

**MINUTES OF THE EXECUTIVE SESSIONS, WORK SESSION,  
AND REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
SCHOOL DISTRICT 4J, LANE COUNTY, OREGON**

**November 13, 2017**

The Board of Directors of School District No. 4J, Lane County, Eugene, Oregon, held a work session at 5:15 p.m. at the Education Center, 200 North Monroe Street, Eugene, Oregon. Notice of the meeting was mailed to the media and posted in the Education Center on November 10, 2017, and published in *The Register-Guard* on November 13, 2017.

**ROLL CALL**

**BOARD MEMBERS:**

Eileen Nittler, Chair  
Alicia Hays, Vice Chair  
Anne Marie Levis  
Judy Newman  
Evangelina Sundgrenz  
Jim Torrey  
Mary Walston

**STAFF:**

Dr. Gustavo Balderas, Superintendent of Schools  
Dr. Charis McGaughy, Assistant Superintendent of Instruction  
Ms. Kerry Delf, Associate Director of Communications  
Ms. Monica Brown, Director of Finance  
Ms. Cydney Vandercar, Director of Human Resources  
Ms. Christine Nesbit, Associate Director of Human Resources  
Mr. Harlan Coats, Director of Facilities Management  
Mr. Steve Menachemson, Director of Technology  
Mr. Oscar Loureiro, Director of Research and Planning  
Ms. Lisa Fjordbeck, Executive Assistant / Board Secretary

**MEDIA:** KRVM, Register-Guard

**OTHER:** None

**I. WORK SESSION: FUTURE BOND PLANNING**

Board Chair Nittler opened the work session at 5:23 p.m.

1. Update and Overview

LeRoy Landers from Mahlum Architects introduced himself as the consultant for updating the 4J Long Range Facility Plan (LRFP) and said a goal of the work session was to understand the width and breadth of district facilities needs, and consider how to address those needs. Mr. Landers said it was not an easy thing to do, but thought it would be useful for the board. He provide an updated and overview of facility needs, and said the board members would complete an individual exercise before group discussion. The purpose of the individual activity was to see what commonality board members had in their prioritized issues. Mr. Landers said the board was not truly allocating funds, but was taking the time to understand how difficult it would be to prioritize projects in the forthcoming bond proposal.

Mr. Landers reminded the board of the schedule for LRFP. He said Mahlum Architects recently finished the first plan approach meeting with the bond steering committee. Mr. Landers noted the board already received a high-level overview. In addition, there is a subsequent plan option refinement meeting during the first week of December 2017. Mr. Landers said there may need to be a third bond planning meeting as well. He emphasized the efforts were intended to discuss some projects that may or may not be contained in a capital measure that could be proposed, more than that, the process was to develop a LRFP. Mr. Landers explained that for any school district with an enrollment of 2,500 students or more, the state required that the district have a developed and updated LRFP. In addition, the LRFP needed to meet ORS 195.110. More importantly, the LRFP would allow the district to ensure the first phase of the bond measure was done strategically, prior to subsequent phases of the LRFP.

Ms. Levis asked who was on the bond steering committee. Mr. Landers said many of the staff present at the work session. He said the intention was to have staff who represented the breadth of considerations, including technology, curriculum, leadership, facilities, and other key areas.

Mr. Landers said after the three meetings, the bond steering committee would implement an outreach plan to allow the broader community to provide input. He noted public input could change direction of the LRFP. Mr. Landers said there would be two public meetings. After outreach, a draft report would be published that pulled together the work done by the board, the bond steering committee, and the community. Then, the report would go into final review by the board.

Judy Newman arrived at 5:28 p.m.

Mr. Landers reviewed elements of the plan. He explained the three main considerations for the LRFP involved Educational Programs (i.e. changes or additions to programs), Enrollment and Capacity (i.e. supply and demand), and Facility Condition (i.e. facility assessments). He noted the enrollment projects were taken from a Portland State University (PSU) study. The three main components were considered to help understand if current facilities could handle future anticipated growth. The State now has a certified assessment program for schools, to ensure schools across the state are equal.

