

REGULAR MEETING

The Regular Meeting of the School Board of School District 24J, Marion County, Salem, Oregon, was held Tuesday, March 11, 2008, in Room 2, at Support Services Center, 2575 Commercial Street SE, Salem, Oregon, with Chairperson Rick Kimball presiding.

BOARD MEMBERS PRESENT: Rick Kimball, Chair
Krina Lemons, Vice Chair
Steve Chambers, Director
Bob Mink, Director
Ron Jones, Director
Hanten Day, Director
Chuck Lee, Director

EXECUTIVE CABINET PRESENT: Sandy Husk, Superintendent-Clerk; Glenn Gelbrich, Deputy Superintendent; Rich Goward, Chief Operations Officer; Mary Cadez, Executive Director, Human Resources; John Cuddy, Director, Technology and Information Services; Mary Paulson, Chief of Staff, Executive Administration; and Jay Remy, Director, Communications and Community Relations.

ALSO PRESENT: Paul Dakopolos, Attorney for the District.

Representing the Statesman Journal: Tracy Loew

(Minutes done by Debi Garrigues, Secretary to the School Board)

Chairperson Kimball called the meeting to order at 6:00 p.m.

ANNOUNCEMENTS/AGENDA MODIFICATIONS

Chairperson Kimball made the following agenda modifications/announcements:

Revised Boardplate 4.c.(1) Personnel Actions

SPOTLIGHT ON SUCCESS

Superintendent Husk, Chairperson Kimball, and various Cabinet members shared recognition of individuals and/or groups for their outstanding work and/or contributions to the School District (see Attachment A for details).

(See Spotlight on Success, **Attachment A.**)

COMMUNICATIONS ~ AUDIENCE

(Subjects related to agenda items)

The following citizens addressed the Board (see Sign-Up Sheet for further information):

Don Negri, 1675 Fir Street S., Salem.

Patrick Sieng, PO. Box 13271, Salem.

Jane Killefer, 4485 18th Place S, Salem.

Kim Morrison, 1997 Grice Hill Drive NW, Salem.

ACTION ON SUPERINTENDENT'S CONTRACT RENEWAL

Background

Superintendent Sandy Husk's existing contract expires on June 30, 2009, and at the February 12, 2008 meeting, the Board agreed to have the Board Chair and Vice Chair worked with Paul Dakopolos, the District's legal counsel to negotiate the terms of a new contract and to bring the completed contract back to the School Board for approval.

Paul Dakopolos, Attorney for the District, reviewed a few revisions relating to issues such as dates (three-year contract), salary (cost of living increase), and Board evaluation in the proposed contract (for specific details, see Attachment B). Several Board Directors shared their respect for and confidence in Superintendent Husk thus far in her superintendency, and Director Chambers pointed out a slight error in the number for vacation days.

DIRECTOR LEMONS MOVED APPROVAL OF THE NEGOTIATION OF THE AMENDED CONTRACT FOR SUPERINTENDENT SANDY HUSK AS PRESENTED. SECONDED BY DIRECTOR LEE.

BY VOICE VOTE, MOTION CARRIED UNANIMOUSLY.

(See Superintendent's Contract Renewal, **Attachment B.**)

ACTION ON RESOLUTION FOR REFUNDING OF GENERAL OBLIGATION BONDS

Background

The District has determined that it is in the best interest of the taxpayers of the District to refund all or a portion of its outstanding 1998 Bonds ("Refundable Bonds"). The resolution, drafted by bond counsel, will initiate this refinance and authorize the issuance, negotiated sale and delivery of these Refundable Bonds.

By refunding these bonds to a lower rate, the District anticipates saving taxpayers approximately \$1.5 million dollars (estimated present value savings at current market rates). Bond counsel has provided the attached resolution for the refinancing. The target dates for this refunding are:

- | | |
|-----------------------|-------------------|
| ▪ First Reading | February 12, 2008 |
| ▪ Resolution Adoption | March 11, 2008 |
| ▪ Closing | Early April, 2008 |

The resolution was presented to the Board for First Reading on February 12, 2008; and staff requests that the Board approve the resolution to initiate the refinancing of the District's 1998 Bonds.

Superintendent Husk reiterated the background and pointed out that the District had just had its rating raised which was a huge compliment to the District and its finance department.

DIRECTOR MINK MOVED APPROVAL OF THE RESOLUTION FOR REFUNDING OF GENERAL OBLIGATION BONDS AS PRESENTED. SECONDED BY DIRECTOR CHAMBERS.

BY VOICE VOTE, MOTION CARRIED UNANIMOUSLY.

