

WASHOUGAL SCHOOL DISTRICT NO. 112-06
Board of Directors' Special Meeting
Wednesday, July 7, 2010, 6:30 p.m.

PRESENT: Blaine Peterson, Board Director; Elaine Pfeifer, Board Director; Ron Dinius, Board Director; Teresa Baldwin, Superintendent and Secretary to the Board. Board Director Tom Huffman participated by proxy (telephone) during meeting. The prearranged absence of Board Director Orlan Gessford was excused.

1. CALL TO ORDER – PLEDGE OF ALLEGIANCE

Blaine Peterson called the meeting to order at 6:30 p.m. and led the pledge of allegiance.

2. AGENDA REVISIONS

Mark Prussing, who is scheduled to present during informational items is caught in traffic, so president Blaine Peterson reversed item #6 and #7 so that the Board will conduct an executive session first.

3. COMMENTS – BOARD OF DIRECTORS AND ADMINISTRATORS

Ron Dinius reported that the WSSDA legislative assembly is in Vancouver again this year on September 24 and 25. He recommends that we go ahead and do the early bird discount registration. Either superintendent Teresa Baldwin or assistant superintendent Rebecca Miner will attend with Ron. Ron also said that on August 12, in Olympia, there will be a financing work session and Rosann Lassman, budget manager, will attend.

Blaine Peterson reported that his son Will had some other summer plans, and the football coach graciously excuses students from practice in the interest of well-rounded athletes.

Rebecca Miner reported that the Feed Your Brain program is going very well.

Teresa Baldwin reported that the Rotary Club's Ducky Derby is July 25, and those funds will go toward student scholarships.

4. COMMENTS – CITIZENS

There were no citizen comments.

5. CONSENT AGENDA

Board members received and reviewed the following documents in advance of the meeting:

A. Payroll (June 2010)

Warrant numbers 179766 – 179833 in the amount of \$1,804,395.08 (Pay date: June 30, 2010)

B. Payroll (X-cycle June 2010)

Warrant numbers 179834 – 179835 in the amount of \$6,395.08 (Pay date: June 30, 2010)

C. Personnel Report

D. 2010-2011 ESD 112 Contracts

Elaine Pfeifer moved, seconded by Ron Dinius, to approve the consent agenda as presented. The motion carried unanimously.

6. BOARD ADJOURNMENT OR ADJOURNMENT TO EXECUTIVE SESSION

Elaine Pfeifer moved to recess to executive session for approximately 30 minutes at 6:39 p.m. Ron Dinius seconded the motion, which carried unanimously.

A. RCW 42.30.110 (2,3) Buy/Sell Property

RETURN FROM EXECUTIVE SESSION FOR ADJOURNMENT OR ACTION

The board returned from executive session at 7:05 p.m.

Elaine Pfeifer made a motion for the superintendent to post the district's intent to sell property. Ron Dinius seconded the motion, which carried unanimously.

7. INFORMATIONAL PRESENTATIONS

A. Non-voted Debt, Financing Options

Mark Prussing, Public Financial Management, is the District's financial consultant. He presented information regarding Qualified School Construction Bonds (QSCB). He explained that the non-voted debt has more restrictions, and QSCBs also have restrictions, so we need to be sure that the projects we are contemplating fit within the limitations of the use of the funds. The largest decision for the Board is really not the financing tool, because Mark feels that QSCBs are a viable option for the District. The real decision is to determine that taking on \$1.2 million in non-voted debt requires payment over 17 years from the general fund. A public hearing is required at least two weeks prior to the Board's approval of a bond resolution. In addition, there are Federal rules regarding the use of Davis Bacon Act for construction payroll. The role of Mark Prussing and Trevor Carlson, bond counsel, is to structure the bonds in such a way as to minimize the risks. Use of other bond or capital levy funds are restricted in terms of retiring this debt, so the debt is a long-term commitment of general funds, unless there was a rise in revenue such as increased enrollment. Mark also explained that there would just be one maturity for this particular financing option, and because we are seeking a relatively small amount of money, he recommends that we use Capital One at a 1.6% loan. Under this scenario, a public offering of bonds would not be necessary and it's hard to justify the additional costs for such a small offering. He showed three options to the Board. Option A is to take the 6.9% interest rate with a reimbursement rate of 5.3% at the end of the loan. Option B is just to take the 1.6% rate and take less up front and the payments are lowered. The final Option C is tax exempt borrowing, which would be outside of the QSCB option, and the cost of issuance is lower. Option B, as described is the best borrowing value overall, if the District was satisfied with the actual available funds for projects at \$1.1 million. In summary, Option B would allow the District to borrow funds at 1.6% interest rate. Mark pointed out that there is a 30-day window for negotiating with the bank, and Mark would representing the District. Once secured, the funds would go into the Capital Projects fund until needed for project payouts with a 3-year time limit on expending funds. Jim McNeil, bond counsel with Foster Pepper, would develop a timeline with the superintendent and prepare the documents for Board approval, if the Board decides to go in this direction. The Board requested that we bring this topic back on the next meeting agenda, July 27, 2010.

BOARD EVALUATION AND ADJOURNMENT

Blaine Peterson collected the board's self-evaluation forms. The results are attached.

Elaine Pfeifer moved, seconded by Ron Dinius, to adjourn at 8:25 p.m. The motion carried unanimously.

Dated this 27th day of July 2010

President

Secretary to the Board

Board Self Evaluation Results											
July 7, 2010											
					board member:	1	2	3	4	5	Average
1.	The board followed its agenda and did not allow itself to get sidetracked.					5	5	4			4.7
2.	The agenda was well planned to focus on the real work of the board.					5	5	5			5.0
3.	The meeting started on time and proceeded in a timely manner.					5	4	4			4.3
4.	The meeting proceeded without interruptions or distractions.					5	5	4			4.7
5.	The board's deliberations and decision-making processes were public.					5	4	5			4.7
6.	Participation was balanced; all participated; no one dominated.					5	5	5			5.0
7.	Members listened attentively, avoiding side conversations.					5	5	5			5.0
8.	Work was conducted in an atmosphere of trust and openness.					5	4	5			4.7
9.	Meeting participants treated each other with respect and courtesy.					5	4	5			4.7
Point scoring system:											
1	Failed										
2	Unacceptable										
3	Acceptable										
4	Commendable										
5	Met Best Expectations										