send it out to the public immediately after. The RFP has already been reviewed by the district's attorney. The board would need to form a selection committee to review the RFP's and choose an architect.

Mr. Marino requested review of the criteria, Section M of the RFP, and the Proposed Project Schedule, Section A of the RFP. The RFP will close on November 7th.

Once an architect is selected by the selection committee a new design committee will form that will work with the selected architect.

During the selection process you cannot ask the proposers for a cost. Once you make a selection, compensation will be negotiated. If an agreement is not reached, then the district could try to negotiate with their next choice. These are new rules based upon ORS statutes.

A contract for architectural services was also provided. Mr. Marino requested a review of Owner's Responsibilities, Article 6 and Exhibit C – List of Expectations of Architect.

The approximate cost of the project was based on Option 7 at \$7.26 million. The \$8 million figure is incorrect.

The district has two options for general contractor or project manager. The district would have to go out for bid for a general contractor. They are generally more costly up front, but usually avoids changes that could save money in the end. A general contractor should be brought on board during the design phase. A project manager is usually hired about the same time as the architect. A project manager can directly contract with board through supplemental services. The board should set the scope of work and maximum cost.

Superintendent recommended bringing on a project manager as early as possible through contract. He also recommended extending our current project manager's contract.

Mike requested that the board review the RFP by the next board meeting. If there are questions from the board on RFP, they should be emailed to Jeanie and Jeanie will forward them to Mike and cc to Peter.

The committees need to be made up of board members, district representatives, and community members.

Public Comment

Lowell Smith requested library representation as the new design involves the library entrance. Chair Martin explained that the entrance is revolved around safety. Superintendent Tarzian assured Mr. Smith that the library would be included.

Jeanie McArthur stated that Dale Coles, a long time supporter, had a plaque in the gallery and she would not want to see that disregarded.

Jeanie Pehlke thanked the committee and is looking forward to this project ensuing. Chair Martin agreed with Jeanie and stated that the board is also looking forward to moving forward.

Superintendent Tarzian stated that by voting for the RFP on Monday, they are making a financial commitment.

Chair Martin made sure the board understands what the timeline is. He requested a written timeline be developed. Superintendent Tarzian will give recommendations on committee members.

Cliff Jett inquired if they had a ballpark figure on what the architect is going to cost. Superintendent Tarzian thought that cost may be embedded in the 15% soft costs, but will confirm.

EXECUTIVE SESSION

The board went into Executive Session at 7:20 p.m. pursuant to ORS 192.660(2)(d) for the purpose of labor negotiations.

The board members on the classified negotiations committee are Director, Macnab and Director Blagg.

The board returned to open session at 7:48 p.m.

ADJOURNMENT

There being no further business, Chair Martin declared the meeting adjourned at 7:50 p.m.

Chair, Bill Martin

Board Secretary, Jennifer Berry