



145 SE Salmon Avenue, Redmond, Oregon 97756 / P 541.693.5600 F 541.693.5601 www.hdesd.org

Budget Committee Meeting May 19, 2015

Board Members: Scott Reynolds, Board Chair, Doug Nelson, Vice-Chair, Directors John Lang, Bob Moore, Carol Moorehead, Jenni Newby, Ron Radabaugh and Terry Rahmsdorff

Budget Committee: Scott Cooper, Crook County School District, Jim Golden, Sisters School District, Brad Henry, Bend-La Pine Schools, Martha Hinman, Redmond School District, Kathy Steinert, Redmond School District, Sandy Tartaglia, Sisters School District, Ron Wilkinson, Bend-La Pine Schools and Duane Yecha, Crook County School District

HDESD Staff: John Rexford, Superintendent, Paul Andrews, Deputy Superintendent, Jayel Hayden, Human Resource Director, Greg Munn, Financial Services Director and Shelley Knutz, Executive Assistant

Call to Order: Budget Committee Chair Ron Wilkinson called the meeting to order with a quorum of 16 at 5:30 pm.

Approve Budget Meeting Minutes

- Doug Nelson moved and Jim Golden seconded a motion to approve the 4/21/2015 Budget Meeting Minutes as presented. Motion carried 16-0.

Questions Regarding the Budget Document

What is the ESD's plan to address the future impact of the recent Supreme Court Decision to overturn most of the PERS reforms?

The overturn of the legislation creates an "artificial" rate for the next biennium which we are told could lead to an increase of 5.5 points in the 17-19 biennium. To mitigate an abrupt net rate jump in two years, we've built in a 2 point increase to rates 2015-16 that may be added to reserve and be available to reduce potential rate increase in the 2017-19 biennium. Reviewed the HDESD PERS Rates and Reserves comparing 2006 through 2019.

A final decision on the amount to reserve will be made by July 1st depending on final state program revenue numbers. This budget is a proposal, and we are asking that the budget committee approve the proposal. We will not be implementing this until additional information is available. Brad Henry said he is confident in Superintendent Rexford and Greg Munn to make an informed decision by July 1st based on the best information available.

Facility Purchase Presentation

Greg Munn gave the background of determining our space needs. The Facility Committee began meeting in December 2013. They conducted a space analysis and brought a recommendation back to the Board. They considered the options of building, leasing or purchasing an existing building. After visiting several locations, they decided the property at 2804 SW Sixth Street in Redmond would best meet the needs of the ESD. Our net rent is less than all other ESD leases except for the Bend Education Center and will apply downward pressure on space costs for all ESD programs.



Changes since Proposed Budget Presentation

Greg distributed a packet highlighting the changes to the 2015-16 Local Service Plan (LSP) as a result of balancing out the district LSP requests.

Opportunity for Citizen Participation

There was no citizen participation.

Resolution 39:15 Approving High Desert ESD Budget for 2015-16

- **Brad Henry moved and Scott Reynolds seconded a motion to approve the 2015-16 fiscal year budget as presented in the amount of \$41,307,312 and property taxes at the rate of \$0.0964 per \$1,000 of assessed value for operating purposes. Motion carried 15-0 (Sandy Tartaglia had to leave at 6:00 pm)**

Adjourn

The May 19, 2015 meeting of the High Desert ESD Budget Committee adjourned at 6:10 pm.

Ron Wilkinson, HDESD Budget Committee Chair

Shelley Knutz, Executive Assistant



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Board of Directors Board Minutes May 19, 2015

- Board Members** Scott Reynolds, Board Chair, Doug Nelson, Vice-Chair, Directors John Lang, Bob Moore, Carol Moorehead, Jenni Newby and Ron Radabaugh and Terry Rahmsdorff
- HDESD Staff** John Rexford, Superintendent, Paul Andrews, Deputy Superintendent, Jayel Hayden, Director of Human Resources, Greg Munn, Director of Fiscal Services and Shelley Knutz, Executive Assistant
- Call to Order** Scott Reynolds called the May 19, 2015 meeting to order at 6:20 pm
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REPORTS

Fiscal Report

Unaudited revenue year-to-date through April is 4% more than this time last year. This is due to increases in SSF and property tax revenue over last year.

Revenue collections for the year are estimated to be \$21,000 more than budgeted. The impact of the supplemental budget request which will transfer \$129,000 from the general fund to the construction fund to pay for a portion of the ESD's building acquisition cost and remodel.

Greg has been working with our financial advisor, bond counsel and two financial institutions. Legal counsel is working on drafting the financing agreement and other documents related to the refunding. We are targeting the refunding to be complete by end of June. We plan to proceed with Washington Federal with a rate of 2.34%. Savings will be \$25,000-\$30,000 annually.

Facilities Report

- Construction is progressing on the remodeling project. Recent adjustments to the plans include the addition of ADA accessible power door openers at the entry and two interior doors. Preparing for, but not adding, the training room partition. The partition will be added at a later date if the need arises.
- In July we will replace one of the existing roof top heating/cooling units at Manzanita. This will be the first of four units to be replaced in successive years.
- The HVAC unit at Alyce Hatch will be replaced.
- We are expanding the existing playground at the Prineville Education Center.
- Westside Elementary School is being purchased by the Bean Foundation and turned into a community center. Our 10 year lease will remain intact.
- We will be identifying specific parking spaces at Tamarack. Sharing the space with the fitness center has created some confusion.

