



Board of Directors Meeting June 15, 2010

Board Members: Board Chair Scott Pillar, Vice-Chair Terry Rahmsdorff, Directors Jerry Crafton, Ron Gallinat, Cathy Miller, Bob Moore (arrived at 5:35 pm), Carol Moorehead and Scott Reynolds

HDESD Staff: Dr. Dennis Dempsey, Superintendent, Kathy Emerson, Deputy Superintendent, Greg Munn, Director of Fiscal Services, Theresa Layman, Business Supervisor and Shelley Knutz, Executive Assistant

Guests: John Sundell, Board Member Elect and Michael Allen, Network Administrator

Call to Order: Board Chair Scott Pillar called the meeting to order with a quorum of eight at 5:03 pm.

INTRODUCTIONS

John Sundell – Board Member Elect representing the Crook County School District
Michael Allen – HDESD Network Administrator

PRESENTATIONS

EBS License Presentation

Michael Allen gave a brief presentation regarding the HDESD Educational Broadband Service (EBS) license. This license can be used to provide educational content to schools and other educational locations using special transmission and reception equipment. Our service area is a 35 mile radius from Grizzly Butte. The FCC provided licensed frequencies to educational institutions and currently the HDESD, Bend-La Pine and COCC have an EBS license. The FCC is requiring substantial service showing, a minimum usage of 20 hours per week, per channel, on May 1, 2011. Not being able to show substantial service for educational purposes will result in the loss of the EBS license with no opportunity for reinstatement.

Dr. Dempsey has been in discussions with Bend-La Pine, COCC and St. Charles to see if they would be interested in partnering with the HDESD and sharing the cost of keeping this license. It is our license so although we would be sharing the cost with partners, we are the ones who are required to show substantial use. Once the license has been renewed, it will be in effect for five years. Scott Reynolds noted it would be beneficial to have this license with the implementation of on-line education. He would suggest finding a way to show the minimum usage while we work on a plan that would be beneficial for all partners. There is also an increased interest in providing building security in the schools and this license would allow us to do that.

The board members agreed they would be interested in a plan to maintain our license for the least expense. Terry Rahmsdorff asked administration to create a business plan to demonstrate what is being done in order to make this cost effective. A business plan will be presented at the August meeting.

2010-2011 Budget Update and Recommendation

Dr. Dempsey spoke to the budget deficit and mandatory cuts handed down from the State after the HDESD Budget Committee approved the proposed budget. This resulted in approximately \$1M less revenue with \$480K in the Local Service Plan and the balance in the General Fund and Special Revenue Funds. We are still waiting for final numbers on the regional programs. The High Desert Education Association (HDEA) worked closely with administration to address some of the shortfall by cutting up to two days this fiscal year. The HDEA has distributed a survey to their membership asking for feedback on the current proposal from the administration.

With our districts cutting more days next year, it is necessary to determine how their cuts will affect our program staff. Each program is being affected differently which makes it difficult to make reductions evenly across the organization. All job openings are on hold so we will see savings through attrition and retirements. Our options for balancing the budget are limited to: reducing the amount being paid to staff, reducing the number of days being worked or reducing the number of staff.

Fiscal Report

Greg Munn presented the Finance Report as of May 31, 2010

- ❑ There had been a question last month regarding cash flow and Greg informed the Board that the cash on hand was sufficient for June payroll.
- ❑ Review of the General Fund, Operations, Fund Balance/Reserves, Revenue and Expenditures, Review of Special Revenue, PERS UAL Debt Service, Building Construction and Facilities Maintenance Funds.
- ❑ Report of All Fund Activity as of May 31, 2010. Greg reviewed the revised detail by fund fiscal services report and asked if the report met the Board's needs. He will adjust the format to add lines to make it easier to follow across each fund.

Scott Pillar was surprised to learn we take in property tax income throughout the year and asked where those funds are applied. Greg confirmed those funds are credited to the 2009-10 fiscal year. Theresa Layman mentioned that Title 19 funds usually arrive later in the year too.

Scott Pillar asked for Greg Munn's recommendation regarding the adoption of the 2010-2011 budget with so many unknowns at this time. Greg reminded the Board they must submit an adopted budget to the State by June 30, 2010 even though we know numbers will change after that date. He would suggest adopting the budget as it is presented tonight and then adopt a supplemental budget when numbers become more definite.

