

MINUTES

Regular Meeting of the

BOARD OF DIRECTORS

Corvallis School District 509J

1555 SW 35th Street

Corvallis, OR 97333

I. CALL TO ORDER AND ROLL CALL

Chair Gable called the meeting to order at 7:06 p.m. in Central Office Board Room, 1555 SW 35th Street, Corvallis. Chair Gable dispensed with the calling of the roll and the secretary recorded those present as listed below.

BOARD MEMBERS PRESENT

Cyrel Gable, Chair
Ron Miller, Vice Chair
Robert Baldwin, Member
Sara Gelser, Member
Nell O'Malley, Member
Robert Johnson, Member
Joan Demarest, Member

EXECUTIVE STAFF PRESENT

Ron Corbell, Assistant Superintendent
Jeanne Holmes, Assistant to the Superintendent
Kathy Rodeman, Business Services Director
Michael Ann McIlvenny, Administrator for
Special Programs
Dawn Tarzian, Teaching and Learning Director
Duane Jager, Information Services Manager
Fred Wright, Auxiliary Services Director
Julie Catala, Board Secretary

STUDENT REPRESENTATIVES PRESENT

Andrew Grill, Corvallis High School

PRINCIPALS PRESENT

(None)

A quorum was present and due notice had been published.

II. PLEDGE OF ALLEGIANCE

Chair Gable led the group in the Pledge of Allegiance.

III. COMMITTEE/BOARD MEMBER ITEMS

Chair Gable expressed her appreciation to the press for calling attention to their concerns regarding open meetings law, in particular procedures followed in the Board's most recent executive session (January 27, 2003). She stated open meetings law is fraught with gray areas and legal counsel advised it may have been most appropriate to schedule those topics discussed before an open session. Those topics that were in question are on the agenda for this night's meeting. They are: the possible location of a cell tower on the replacement middle school property, deed restrictions regarding the district's Dixie property, and discussions regarding the district's Timberhill property. Addressing these topics in open session is the remedy provided by open meetings law. Chair Gable apologized to the community and added Board and staff training would be taking place to ensure there are no errors of this type in the future. Chair Gable stated the role of the press is important in a system of checks and balances in a democracy and again thanked the press.

Chair Gable announced the Board would be clarifying in this evening's meeting the issue of whether to sell the district's Fairplay property and would move to an executive session to discuss offers if it was the Board's decision to sell.

Chair Gable announced that a joint public meeting with the Corvallis City Council would be held March 3 at 7 p.m.

IV. STUDENT REPRESENTATIVES

Andrew Grill reported the current activities taking place at Corvallis High School were the Sadie Hawkins Dance, the Mr. Spartan contest, and heading up a box top collection effort in the elementary schools.

V. SUPERINTENDENT'S REPORT

In Superintendent Ford's absence, Assistant Superintendent Corbell provided an update regarding the search for a replacement principal at Crescent Valley High School upon Dick Behn's retirement this June. A nationwide search was conducted resulting in over 20 applicants, which have been narrowed down to six for interviews. The 12-member screening committee hopes to recommend a candidate to the Board on or before spring break.

Business Services Director Kathy Rodeman reported on the impact of Measure 28 and the district's credit rating:

- Because Measure 28 failed the district will be implementing the seven cut-days calendar as approved January 27, 2003.

- The district has received an A2 credit rating, which has a very positive impact on marketing the \$86.4 million in facilities improvement bonds. The bonds will sell February 11 and all indications point to lower than planned for rates, saving citizens' taxes.

On behalf of Auxiliary Services Director Fred Wright, Ron Corbell publicly thanked Kathy Rodeman and Budget Analyst Linda Martin for their work in bringing the bond sale to fruition.