Open High Desert ESD Supplemental Budget Hearing 2014-2015

The supplemental budget hearing was opened at 6:30 pm.

Audience Participation Regarding 2014-2015 Supplemental Budget

There was no audience participation or questions regarding the supplemental budget.

Close High Desert ESD Supplemental Budget Hearing 2014-2015

The supplemental budget hearing was closed at 6:33 pm.

DISCUSSION ITEMS

First Reading Board Policies

These two medication policies have been completely reworked by OSBA. Our legal staff has reviewed and revised the policies to fit our specific practices. These policies will be presented for a second reading and approval at the June 16th board meeting.

- ✓ JHCD – Non-Prescription Medication – Student
- ✓ JHCDA – Prescription Medication - Student

New Building Naming Recommendation

Superintendent Rexford reviewed the committee suggestions as well as the results of the survey. He is recommending the Board consider approving the second option – High Desert Regional Education Center. The Board will vote on the name at their meeting in June. Ron Radabaugh asked if the Board would consider naming the facility for a family that is interested in sponsoring the building. Superintendent Rexford will look into current policy to see if that would be an option.

Superintendent Report

- ✓ Funding adjustments for the five Frontier ESDs is moving forward. This should be the last legislation pertaining to ESDs in this session.
- ✓ HB5016 – EI/ECSE funding has been in the Education of Ways and Means committee for the past few months. Bob has been in communication with ODE, and Superintendent Rexford has been communicating with Representative Huffman to continue advocating for additional funding. We have certainly increased the focus on EI/ECSE.
- ✓ Scott asked about the legislation for sick leave and how that will impact our substitute program. Superintendent Rexford said it will be an additional cost for our constituents.
- ✓ Forecast added \$105M to the K-12 funding formula. It appears that increase will be designated for the second year of funding. There is still a possibility of additional funding before the end of the session.
- ✓ Nancy Hitchcock received the Judy Rowe Exemplary Therapist Award. Superintendent Rexford is thrilled our staff is receiving recognition for the excellent work they do on a daily basis. Scott commended the staff and leadership for their great work for children and families.
- ✓ The June board meeting will be held at 5:30 as originally scheduled.
- ✓ Anna Higgins has resigned from her position with Better Together. They are in the process of searching for an Executive Director for Better Together.
- ✓ Doug asked about Superintendent Rexford's thoughts on the appointment of Salam Noor as the new Deputy Superintendent of Public Instruction. Superintendent Rexford is happy he has some experience in a K-12 school district and is confident we will work well with him moving forward.

Board Chair Report

- ✓ Superintendent Rexford, Paul Andrews and Bob Moore attended the annual OAESD Convention. Catherine Halliwell-Templin and Stacey Donohue's presentation on Cascades Commitment was great.
- ✓ OSBA is focusing their efforts on a \$7.5B funding level. Betsy Miller-Johns recommended that additional EI/ECSE support should be directed to Jim Green.

ACTION ITEMS

Second Reading Board Policies

Doug asked about employees using social media. Superintendent Rexford clarified that it must not disrupt the educational function in the classroom. The proposed policy has a non-exclusive list of restrictions.

- ✓ DN-Disposal of District Property
 - ✓ EE/EEA-Student Transportation
 - ✓ GBE-Employee Health & Safety
 - ✓ GBM-Staff Complaints
 - ✓ GCAB – Personal Electronic Devices and Social Media - Staff
 - ✓ IIBGA – Electronic Communications System
 - ✓ JFCEB – Personal Electronic Devices and Social Media - Students
 - ✓ KL-Public Complaints
- **Doug Nelson moved and Ron Radabaugh seconded a motion to adopt all policies as presented. Motion carried 8-0**

Approve 2015-2016 Board Meeting Calendar

John reviewed the proposed meeting schedule for 2015-2016.

- **Carol Moorehead moved and John Lang seconded a motion to approve the 2015-2016 Board Meeting Calendar as presented. Motion carried 8-0**

Resolution 37-15 Authorizing Real Estate Loan Modification

This resolution covers the loan for tenant improvements at the 2804 SW Sixth Street building.

- **Terry Rahmsdorff moved and Ron Radabaugh seconded a motion to approve Resolution 37-15 Authorizing Real Estate Loan Modification as presented. Motion carried 8-0.**

Resolution 38-15 Adopting Budget Increase and Making Appropriations

Several budgetary changes have occurred since the 2014-15 budget was adopted in June 2014. These changes consist primarily of funding and/or contract increases to the district.

- **Carol Moorehead moved and Doug Nelson seconded a motion to approve Resolution 38-15 Adopting Budget Increase and Making Appropriations as presented. Motion carried 8-0.**

Consent Agenda

- **Doug Nelson moved and Ron Radabaugh seconded a motion to approve the Consent Agenda as presented. Motion carried 7-0.**
- Personnel Changes – May 2015
 - 2014-2015 Budget and Board Meeting Calendar Revisions
 - Board Minutes – April 21, 2015

Executive Session

The Regular Session recessed to Executive Session under ORS 192.660(2)(i) – Evaluating the Top Executive at 7:15 pm. The Executive Session adjourned to Regular Session at 8:00 pm.

Adjourn

The May 19, 2015, High Desert ESD Board of Directors Meeting adjourned at 8:00 pm.

Scott Reynolds, Board Chair

Shelley Knutz, Executive Assistant