Mr. Landers said that when talking to the bond steering committee, major considerations mentioned included: adding prekindergarten classrooms in highest need elementary schools

providing equitable special education programs; providing a central location for alternative education; creating a new alternative middle school program; accommodating learning space for immersion programs; expanding Career Technical Education (CET) and pathway programs at all middle and high schools; accommodating the State Physical Education (PE) standards at all elementary and middle schools; providing equitable athletic facilities; providing space for food service facilities; and providing space for health centers.

Mr. Landers said the addition of prekindergarten classrooms could initially be two classrooms at five high need elementary schools, distributed throughout three regions. Those high need schools were prioritized because they were disadvantaged socio-economically. He explained that his firm made assumptions regarding square footages and the capital needed to build those facilities. Mr. Landers noted these were educated estimates, however, not all assumptions would be correct. The steering committee assumed 3,750 gross square feet (GSF) of new construction for each classroom.

In response to a question from Chair Nittler, Mr. Landers explained that GSF included wall thickness and air circulation space, as well as usable square footage. He noted the costs assume that new construction would occur at all schools. He noted this was the most conservative, high-level approach. Mr. Landers said another long-term option was to incorporate pre-kindergarten at every elementary school in the district over the years. The projected cost was \$2.3 million per school.

Mr. Landers explained some of the Special Education considerations the bond steering committee discussed. One consideration would include providing consistent, equitable programs across the district. Another consideration was locating the high school life skills program to a permanent location. To do so would cost a projected \$2.2 million per school. Mr. Landers noted that for life skills, it was a \$1.5 million lump sum line item at that point in time because it was unknown exactly what that program would be. Mr. Landers said there were nine identified schools that could absorb a life skills classroom. Again, a cost for new construction was made for new construction consisting of 3,750 GSF per classroom.

Mr. Landers went through the Alternative Education considerations. They included providing a permanent location for programs. The idea was to move alternative education to a more central location, because it was located at the Lane Community College main campus. Mr. Landers said they would plan for 300 students, and possibly include an online learning hub. Mr. Landers noted there are currently 210 students enrolled in alternative education. Options included possibly leasing a downtown space, which had no LRFP impact on funding because it was a capital budget. Other options were to move to an offline facility and assume a full remodel, or acquire and remodel a newly purchased facility. The district could also look at available facility space created by possible bond planning work, and assume the GSF of an offline facility remodel. Finally, the district could build a new facility; in that case, the district could assume 45,000 GSF. That number was found by taking 300 students and multiplying 150 square feet per student. Mr. Lander said costs range depending on what option was considered, from \$19.9 million to \$28.5 million. He wanted to emphasize rough order based on magnitude, and as more research, discussion and public outreach occurred, numbers would become more refined.

Ms. Levis said that was a large cost for the program. She felt uncomfortable looking at that large of a number, when considering other educational needs. Because of that high number, Ms. Levis worried alternative education options may get pushed down farther on priority list. She said it was a critical need, and if 4J did not invest in the program, she worried it would die. Dr. Balderas said he thought 4J would figure out how to sustain the program, whether or not the updated facility was funded. He agreed it was important to find viable space if possible, but not lose sight of kids' needs.

Mr. Landers moved on to alternative education at the middle school level. The consideration included a new middle school alternative program, with a planned enrollment of 150 students. Options to accomplish the projected growth included locating the new program with a high school program, however, it appeared both programs would not fit in any available offline facility. He said another option would be to locate the program separately from a high school in an existing offline school that had available capacity with a minimal remodel. A third option would be to acquire and remodel a facility. Finally, 4J could build a new facility, and assume 22,500 GSF for 150 students. Projected costs ranged from a little over \$4 million to a little over \$14 million.