(See Refunding of General Obligation Bonds Resolution, **Attachment .**)

ACTION ON ADOPTION OF ELEMENTARY MUSIC MATERIALS

Background

The District's long range materials adoption plan guides the selection of student materials. District staff has completed the review of vendor proposals. The two programs recommended for final review and negotiations with the publishers were Silver Burdett's Making Music and Macmillan-McGraw Hill's Spotlight on Music. As per District administrative policy and rules IFA the materials were available for public review and comment and a public notice was printed in local media.

Staff recommends the purchase of Macmillan-McGraw Hill Spotlight on Music including the corresponding ORF musical instruments and keyboards. The criteria for final selection include:

- Cost, availability, shipping and on-time delivery of the materials
- Cost of Orff musical instruments and keyboards to deliver the curriculum
- How musical instruments are integrated into the music curriculum
- Music with the most variety and authenticity
- Recorded music modeled by children voices
- Use of visuals to show concepts

- Connections with other content areas. For example: Geographic maps connecting location to the music being studied
- Music that offers cultural variation and authenticity

Action on Adoption of Elementary Music Materials (continued)

The Board is requested to authorize the purchase of the K-5 Music materials from Macmillan-McGraw including the corresponding Orff musical instruments and keyboards.

Superintendent Husk reiterated the background including the community input that had occurred.

DIRECTOR LEMONS MOVED APPROVAL OF THE ADOPTION OF ELMENTARY MUSIC MATERIALS AS PRESENTED. SECONDED BY DIRECTOR CHAMBERS.

Director Lemons asked a clarifying questions relating to professional development for the new materials, and Superintendent Husk said that was being addressed and staff was already getting excited about it. There was general discussion on the price negotiation process for educational materials and on the purchase process in general.

BY VOICE VOTE, MOTION CARRIED UNANIMOUSLY.

(See Adoption of Elementary Music Materials, **Attachment d.**)

ADOPTION OF CONSENT CALENDAR

All items on the Consent Calendar may be adopted as a group by a single motion unless pulled for special consideration.

DIRECTOR LEE MOVED ADOPTION OF THE CONSENT CALENDAR AS PRESENTED. SECONDED BY DIRECTOR DAY

BY VOICE VOTE, MOTION CARRIED UNANIMOUSLY.

- 4.a.(1) Minutes of Meetings held on February 12, 2008.
- 4.b.(1) Summary of Disbursements for January 1, 2008 through January 31, 2008.
- 4.b.(2) Adoption and Appropriation of Grant Project Budgets.
- 4.c.(1) Personnel Actions.

(For Adopted Items, see **Attachment E.**)

MONITORING REPORT: EL-9 – ASSET PROTECTION

Background

On May 8, 2007, the School Board adopted policy governance policies which included a schedule of monitoring reports related to the Executive Limitation policies. This is the eighth of twelve monitoring reports, scheduled for 2007-08, and is designed to provide the School Board with information to determine if the Superintendent is meeting the criteria established within the adopted Executive Limitations.

Executive Limitation 9: Asset Protection

The superintendent shall not allow assets to be unprotected, inadequately maintained, inappropriately used, or unnecessarily risked.

Report on EL-9 – Asset Protection (continued)

Accordingly, the superintendent shall not:

1. Fail to maintain the District's self insurance fund at a level necessary to provide coverage against theft and casualty losses and against liability losses to Board members, staff, and the District itself in an amount that is reasonable for school Districts of like size and in accordance with state law.

Evidence of compliance: The district is self-insured for the first \$500,000 of Liability and Property loss. As of June 30th, 2007 the district's Risk Management Fund contained a balance of approximately \$4.7 million as buffer against losses within the self-insured retention. This balance would allow the district to suffer multiple large losses, within the same fiscal year, without tapping into General Fund resources.

Evidence of non-compliance:
None.

2. Fail to maintain excess insurance to cover losses in excess of the District's self-insured retention.

Evidence of compliance: The district has Excess Liability coverage, through June 2008, with Genesis Insurance Company with limits of \$5 million. Property and Casualty Insurance is with Travelers and utilizes replacement cost for Buildings, Equipment and Hardware. Additionally, earthquake and flood coverage is limited at \$25 million for each.

Evidence of non-compliance:
None.

3. Receive, process, or disburse funds under controls which are insufficient under generally accepted accounting principals for governments.

Evidence of compliance: Internal controls are tested as part of the district's annual external audit. Pages 157-158 of the 2006-07 Comprehensive Annual Financial Report contain the auditor's report concerning internal controls. In their report the auditor states: "We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above."

Evidence of non-compliance:
None.

