

The Grinnell-Newburg Board of Education met in a Work Session on October 28, 2014, at 5:30 p.m. at the City Council Chambers, 2nd Floor, Community Building 927 4th Ave., Grinnell, Iowa 50112.

Members Present: Barbara Brown, Kirsten Fisher, Jeff Knobloch, Claire Moisan, Jonathan Nance, Jeff Smith, and Carol Wilhelm.

Members Absent: None

Also in attendance at the table: Superintendent Todd Abrahamson, Business Manager and Board Secretary Lisa Johnson

Administrators Present: None

1. Call to Order and Roll Call

President Brown called the work session to order at 5:30 p.m. Board Secretary Lisa Johnson called the roll. Five members were in attendance. Board member Knobloch read the district's Mission and Vision Statement.

2. Work Session - presentation by Piper Jaffray

A. Ballot question scenarios

Tim from Piper Jaffray discussed the options.

The first option is \$41.3M bond issue, which would require 2 questions. One for the bond issue of \$41.3M and one for the \$4.05 per \$1,000 property valuation tax levy. Typically some votes are lost on the second question, so a higher than 60% yes vote is targeted. The issue with this scenario, if it passes, is that the bonding capacity of the district is \$35M over 3 years or \$39M over 6 years. This is still not enough funding to cover all the building projects (Middle School and Elementary School). SILO funds could be used for the difference, but this limits the districts ability to use those funds for other maintenance projects. The SILO funds would be tied up for approximately 10 years in this scenario.

If the bond passes and the levy fails, the district would be able to get about \$22M from these bonds and the district could use the SILO \$19-\$20M for the remaining portion of the project. This uses the SILO through 2029.

If the bond fails, but the levy passes, the district would need to wait the 6 months and revote the bond. If it then passes, this has the same impact as both passing the first time.

Brown asked what amount would need to be reserved for unknowns. Tim said 10% is typical (5% for design and 5% for change orders). It looks like currently there is a 5% contingency in the numbers from FEH. Knobloch asked about the portion of the SILO that is tied up with SILO Bonds. Tim stated typically they bond to 80%, because that can give an A rating from Standard and Poors. There are multiple options of how to use SILO bonds and that will depend on the timing of the need for the money and the amount of money needed.

The second option is voting on one question, for a \$24M bond within the \$2.70 limit for the Elementary School, and then using the SILO for the Middle School. This is the same as the bond passing, but the tax levy failing.

Abrahamson stated public campaign for funds will also be done, to help with the comfort level in the event that the SILO funds were tied up. Knobloch believes we need to use some of the SILO funds to complete the projects, but also understands we need to use some of these funds for the High School. He believes the \$24M is the best option.

Moisan noted the \$24M bond issue is more palatable to the voters, but this causes more risk to the SILO. Tim noted a failed vote for substantially the same project is 6 months. If it is significantly changed, the revote can be at the next available date.

Abrahamson stated he is on board with the \$24M. He believes it will be tight, but politically he thinks it is the best option. Wilhelm expressed concern for this option and the tight budget constraints. Brown stated the proceeds from the sale of current buildings and a fund raising campaign will help alleviate some of this pressure. Smith noted this option makes voters aware that the district is going to have to endure some pain with this option as well, but also tells the voters the board is recommending the best option for all involved.

Tim stated he will calculate the best case scenario. The district will compute their needs from PPEL and SILO.

3. Board Talking Points

Abrahamson stated he will contact Ahlers & Cooney Law Firm on the ballot language.

Knobloch stated this the best option because of the shared burden on taxpayers and the district.

4. Adjournment

Motion by Smith, seconded by Fisher to adjourn the meeting. Motion carried 7-0. Meeting adjourned at 6:40 p.m.

Board Calendar:

SIAC Meeting	5:30 p.m., November 5, 2014
Regular Board Meeting	6:00 p.m., November 12, 2014
Policy Committee Meeting	4:00 p.m., November 13, 2014
Iowa Association School Board Convention	November 19-21, 2014