

Corbett School District No. 39 Hearing Minutes

**Wednesday September 23, 2020 6:00 pm
Virtual Hearing
Via Zoom Webinar**

Corbett School District's \$4 Million Bond Measure to Expand, Renovate, Construct
District Facilities

Measure 26-220

November 3, 2020 General Election

Present:

TSCC:

Chair David Barringer, Vice Chair James Ofsink, Commissioner Margo Norton,
Commissioner Mark Wubbold, Commissioner Harmony Quiroz, Executive Director
Craig Gibons, and Budget Analyst Tunie Betschart

Absent:

None

Corbett School District Board of Directors:

Chair Michelle Vo, Vice Chair David Gorman, Board of Directors Bob Buttke, Todd
Mickalson, Todd Redfern, and Rebecca Bratton

Staff:

Deputy Interim Superintendent Dan Wold and District Clerk Robin Lindeen-Blakeley

Chair Barringer opened the Public Hearing for Corbett School District's Bond Measure to construct, renovate, and improve school facilities by stating the commission is a neutral body in this matter and is holding this hearing for the public benefit. The commission will take no formal action this evening. The "action" will be taken by the voters in November. The purpose of this hearing is to discuss and take public testimony on Measure 26-220 which Corbett School District has put on the November ballot. Those from the public who wish to testify can sign up to speak following the formal questions. He asked the TSCC Commissioners, and staff to introduce themselves followed by Corbett School District board and staff.

Following introductions, the district decided to forego the introductory remarks and move directly to the TSCC questions.

TSSC Questions:

Chair Barringer asked the following questions:

First, we would like to know how school is going this year. How are you conducting school this fall? Were you able to start on time? What is your enrollment?

Interim Superintendent Dan Wold responded saying that enrollment was 1,156 K-12 students. The schools consist of the grade school, the middle school, the high school and the Charter Academy. Corbett is a charter district. On paper it is all one school.

Corbett is starting the school year with comprehensive distance learning. School started a week late so that staff could be better trained in ways of dealing with online learning. He said that it looks like it's going to be awhile before the Multnomah County meets the governor's metrics to open in-person instruction. So the district is anticipating continuing in this distance learning for some time. The teachers are teaching, for the most part, from their classrooms. The district feels they have better resources in terms of colleagues, professional libraries, and administrative support in doing that. It isolates them from possible distractions and set some boundaries. That's working out pretty well.

The district purchased quite a few extra Chromebooks and hotspots and unfortunately so did most school districts in the nation. So the District has a back order of those materials, but most people are able to get by. The community has been very helpful. Some people with better bandwidth form learning pods in their home of small groups of students. Sometimes that's to support other parents who have to work outside the home; sometimes it's because of the bandwidth and they have the bandwidth where they can have a handful of students around their dining table. A large local church purchased a package so that they could have a learning center on their campus. They're being careful to follow the CDC's protocols and students that just can't get good reception are welcome to come there. He concluded by saying the district is making it work, and they are looking forward to the more updated Chromebooks and hotspots showing up in the next few weeks.

Commissioner Norton asked the following questions:

We're more accustomed at these hearings to seeing greater definition about the bond. We'd like to give you the opportunity this evening to give us that definition. So I have, a series of questions and we'll try to work something in segments so that we can get to them easily. The ballot explanatory material that you provided to the County Elections Office for a \$4 million bond with the hope of it being pretty closely matched by a state grant, provides some categorical information about what the bond, if successful, will be spent on when matched by the state grant. What items on your list do you expect to accomplish with these funds?