DISCUSSION ITEM

Superintendent Report

- ✓ Everyone is very busy with multiple bargaining sessions as the year is wrapping up.
- ✓ Still helping in Sisters and hopes to complete that obligation after their budget is adopted this week.
- ✓ ORVED is moving forward with 17 of the 19 ESDs willing to share the administrative costs to offer on-line classes.
- ✓ EESC continues to meet and will look to reduce costs by scaling back some staff.
- ✓ Spoke at the OSBA retreat regarding online education in Oregon.
- ✓ ESDs are under scrutiny because of the WESD issues and ongoing budget woes.
- ✓ All staff will be taking their reduced days by the end of June. Some staff members will be working 4-10 hour days throughout the summer. Shelley will have a copy of everyone's schedule if the Board needs to contact someone.
- ✓ Will begin meeting with district superintendents to discuss balancing the Local Service Plan.
- ✓ Will be working through a Reduction in Force (RIF) process this year due to changes in enrollment and the fact that districts will not be using as many of our program specialists.
- ✓ Kathy noted we submitted the Chalkboard CLASS Final Report. The report highlights the progress we have made in this area and serves as a request for additional funding.
- ✓ Migrant Ed is very busy preparing for the start of summer school.

BUDGET HEARINGS

Open High Desert ESD Budget Hearing 2010-2011

- ☒ Scott Pillar opened the High Desert ESD Budget Hearing 2010-2011 at 6:08 pm.

Audience Participation

- ☒ There was no audience participation or comment regarding the 2010-2011 budget.

Close High Desert ESD Budget Hearing 2010-2011

- ☒ The High Desert ESD Budget Hearing was closed at 6:10 pm.

Open Supplemental Budget Hearing 2009-2010

- ☒ Scott Pillar opened the HDESD Supplemental Budget Hearing for 2009-2010 at 6:11 pm.

Close Supplemental Budget Hearing 2009-2010

- ☒ With no audience participation the High Desert ESD Supplemental Budget Hearing for 2009-2010 was closed at 6:12 pm.

ACTION ITEMS

Resolution 03:10 - Adopting the Budget, Making Appropriations and Imposing and Categorizing Taxes for Fiscal Year 2010-2011

Greg Munn highlighted the few changes from the budget approved by the Budget Committee on May 15, 2010 and the budget being presented for adoption. Support services were increased by \$2,332 at the district's request for a media specialist. The PERS Reserve was moved from Instruction and Support Services to Contingency which is the appropriate location. Bob Moore asked about the imposed tax rate. Greg explained we are at the maximum amount.

- Terry Rahmsdorff moved and Ron Gallinat seconded a motion to approve Resolution 03:10 (revised at 3:30 pm on June 15, 2010) Adopting the Budget, Making Appropriations and Imposing and Categorizing Taxes for Fiscal Year 2010-2011. Motion carried 8-0.

Resolution 04:10 – Adopting Budget Increases and Making Appropriations for Fiscal Year 2009-2010.

Greg Munn referred to the handout which detailed the proposed changes in the supplemental budget. The majority of these changes were grants/revenues we were not aware of at the time the 2009-2010 budget was adopted.

- Scott Reynolds moved and Carol Moorehead seconded a motion to approve Resolution 04:10 to Adopt Budget Increases and Making Appropriations for Fiscal Year 2009-2010. Motion carried 8-0.

Consent Agenda

- Cathy Miller moved and Ron Gallinat seconded a motion to approve the consent agenda as presented. Motion carried 8-0.

BOARD MEMBER BUSINESS

Dr. Dempsey explained that we are operating under a pilot governance model which been extended for three more years. Under this model, all of our existing board member terms will end on June 30, 2010. Five individuals have been elected by the districts and will be sworn into office tonight with their terms beginning July 1, 2010. After those five member have been sworn in, they must unanimously vote to appoint four members to fill the vacant appointed positions. Officers for the 2010-2011 year and term lengths will be decided in August at the Annual Procedural Business meeting.

Swearing in of Elected HDES Board Members

- **Dennis Dempsey administered the Oath of Office to the five elected board members with their terms beginning July 1, 2010.**
 - **Ron Gallinat – Bend-La Pine Representative**
 - **Scott Reynolds – Bend-La Pine Representative**
 - **John Sundell – Crook County Representative**
 - **Cathy Miller – Redmond Representative**
 - **Scott Pillar – Sisters Representative**

Interview and Appoint Board Member Applicants

- **Ron Gallinat moved and Cathy Miller seconded a motion to appoint the four board members who have applied for the appointed positions. Motion carried 5-0.**

Swearing in of Appointed HDES Board Members

- **Scott Pillar administered the Oath of Office to the four appointed board members with their terms beginning July 1, 2010.**
 - **Jerry Crafton – At Large Position**
 - **Bob Moore – Social Service Position**
 - **Carol Moorehead – Higher Ed Position**
 - **Terry Rahmsdorff – Business Community Position**

Meeting adjourned to Executive Session at 6:30 pm.

EXECUTIVE SESSION

Regular session reconvened at 7:00 pm.

Adjourn

The June 15, 2010, High Desert Education Service District Board of Directors meeting adjourned at 7:05 pm.

Scott Pillar, Board Chair

Shelley Knutz, Executive Assistant