Mr. Landers explained options for the Language Immersion Programs. The main consideration was to expand the Chinese Immersion program, and to reconsider the location of the Japanese Immersion program. Longer term planning could include 300 to 450 students in the program, and 2 to 3 classrooms per grade. Options included locating at the Churchill region because the other regions have language immersion programs. Considerations for the Japanese Immersion program include locating at an available offline facility, and remodeling the building; however, it was important to note the size of the facility may limit enrollment over time. A second option was locating the facility within available space at a current school. The final option was providing an allowance in LRFP for the ability to determine specific enhancements and remodels later.

Ms. Levis clarified that the \$13.7 million figure highlighted on the PowerPoint presentation would be the cost for expanding. She asked if that number included Japanese immersion. Mr. Landers said the figure only included expanding the Chinese Immersion program, most likely at Bailey Hill. Ms. Levis asked how large other immersion schools were from a number standpoint. Dr. Balderas responded they were from 42 to 459 students at the various immersion schools.

Mr. Landers said the consideration for CTE and Pathway programs was to expand or develop high school CTE pathways in the six Oregon career clusters. Those clusters included computer science, health occupations, high tech, and manufacturing. The thought was to also add middle school programs that align with regional high school offerings. Options included providing an allowance in the LRFP and determine the specific programs later. Mr. Landers said the district could assume 3,500 GSF of new addition and 3,000 GSF of remodel at each high school (4 schools). A third option was to assume 2,500 GSF of remodel at each middle school (8 schools). Estimated costs were \$3.7 million at the high schools and \$1.3 million at the middle schools to accommodate programming.

Mr. Landers explained the consideration the board would discuss regarding PE requirements by the State of Oregon. The option was to meet the new Oregon State PE standards in all school

facilities. In elementary, this required 150 minutes per week (including up to 45 minutes in the classroom). In middle school, this required 225 minutes per week (including up to 45 minutes in the classroom). He said the State did not have a clear calculation for how soon the requirement would be implemented. Options for the LRFP included planning for a PE addition (small gym or other) at identified elementary and middle schools. There would be an assumed 4,500 GSF addition for each school. Mr. Landers said the schools were still being determined, but there was an estimated 8 elementary and 2 middle schools. The district had provided thoughts on which schools might need additions, so the preliminary calculations were based off those facilities. The second consideration was to design new facilities with larger gyms to accommodate two teaching stations; that option assumed 3,000 GSF additions.

Mr. Landers showed the following slide, and said the district was considering providing equitable athletic facilities at the high schools. This included one multipurpose use field per facility with turf and exterior lighting, upgrades to outdoor facilities such as restrooms and out buildings, and improvements to indoor facilities like locker rooms. The bond steering committee thought it would require up to \$15.8 million per high school to make the improvements.

Evangelina Sundgren arrived at 5:56 p.m.

Another consideration included providing health clinics at all high schools. Those would be run by an outside health organization, and would include an exam room, office space, lab, storage, as well as waiting and reception areas. Options for the LRFP included adding the center at 2 high schools for \$1.3 million per school. Mr. Landers noted Churchill and North Eugene high schools already had health centers associated with them. He said the district was assuming 2,000 GSF per center and that first move would be to remodel existing space at the high schools if possible and that cost would be \$1.3 million per school.

Mr. Landers said a curriculum update at all school levels was also discussed by the bond steering committee. Options to accomplish this were to include a lump sum allowance in the LRFP of about \$8 million.

District Support considerations included a food service program. Mr. Landers noted that would be driven by a program review. A program would need to be developed, so one approach would be to provide allowances in the LRFP and determine specific needs later. Another district support consideration was planning for bus replacement which would include replacing older buses over time. The options discussed were assuming a 30,000 GSF stand-alone kitchen facility, however, property may need to be required for that option. Mr. Landers said that approach was taken because there was no clear programmatic approach yet. He said there were nine different food program options discussed, such as food trucks or carts. For buses, the district would include a lump sum item for replacement. The bond steering committee assumed \$21.7 million for a central kitchen, which does not include the purchase of land, and \$8.6 million for buses. Ms. Walston asked if the district could use bond dollars to upgrade infrastructure for technology and telecommunications. Mr. Landers said if it was expansion bond dollars could be utilized, but for replacement and maintenance bond dollars could not be utilized.