Ms. Michelle Vo said their project lists and associated costs are as follows:

- 1) The highest priority is to relocate the current middle school to a campus that they are calling the Woodard campus. This involves relocating off of the main campus to a property that they recently purchased on Woodard Rd. That work includes renovation of existing buildings to create six classrooms and one flex space that is intended to be students' space or teaching space. We will also construct administrative offices, restrooms and the multipurpose space. The existing buildings don't have enough room to accommodate the administrative and multipurpose space functions. So that is anticipated to be new construction. In addition, there are quite a few site improvements, including improvements for parking, septic system, bus and vehicle pickups, stormwater quality and retention, and demolition of some of the outbuildings on that site. Those costs are around \$4,454,000 in hard costs.
- 2) The next priority is main campus improvements where the grade school, the existing middle school and the high school, as well as bus barn and district office are located. On that campus, the plan is to decommission the existing middle school building, leaving the boiler and telecom infrastructure in place; replace the roofing on the grade school; renovate of the high school to accommodate CTE, address ADA issues, and Title IX gender equity issues. To address ADA and Title IX, the district is looking at locker room remodels and an elevator. The locker rooms are currently at a lower level than the gymnasium. The multipurpose building at the main campus also needs seismic improvements. So there are dollars expected to be spent on that seismic retrofit and associated electrical upgrades. The district plans to move the district office, currently in the same building as the middle school from the main campus to the Woodard campus. The main campus improvements' anticipated hard costs are \$1,113,000.
- 3) Soft costs for both sites are estimated at \$1,008,000. This includes design and consulting fees, reports, permits, fees, furniture, fixtures and equipment.
- 4) Refinancing the loan used to purchase the Woodard site is next on the list. The extent that the district can contribute funds to that refinance will really depend on what's left over after at the completion of these projects. If the district is able to do it completely the amount needed would be \$500,000.
- 5) Contingency level for this work is allocated at 12% contingency for renovation and 10% on hard and soft costs for new construction. As the district moves through design of projects, those contingency numbers can be scaled back, as more is known and certain about the projects. By the time the district is ready to build these numbers may be less, but they are the starting point at very preliminary and conceptual development of the project.

6) In addition to that, there are bond issuance costs expected to be \$100,000 when those are totaled. This brings the total to \$7,879,000, which is \$27 more than what the district expects to get in the bond and the grant dollars.

She concluded by saying these estimates were reached after work and input by folks who are experienced in the industry and by consulting architects.

It also appears from what you said that this is pretty close to the 2016 measure in terms of the Title IX and the full replacement of the middle school.

Ms. Vo replied saying it in line with the priorities that the district had then. It's just a much different scale. The extent to which ADA and Title IX and CTE can be addressed is much different when the dollars are lower than what Corbett school district was seeking in prior bonds, but the priorities remained the same.

So I heard you say that you have both an escalator in place on projects and contingency on both hard and soft costs at different levels. Is that correct?

Ms. Vo said yes that is true. Escalation is included, too. And the difference there is that escalation was included in soft costs and contingency was in a separate bucket called district contingency. This was calculated at different rates for renovation versus new construction areas, but it was important to the district to hold those in a separate bucket. So they are held by the district and not pre-spent by consultants. So it allows some flexibility in how those dollars are spent.

Could you tell us briefly what was your public involvement in coming up with this final project list?

Ms. Vo said the priorities have remained the same over the district's numerous bond attempts. The main changing factor was the ability recently to purchase this Woodard property. That's where the project really changed from new construction at the main campus to construction at Woodard. The other changing factor was, to some extent, lottery luck; successfully qualifying for the grant matching dollars. The district reacted, quite quickly to that opportunity to come up with the plans. Architects have been working very fast. The board has taken what they heard from the prior community meetings, from the site council that was formed several months ago, the polling, and community feedback. They have done their best to translate that into the list of projects we just shared at this hearing. There has not been any new community input workshops or new polling. The district has relied on things that were done in the past. She added that with this bond, community oversight will be required and input is desired. There's a big desire in the district to have a better relationship and communication level with the voters of this district. The district is relying quite a bit on information from the past.

So my last question is, could you either restate or repeat for me? The project list sounds similar to 2016, although you said that there are some distinct differences, partly because the Woodard property is now available and the technology aspect, but the amount of money is considerably less than the 2016 measure, even taking the state grants into consideration. How were the cost estimates developed and how confident are you in them?

The cost estimate for the Woodard property was developed by architects who have been engaged by the district to develop the preliminary conceptual plans. She said they were reviewed by Superintendent Dan Wold and Board Member Bob Buttke, who has a construction background. She too had reviewed them and is an architect. So when those plans and estimates went to the board, there were members with construction experience on the board who asked hard questions about those. As with any project plans, estimates continue to be developed as projects move forward. That's where those came from.

