

BETTENDORF COMMUNITY SCHOOL DISTRICT  
**BETTENDORF, IOWA**

Unofficial Minutes of the January 4, 2018 Special Meeting  
of the Board of Education  
(pending Board approval)

1. Call to Order.

The Board of Directors of the Bettendorf Community School District, in the County of Scott, State of Iowa, met in open session according to Iowa law for a special Board meeting at the Administration Center, 3311 18th Street, Bettendorf, Iowa, on January 4, 2018. President Gordon Staley called the meeting to order at 6:00 p.m. Colleen Skolrood, Board Secretary, verified that the meeting notice had been posted and mailed to the media as required by law.

Members present: Directors Castro, Champion, Holland, Lynch, Pyevich, Staley, Struck

Members absent: None

Other officials present: Mike Raso, Superintendent; Dallon Christensen; Director of Finance; Celeste Miller, Director of Communications; Lana LaSalle, TJ Principal; Tim Perkins, Treasurer; Colleen Skolrood, Board Secretary.

2. Agenda Approval.

Motion by Director Struck, seconded by Director Holland, to approve the agenda as presented.

Ayes: 7 Directors Castro, Champion, Holland, Lynch, Pyevich, Staley, Struck

Nays: 0

Motion carried 7-0

3. Discussion Items and Reports

3.01 Facility Finance Scenarios.

Matt Gillespie from Piper Jaffray presented three funding scenarios for possible facility projects.

Scenario A – Funding 100% of \$60,000,000 + Project Scope from Voted General Obligation School Bond. In this scenario the net tax levy to property owners is suggested to be \$1.00 per \$1,000 om taxable valuation. After the first five years during which the tax levy increase is zero; with bond levy abated and /or offset with a combination of sales tax and reduction in Management Fund levy. In this scenario the entire project scope is funded by accumulating sales tax funds and General Obligation Bonds which are ultimately backed by property taxes if needed. This scenario gives the school board the most flexibility in that if in future years the board determines that it is in the best interest of the district to divert the sales tax revenues being used to abate the tax levy to some other needed purpose they can do so; although this would result in the bond levy rising above the initial \$1.00 assumed net level.

Scenario B – Funding approximately \$28,000,000 of \$60,000,000+ Project Scope from Sales Tax Borrowing, and Balance with Voted General Obligation School Bond along with accumulating sales tax during construction phase. In this scenario the net tax levy to property owners is suggested to be \$0.50 per \$1,000 in taxable valuation. After the first four years during which the tax levy increase is zero; offset with a reduction in Management Fund Levy. In this scenario the project scope is funded by accumulating sales tax funds, Sales Tax Bonds,

and General Obligation Bonds. Because more of the funding is from Sales Tax Bonds, which requires the commitment of sales tax, there is less flexibility to fund other needs from borrowed sales tax since in this scenario those bonds would begin with the highest annual payment level possible. This scenario gives the school board less flexibility because sales tax funds cannot simply be diverted away from the payment obligation of the Sales Tax Bonds. However, in this scenario the General Obligation Bond dollar amount and net tax levy asked of property owners would be less.

Scenario C – Funding approximately \$54,000,000 of \$60,000,000+ Project Scope ONLY using Sales Tax Borrowing + \$1,000,000 in PPEL annually during construction phase. There is no voted General Obligation Bonding in this scenario, and thus no property tax implication. Actually, it might be assumed in this scenario that property taxes would actually drop because it seems reasonable that the Management Fund levy would be eliminated for a few years, and if there is no new General Obligation Bond levy to increase to offset that Management Fund levy drop, the overall school levy would likely drop. The entire \$60,000,000+ scope could not be funded with this scenario as the Sales Tax bonding + \$1,000,000 annually from PPEL is not enough to cover the entire scope. But, approximately \$54,000,000 could probably be funded using this method. Since \$1,000,000 in PPEL annually is allowed to be used for the project scope that means that whatever was intended to be funded with that \$1,000,000 annually (i.e. technology, transportation, general maintenance and smaller projects) would have to be reduced in scope and/or paid for from General Fund or some other source.

It was noted that the only projects that have been committed to up to this point are the new Grant Wood Elementary School and the HVAC project at Bettendorf High School.

### 3.02 Treasurer Discussion.

Treasurer Tim Perkins is leaving the area and will be stepping down as board treasurer. The board would like to find a replacement as soon as possible. Finance Committee member Director Lynch asked the board how they would like to proceed with finding a replacement. Directors felt comfortable having the Finance Committee interview the candidates and then recommended a couple to the board. Directors noted they wanted to be involved in the process.

### 4. Adjournment.

Director Castro motion to adjourn the meeting at 7:53 p.m.

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Gordon Staley, President

ATTEST:

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Colleen Skolrood, Secretary