



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

Board of Directors Board Minutes August 21, 2012

Board Members Board Chair Bob Moore, Directors Carol Moorehead, Ron Radabaugh, Terry Rahmsdorff, and John Sundell
Cathy Miller attended via teleconference

HDES D Staff John Rexford Superintendent, Dr. Paul Andrews, Deputy Superintendent, Jayel Hayden, Executive
Director of Human Resources, Greg Munn, Director of Fiscal Services, Sandy Bishop Director of Special
Programs and Shelley Knutz, Executive Assistant

Finance Update

The Finance Committee met and agreed it would be beneficial to meet at least quarterly and more often if necessary. Greg Munn will communicate updates via email between meetings. The Finance Committee reviewed GASB45 and recommended completing an actuarial study so we will have a clean opinion on the audit. The cost will be \$2,000-\$3,000 annually. Superintendent Rexford believes it is important to fully follow government accounting guidelines. It is also a good investment to continue a clean opinion.

Bank of the Cascades has asked for a resolution from the Board authorizing the refinancing of Manzanita. The Business Office has been working with Spray to provide their business services since July 1. Greg reported the Spray School District is anxious to adopt best practices, and this new regional service relationship is going well. The Business Office has become more structured in order to manage the additional work load. Jefferson County Schools have joined the subhire/subfinder consortium. This will increase the cost sharing pool, which in turn makes it less expensive for our own districts.

Board Member Cathy Miller joined in via conference call and the meeting was called to order at 5:55 pm.

Appoint and Administer Oath of Office

Bob Moore mentioned the application we received for the Higher Ed position. Dr. Middleton at COCC recommended Jennifer Newby, Dean of Instruction to represent them on the High Desert ESD Board. Jennifer submitted her application prior to the August 15, 2012 deadline. Bob confirmed with the board members that it would be appropriate to invite her to the September board meeting to provide the Board an opportunity to meet her and ask any questions they may have.

The Board agreed at the July meeting that Ron Radabaugh was a good candidate for the At Large position. They need to have an official motion in order to appoint him.

- **John Sundell moved and Carol Moorehead seconded a motion to appoint Ron Radabaugh to the Board as the At Large representative. Only elected board members, (Miller, Moorehead and Sundell) were able to vote on this motion. Motion carried 3-0.**

Board Chair Bob Moore administered the oath of office to Ron Radabaugh.

Resolution 18-12, Approve Revised Budget

Greg reviewed a summary of the 2012-2013 budget changes that are presented in Resolution 18-12. The changes primarily reflect the impact of the addition of Jefferson County Schools to the subhire/subfinder consortium and the new bargaining agreement with High Desert Education Association.

- **Carol Moorehead moved and John Sundell seconded a motion to approve Resolution 18-12, Approve Revised Budget. Motion carried 6-0.**

Resolution 19-12, Approve Loan Agreement between High Desert ESD and Bank of the Cascades

Greg Munn explained by approving the resolution to refinance the loan, the interest rate will be reduced, and the ESD will no longer have a cash collateral requirement. John Sundell recommended the language be changed to specifically state who has further authority regarding the loan. He suggested it list Superintendent, Deputy Superintendent and Finance Director. The other board members agreed that is a logical change. Shelley will provide an updated resolution for Bob's signature after the meeting.

- **Carol Moorehead moved and Terry Rahmsdorff seconded a motion to approve Resolution 19-12, Approve Loan Agreement, with the suggested language changes. Motion carried 6-0.**

Resolution 20-12, Agreement for Adoption of 403(b) Plan Document

Jayel Hayden explained that this resolution is required by Carruth Compliance Consultants who manager our 403(b) plan. He has found Carruth to be excellent to work with and recommended the Board approve the resolution.

- **Terry Rahmsdorff moved and John Sundell seconded a motion to approve Resolution 20-12, Adoption of 403(b) Plan Document. Motion carried 6-0.**

Health Insurance Recommendation

Jayel Hayden reported the insurance committee recommendation to the Board is to move to Oregon Educators Benefit Board (OEBB) during open enrollment. The committee members had a difficult time making this decision. However, the PacificSource premiums had increased to a point the group felt it was the best decision for all staff.

