

Regular Meeting – December 19, 2017

The Charles City Board of Education met in special session on Tuesday, December 19, 2017, in the Charles City High School library (HS). President Walker called the meeting to order at 5:00 p.m. Present: Board members Dight, Freund, Mack and Macomber and Student Member Knecht. Staff members present included Superintendent Dr. Cox and Board Secretary O'Brien. Also present were approximately 18 visitors and staff. A social time was held prior to the special meeting, from 4:30 p.m. to 5:00 p.m., for the Board to meet with special guests Honorable State Senator Waylon Brown of St. Ansgar and Honorable State Representative Todd Prichard of Charles City. There was no action taken during the social time.

The Mission statement was read by Board Member Macomber.

(Dight/Macomber) to approve the agenda as presented. Roll call vote. Motion carried 5-0.

There was no public comment.

Jean Underwood from BLDD Architects shared the modernization (Phase II) concept for Charles City HS. The design includes changes from staff members during the December 1, 8 and 15 teacher input sessions as well as a fine arts input session. This design assumes the HS students would be relocated during construction since the footprint of the new structure is where the current HS circles are located. The South wing (1961 gym & cafeteria, industrial technology, and agriculture) and the North wing (2012 science addition, library, and art) will remain and may be renovated during the modernization project. The drawing includes a fine arts area consisting of a theater/auditorium with 600-650 seats (two level seating) and five additional rooms for instruction, practice, and storage. In addition, the drawing includes a new entrance, learning studios, and information commons (library), student commons, and office area.

The design is a rough sketch at this stage and will be fine-tuned as additional teacher and public input is received. There was much discussion. The design likely will exceed the \$22 million budget, however, it was noted that there are places to cut back, options to do less renovation and options for completing the renovation in phases. Generally, the Board members like this design over the previous layouts they have seen. Board member Macomber stated her list of concerns have been addressed. Dr. Cox stated the purpose of the construction is to modernize the HS. The design presented is not over the top. He wants the new HS entrance to make a statement, the 1961 gymnasium should not be the dominant feature. Other areas to be addressed include additional parking and connectivity between Comet Gym and the 1961 gym.

During public comment, Renee Boss (MS band teacher) and Derek Sturtevant (HS vocal music) asked about practice spaces, the size of the auditorium, and access to loading areas and shop space. The auditorium space opens to the student commons which may become an operable wall to make additional seats available. Lorraine Winterink commented on the location of the art studio and whether the outdoor space surrounded by the HS and MS could be relocated. Board members thanked BLDD Architects for their work.

Matt Gillaspie from Piper Jaffray provided a handout and led discussion of school-infrastructure financing history and future borrowing capacity for the HS modernization project. School bond election cycle dates were discussed. The last date to bring a general obligation (GO) bond issue

to a vote with enough time to include in the 2019-2020 budget is April 2019. There are five elections dates available between April 2018 and April 2019.

It is important to take into consideration that there is a six-month waiting period after a failed vote. The District has no additional borrowing capacity by using sales tax revenue bonds. However, PPEL capital loan notes may be issued as of the spring of 2020 generating \$4.1 to \$4.2 million. GO bonds may be levied to pay principal and interest payments for the HS modernization project at \$2.70 of assessed valuation or up to \$4.05 of assessed valuation.

A \$2.70 GO bond would generate estimated net proceeds of \$22,020,490 or potentially \$22,830,490 if two series were used. This estimate was calculated using assumptions for the percentage sales tax growth, 2%, taxable valuation growth, 3.17%, and interest rate 3.75%. Interest rates may be increasing because of the proposed federal tax plan being considered at the national level. The net estimated proceeds from both \$2.70 GO bond and PPEL capital loan note is \$26.8 million. A chart showing the estimated tax impact for residential, commercial and agricultural property was shown if a \$2.70 GO bond was approved. A residential property with assessed valuation of \$150,000 has a tax impact of \$212.09 annually. There was no public comment.

Dr. Cox reported the option to purchase the North Grand Building (NGB) by Charles Thomson, managing member for the North Grand Building LLC was not exercised by the December 12, 2017 expiration date. The NGB may be used for a temporary location for the HS during the 2019-20 school year if the financing for the HS modernization project is approved. Student board member Knecht stated there is student support for using the NGB. Board members commented that they prefer using the NGB rather than using and spending money on temporary portable classrooms. The NGB utilities cost in 2016-17 was \$48,000 utilities, \$11,000 custodial and \$24,000 insurance.

During public comment, Jerry Joerger commented it makes good sense to use the NGB for a temporary HS during 2019-20 while the community tries to find a use for it. Ann Benning asked if the building would need to be brought up to code to use again. Dr. Cox stated it is still being used as a school for Iowa BIG North, Carrie Lane Program and Home School students so there would be no additional requirements.

President Walker adjourned the meeting at 6:25 p.m.

Terri O'Brien, Board Secretary