

BOARD OF EDUCATION

Portland Public Schools
REGULAR MEETING
June 13, 2017

Board Auditorium

Blanchard Education Service Center
501 N. Dixon Street
Portland, Oregon 97227

Note: Those wishing to speak before the School Board should sign the public comment sheet prior to the start of the meeting. No additional speakers will be accepted after the sign-in sheet is removed, but testifiers are welcome to sign up for the next meeting. While the School Board wants to hear from the public, comments must be limited to three minutes. All those testifying must abide by the Board's Rules of Conduct for Board meetings.

Public comment related to an action item on the agenda will be heard immediately following staff presentation on that issue. Public comment on all other matters will be heard during the "Public Comment" time.

This meeting may be taped and televised by the media.

AGENDA

- | | | |
|----|---|---------|
| 1. | <u>RECOGNITION: SELF ENHANCEMENT INC.</u> | 6:00 pm |
| 2. | <u>STUDENT TESTIMONY</u> | 6:10 pm |
| 3. | <u>PUBLIC COMMENT</u> | 6:25 pm |
| 4. | <u>UPDATE: SUPERINTENDENT SEARCH TASK FORCE</u> | 6:45 pm |
| 5. | <u>FIRST READING: REAL ESTATE POLICY</u> | 7:00 pm |
| 6. | <u>BOND UPDATE: HEALTH AND SAFETY SUMMER WORK 2017</u> | 7:15 pm |
| 7. | <u>ADOPTION OF 2017-18 BUDGET</u> – <i>action item</i> | 7:35 pm |
| 8. | <u>BUSINESS AGENDA</u> | 8:00 pm |
| 9. | <u>ADJOURN</u> | 8:15 pm |

Portland Public Schools Nondiscrimination Statement

Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. The District is committed to equal opportunity and nondiscrimination based on race; national or ethnic origin; color; sex; religion; age; sexual orientation; gender expression or identity; pregnancy; marital status; familial status; economic status or source of income; mental or physical disability or perceived disability; or military service.

Portland Public School District 1st Reading

DATE: June 13, 2017

Public Comment for: REAL ESTATE TRANSACTION PROCESS POLICY 8.70.041-P

The Portland Public School District is providing Notice of Proposed New Policy and Public Comment to offer interested parties reasonable opportunity to submit data or comments on the proposed policies noted below.

Public comment may be submitted in writing directly to the district or through the district website noted below. Written comments must be submitted by 5:00pm on the Last Date for Comment listed below.

1st Reading by: Tom Koehler, Chair, Portland Public School Board
Summary: New Policy: Real Estate Transaction Process

Draft Policy Web Site: <http://www.pps.net/Page/1807>
(click on blue "draft policy" box)

Recommended for 1st Reading by: Board of Education

Policy Contact: Rosanne Powell, Board Office Manager

Last Date for Comment: July 5, 2017

Address: P.O. Box 3107, Portland, OR 97208-3107

Telephone: 503-916-3741

E-mail: schoolboard@pps.net

Last Date for Comment: July 5, 2017



Board of Education

Staff Report to the Board

Board Meeting Date: June 13, 2017

Executive Committee Lead: Jerry Vincent, Chief Operating Officer

Department: Facilities and Asset Management

Presenter/Staff Lead: Sara King, Director of Planning and Asset Management

SUBJECT: Real Estate Transaction Process Policy

BACKGROUND

In 1971 the Board adopted a policy for the Disposition of Surplus Real Property that outlines the procedure for the disposal of any real property that is not essential to the District's mission now or in the future.

In 1997 the Board adopted a policy to establish the Public Contracting Rules for the District, and those Rules have been updated on several occasions, most recently in March 2016 which excluded real estate related contracts. It has been the practice of staff, however, to transact the purchase, lease, conveyance, permit, and dedication of real property or an interest in real property by applying the same delegation thresholds as those set out in the Public Contracting Rules.

Given this practice and the need for staff to execute such real estate contracts in a timely manner to adequately and efficiently meet construction and space requirements of the District, staff is recommending a new policy for real estate transactions.