VI. CITIZEN PARTICIPATION

Peggy Lynch, 946 NW Circle, #291, Corvallis, provided to the Board a pamphlet entitled "A Quick Reference Guide to Oregon's Public Meetings Law" published by Open Oregon and the Oregon Attorney General's office. (Filed in Section V of the Official 2002-2003 Board Minutes.) She stated her appreciation of the City and School Board's upcoming joint session, as she is very much for local governments working together on behalf of children. She also spoke of Senate Bills 87, 88, and 89 which would provide additional school funding for high-growth districts, of which Corvallis is not. Special needs, English-as-a-Second-Language, and other categories' funding may be affected as well by these bills. The Corvallis Education Coalition, of which she is a member, will offer an opportunity for citizens to travel to Salem for a save Corvallis School District lobby day on one of the district's cut days to talk to legislators about the importance of funding the district's schools.

Bill Patton, PO Box 975, Philomath, stated he was speaking on behalf of the Inavale Parent-Teacher organization. He expressed his appreciation for Director Sara Gelser's attendance at their December meeting to inform and to listen. Topics included the district's budget, cutting school days, and parent concerns. He extended his thanks to the other Board members who spend their time visiting schools as well as the superintendent's office and administration office for conducting the budget forums.

Frank Hall, 3348 SW Chintimini Avenue, Corvallis, representing the Corvallis Waldorf School, urges action that will preserve the district's Fairplay property as a school to maintain its educational conditional use zoning. He stated Waldorf's lawyer pointed out that partial use of the property could result in partial loss of its non-conforming use status. He said Waldorf is serious about operating a school at Fairplay and hopes the district will accept their fair offer. He added that about one out of fifteen families in their school moved to Corvallis because of the Waldorf School. He sees their school as a tributary feeding into the Corvallis School District, which receives enrollment of their students upon completion of their Waldorf education.

Wendy Brewer, 4160 NE Morning Street, Corvallis, stated she represented the neighborhood to the north of Fairplay. The neighborhood would be delighted to see a school there, especially Waldorf. The neighbors have benefited from the kind Waldorf community events that show care for the environment, engendering the feeling that the grounds would be cared for.

Rose Craft, 2900 NE Pilkington, Corvallis, questioned the process for marketing the Fairplay property. Her questions included whether a price had been set, how entities knew to bid on the property, whether it would be sold to the highest bidder and its lacking of inclusion as listed property for sale.

Chair Gable referred her to the discussion later in the agenda, which addressed this topic.

VII. STAFF PARTICIPATION

No staff wished to speak.

VIII. SPECIAL REPORTS

A. DISTRICT IMPROVEMENT PLAN UPDATE – EXPANDING LEARNING OPPORTUNITIES

Dawn Tarzian, Teaching and Learning Director, reported on the district's progress regarding expanded learning opportunities for all students. (See Item #VII-9 of the Official 2002-2003 Board Minutes) Considerable work has been done in the high school area with a small group focused on College Hill. The curriculum there has been revised to include service learning. Increased opportunity for internships, Certificate of Advanced Mastery curricula and parent resources are being explored. Consideration is being given to enrolling incoming 9th graders who may perform better in a smaller setting. The question is being investigated as to whether College Hill will be an alternative separate program or integrated. In about 18 months the high school leadership team will evaluate whether the school should continue to be centrally funded or on a per student basis. She concluded by adding that expanding learning opportunities are at baby-steps in development.

B. PROGRESS REPORTS ON SCHOOL CONSOLIDATIONS

Due to the anticipated length of the meeting this item, and its subdivisions below, was pulled from the agenda and will be rescheduled to a later meeting.

1. ADAMS ELEMENTARY SCHOOL
2. MT. VIEW ELEMENTARY SCHOOL
3. WESTLAND MIDDLE SCHOOL

IX. CONSOLIDATED ACTION

Chair Gable asked that Item A.2. Agreement for Architectural/Engineering Services – Facility Improvement Projects be held to allow an opportunity to speak to the topic.

MOTION #26: Director Baldwin moved, Director Johnson seconded, to approve the remaining Consolidated Action Items. The motion passed unanimously.

A. SUPPORT SERVICES ITEM

1. SUPERINTENDENT'S LICENSED PERSONNEL RECOMMENDATIONS

The Board approved the recommendations. (Filed as Supplemental Item #IV-26 of the Official 2002-03 Board Minutes.)

