



Oakridge School District #76

47997 W. First St., Oakridge, OR 97463

Phone (541)782-2813, FAX (541)786-2982

www.oakridge.k12.or.us

Oakridge Board of Directors

April 19, 2021

Work Session

5:30 p.m.

Chair Weddle called the Work Session Meeting of the Board of Directors to order at 5:36 p.m. in Virtual Zoom Webinar.

Present: Chair Weddle, Vice Chair Hardy, Director Tami Edmunds, Director Kevin Martin, Director Mikal McPherson, Superintendent Doland, Business Manager Peggy Mahla, Confidential Secretary Jayme Martin, Carol Samuel with Piper Sandler & Company

1. Pension Bond Discussion Carol Samuels, Piper Sandler & Company

- Board Q & A

The purpose of the pension bond is to lower the debt of the unfunded PERS liability. Business Manager Peggy Mahla reminded the Board the liability is not going to go away and the opportunity of the Pension Bond is a way to lower the existing liability at a zero net effect to the District. Carol Samuels with Piper Sandler and Company gave an update on the pension bond and the spoke about changing rates. Ms. Mahla felt that 5.5% rate would be more of a risk, and asked if the cap could be 4.5%. Ms. Samuels stated the Board could opt-out for any reason two weeks before the sale of the bond. If the interest rate, at sale, is higher than the Board approved rate cap, non-participation is automatic.

Director Edmunds asked if the Board could continue even if the rate was higher than the original set cap if they were comfortable doing so. Ms. Samuels stated the Board would have to have a special meeting to vote on continuing or not.

Chair Weddle asked the number of districts that are participating in the pension bond. Ms. Samuels answered with 23 districts and 5 community colleges.

Director Martin asked why the other 170 school district are not participating in the pension bond. Ms. Samuels answered she is not sure, but it is possible that other school districts have already borrowed quite a bit and are not willing to borrow more.

Director Martin asked where our money is coming from. He also asked what is the risk to the bond if the economy crashed like it did in 2008. Ms. Mahla stated the bond is a loan that is paid to PERS. For 20 years, there is a monthly payment to the loan. She stated the PERS rates are currently just under 36%. This rate is going to continue to rise. With the pension bond, the rates lower enough, that what we have to pay to PERS is savings enough to make the loan payment. The hope is with the investment, there is enough to pay PERS lower rates, pay the loan payment, and have savings leftover for the years that would be short.

Director Martin asked about the PERS rate going back up after the 20-year loan is complete. Ms. Samuels stated that is a possibility. Ms. Samuels stated that as an employer, the District is always responsible for what happens to the UAL and will always be charged for any underfunding that PERS

recognizes. There will still be a debt at the end of the loan, but there is the possibility of saving quite a bit with lower PERS rates, reducing the impact to the budget.

The last opportunity to back out of the pension bond is July 6.

Chair Weddle expressed that he would like to continue with the pension bond, but is a little concerned that other districts are not participating in this.

Vice Chair Hardy asked Peggy Mahla and Superintendent Doland what their thoughts were. Ms. Mahla answered that she would like to move forward knowing that there is a risk, but with the hope that in the bad years, there will be a reserve. She stated she is not comfortable with 5% TIC but would be okay with 4.5%.

Ms. Mahla stated there are only 23 school districts in this round participating in the bond. Other school districts have already participated in the bond in past years. Ms. Samuels added there are over 100 districts that have participated in the pension bond in past years. Director Martin asked why the other districts that have participated still have the same PERS rates listed when those are supposed to go down. He asked is PERS making the money from the interest rate. He also asked why Oakridge School District has not done this pension bond in the past. She stated some districts are paying zero, and some districts that opted to borrow less than the full-unfunded liability, their rates are higher. Ms. Mahla stated the last time the District was offered the opportunity to participate in the Pension Bond, the Superintendent position was in transition and there was not enough time to do a lot of research.

2. Resolution to move forward with the Pension Bond

Director Edmunds made the motion to move forward with the Pension Bond with the maximum TIC rate of 4.5%. Vice Chair Hardy seconded the motion.

Director Martin stated he did not want to go higher than .399.

Director Edmunds stated she feels the 4.5 is accurate and is the amount recommended by District staff so she is keeping her motion at 4.5%.

The motion passed with Chair Weddle, Vice Chair Hardy and Director Edmunds voting yes. Director Martin, and Director McPherson voted no.

3. Superintendent Contract

Director Martin stated he is not finished with his discussions with OSBA and would like to move this agenda item to the next regular meeting. Chair Weddle agreed.

4. Executive Session Meeting Minutes Discussion

Superintendent Doland addressed the issue with executive session minutes being approved. When meetings are held in person, the executive session minutes can be handed out to the Board members for review, then picked up and destroyed. Meetings held virtually create complications around confidential documents. Emails are public record so transmitting them opens them up to public record

law. Mailing the confidential documents creates the possibility of them getting lost, or not sent back. There are suggestions from OSBA in how to remedy this. 1. The Board can suspend the rules and choose not to review and approve the executive session minutes. 2. Have limited approval. The Board Chair and Superintendent could be the ones to review and sign off.

Director Edmunds would like to see the Chair and Superintendent approve them during virtual meetings. For in person meetings, distribute the minutes for full Board approval with no discussion being made during open meeting.

Director Martin stated he would like the meetings recorded. Superintendent Doland stated record retention of recorded meeting minutes is astronomical. The District doesn't have a specific electronic storage system that would support that. She stated she could look into it if that is how the Board wants to do it. Chair Weddle stated he would like to know more about recording and is unclear why it is harder to keep, citing in the past the meetings were recorded. Superintendent Doland stated the recordings were made to transcribe the minutes. She stated once it is recorded, it becomes public record and cannot be destroyed. Director Martin stated he wants them recorded and not destroyed. He wants to be able to go back and listen to any meeting as long as he is a Board member.

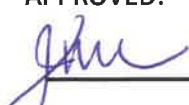
Director McPherson stated she would like to look into something that is secure for record keeping of the recordings. She stated for the executive session minutes, she likes having the Chair and Superintendent approve since the Confidential secretary is preparing the minutes, that is three sets of eyes to ensure the accuracy of the meeting.


Chair Weddle liked the idea of having the Board Chair, Superintendent and another Board member review the minutes. All Directors agreed.


5. Adjourn

Meeting adjourned at 7:12 p.m.

APPROVED:


JRM


Chairman


Superintendent