The policy gives the Superintendent or his/her designee authority to sign real estate transactions in which the total value of the transaction is at or below applicable delegation thresholds for District expenditure and revenue contracts, as set forth in PPS Public Contracting Rule 45-0200 (Authority to Approve and Execute District Contracts). All other real estate transactions shall be presented to the Board for approval.

The Superintendent will develop an Administrative Directive that complies with the policy outlining procedures for acquisition or disposition of real property or an interest in real property.

BOARD COMMITTEE REVIEW (IF APPLICABLE)

On May 30, 2017 staff presented the policy draft to the Business and Operations Committee. The Committee unanimously voted to advance the policy to the Board for a first reading. There were no questions and concerns raised during the meeting.

RELATED POLICIES / BOARD GOALS AND PRIORITIES

8.50.100 P - Contracting and Purchasing Rules
8.70.040 P - Disposition of Surplus Real Property

PROCESS

Document Development – Planning and Asset Management Staff
Document Review and Edit - Program Director - Purchasing & Contracting
Legal Review - Miller Nash.
Presentation to Business and Operations Committee – Financial
Services Director, Purchasing & Contracting

ALIGNMENT WITH EQUITY POLICY IMPLEMENTATION PLAN

Not applicable.

BUDGET / RESOURCE IMPLICATIONS

The new policy will formalize and ratify the current practice of executing small dollar and \$0 real estate transactions under thresholds set forth in the Purchasing Rules and Purchasing & Contracting Delegation of authority. Under the new policy, only real estate transactions valued at \$150,000 or greater will be submitted to the Board for approval.

NEXT STEPS / TIMELINE / COMMUNICATION PLAN

The first reading of the policy will be June 13th, 2017. The second reading of the policy will be in mid-July, on or after July 11th.

QUESTIONS FOR BOARD DISCUSSION

None.

ATTACHMENTS:

Exhibit A – Proposed Policy
Exhibit B – Proposed Resolution

8.70.041-P Real Estate Transaction Process

Portland Public Schools requires the ongoing ability to transact the purchase, lease, conveyance, permit, and dedication of real property or an interest in real property in a timely manner to adequately and efficiently support the changing enrollment and space requirements of the District.

The process articulated herein will be taken by the District in any transaction of real property or interest in real property by the District, with the exception of the surplus and sale of District owned real property not needed for public use governed by Board Policy 8.60.040-P.

The District reserves the right to apply the policy and process set forth herein in a flexible, prudent, and strategic manner to best meet the needs and interests of the District

It is a goal of the District to achieve the maximum market rate value in the transaction of any real property the District owns, and to pay no more than market rate for property leased or acquired. The District recognizes that conveyance of real property, right-of-way or easements may be imposed as a condition of approval of District development projects without compensation or may occur for other good or valuable consideration.

The Board delegates authority to the Superintendent or his/her designee to approve and execute real estate transactions in which the total value of the transaction is at or below applicable delegation thresholds for District expenditure and revenue contracts, as set forth in PPS Public Contracting Rule 45-0200 (Authority to Approve and Execute District Contracts). All other real estate transactions shall be presented to the Board for approval.

EXHIBIT B

RESOLUTION No. XXXX

Create a Real Estate Transaction Policy.

RECITAL

A WHEREAS in 1971 the Board adopted a policy for the Disposition of Surplus Real Property that outlines the procedure for the disposal of any real property that is not essential to the District's mission now or in the future;

B. WHEREAS in 1997 the Board adopted a policy to establish the Public Contracting Rules for the District, and those Rules have been updated on several occasions, most recently in March 2016;

C. WHEREAS the Public Contracting Rules delegate authority to sign certain revenue and expenditure contracts, not including real estate contracts, to the Superintendent;

D. WHEREAS the District requires the ongoing ability to purchase, lease, convey, permit, and dedicate real property in a timely manner to adequately and efficiently support the changing enrollment and space requirements;

E. WHEREAS it has been the common practice of the District for many years to transact real estate contracts, applying the same delegation thresholds as those set out in the Public Contracting Rules:

RESOLUTION

THEREFORE BE IT RESOLVED:

1. All leases, easements, conveyance, and other real estate contracts executed prior to this date are acknowledged and approved by the Board.
2. Policy 8.70.041-P is adopted to provide a real estate transaction policy and direct the Superintendent to adopt an Administrative Directive with a specific process for such real estate transactions.