2. AGREEMENT FOR ARCHITECTURAL/ENGINEERING SERVICES – FACILITY IMPROVEMENT PROJECTS

Held for Discussion: Chair Gable requested Auxiliary Services Director Fred Wright elaborate on this item. (Filed as Supplemental Item #I-26 of the Official 2002-03 Board Minutes.)

He stated this is the last major bond project that requires architectural engineering services. The previous packages were the Crescent Valley modernization/upgrade, replacement Corvallis High School and the replacement middle school. He referred to a poster which listed the schools and buildings related to this item and their projects which include American Disability Act improvements, Fire/Life/Safety improvements, seismic upgrades, roofing, and technology system upgrades. He related the process in selecting a firm to recommend to the Board.

Motion # 27: Director Baldwin moved, Director Gelser seconded, to appoint Sera Architects for the Architectural/Engineering Services for the Facility Improvement projects. The motion passed unanimously.

3. AGREEMENT WITH YES HOUSE FOR SUBSTANCE ABUSE COUNSELING

This is an on-going agreement between the District and Yes House for substance abuse counseling. The fee to the District for the 2002-2003 year is \$26,000. (Filed as Supplemental Item #I-27 of the Official 2002-03 Board Minutes.)

4. IN-KIND DONATIONS

The Board accepted the donations. (Filed as Supplemental Item #X-21 of the Official 2002-03 Board Minutes.)

B. (There was no item IX.B. listed in the agenda.)

C. OTHER

There were no other Consolidated Action Items.

X. CONSOLIDATED INFORMATION

A. CORRESPONDENCE

Filed in Section V of the Official 2002-03 Board Minutes.

B. EDUCATIONAL SERVICES ITEMS

1. EXTENDED FIELD TRIP INFORMATION

The Board received information on three extended field trips. (Filed as Supplemental Item #IV-27 of the Official 2002-03 Board Minutes.)

2. INTERDISTRICT TRANSFER INFORMATION

The Board received information on 9 interdistrict transfers.

C. SUPPORT SERVICES ITEMS

1. NON-LICENSED PERSONNEL INFORMATION

(Filed as Supplemental Item #IV-28 in the Official 2002-03 Board Minutes.)

2. UNAUDITED FINANCIAL STATEMENTS

The Board received the unaudited statements of revenues, expenditures, and fund balances of the various funds of the District for the period ending December 31, 2002. (Filed as Supplemental Item #X-22 in the Official 2002-03 Board Minutes.)

3. CHECK REGISTER

The detailed check distribution ledger is on file in the Business Services Office and is available for information during business hours. (Filed as Supplemental Item #X-23 in the Official 2002-03 Board Minutes.)

4. COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Board was provided a copy of the "Comprehensive Annual Financial Report for the year ended June 30, 2002." (Information item filed as Supplemental Item #X-24 of the Official 2002-2003 Board Minutes.) The report itself is on file in the Business Services Office and is available for viewing during business hours.

XI. OTHER DISTRICT BUSINESS**A. APPOINTMENT OF BUDGET COMMITTEE MEMBERS**

(Action Item Filed as Supplemental Item #VI-9 of the Official 2002-03 Board Minutes.)

Motion #28: Director Baldwin moved, Director Demarest seconded, to appoint Karyl Butcher to a one-year term ending June 2003 to the District's Budget Committee. Ms. Butcher has been a member of the Budget Committee. The motion passed unanimously.

Motion # 29: Director Baldwin moved, Director Demarest seconded, to appoint Shaun McKinney to a three-year term ending June 2005 to the District's Budget Committee. Mr. McKinney was a runner-up for the most recent Board vacancy and has experience in management and working with large budgets in the forest service. The motion passed unanimously.

Motion # 30: Director Miller moved, Director O'Malley seconded, to appoint Charlie Tomlinson to a three-year term ending June 2005 to the District's Budget Committee. Mr. Tomlinson is a business owner and former city councilor. The motion passed unanimously.