4. Acquire, encumber, or dispose of real property without approval of the Board.

Evidence of compliance: Three property actions were approved by the Board in the last year. They were: Utility Easement and Property transfer at Grice Hill (5/07), Listing of property at 27th Place and Orchard Heights Road (8/07) and Sale of Property adjacent to Gilmore Field (8/07). These were the only property transactions conducted by the district during this time frame.

Evidence of non-compliance:
None.

Report on EL-9 – Asset Protection (continued)

5. Knowingly or recklessly expose the District, its Board, or staff to legal liability.

Evidence of compliance: Staff works closely with the district's legal counsel to evaluate and address active and threatened litigation. We are aware of no instances where the District, Board or staff have been knowingly or recklessly exposed to legal liability.

Evidence of non-compliance:
None.

6. Fail to implement procedures to protect intellectual property, information, and files from loss or significant damage due to negligence.

Evidence of compliance: The district has systems in place to protect data whether it is in electronic or hard copy form. Electronic information is protected by controlling access through a system of passwords and fire walls. Additionally, sensitive hard copy information is protected by using locks and fireproof safes as appropriate. We are not aware of significant gaps in our systems of protection.

Evidence of non-compliance:
None.

7. Fail to preserve and dispose of all records related to affairs or business of the District in accordance with state and federal law.

Evidence of compliance: The district maintains a records retention schedule that complies with state and federal requirements. Records that are past the retention requirement are purged and disposed of on an annual basis and in accordance with statute.

Evidence of non-compliance:
None.

8. Knowingly or recklessly endanger the District's public image or credibility, thereby jeopardizing the District's ability to accomplish its mission.

Evidence of compliance: The district makes every effort to preserve its public image and credibility within the community. Community forums and the School Talk Summit are examples of efforts to ensure the public is engaged in the relevant issues surrounding the district. The district has not knowingly or recklessly acted or communicated in a way that would negatively affect the public view and credibility of the district.

Evidence of non-compliance:
None.

Superintendent Husk reiterated the background of the report and the evidence of compliance/non-compliance and said that the District has been in compliance with EL-9. The Board by consensus agreed that the District was in compliance with the requirements of EL-9 relating to the District's asset protection.

(See Report on EL-9 – Asset Protection, **Attachment F.**)

REPORT ON STRATEGIC PLAN: STREAMLINE BUSINESS PROCESSES TO IMPLEMENT BEST –PRACTICES AND PROMOTE TIMELY INFORMATION TO STAFF

Background

Under the new governance structure, the School Board receives one or more reports each month, which are updates and progress reports on the administrative goals established through the Strategic Plan. This month's report is in reference to the goal: Streamline business processes to implement best practices and promote timely information to staff.

This majority of the work related to this goal is connected to the implementation of the district's new "MUNIS" financial software system. Prior to the purchase of MUNIS, the district's management software was based on old technology (purchased in 1993), which required staff to create supplemental spreadsheets and reports in order to acquire the data necessary to meet the District's business needs. In addition, the vendor was no longer going to provide support for the software.

The new system employs best business practices by allowing staff more immediate access to essential information relating to budget, staffing and payroll. Users will have the ability to track and create reports that provide current data for budgeted resources and expenditures, and align staffing with budget allocations. Improving the district's performance in managing fiscal and human resource operations will play a vital role in supporting student achievement.

The Financial subsystem was implemented in July. Many of the functions for reporting and procuring goods and services are now completed on-line. Districtwide trainings have been conducted and new user trainings are underway. Additional resources and communication methods, such as newsletters, on-line "how to" documents, a technology help line, designated staff "trainers" and monthly office manager meetings are provided to help staff become efficient in operating the new software.

The HR/Payroll module is currently being tested, with parallel tests (using the old system to check against the new system) being conducted to ensure accuracy before "going live." This system, combined with the financial sub-system, will provide immediate access to employee data and allow locations to manage and track their staffing budgets and employee time and absences more effectively. Upon completion of the HR/Payroll sub-system, the District will install a compatible position control system that will assist in aligning staffing allocations with budgeted resources.

The HR/Payroll module implementation was originally planned for January; however, there are some Payroll functionality issues that have not yet been addressed by MUNIS and have delayed the implementation process. Staff is working with MUNIS to resolve all outstanding issues.

Systems yet to be implemented include the maintenance work order system, and functionality necessary to meet transportation needs. Staff will continue to work with MUNIS to implement the HR/Payroll modules. Once fully implemented, the District will incorporate all of the software components to achieve the goals of this strategic direction.

Superintendent Husk reminded that these reports were “progress reports” on “works in progress” and are not all-inclusive. Rich Goward, Chief Operations Officer, provided an overview of the streamlining processes of various areas, such as payroll and travel requests (see background information and Attachment G for further detail). He summed up by saying that it was going well and they were getting very good feedback from staff on its effectiveness. There was general discussion on staff training.