The second main area of considerations were Enrollment and Capacity. Mr. Landers shared that target capacities were 450 to 600 students per elementary school; 600 students per middle school; and 1,200 to 1,500 students per high school. Mr. Landers noted the development and expansion of Chinese immersion programs would shift enrollment. He said the board and district would have to understand how that could change enrollment capacity. In addition, a new alternative middle school would impact enrollment, as well as reincorporating an alternative high school.

Mr. Landers explained a slide showing a bar chart on enrollment and capacity in the district. The chart outlined which schools were already over capacity, which schools were projected to be over capacity, and districtwide target capacities. Two high schools are projected to be over capacity by 2025. It was estimated that only one elementary school would be over capacity. Mr. Landers said the charts would be useful for the board during their individual exercises, as it would allow them to prioritize mock funding to some of the higher need schools. The bond steering committee determined some middle schools would be right at capacity, and two high schools would be slightly over. He explained it would be much easier to handle the growth at those levels because of the larger schools. In the estimations, concerns over enrollment capacity were worst at the elementary level. Most growth was happening in the Sheldon area, which would be 150 seats over capacity region wide, and the South Eugene area.

Mr. Landers said for Phase I of the LRFP, projected enrollment and capacity by 2025 was not a big concern at the middle school level. At the high school level, it was projected to be under capacity. Mr. Landers explained a graph was created that charts the straight-line projection of enrollment until 2045, in order to have a basic understanding of what growth might be if the district stayed at current trends.

The third main area of considerations involved Facility Conditions. Mr. Landers explained that the LRFP would include deferred maintenance and improvement needs. It would also look at modernizing or replacing aging facilities, making seismic upgrades, and planning for resiliency in new facilities.

Mr. Landers shared adjustment assessment scores for facilities on the PowerPoint. He said the base state facility assessment only looked at costs to address deficiencies. Mr. Landers explained that the yellow and blue bars looked at a ratio of costs. The ratio compared costs of full renovation and modernization of elementary buildings, to replacement of buildings.

Mr. Landers used Edison Elementary as an example. He said it would take roughly 60% of replacement costs to renovate the building. Mr. Landers explained the renovation would not increase capacity. He said the yellow bar indicated it would cost more to renovate Edison than to construct a new facility. There were a number of facilities reaching a “hurdle point,” meaning they could all be considered rebuild projects instead of renovation.

The next slide highlighted middle and high school levels. Mr. Landers said replacement needs and costs were similar to elementary school needs, in terms of funds needed to fully modernize facilities.

Mr. Landers explained the district provided a line item list of facility improvement needs (also known as deferred maintenance items). A line item list was provided for each facility. He said the schools and district prioritized needs into different levels and included probable costs. Mr. Landers said the district went a step further and broke needs into categories such as environmental improvements, athletics and fields, and infrastructure and technology. He noted safety, security, and health, as well as infrastructure and building technology improvements had the most need.

Priority 1 improvements were projected to cost \$135 million in 2022. Mr. Landers' firm developed cost assumptions by using new construction costs taken from current projects, then added a "soft cost" multiplier for total project costs. Then, an escalation rate of 6% was added and applied to 5 years of escalation (or to 2022, a midpoint of the bond cycle). He noted the escalation rate was higher than normal, but also possibly too conservative in the current economic climate.

Mr. Landers said if all the costs associated with facility needs were added up, it equaled \$251 million dollars. However, the state assessment did not take into account many factors that could be rolled into constructing brand new facilities. He said the state assessment did not consider the cost of seismic upgrades, the effect of energy upgrades that would occur if a new facility was constructed, or major system replacements. Mr. Landers implied it would be important to consider the maintenance or renovation costs older buildings would need over time, versus new facilities. When taking all those factors into consideration, the total costs hovered above \$1 billion. Mr. Landers said the costs did not include the construction of new schools later, which may be needed for growth or for program changes. He said every district faces huge need, but the goal is to bite away at that need over time.

