

Special Meeting

Cascade School District 3B

Board of Trustees

August 28, 2014 - 6:00 pm

Board Members Present –

High School Board

Todd Mortag – Chair

Rick Cummings – Vice Chair

Chris Boland

Charlie Hawn

Jim Purdy

Terri Bogden

Elementary Board

Rick Cummings – Vice Chair

Chris Boland

Charlie Hawn

Jim Purdy

Members Not Present - Deanna Hastings

Others Present – Justin Barnes – Superintendent, Lucinda Woodland – District Clerk, June Sprout, Felicia O'Brien, Ron Flink, Frank Crabtree, Bobby Jean Crabtree, Mike Moore, Wes Seabolt, Arlen Kitson, Judy Adams, Larry Eller, Julie Sanford, Cheryl Cruze, Chris Wilson, Heather Wilson, Becky Smith, Billie Perry, Estelle Whitman, Darcy Schwindt, Niki Thaut, JoAnne Eisenzimer

Todd Mortag, Board Chair, called the Board of Trustees meeting to order at 6:00 PM. Mr. Mortag asked for public comment on **non**-agenda items. No public comment.

Committee Report

A. Facilities and Grounds

B. Finance and Budget

Old Business

A. Approval of School Housing - see notes below

B. Policy 7540: First Reading - Jim Purdy moved, seconded by Rick Cummings **to approve first reading of Policy 7540: School Housing. Passed Unanimously**

Blanks in policy will be filled in after purchase agreement has been made. Rick Reisig of Anderson-Zurmuehlen (district's auditing firm) will give guidance on tax issues.

Facts to Consider:

1. School board had approved an \$800/month stipend for superintendent housing needs, as part of the superintendent's current contract
2. Stipend would cease if housing is provided. The monthly payment for the loan on the house, based upon a selling price of \$150,000 and a \$25,000 down payment, would be \$925/month. Thus, for another \$125/month (\$1500/year), the school district would be building equity in a home.

The term of the proposed loan will be 15 years.

3. Housing is/will be a negotiation item in conjunction with the superintendent's salary.

4. Utilities will be the responsibility of the renter.

5. It is extremely important to have superintendent live in our community.

6. Recruitment and retention of superintendent - number one issue that superintendents are asking about is district provided housing.

7. Average length of tenure is about 5 years.

8. Housing is difficult to come by in the Cascade community.

9. Approximately $\frac{2}{3}$ of districts our size offer superintendent housing.

10. Funds for down payment and monthly payment will not come from general funds. Funds to operate day to day operations of district will not be affected.

11. These funds will be drawn from the lease of existing Federal Communications Commission (FCC) frequencies owned but not currently utilized by Cascade Public Schools.

12. Funds to hire qualified teachers (currently trying to fill vacant Special Education position in the Elementary) will not be affected by purchase of house.

13. Funds to hire qualified maintenance supervisor will not be affected by purchase of house.

14. Operation and maintenance funds will not be affected by purchase of house.

15. Jim Purdy is not benefitting financially from this transaction in any way. Mr. Purdy is providing his services as a real estate agent to the district completely *pro bono*.

16. Public school property is exempt from property taxes.

17. Current district insurance policy will cover new property.

18. If superintendent or other personnel do not use house, it will be available to general public for rental. A district policy will be discussed and adopted by the school board to address this situation.

19. Purchase price of property is \$150,000.00.

20. Deficiencies on home, as outlined in the independent home inspection report, have been corrected.

21. An independent appraisal of the property has been completed, validating the purchase price of \$150,000 as fair and reasonable.

Recommendation of Facilities Committee (Charlie Hawn, Terri Bogden, Chris Boland): Mr. Hawn - committee approves, with a 2-1 vote, moving forward with purchase. TB dissenting.

Recommendation of Finance Committee (Rick Cummings, Terri Bogden, Jim Purdy): Mr. Cummings - committee approves, with a 2-1 vote, moving forward with purchase. TB dissenting.