Cathy Miller asked if there were additional options to be considered. Jayel explained he insurance broker did check with other carriers and PacificSource was the only who would give the ESD a quote. John Sundell asked about the statute governing OEBB. Superintendent Rexford explained the statute is very specific, and it has not been challenged yet. Terry Rahmsdorff asked if this decision could be delayed until September. Jayel said we are already behind the time frame so it is important the Board vote on the recommendation tonight. Cathy Miller asked if the union was aware of the change, and Jayel confirmed that union leaders were part of the decision process.

- **Carol Moorehead moved and John Sundell seconded a motion to approve the High Desert ESD Health Insurance Committee Recommendation. Motion carried 6-0**

Consent Agenda

- **Carol Moorehead moved and John Sundell seconded a motion to approve the consent agenda as presented. Motion carried 6-0.**

DISCUSSION ITEMS

Superintendent Report and Legislative Update

Superintendent Rexford and Paul Andrews have spent the past month meeting with legislators and candidates to discuss the High Desert ESD legislative interests for 2012-13. They have been encouraged by these conversations. Superintendent Rexford wants to make sure we are all in agreement with the legislative priorities which include:

- ✓ Expand Regional Services – We value regional deliver of essential services that create equitable education for all of Oregon's school children. We support regional services that are proven to be cost effective and of high quality with ongoing oversight by local superintendents and boards. Superintendent Rexford and Paul Andrews are looking for ways to evaluate and improve regional services.
- ✓ Provide Competitive School Funding – We believe ESDs need adequate resources to provide quality services for children and families. We believe that all education services, including those that are implemented through state contracts need to be fully funded.

- ✓ Implement PERS Reform – We support further reform of PERS to reduce the cost burden on employment costs, which represent the bulk of our expenditures.
- ✓ Clarify Unemployment for ESD Employees – We support changes in unemployment regulations to identify ESDs as educational institutions. Superintendent Rexford has commitments from the representatives that they will support and carry a bill to clarify unemployment regulations.

The next revenue forecast is scheduled for August 29, and a moderate increase is being projected for 2013-15. However, any increase will be consumed by the rising PERS costs. Bob Moore said this board has gone on record supporting PERS reform, and asked Superintendent Rexford to explain some of the ideas for PERS reform. Superintendent Rexford commented that much of the issue is the costs for individuals who have already retired. Ideas considered have included limiting cost of living increases to those earning an average or lower income. Another suggestion is to decouple the money match annuity rate and assumed earnings rate, or eliminate the tax remedy for all out of state retirees. It might also be beneficial if IAP contributions were redirected back into the system. We are facing a big financial cliff with PERS.

Planning for 2012-13 School Year

Superintendent Rexford distributed an updated copy of Board/Superintendent Priorities for 2012-13. He wants to gather consensus from the Board regarding their priorities for 2012-13. He suggested a strategic planning session in January or February. There were no changes or additions noted.

Additional Comments

Bob Moore mentioned the OSBA Annual Convention, and encouraged board members to attend. The Board will consider coordinating a board development activity while in Portland. The convention is an excellent opportunity to advocate with state players on early childhood education. Superintendent Rexford concurred it would be a great way to avail ourselves to those in decision making positions.

OSBA has positions open on their board and are currently seeking nominations. Bob Moore will talk with Steve Rankin, who serves on the OSBA Board as a representative from Jefferson County. Bob would like board members to consider representing the HDESD in strategic positions. Paul Andrews mentioned there is an OAESD meeting the day before OSBA, and Paul invited the board to join them if interested.

Bob Moore sent a schedule around for board members to select a date that works well for them to join the agenda setting meeting with Bob, Scott, Superintendent Rexford and Deputy Superintendent Andrews

Terry Rahmsdorff asked that Greg Munn include all board members in his updates to the Finance Committee.

Bob Moore requested time for a Board Chair report on future agendas.

Adjourn

The August 21, 2012, High Desert Education Service District Board of Directors Meeting adjourned at 7:05 pm.

Bob Moore, Board Chair

Shelley Knutz, Executive Assistant