Mr. Landers introduced charts that would be used during the board members' exercise. The charts summarized line item needs under the three main considerations.

Mr. Landers showed a final slide on the PowerPoint, highlighting Current Conditions in 2017. It had a map showing work done in the past couple capital measures. During each bond measure, four facilities were replaced. If the district wanted to continue that replacement pattern, in three capital measure phases (18 to 20 years in the future) they would replace 12 facilities. There would still be 14 facilities left to update, with the lifespan of those buildings being around 80 years. Mr. Landers said he wanted board members to think about current needs and how they fit into the long haul for 4J, because what the district did not prioritize would be pushed into future. He reiterated the key was balancing all the needs against community support for them.

## 2. Plan Development

Mr. Landers introduced the individual exercise and explained the process for prioritizing items for Phase I Capital Measures. There was an amortization chart that showed current debts to the district, and an example chart estimating how projects would affect taxpayers. For example, a \$250 million bond measure cost about \$8 a month to the average homeowner and \$350 million was about \$14 a month to the average homeowner. The board was given red and green stickers for the activity. A red sticker equaled \$10 million. Green stickers represented a new or

replacement facility for a school. Board members would put stickers on priority items, with funding amounts allocated to the items. Mr. Landers explained he wanted the activity to be quick, and based on instinct of what board members already knew about needs in the district. He said the purpose of the activity was to see as a group where commonalities were in priorities and then discuss them. The board was thinking about funding possibilities, but was not forming a plan for the bond measure at the work session.

The group rejoined at 6:53 p.m.

### 3. Group Discussion

The total cost of dots on board members' worksheets (for priority projects) ranged from \$308 million to \$535.4 million. Mr. Landers said there were inconsistencies among the board's priorities. Each board member replaced between 2 and 4 schools. He noted there was a thorough distribution across all areas of needs, although there were a couple differentials. The biggest differential involved facility improvement needs. Those ranged from \$60 to 70 million to no allocations or very small allocations. Then, line items like athletics popped up as an interesting variant. For athletics, Mr. Landers said there were allocations ranging from no funding to \$50 million. Mr. Landers asked board members to discuss their thoughts.

Ms. Walston said she allocated \$535.4 million. She chose to construct two new elementary schools, one middle and one high school. Ms. Walston said she replaced one school in every region. Ms. Walston was concerned about the state of Edison, and choose to replace the facility. Then, data showed the Sheldon region was overcrowded for elementary schools so she wanted an additional facility in the Kenny Loop space. At the high school level, Ms. Walston thought North Eugene needed a larger facility. The South region was becoming overcrowded at the middle school level, so she thought Kennedy was a candidate for a replacement facility. Ms. Walston tried to keep in mind what would be sellable to tax payers. Mr. Landers said the four school replacements would be in vein with previous bonds and would address capacity, safety, and general condition of the buildings.

Ms. Levis allocated \$308 million, however, she agreed with Ms. Walston regarding the allocation for elementary and high schools. She did not think the middle schools should be replaced because she did not know how the community could pay for them. Ms. Levis looked less at deferred maintenance and more at targeted things. She was unsure of where the district would be in a year, because the level of need and escalating costs made the bond bigger than those in the past. Ms. Levis said she was being fiscally conservative in the exercise.

Mr. Landers shared an example of North Clackamas School District, who in 2005 and 2006 worked to get the biggest capital measure in the state at that time passed. In 2016, the district did a comparable amount of work to pass a \$448 million bond. He explained a large part of the increase was escalation. Mr. Landers said it would be important to remember that what the board did not do in 2018 would cost even more in the future. Ms. Levis added it would be a balance, because the district also did not want to fail passing the bond. Mr. Landers said it would be crucial to form a bond within the context of support from the community.