With respect to the other projects, when they looked at the grade school roof, initially, they took the 2014 estimate for the roof and applied a cumulative year-over-year escalation to come up with \$350,000. That number was later validated. So the district is holding \$350,000. The work on CTE, ADA, and Title IX has changed since the earlier bonds, because we dropped a plan for an addition to the gym. There are not enough dollars in this bond to do something that substantial. So now the plan is to put in an elevator in the existing building and remodel the locker room and football team room space to get gender equity between the locker room spaces overall. So that number has not been developed yet in a detailed cost estimate. It's a very preliminary number.

Board Member Mickalson added that the previous bonds were also to construct a new building, whereas with this there is a facility at Woodard. The dollar amount was more because of the need to construct a new building with the previous bonds.

Ms. Vo said with respect to the middle school, the cost of a mix of remodeling/renovating and some new construction is about half what a the entire new construction would have been in the previous bond.

Commissioner Quiroz asked the following questions:

The district is now operating as a charter district. What does that mean in terms of this bond measure? Does the charter district replace the school district or is it a function of the district? What entity is asking the voters to approve this bond measure?

Ms. Vo said they are a charter district. The charter school is function of the district. The district board is the charter board. There's not a separate board. The Corbett School District 39 is asking voters to approve this measure.

So the charter districts did not replaced the school district, but has become a function of the school district?

Ms. Vo explained that when the open enrollment program was eliminated by the state, the Charter district was a way for Corbett to manage enrollment, as they seek to reduce enrollment over time, instead of having an enrollment cliff that the district would fall off. On paper Corbett is one school and that enabled them as a district to become a charter district.

Commissioner Wubbold asked the following questions:

I believe you mentioned doing some polling. Could you tell us what you learned from that polling? How much support from the community is there for the bond measure?

Ms. Vo responded saying to clarify polling, surveys, community input cards, and so forth were done with previous bond measures that had the same priorities, as the district is addressing in this bond. She said she did not want to paint a picture that they just did a poll. With the previous bond measure there was a lot of work done with site committees, community meetings and workshops. With this measure the district is relying on that. What was learned from those was, different members of the community have different places where they would like to spend the wish list of dollars. In those bonds, which were for more dollars, there was a long list of things that could be done, that this bond simply will not be able to be do at that scale.

This bond measure does not address everything that we learned from those surveys and polls. She said she did not want to paint a picture like this was going to be 100% of what is needed. This is a first bond in what the district believes to be roughly \$28 million worth of needs in for improvements.

A trust and communication issue has existed between Corbett School District and the community for many years and that was evident with the many previous bond attempts. What the district is doing here is combining a \$4 million bond and a \$3.8 million matching grant to do some work. We have intentionally limited the term of this bond to years so that it can be paid off quickly, building trust with the community. Then the district can move forward to address other projects beyond that. So a lot of the polling that was done back in those years was looking at projects far beyond what will be done this fall.

So the kind of response that you're getting from the communities is more just talking to the people and getting a feeling for their support for this, and you're getting a good feeling of them?

Ms. Vo said it's important to recognize that a few years ago, the district engaged a consultant, Rob Saxton, to prepare a report that looked at the issues in the community and what might help the district move forward. The results of the report pointed to reducing enrollment to become a smaller district overall and a need to step away from the "AP for All" requirement for high school students to address concerns of the community. The Board has addressed those concerns. Backing off out-of-district enrollment this year has been somewhat difficult due to the recession and financial stress felt by all districts. So the district feels like they weren't able to step back this year as much as they would like to in that area. She went on to say this was probably the biggest community input that has informed what is needed to gain trust of their community. That trust is what it would take to move forward with a bond. So from the district perspective, it feels like those steps have been taken, showing the community that the district is willing to go there. Also, the amount of the bond measure has been reduced, thus reducing the payback period. Corbett School district is feeling like they are addressing the community needs.

Chair Barringer asked this follow-up question:

In some of the past bond measures, you've had an active opposition. Do you have that again this time?