J. Vincent/S. King



Board of Education Informational Report

MEMORANDUM

Date: June 13, 2017
To: Board of Education
From: Yousef Awwad, CPA, Deputy Chief Executive Officer
Subject: Adoption of 2017/18 Budget and Imposition of Taxes

BACKGROUND

Under ORS 294.456, local budget law, jurisdictions are required to adopt the future fiscal year budget in order to begin spending funds in the new fiscal year. In addition, by these actions the governing board will also impose the appropriate property taxes and determine appropriation levels by fund and major program within the budget.

On April 4, 2017, the Budget Committee received the Superintendent's budget message and Proposed Budget document for fiscal year 2017/18. On April 11, April 25, and May 9, 2017, the Budget Committee held advertised public hearings to discuss and receive public comment on the Proposed Budget.

The Community Budget Review Committee (CBRC), comprised of community representatives, met beginning in September 2016 and reviewed the proposed budget and reported to the Board on its findings on April 25, 2017.

On May 23, 2017, the Board, acting as the budget committee, approved the 2017/18 budget and imposed taxes by passage of Resolution no. 5462. Upon approval, the budget was submitted to the Tax Supervising Conservation Commission (TSCC) for review and approval. The TSCC is required to hold a budget hearing on the approved budget. This hearing is scheduled for June 13, 2017, immediately preceding the board meeting.

RELATED POLICIES/BOARD GOALS AND PRIORITIES

An adopted budget is necessary to ensure effective financial management of the district's programs and priorities, and to remain in compliance with state budget law. Specifically, the District is required to ensure legal appropriation of expenditures by major function, as defined in the state chart of accounts.

ALIGNMENT WITH EQUITY POLICY

The PPS budget for 2017/18 was developed to be in alignment with the PPS Racial Educational Equity Policy.

NEXT STEPS

Upon the vote by the Board, staff will complete and publish the budget document for 2017/18, will load the budget into the PPS financial system to ensure that the District is upholding transparent reporting in relation to adopted budgets, will file this document with all necessary authorities, will post the document on the PPS website, and will communicate with county tax assessors to ensure that they have the information necessary to levy taxes.

BUDGET COMMITTEE ACTION

The budget committee is asked to adopt the budget attached.

BOARD OF EDUCATION
SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON

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Purchases, Bids, Contracts

The Interim Superintendent RECOMMENDS adoption of the following items:

Numbers 5465 and 5466

RESOLUTION No. 5465

Revenue Contracts that Exceed \$150,000 Limit for Delegation of Authority

RECITAL

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) to enter into and approve all contracts, except as otherwise expressly authorized. Contracts exceeding \$150,000 per contractor are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

NEW REVENUE CONTRACTS

No New Revenue Contracts

NEW INTERGOVERNMENTAL AGREEMENTS / REVENUE (“IGA/Rs”)

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Lake Oswego School District	6/14/2017 through 6/30/2017	Intergovernmental Agreement/Revenue IGA/R 64565	Sale of 10-plex modular unit. Contract will be amended to add reimbursement to PPS for the cost to remove and disconnect unit once the cost is determined.	\$625,000	J. Vincent Fund 452 Dept. 5511 Project DE620