B. TIMBERHILL PROPERTY UPDATE – FOR INFORMATION

Auxiliary Services Director Fred Wright addressed the Board. He stated the district's Timberhill property originated from a donation of approximately 12 acres from Mr. Brandis. Five of the acres were pledged to the City for park development, the remaining to the district for a school with the provision that if it was not developed within ten years time by the district the property would revert to the City.

At the June 24, 2002 Board meeting, at which the Long-Range Facilities Master Plan was adopted, there was much discussion regarding reserving for later consideration possible uses of the Timberhill property, even though it was not identified as a needed site for district development and therefore placed on the surplus property list. (See Supplemental Item #VII-10 filed in the Official 2002-2003 Board Minutes.) The Board directed Mr. Wright to obtain further information from the City regarding any aspects of the property that would lead to greater understanding of its future possible uses. Mr. Wright reported the City currently has plans for only their five acres, divided into six phases. Phase 1 is the only funded phase and it has begun. It includes land clearing, erosion control and utility installations. If the City were to modify their plans to include the recently acquired 7 acres, it would take a year for them to include in their Capitol Improvement Project list for consideration in their budget process for funding. No response was needed from the Board at this time but revisiting the topic to coincide with the City's review of their plans in July/August/September would be the recommended time frame for further consideration.

C. REQUEST FOR LOCATION OF CELL TOWER BY VERIZON WIRELESS AT REPLACEMENT MIDDLE SCHOOL SITE – FOR ACTION

Auxiliary Services Director Fred Wright stated he had recently received an informal inquiry regarding placement of a cell tower at the replacement middle school site in Corvallis. (See Supplemental Item #IV-29 of the Official 2002-2003 Board Minutes.) The proposed fee would range between \$700-\$1200 per month. Since the executive session at which this topic was discussed January 27, 2003, Mr. Wright looked into the possibility of obtaining a higher fee from the lessees. They responded in the negative and in fact said it would be more likely near the \$700 range due to capital expenditures related to storing their equipment as opposed to storing it on-site in a district building. Mr. Wright recommended denial of approval for locating a cell tower at the replacement middle school property. He cited these reasons:

- The site is limited already in size due to sharing the site with Osborn Aquatic Center and the Boys and Girls' Club
- The final design development has not been completed relating to the replacement middle school
- The possible negative impact it would have on surrounding neighborhood
- Staff has been in touch with at least four other school districts regarding cell tower installations and a recurring concern is the possible long-term health risks due to the unknown effects of cell tower technology.

Motion #31: Director Johnson moved, Director O'Malley seconded, to deny approval of cell tower construction at the replacement middle school site. The motion passed unanimously.

Director Demarest asked to have it noted that this was one of the items discussed at the last executive session that was the subject of some scrutiny and that she was the person that asked Mr. Wright to come back with additional information before making a decision, which is what is happening tonight. She added this is an example of how she believes the Board did not violate the open meetings law at the January 27, 2003 executive session when discussing this issue.

D. CLEARING (DEED) FOR POSSIBLE FUTURE SALE OF DIXIE FACILITY – FOR ACTION

The Dixie deed contains a reversionary clause which states in essence that if Dixie is no longer used as a school a portion of the properties would revert back to the individual(s) or their heirs that donated the property to the district in 1886. (See Supplemental Item IV-30 of the Official 2002-2003 Board Minutes)

Chair Gable introduced this item stating that if the Board chose to approve this item, that staff would work closely with legal counsel to lessen the costs of clearing the deed, with the understanding that it would not exceed \$10,000. Auxiliary Services Director Fred Wright stated the alternative would be to attempt to sell those portions that have clear title, which eliminates the parcels where the two main buildings are located, or to not sell those properties retaining the clouded title. He added the district keeps the facility partially heated and maintained to prevent deterioration.

Motion #32: Director Johnson moved, Director Baldwin seconded, to approve pursuit of a clear title with legal assistance, fees not to exceed \$10,000. The motion passed unanimously.

