

- CALL TO ORDER –** Public Session: Chair Brownell re-convened a Special Meeting at 5:31 pm in the School Library.
- Board Members Attending: Chair Janet Brownell, presiding, Vice Chair Tony P. Ghazel (electronically via Skype/Smart Board and phone), Scott Lancaster, Chris Sutton, and Jim Sullivan.
- Administration: Supt/ HS Principal Barbara Kline, Bus Mgr. Keith Whitaker, K-8 Principal Kyle Freeman, and Admin Asst. Cathy Ferran.
- Others: B. Orchid, A.Stephens, M. Farish, B.Neville, A.F McGrath, A. Duke, C.Duke, R. Mietzner, J.Paulsen, S.Locke, S.Simpson, T. Tillman, M.Meadows, S.Shaw, M.Randolph, C.Armstrong, M. O'Brien, F.Klein, B.VonTobel, M. Branch, P.Branch, J.Knowles, S.Harvey, J. Symons, M.Murray, E. Sutton, W.Gudgell, A.Hendricks R.Newman, W. Gudgell, H.Canty, M.Doyle, M.Padbury, D.Jones, and others.
- #1 Discussion ensued regarding enrollment projections for 2011-12-budget development. Bus. Mgr. Whitaker discussed the various co-horts he used to estimate fte. Impacts to fte are expected state cuts to ALE programs. Consensus was to take a conservative approach given uncertainties at the state level. Whitaker will develop budgets for projected enrollments of 600 fte and 624 fte.
- #2 Chair Brownell explained the that this is a Public Meeting of the School Board and that they would hear public comments before the board considered Agenda item #3.
- Discussion ensued regarding a capital levy for the February 2012 election. Member Sutton suggested that the board move the ball forward by Feb 2012. Member Sullivan proposed that a levy was in order and urged an August election. Member Sutton felt that would be too soon and would like the community to have more time to consider. Supt.Kline reminded all that our M&O levy will be on Feb ballot. Chair Brownell said that “We don’t know what we don’t know” and she would like to accommodate a citizens committee opinion before a date is set. Member Lancaster reminded the board of the commitment to a professional survey of the community. Ghazel felt sometime next year would be an appropriate time. There was consensus that a decision could wait until they have more information. Chair Brownell assured that the discussion would continue on the June 2011 regular meeting agenda.
- #3 At approximately 6:00pm Chair Brownell asked for comments from the attending public and asked that they keep it to 3 minutes. Chris Butler read a statement – see attached. A question was asked about the timeline and the board invited Scott Locke of University Mechanical and Stu Simpson of WA State GA to speak about the evolution of the Energy projects at the high school and elementary school and the Energy Services Performance Contract. Locke (UMC) spoke about the energy audit and the subsequent scope that was designed for the elementary school and high school back in 2009; however, the parameters of the grants available at that time precluded extensive elementary work. Then Commerce and OSPI put out more opportunities for school districts, which allowed for health and safety projects (such as the proposed work for the elementary school). Simpson of the GA spoke to the advantages for the school district of the Alternative Public Works law, which allows the GA to essentially manage the project and insures guaranteed costs and savings. Initially, thru OSPI, the school was granted \$460,000. Then in Feb.2011 the district was awarded another \$900,000. by the Commerce Dept. The district was advised that they could use the \$900,000.as matching funds for the \$460,000. OSPI and Commerce later informed the district that they had to choose one or the other.

As constraints of the grant dictate that the project be completed by June of 2012, the district had to come up with another source to finance the project.

Teacher, Bruce Orchid, encouraged the board to proceed with the project. Hilary Canty encouraged the board to make necessary repairs. The elementary school is a great building and worth the non-voted debt to acquire the \$900,000. grant for a forward thinking approach. She reminded the board that the guaranteed energy savings and performance amounts to \$13,000. per year. Fred Klein spoke to the need to keep our public buildings healthy and he shared his recent experience about his old neighborhood and the still beautiful 1923 school building he attended in Pittsburgh and its relevance to a still thriving community in an other-wise declining part of the country. Joe Symons questioned how long new copper pipe would last. Some estimated up to 80 years. Clyde Duke offered to convene some of the best contractors on the island to help the district. Para-educator, Phil Branch, encouraged the board to take the grant funds as it constituted over half of the project budget. He went on to suggest that a levy would be the more prudent approach. Teacher, Mandy Randolph spoke of the difficulties her students had keeping warm in the classroom over the winter and that they deserve warm air and clean water. Ed Sutton referenced two statements from a community forum alluding to first steps being safety and well being of our students and encouraged the board to move forward and maintain our infrastructure. Public comments closed at approximately 6:47pm.

The board then proceeded discussing the various bond scenarios that Trevor Carlson of SNW presented to Bus.Mgr. Whitaker- see attached. Member Lancaster asked about the possibility to obtain up-front relief on interest only. Whitaker will provide the board with more amortization costs from Carlson. Ghazel inquired about the Capital Projects balance. Whitaker offered that the reimbursements from OSPI for the Phase 1 Energy projects could be used to pay down the debt service (per Bond Counsel) Whitaker estimates that the district has 5 years of debt service payments available. Ghazel, Sutton, and Lancaster were satisfied with the community response and felt confident in moving forward. Lancaster spoke to the board's responsibility to maintain the campus. He reminded them that "After all, its about the children". Member Sullivan has been getting scathing phone calls. His phone has been ringing "off the hook". Lancaster reminded the board that the project has already encumbered approximately \$300,000. And they would have to make program cuts. Ghazel suggested that while uncomfortable with the idea of non-voted debt, he was encouraged by the community's reaction and felt obliged to demonstrate to the community that the board knows what it is doing. Whitaker explained advantages of going out for 1 mil as it provides a cushion for any unforeseen expenses. Locke of UMC announced that Terra Firma NW and Orcas Electric will be working on the project. UMC will be also be hiring out of the Bellingham union local.

Chair Brownell spoke to recent accusations by some of hubris on the board's part. She has trust in the community and is humbled by the fact that she is representing the voice of the children.

- Motion: by Sutton, second by Lancaster to approve preparation of required documents for non-voted debt in the amount of \$1,000,000.00.
Discussion: Fund balance and deferment of one year..

Motion withdrawn by Sutton, second by Lancaster

Motion: by Sutton, second by Lancaster to approve preparation of required documents for non-voted debt with 2 options – Capitol One and Cashmere Bank – in the amount of \$1,000,000.00.

Discussion: 1 million is a responsible amount and allows for a financial cushion should one be needed. Money can be rolled into paying off a levy debt at a future date.

Vote: 4 in favor (Brownell, Ghazel, Lancaster ,Sutton), 1 opposed (Sullivan).
Motion Passed

MEETING ADJOURNED 7:50pm

Respectfully submitted: _____, Recording Secretary
Catherine Ferran

School Board Approved: _____, Chairperson
Janet Brownell

ATTEST: _____, Secretary to the Board/Superintendent
Barbara Kline