AMENDMENTS TO EXISTING REVENUE CONTRACTS

No Amendments to Existing Revenue Contracts

Y. Awwad

RESOLUTION No. 5466

Expenditure Contracts that Exceed \$150,000 for Delegation of Authority

RECITAL

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) enter into contracts and approve payment for products, materials, supplies, capital outlay, equipment, and services whenever the total amount exceeds \$150,000 per contract, excepting settlement or real property agreements. Contracts meeting this criterion are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
William Scotsman	06/14/2017	Purchase Order PO #TBD	Relocate 10-plex modular unit and two standalone modular units from Roosevelt to storage. COA 64521 Cooperative Procurement Group: KCDA	\$162,502	J. Vincent Fund 452 Dept. 5511 Project DE620
Food Service of America	07/1/2017 through 12/01/2020	Cooperative Agreement COA 64099	Purchase goods for culinary arts programs. Administering Contracting Agency: State of Oregon Cooperative Procurement Group: Oregon Cooperative Procurement Group	\$250,000	Y. Awwad Various

NEW INTERGOVERNMENTAL AGREEMENTS (“IGAs”)

No New IGAs

AMENDMENTS TO EXISTING CONTRACTS

Contractor	Contract Amendment Term	Contract Type	Description of Services	Amendment Amount, Contract Total	Responsible Administrator, Funding Source
Ameresco, Inc.	06/14/2017 through 12/31/2017	Energy Savings Performance Contract EC-64065 Change Order #3	Set the guaranteed maximum price for the Marysville, George and Cleveland upgrades, including lighting retrofits, controls systems and miscellaneous energy conservation projects. RFP 06-10-102	\$2,019,305 \$2,129,674	J. Vincent Funds 435 & 404 Dept. 5597 Projects U0188 & X0139
PBS Engineering and Environmental, Inc.	6/14/2017 through 12/31/2018	Related Services RS 62476 Amendment 1	Provide additional radon testing compliance due to changes in radon action levels, additional buildings coming into service and prior testing rendered unusable due to unforeseen circumstances.	\$97,776 \$200,000	Y. Awwad Fund 101 Dept. 5595

Y. Awwad

Other Matters Requiring Board Approval

The Interim Superintendent RECOMMENDS adoption of the following items:

Numbers 5467 and 5468

RESOLUTION No. 5467

Impose Taxes and Adoption of the FY 2017/18 Budget for School District No. 1J,
Multnomah County, Oregon

RECITALS

- A. Oregon Local Budget Law, Oregon Revised Statute (ORS) 294.428, requires each legal jurisdiction's Budget Committee approve a budget and specify the *ad valorem* property tax rate for all funds.
- B. The Board of Education (Board) appointed a Community Budget Review Committee (CBRC) to review the Proposed Budget and current year expenditures of the existing Local Option Levy. The CBRC acts in an advisory capacity to the Board.
- C. On April 25, 2017, the Budget Committee received testimony and a report on the current year Local Option Levy expenditures and testimony and recommendations from the CBRC.
- D. On May 23, 2017, by way of Resolution No. 5462, and under the provisions of Oregon Local Budget Law (ORS Chapter 291), the Budget Committee for School District No. 1J, Multnomah County, Oregon ("District"), approved the FY 2017/18 budget and imposed taxes.
- E. Oregon Local Budget Law, ORS 294.431, requires submission of the budget document to the Tax Supervising Conservation Commission (TSCC) by May 15 of each year. ORS 294.431 allows taxing jurisdictions to request an extension of the submission date. Portland Public Schools ("PPS") applied for, and was granted an extension to this deadline, and submitted the PPS budget to TSCC as required.
- F. The TSCC held a public hearing on the Approved Budget on June 13, 2017.
- G. ORS 457.010(4)(a)(D) provides the opportunity for a school district to be excluded from urban renewal division of tax calculations with a statutory rate limit on July 1, 2003, that is greater than \$4.50 per \$1,000 of assessed value. To the extent that the rate limit was increased under section 11 (5)(d), Article XI of the Oregon Constitution, property tax revenue from said increase is excluded from local revenues. The District will notify the county assessors of the rate to be excluded for the current fiscal year not later than July 15.
- H. Portland Public Schools has a statutory rate limit that is in excess of the \$4.50 limitation that includes an increase under section 11 (5)(d), Article XI of the Oregon Constitution.