Motion: Rick Cummings moved, seconded by Charlie Hawn **to approve purchasing District Housing (Sprout Home) for the Cascade School District for \$150,000.00.**

Public Comment:

Mr. Ron Flink - actions shall not be taken without the approval of qualified electors at an election. MCA 20-6-603; Mr. Crabtree - is there a contingency with MTSBA?; Mr. Mortag - we will double check (triple check) with MTSBA; Mr. Purdy - bank approval comes contingent with legality of purchase, MTSBA is a paid service of the district;

Mrs. O'Brien - public meetings called specifically for community participation like with tech levy

and conceal carry have not taken place, right to know has been violated. The board responded that district housing has been a consistent topic of discussion at the board's regularly scheduled monthly meetings over the last 12 months and these board meetings are always open to the public;

Mrs. Adams - principals drive to and from GF on a daily basis we need our superintendent to be in our community;

Mr. Wilson - are all funds coming from FCC License money?, what is the benefit to the community to make purchase?; Mr. Mortag - benefit is that superintendent lives in our community, retention of superintendent, building equity, FCC license is a sustainable source through the proposed 15 year term of the loan;

Mrs. Smith - wrote letter in support, district owned property not just for superintendent, recruitment with equitable benefits as other communities;

Mr. Seabolt - why were general meetings not called nor held seeking public comment?; Mr. Mortag - meetings have been posted with school housing as an item of discussion; Mr. Purdy - will find out why minutes have not been published; Mrs. O'Brien - When minutes are published, there is not a whole lot of information, chooses which meeting to go to because Town of Cascade and Ulm hold meetings on the same night, details aren't available; Mr. Purdy - did not mean to imply that you did not report, minutes not published? topic has come up many times since September; Mr. Mortag - accepts responsibility for not holding a special public meeting;

Mr. Eller - former teacher, knows need for housing of school personnel, why do we allow principals to drive every day? why aren't we providing housing for them? no commitment to community if living in district provided housing, administrators will be more vested in community if they commit to own home ownership, have them invest in community; Mr. Moore - acknowledge housing in Cascade is terrible, personal assessment of housing situation done by driving through community, are there other homes that committees have looked at? why have we narrowed it down to one home? Mr. Purdy - not on committee of facilities, chose to allow members of the appropriate committees to make those assessments; Mr. Eller - there are other homes available; Mr. Kitson - whose home is it? Mr. Mortag - the home in question is Mrs. June Sprout's;

Mr. Moore - what happens with the home when Mr. Barnes leaves and the next superintendent doesn't like the home? Mr. Mortag - the property will be a take it or leave it option rather than do they want it because it doesn't necessarily meet their needs;

Mr. Moore – “attaboy” for holding a public meeting such as this meeting, responsibility of board to find out cost of building new home on district property rather than purchasing existing property, we already own the dirt, multi-family property for example;

Mr. Seabolt - is purchasing property a negotiating tool? Mr. Mortag - superintendent always has first choice of home and as previously stated, yes, providing housing is a negotiation item involving the Superintendent contract; Mr. Cummings - MTSBA builds standards of policies adopted;

Mr. Flink- \$70,000 salary with stipend unless home bought then renegotiated; Mr. Barnes - stipend has not been accepted since negotiated so that money would be available for purchase of home

Board Discussion:

Rick Cummings - formerly thought districts were crazy to have housing holdings, housing market crashed, district won't take loss on home if market crashes again because of the long term commitment;

Terri Bogden - put a lot of work into looking at pros and cons, choosing to vote against purchase because it is a great cost to everyone in community, tech levy passage was necessary to implement and upgrade tech needs, to ask for more money or expenditure of funds is a concern, funds could be better used to address issues of school safety and security;

Jim Purdy - views are shared in committee meetings so nothing is a surprise at regular meetings, professional realtor experience was reason for being asked to spearhead information gathering, not real proponent of districts owning housing property, superintendent contracts are limited to max of 3 years at a time, Kurt Miller, Ken Kelly, June Sprout, Lou Ann Gay and now Justin Barnes superintendents in last 25 years, we aren't a destination point but quite often a jumping off point for administrators, converted to ownership thinking to be a competitive district

Vote: Passed 5-1, Terri Bogden dissenting.

Adjournment

7:20 p.m. Rick Cummings moved, seconded by Charlie Hawn **to adjourn. Passed Unanimously**

Todd Mortag, Board Chair

ATTEST: Lucinda Woodland, Clerk

Date Signed _____