(See Report on Streamlining Business Processes, **Attachment G.**)

DISCUSSION ON POTENTIAL BOND MEASURE

Chairperson Kimball said the Board had asked several questions of staff when they met for a work session on the issue of a potential bond measure, and staff was now providing the answers to those questions. Superintendent Husk reviewed the questions and provided the answers via a PowerPoint presentation (for specific figures, see PowerPoint Presentation Data and Information Packet, Attachment H). The questions initially asked by the Board are as follows:

1. *What would the cost be for each project depending on how far out into the future we would want to plan or build?*
2. *What would each of those proposals (projects) cost the homeowner?*
3. *What would happen if we kept the tax rate flat?*
4. What was the process used to determine the costs of the individual items.

There was general discussion on “spending now or spending later,” financing projects, keeping the tax rate flat, and the process of figuring out costs for specific proposals. Superintendent Husk pointed out that if the Board decided to go forward with a bond, the District would want to solicit further leadership from the community with the creation of an Oversight Committee to ensure that they had a very open process on spending and a very transparent process on decision-making on that spending. Discussion continued on public input, information dissemination, the stressed economy and the lack of funds and resources available, and that the next step is to solicit further community input now that the District has provided projected costs and scenarios.

The Board briefly discussed that their responsibility was to decide whether or not to go out for a bond and, if so, what the bond amount should be. Director Chambers said he'd like to do the whole package, if possible, and shared some of his concerns and considerations, including his feeling that land-banking (buying property now for future schools) is absolutely necessary. Director Jones commented that he thought a community survey poll that included options will give the District a better idea of what to do. Director Lee said it was a little too early for him to have much of an opinion on specifics and really wanted to get more feedback from the community before deciding anything, including whether or not to even go out for a bond. Director Lemons commented that she thought a lot of the public feedback would be based on individuals' personal situations at this difficult economic time and hoped that the Board wouldn't place too much weight on that specifically but would look at the larger, down-the-road picture when making decisions.

Chairperson Kimball said he wanted to get input from the Board on Director Day's request that the Board ask District staff to make a recommendation as to what to do regarding a bond, and there was a general consensus by the Board to not have that occur at this point in the process. General discussion continued on the need for doing the deferred maintenance needs, that the question on where to draw the line on the bond amount will be the Board's decision based on community input, and the pros and cons of land-banking.

Chairperson Kimball summed up the “next steps” as follows:

- ❖ March 17 the Board will be having a work session on Board self-assessment but will take public testimony on a bond at the start of that work session.
- ❖ March 18 the Board will provide another opportunity for public testimony on the bond after their 6:00 p.m. listening session.
- ❖ March 20 there will be a public hearing at Leslie Middle School for the public to come and testify on a bond at 6:00 p.m.

Discussion on Potential Bond Measure (continued)

- ❖ April 8 Board meeting: Chairperson Kimball suggested that the Board target that meeting for a First Reading of a potential bond measure and have a final vote at a special meeting on either April 14 or 16. There was general consensus of the Board to move forward with Chairperson Kimball's suggestions.
- ❖ The public can provide input through the District's website and by emailing or phoning Board members.

(See PowerPoint Presentation Packet, **Attachment H.**)

FUTURE WORK SESSIONS OF THE SCHOOL BOARD

(See **Attachment I.**)

*Note: Chairperson Kimball handed out a Board Self-Assessment form to Board members for them to complete and return to Executive Administration by Friday so that the information could be provided at the Board's upcoming work session on Board self-assessment (see **Attachment J – Board Self-Assessment Form**).*

SCHOOL BOARD LISTENING SESSIONS OF THE SCHOOL BOARD

(See **Attachment K.**)

ADDITIONAL AUDIENCE COMMUNICATION

(Subjects not related to agenda items)

The following citizens addressed the Board (see Sign-Up Sheet for more information):

None.

SCHOOL BOARD REPORTS AND HIGHLIGHTS

Board Directors highlighted their recent activities, such as attending school, District, and community functions, conferences and seminars, and other community or local government meetings and events; and provided updates on other areas of participation or attendance.

SUPERINTENDENT'S COMMENTS

Superintendent Husk commented on the following:

- Last week's Classified Employee Week reminded her how much the District's support staff contributes to the academic achievement of the 40,000 students.
- It will be a great honor to sign the superintendent contract that was approved earlier in the evening.

NO FURTHER BUSINESS BEING PRESENTED AT THIS TIME, CHAIRPERSON KIMBALL ADJOURNED THIS MEETING AT 8:08 P.M.

Chairperson

Superintendent-Clerk