RESOLUTION

- 1. The District's Board of Education hereby adopts the budget for the fiscal year 2017/18, as summarized in Attachment "A", in the total amount of \$1,587,755,079.
- 2. The Board appropriates for the fiscal year beginning July 1, 2017, the amounts summarized by program in Attachment A to this resolution and as detailed in the budget book, Adopted Budget, for the fiscal year 2017/18, School District 1J, Multnomah County, Oregon.

3. The Board resolves that the District hereby imposes the taxes provided for in the adopted budget:
 - a. At the rate of \$5.2781 per \$1,000 of assessed value for operations;
 - b. At the rate of \$1.9900 per \$1,000 of assessed value for local option tax for operations;
 - c. In the amount of \$124,300,000 for exempt bonds.

And that these taxes are hereby imposed and categorized for tax year 2017/18 upon the assessed value of all taxable property within the district.

4. Taxes are hereby imposed and categorized as for tax year 2017/18 upon the taxable assessed value of all taxable property in the District, as follows:

	<u>Education Limitation</u>	<u>Excluded from Limitation</u>
Permanent Rate Tax Levy	\$5.2781/\$1,000 of assessed valuation	
Local Option Rate Tax Levy	\$1.9900/\$1,000 of assessed valuation	
Bonded Debt Levy		\$124,300,000

5. The Budget Committee further resolves that \$0.5038 per \$1,000 of taxable assessed value is excluded from division of tax calculations, as the Permanent Rate Tax Levy attributable to the increase provided in section 11 (5)(d), Article XI of the Oregon Constitution (such increase is a result of the expiring Gap Tax Levy). The District will notify the county assessors that for the 2017/18 fiscal year \$0.5038 of the District's permanent tax rate ley is to be excluded from urban division of tax calculations under the provisions of ORS 457.010(4)(a)(D).

R. Dutcher

Fund	Appropriations						Contingency	Ending Fund Balance	Fund Total
	Instruction	Support Services	Enterprise & Community Services	Facilities Acquisition & Construction	Debt Service	Transfers Out			
Fund 101	\$ 334,250,614	\$ 251,720,466	\$ 1,886,099	\$ -	\$ -	\$ 5,915,375	\$ 23,514,287	\$ -	\$ 617,286,841
Fund 201	9,000,000	-	-	-	-	-	-	4,095,969	13,095,969
Fund 202	-	-	20,382,388	-	-	-	-	1,707,452	22,089,840
Fund 205	51,296,668	29,320,656	2,879,574	-	-	-	-	-	83,496,898
Fund 225	-	-	-	-	-	-	-	17,070,884	17,070,884
Fund 299	12,394,722	3,324,818	183,602	-	-	749,881	-	-	16,653,023
Fund 307	-	-	-	-	2,708,168	-	-	-	2,708,168
Fund 308	-	-	-	-	46,874,326	-	-	3,980	46,878,306
Fund 320	-	-	-	-	1,859,707	-	-	625,000	2,484,707
Fund 350	-	-	-	-	116,238,631	-	-	2,288,317	118,526,948
Fund 404	-	-	-	22,904,981	-	625,000	-	-	23,529,981
Fund 407	-	1,319,500	-	-	-	-	-	-	1,319,500
Fund 420	-	2,700,000	-	300,000	-	-	-	-	3,000,000
Fund 435	-	-	-	2,694,273	-	-	-	-	2,694,273
Fund 438	-	4,750	-	2,997,937	-	-	-	-	3,002,687
Fund 445	-	-	-	4,248,699	-	-	-	-	4,248,699
Fund 450	-	786,266	-	183,094,895	-	-	412,397,494	-	596,278,655
Fund 470	-	-	-	4,263,800	-	-	-	-	4,263,800
Fund 601	-	3,783,702	-	-	-	-	5,342,198	-	9,125,900
Total	\$ 406,942,004	\$ 292,960,158	\$ 25,331,663	\$ 220,504,585	\$ 167,680,832	\$ 7,290,256	\$ 441,253,979	\$ 25,791,602	\$ 1,587,755,079

RESOLUTION No. 5468

Minutes

The following minutes are offered for adoption:

May 23, 2017