E. DECLARATION OF SURPLUS FAIRPLAY PROPERTY – FOR ACTION

Chair Gable announced that the Realtor of Record and the appraiser for the Fairplay property would come forward with Auxiliary Services Director Fred Wright to provide information and answer Board questions. At the end of the discussion the pros and cons for placing the Fairplay property up for sale would be stated to assist in making the decision and provide information to the public.

Mr. Wright reviewed Fairplay's recent history. Fairplay was listed as surplus property in the District's Long-Range Facilities Plan as adopted by the Board in June of 2002. It, along with the Dixie property, was marketed for rent or lease through a public process. The offers received were unsatisfactory. Staff felt they were then asked to market the properties as they best saw fit, whether it be to rent, lease, or sell. The Board approved a Realtor of Record in December 2002 to assist with the District's five properties listed as surplus. Knowledge of the availability of the Fairplay property spread through the realtors and the media, which sparked offers. The appraisal was shared with potential buyers. (Appraisal on file in the Auxiliary Services Department.) Tonight clarity is being sought as to whether the Board wishes to declare the Fairplay property as surplus and for sale. (See Supplemental Item #IV-31 of the Official 2002-03 Board Minutes.)

Appraiser Darrell Deglow stated he has been an appraiser for 27 years and he conducted the appraisal on the Fairplay property in June 2002. He has appraised 15-20 schools and most recently has appraised the Lebanon schools that have been liquidated over the past two to three years. Many schools were older on EFU (exclusive farm-use) land, which he sees as a critical issue with Fairplay along with age and condition. When schools are on EFU land there is not a wide pool of potential users. Schools are often on the market for many years. Fairplay has seismic, ventilation, and asbestos concerns. It is estimated \$2 million would be needed to rehabilitate the school regarding these factors along with American Disability Act improvements. Mr. Wright interjected that those that have submitted offers are aware of these items. It was noted that the district or other users would not have to rectify those conditions unless a decision was made to remodel. Most of schools Mr. Deglow appraised had similar situations. Non-EFU land is more valuable as it is more versatile. It is very difficult to get the EFU designation changed. When asked whether a community college could use the school Mr. Deglow replied that it could if it did not create more neighborhood impact in terms of traffic, etc.

Mr. Wright stated there is another public entity that had inquired this day about leasing the property. He then introduced the topic of the property's future value if the land use designation could be changed and it was developed into lots.

Paul Ross of Coldwell Valley Banker Brokers, the Realtor of Record, spoke to the speculative future value of the Fairplay property though he wanted it noted that he was not there to advise or speculate on what the best use of the property might be. He reviewed that Corvallis has the lowest rate of annexation in the state with an historically low rate of commercial growth. Fairplay has three grades of soil, low, medium, and high. The high quality land would have even a lesser chance of altered zoning.

He could not find any example of an EFU zoning being changed. For the sake of argument, in assuming today's prices and surrounding land sizes, the ten-acre Fairplay property could be divided into 43 10,000 square foot lots with 25% used for infrastructure, resulting in 30 lots. An optimistic \$50,000 per lot would yield \$1.5 million but the developer would subtract 65% of the price for standard development fees decreasing the yield to \$525,000 not including demolition, removal, or rezoning.

Referencing land use planner Dave Dodson's comments at a previous meeting, Mr. Ross stated there were 24,000 acres in the original urban growth boundary of the 1970's that were projected to last for 20 years. Almost 30 years later, only 8,000 has been used. 16,000 acres is still available. He understands that to expand the urban growth boundary the three miles out to Fairplay, the City would have to use the remaining 16,000 available acres. It was acknowledged that some of those acres were undevelopable due to wetlands.

Mr. Wright determined \$1,000 is being spent per month for utilities, security, and limited building and grounds upkeep, not including insurance, for the vacant Fairplay property.

Vice Chair Miller inquired into the method used to determine the lease rate and if a lower one could have been determined. Mr. Wright mentioned it had been marketed at 17 cents per square foot and an offer was received at one cent per foot. Director Miller felt perhaps more entities would feel it within their reach to lease if the marketed price were lowered.