Ms. Newman tried to focus on areas that needed capacity, and looked at those that would be much more expensive to fix the facilities than to replace them. She saw the biggest need in the South region, around Edison. Ms. Newman also thought Willagillespie had high need. Edison seemed impossible to renovate; she wondered if the district could do something between Edison and Camas. In the North, she thought expanding on to some schools with a large enough footprint, possibly in the Sheldon area. Ms. Newman also thought of North Eugene because the district wanted to grow that enrollment. She thought it seemed hard to retrofit North Eugene.

Mr. Landers said Ms. Newman was on track in her thinking. He explained it would be a dollar well spent if the district could replace an old school in poor condition, and at the same time increase capacity in a region that needed it. Conversely, when starting to look at additions on buildings, he said it must be done strategically. The district would want to look at buildings on a case by case basis, and consider whether putting a new investment on an old building was fiscally smart; in ten years, the district may wish the school had simply been replaced instead.

Ms. Levis clarified to the audience that the board was speaking in general terms of funding options. She thought the community had been uncomfortable in the past because of discussions during work sessions and wanted to be clear no decisions were being made that evening. Ms. Levis said that evening was the first time the board had received much of the data, and were only brainstorming options and ideas. Mr. Landers agreed that the board did not need to think of individual schools, but think of specific needs and regions. He said the purpose was to discuss overall approaches to allocation. Strategically overtime, he recommended the district not spend money on an old facility when perhaps in the next phase it would be considered for replacement.

Ms. Hays thought there was a mostly balanced approach among board members. She said the board was committed to new schools, and committed to maintenance. Ms. Hays appreciated that board members put money into CTE and for facilities that would be more conducive to success of those programs. She noted the board had not discussed the bond measure yet, so she had been curious to see where other board members were at. The hard question was what did the public want to spend. Ms. Hays thought the board was fairly conservative when looking at the funding allocations, and thought the work session would help the bond steering committee. Mr. Landers said the next steps were to meet with the steering committee, and have a follow up discussion after both work sessions. Another step would be to start projecting priorities and costs for Phase II, as that would help the board and steering committee prioritize for Phase I. He said it was essential to think of the next 50 to 60 years, even though the bond was funding projects during the next 10 years. Mr. Landers said the district had stayed largely on track with last bond, even with a couple of adjustments.

Dr. Balderas said the bond steering committee was a staff committee that would form recommendations, then outreach to the broader community for input. He said surveys would be conducted. After, the steering committee would return to the board for clear direction. Mr. Landers clarified the steering committee was actually a LRFP steering committee, with the impression that a capital measure would likely fund the first phase. He said it was important for

the steering committee to be nimble enough to include community comments in the LRFP and to change the plan as necessary along the way.

Chair Nittler pointed out that she included CET in the high schools, but gave less funding toward those programs because she was under the assumption that a new facility would be constructed to house them. She explained some decisions were made during the exercise, contingent on the assumption that other priorities would be funded because of those decisions. Mr. Landers said for example, if the district was replacing a school, maintenance costs for the old building were eliminated and constructions costs for a health center could be folded into the school's replacement costs.

Dr. Balderas said he appreciated Mr. Landers for his efforts. He noted a tentative work session was scheduled for Wednesday, November 29<sup>th</sup> and he would let the board know next steps.

Mr. Landers said next steps included scheduling a second meeting with the LRFP steering committee. He said it made sense to talk to them before a follow up board meeting, and mentioned LRFP had two planning approach development meetings scheduled. A community outreach session was scheduled for February 2018.

Ms. Hays did not think the board would be ready for a work session by November 29. Mr. Landers was open to adjusting the board schedule. Ms. Hays noted leadership would consider the date and discuss the schedule.

Chair Nittler wanted more information about the LRFP steering committee and a conversation about deferred maintenance costs. Dr. Balderas would arrange a meeting with staff for the board.

## **II. ADJOURN**

Ms. Nittler adjourned the meeting at 7:27 p.m.

*(Recorded by Marina Brassfield)*

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Dr. Gustavo Balderas

District Clerk

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Eileen Nittler

Board Chair

*Minutes approved February 14, 2018*