Ms. Vo said when she viewed the three submissions to Multnomah County elections, there were three arguments in favor and none opposed that had been submitted. She does not know of any organized group who are encouraging a "No" vote. She said she anticipates groups both in opposition to the measure and those in favor of it. But she is hopeful the community as a whole will support this measure and it will be successful.

Chair Barringer asked the following questions:

Does the district plan to issue all the bonds at once and what are the time limits on the use of the funds? Are there strings attached to the grant from the state that will complicate the use of the funds or the sequences of the projects?

Ms. Vo said she would give the brief two sentence answer, and then if more detail, was needed she would read much more. The district does plan to issue all the bonds at once and there is a three year timeline. The district is unaware of any strings associated with the grant money.

Commissioner Ofsink asked these follow-up questions:

Would you give us more explanation on the three year timeline?

Ms. Vo said the district must spend 100% of the OSC grant within three years of when the state sells bonds. She went on to say maybe it would better, if she were to read the details. She said she was not an expert in this area and was relying on the information gathered from their consultant. The bonds will need to be sold all at once in order to obtain that matching grant. And the bonds would need to be sold within six months of the election. Federal tax laws dictate that the district must have a reasonable expectation to spend 85% of the bond portion of the proceeds within three years of when the bonds are sold. The district must also spend 100% of the grant within three years of when the state sells their bonds. Then under federal tax law, there's also requirements that the district reasonably expect to spend, or have a binding commitment to a third party to spend at least 5% of the bond proceeds within six months from the date of issuance of the bonds.

I know that you all want to do as many of these constructions and renovations as possible as quickly as possible, but there's nothing in your plans, that's really beyond much beyond that three year timeline. It's not as though the laws around the bond will accelerate the bond plans.

Ms. Vo said that's correct. The relocation of the middle school and district offices to Woodard would be the initial project that the district will take on. Those dollars would be expended or committed to be expended within three years to meet pretty easily even with Multnomah County planning process involved.

After the district knows what is being expended at Woodard, the attention can turn to the grade school roof and main campus improvements knowing how much is remaining and how much contingency was needed for Woodard.

Commissioner Ofsink asked this final question:

There's a lot going on in the community right now and in all communities; economic uncertainties; the pandemic; wildfires; civil rights uprising; unemployment due to the pandemic. Voters have a lot on their mind and you've already kind of recognized that there probably are members of the community who are opposed and there might even be organized opposition against the bond. We're just trying to get a sense of how confident the Board is feeling about the voters passing this bond measure. We have met previously and know some of these projects really need to happen. Is any of the projects that you think are still possible without the bond passing? Is some kind of plan B should the bond not be successful this time around?

Ms. Vo fielded this question saying the district did take out a loan to address improvements at the Woodard facility. They plan to use the loan to make some

improvements there, should this bond not pass, but that will not be enough to do everything that's needed at Woodard. It would be much different scale of project, but that is a backup plan. However, the matching grant is the huge value to the district and to the district taxpayers. The savings over using the loan dollars is substantial when you take into account grant dollars, the value in bonds versus a loan. The district is hoping that the community understands that and understands that there's grant money at stake here, and it will go away. It will be given to a different district if Corbett School District does not pass this bond. This opportunity may never present itself again. There are no guarantees.

The district has had so many bonds fail in the past that they do not want to have with a false sense of confidence. But there has been a lot of work put into this. Some needed changes have been made. Changes have been made in the priority list. The district has a new interim superintendent in place and new board members. So a lot of things have changed over the years since the prior bonds.

She went on to say at the same time, there are a lot of properties that have changed hands in the district and people have come in and may not be familiar with all those changes that have happened. There is a great deal of communication that the district will need to do. The dollars are low, the payback period is short. So the board is going to work hard to make sure that communication is out there and not rely on simply the information that that the community members might hear tonight at this hearing or read in the voter's pamphlet. But to also put out postcards which is much like the explanatory statement that's in the voter's pamphlet; information on their website; notice on the reader board at campus saying that there's a bond on the ballot; and directing community members toward Corbett School District's website. It's a presidential election year so voter turnout should be good. Looking at simple statistics they indicate that presidential election years usually go well for school bonds; but you're right, this is a unique year so the board is not taking it for granted. They will be doing the hard work.