It was clarified that the motion was to market the Fairplay property for sale though the Board would not be obligated to accept offers currently received.

When questioned regarding the investing of sales proceeds should the District sell the Fairplay property, Ms. Rodeman stated today's market has a very low rate of return on investments, earning less than 2%.

The Board then began voicing pros and cons of selling the property, which Jeanne Holmes recorded on a chart pack for Board viewing. They are listed below along with others captured by the recorder.

Advantages to Selling the Fairplay Property: sales revenue, continued use as a school as have offers to purchase but not to lease, cost of long-term upkeep lowers rate of any future return (i.e. \$525,000 less \$120,000 for upkeep over ten years) as well as asbestos abatement and demolition costs of \$75,000 to \$125,000, have other sites available for future building uses (primarily Harding & Westland), avoids land-use challenge and ability to use as a school, there are few other schools in the area to lease to, consistent with Long-Range facilities plan which considered extensive studies and demographics and lists the additional site of Village Green as possible future school sites, community interest in selling site so a school can still be there (no one has contacted saying not to sell), terminates District's liability, can we cover expenses with lease that will allow flexibility for future use

Disadvantages to Selling the Fairplay Property: absence of future use, could increase chances of prospects if alter lease fee, more costly to replace in future with less available land sites, Fairplay was closed due to financial reasons not its location, considering the community's desire for educational entrepreneurialism it would be nice to have a facility for that purpose,

Director Miller felt he was speaking for the Board in saying that they all felt a responsibility to the neighborhood to not leave the building vacant.

Director O'Malley pointed out not all the items on the chart are of equal value so a visual analysis may not be valid.

Motion #33: Director Baldwin moved, Director Gelser seconded, to declare the Fairplay property surplus and sell it.

Discussion ensued with these points made:

- Believes Waldorf would be an excellent addition to the community as others may also including any new District programs
- Agreeing to only sell or not restricts full-spectrum of options
- One con that weighs heavily is the possibility of seriously endangering the educational property designation to exclusive farm use which could disable the property for our own educational uses as well as others
- The District has fiscal limitations so cannot afford to keep this property
- Would hate to be saddled with something that the District can't use and can't sell
- Spending \$12,000/year to maintain seems wasteful when money is so tight and the net long-term benefit is so low, it could potentially be a loss considering the cost of demolition
- Educational innovation is an idea, a process, which does not require a physical place but rather a pedagogy and people
- Once the building is gone, it's forever gone; acreage and prices may be prohibitive in the future
- If the District could prove it was actively marketing the property and continued to use it in one way or another for District functions, there is an argument for keeping its educational conditional land use; however that would be up for challenge to LUBA.
- In negotiating a sale contract, future needs for the property and future value could be addressed

Chair Gable requested a recommendation from Mr. Wright who responded the request was for clarification of whether to place the Fairplay property for sale and based on reasons voiced this evening recommends the Board consider accepting one of the offers received for purchase.

Director Miller pointed out that in June 2002 the Board approved the property to be marketed for rental/lease/or sale. Mr. Wright affirmed that and added that failing to find a satisfactory lessee or renter staff had moved on to marketing for sale. Those who made offers of lease or rental were not willing to increase their offers. Mr. Wright stated the proposal tonight is to agree to sell.

A call for the question was unanimous. Chair Gable, Directors Baldwin and Gelser voted in favor of the motion; all others voted in opposition. The motion did not carry.

Auxiliary Services Director Fred Wright was told to explore other options and bring back a recommendation to the Board for next steps besides sale.

XII. EXECUTIVE SESSION

The Board did not meet in executive session this evening.

XIII. ADJOURNMENT

Being no further business, Chair Gable adjourned the meeting at 9:55 p.m.

Cyrel Gable, Chair

Jim Ford, Superintendent

Prepared by: Jolene Shute
(super/julie/board/minutes/2003/february 10.doc)