

**WORK SESSION MINUTES OF MEETING OF SCHOOL DISTRICT BOARD
OF
SHERIDAN SCHOOL DISTRICT 48J**

May 15, 2013

The Board of Directors of District No. 48J, Yamhill County, State of Oregon, by common consent convened in Work Session at the Sheridan School District Office in said district at 5:00 p.m. on the 15th day of May, 2013.

1. PLEDGE OF ALLEGIANCE

Mrs. Breeden called the meeting to order at 5:00 p.m. and led the Pledge of Allegiance.

2. ROLL CALL

Board:

- x Larry Deibel, Director
- x Robin Rawlings, Director
- x Judy Breeden, Chairperson
- x Harvey Hall, Director
- x Jason Alexander, Director

Press:

Meredith Lawrence, The Sun (newspaper)

Others Present:

A.J. Grauer, Superintendent
DeAnn O'Neil, Fiscal Manager
Penny Elliott, District Secretary
Candace Pelt, Special Services
Dean Rech, SHS Principle
Marti Hofenbredl, FCS Principal
Emilie Molloy
Jamie McMahon, PPRFBC
Lana Lukinich, PPRFBC
Misty Ross, PPRFBC
Monique Keeling, PPRFBC
Steve Sugg, In-coming Superintendent
Paula Branson, Budget Committee
Joseph Knox, Budget Committee
Carol Samuals, Seattle Northwest

You will need to formally make yourself into a committee and choose a chairperson for that committee.

Chairing the campaign for the Bond-Re-funding

Introductions from everyone -

3. PRESENTATIONS:

A. Seattle Northwest Bonding by Carol Samuals

Background on Bonds:

Bond is a fancy name for a very large loan – sold to multiple investors

Tax-exempt bonds – interest is not subject to federal or state income taxes

This is how most schools district issue bonds. Bondholder receives repayment of principal and interest. Interest is not subject o federal or state of Oregon income taxes, because of this the interest rate is lower.

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Taxable Bonds

Federal Treasury securities

Bondholder receives repayment of principal and interest. However, interest **is** subject to federal (not state) income taxes. School districts have used taxable bonds to fund pension liabilities and non-public purpose projects.

General Obligation bond-re-funding

Debt service is paid with property tax levy (new bond, new property tax levy)

1. Bond that is secured by property taxes and the “full faith and credit” of the District.
2. Debt service is repaid by a levy on all taxable property within issuer’s boundaries. Levy is not limited by Measure 5 or Measure 50. Considered highest quality credit a municipality can offer to market.
3. Interest on bonds generally exempt from both federal and state income taxes
4. Four election dates every year: March, May, September and November. November and May elections are not subject to double majority provisions.
5. Proceeds can be used for “capital construction improvements” that have a useful life of one year or more.
6. Bond ballot approves are not-to-exceed” \$ amount of bonds, permitted use of proceeds and maximum years of maturity. Bond ballot cannot approve a “\$ per thousand” amount.

Oregon Law:

K-12 districts are subject to a debt limit of no more than 7.95% of real market value – does not apply to non-voted debt.

you could ask the \$21,000,000 (the district)

Use of Proceeds:

- you can't use the money for routine maintenance and supplies – don't use for bond
- BUT technology, supplies, furnishings and large scale maintenance projects would qualify.
- Interest earnings on proceeds must be used for projects in ballot title.

Thought of what the cost is for your tax payers

What is going on with your property values (new property tax levy)

We will not increase your tax rate

Impact tax rate about \$1 a \$100,000 of assessed value.

Retain the bond at its full level – payback – taxpayers . . .

General fund comes from property taxes and then it goes to the rest

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Filling Deadline: September 5th Ballot needs to be in:

NEEDS TO BE ON THE BALLOT – (November of 13/ May of 14)

---\$ amount not to exceed

---maximum amount of time to pay it back

---detailed explanation on how you are going to use the money and on what

Ideas:

FAQ sheet:

will be given -

How much is it going to cost them then?

Interest rates are very low at the moment, levy rates low – still in a recession.

Contract, materials and cost -

Does this help the students? - committee will choose these ideas

When does the committee wants to meet again, what do you want to do to move forward

Need to choose a name. Last bond committee was the YES Committee (Youth & Education in Sheridan)

NEXT WORK SESSION MEETING AGENDA – Wednesday 5/29/13 at 5:30 pm

ADJOURNMENT

**Motion: Jason Alexander Second: Robin Rawlings Motion passed unanimously.
6:05 pm**

Respectfully Submitted by:
Penny Elliott

Superintendent/Designee

Board Chair/Designee