Chair Barringer asked this follow-up questions:

Do you know what the population changes are in your district or are there more inflow and outflows and kind of a net increase? Is the population different than it was when the previous bond measures were sent to the voters?

Ms. Vo responded stating she could not speak to it in terms of demographics. But in terms of property exchanges and real estate sales in the past five years, 25% of properties have changed hands and that's a substantial number of folks coming to the district. Some of those move from place to place in the district, but there's also a substantial number of potential people who are not familiar with the district, not familiar with the issues that the district is trying to address with this bond.

How about new construction? Do you have a lot of new construction too?

She explained that there are not that many buildable properties in the district. So replacement homes, those sometimes do happen, but new construction is very minimal and that's where the district is much different than a lot of other districts in Oregon.

When you look at Corbett, you don't say, well, there is an anticipated growth because of new construction. That just, that's not something that happens in a substantial way at all here.

Commissioner Norton asked this follow-up question:

Thank you very much, Michelle. I appreciate your answers. Do any of the other board members have any comments they would like to make about how the community is feeling about supporting or not supporting this bond measure?

Mr. Todd Mickelson was the first to respond saying there's a lot of folks that he knows that didn't vote for previous bonds that were waiting for a few things that happened with the district. They've shown a lot of support for passing a smaller bond; expanding the CTE; keeping the dollars low; especially now that the district has the potential for the matching grant. Those folks have expressed that they're willing to vote for a bond. It's not thousands of people, but probably 20 or 30 that previously voted no and are now willing to vote yes.

Ms. Vo explained that to put that in perspective, the last measure failed by just 60 votes.

Mr. Bob Buttke commented next saying many people have moved to Corbett because of the quality of the educational opportunities at Corbett School District. They're very supportive of passing bonds to improve the facilities and maintain the facilities in the district.

That's a good point for a very small school district. We're well aware of your graduation rates and your post-graduation achievements. You should be very proud.

Mr. David Gorman added that so far he has heard nothing but good comments. Some members of the community may not be supportive but so far, it's all positive. The District had three people who wrote opinions on a ballot measure in favor and if this passes district is going to get almost \$4 million in grants. He concluded by stating he did not see how they could pass that up as it is pretty nice incentive.

Ms. Rebecca Bratton added that she has spent time on social media trying to get a feel for both sides and has not heard anything negative at all. She concluded by stating

she thinks that Todd is pretty spot on. There were some things that people didn't like that have changed now. So hopefully it will move forward.

Mr. Todd Redfern added that he had contacted quite a few people that have voted no on previous bond measures. He said about 45% to 50% of them said because of the changes that have been made over the last year or so they will probably vote in favor of the bond measure. That is a positive thing.

Chair Barringer said this is the end of the formal questions. He said they would take public comment now.

Janet Muddle was first to speak. She asked what would happen if the bond measure passed and they did not receive the matching funds from the State of Oregon.

Ms. Vo explained that if the bond measure passes, they are assured of receiving the grant of \$3,878,367. Passing the bond would make the district eligible to receive matching funds. The State has \$3,878,367 available. However, if another district that is eligible to receive matching funds and is unable to pass their bond measure, Corbett could receive as much as the entire \$4 million in matching funds if it becomes available.

Hope Berakah was next the final speaker. She said her first question was for the Corbett School District Board. She would like them to describe the functions of the Bond Oversight Committee and what it will look like in terms of feedback and input as the district is deciding how to distribute funds.

Ms. Vo described the process up to the point of getting the measure on the ballot in a timely manner. She said community input is very important. The district needs \$28 million to accomplish all the needs of the district. With the matching grant this will not even be a third of the need. So gaining community support is important. Prioritizing projects will be important. Community oversight is required.

Commissioner Wubbold asked for clarification on the requirement for an oversight of the \$7.8 million. Is it the oversight required by the state or is this requirement as part of your bond measure?

Ms. Vo said it is the district's requirement for oversight of how the bond measure dollars are spent. She said she did not believe the state matching funds had any requirement as far as an oversight committee. It is important that what the district described in the ballot summary explaining what these dollars would be used for is what is carried out once it is passed by the voters.

Commissioner Norton added that when a district adds an oversight committee as part of the bond, it is to add an accountability loop which adds trust with the voters. The primary

job of an oversight committee is to make sure that the bond is spent in the way the voters thought it would be spent. She explained that oversight committees are a relatively new iteration. Since the district has not had a successful bond in the last several years the district may wish to speak to other districts that have had oversight committees and see how they function and how they could benefit the district.

Ms. Vo said this is a great suggestion. They will be doing a lot of phone conversations with the various districts to see what was successful and was not and possibly avoiding making the same mistakes.

Following her testimony, Ms. Berekah next suggested to the board that they get the word out about the oversight committee; for example, what the oversight committee would look like such as the number of members comprising the committee; is there an equity lens? Will there be student input? Will the out-of-district families be included in the selection? This information should get to the district through up-coming board meetings

She also wanted to discuss the loan to renovate the Woodard property and how the payments will be made. She stated that it is her understanding at the inception of the loan that the bond would pay off this loan freeing up the money to be earmarked back for teaching, paraeducators, and social emotional counseling that the parents have stated that they are desiring to see in the district.

Ms. Vo explained how the loan was managed saying the district did take out a loan using some of that money to purchase the Woodard property. The remaining amount is sitting in an account. The district pays the debt service on those dollars but they have not expended the money aside from the purchase of the property. She said they will either be paying off the \$500,000 loan or refinancing the balance. This will depend on the amount left from the projects. The amount being used from the budget to satisfy the debt service would no longer be an obligation or would be a substantially reduced obligation. If there is \$500,000 left the district would pay off the loan. If there is only \$400,000 they would refinance the \$100,000.

There was discussion on projects going over budget. But Ms. Vo explained that they have \$500,000 in contingency which is the amount of the loan. So when she says what is left over, this is not just left over but actually a line item in the budget. This is not intended to be needed.

Ms. Berekah asked if that was a consensus among the board given that the whole inception of the plan that sold this bond idea was based on taking this debt out and replacing that \$300,000 annually back into, the classrooms.

Mr. Mickelson added that if the district were able to eliminate the debt service that frees up dollars in the budget that can go into the classrooms where needed such as para-

educators, counsellors and some of the other things that got pulled back. He said he thought this is where the district would spend the money because the board agreed to it, they thought it was important as well. He concluded by saying that was the assumption of the board.

Mr. Gorman added that they could not depend upon passage of a bond to move the middle school to the Woodard property or to some other safe location. It has been the highest priority on the board to get the middle school kids into a safer building. When the board made the decision to take out that loan, it was with the thought that the district might have to pass a bond and then would pay off the loan. It was also understood that that a bond may never pass. So those dollars were taken out of Student Success Act (SSA). Because one of the highest concerns of parents when the workshops were held last year for SSA, one of the highest concerns of those parents was student safety. So the board felt justified moving those dollars into this project to get the kids out of the existing middle school building. He concluded by stating it is his understanding that if the voters pass this bond measure, those funds would ultimately be used to pay that money back so that the district would have those SSA functions that they originally had hoped to have.

Ms. Baraka said for the record, 87% of the respondents to the SSA survey said social, emotional learning and counseling support was their absolute number one priority for the district. The next closest response was at 65%. That's a 20% swing. She stated that she hopes that the board keeps that in mind as decision making is taking place.

Her final discussion had to do collaboration on informing voters about the measure. She invited the board to work with a group that is texting and phoning registered voters, explaining the value of passing this bond. The board unanimously said they would gladly work with the group to get the word out.

Chair Barringer asked if anyone else had expressed a wish to speak at this hearing. No one else had. He thanked the Corbett School Board and staff for their thoughtful answers to the questions and the two speakers for adding their thoughts and opinions to the hearing. He said with that TSCC hearing will close since the commission will take no action on the measure but rather leave that to the voters.

[Minutes Approved by Commission on November 5, 2020](#)

[C.Gibons](#)