



Board of Directors Meeting September 21, 2010

Board Members: Chair Scott Pillar, Vice-Chair Terry Rahmsdorff (5:40), Directors Jerry Crafton, Ron Gallinat, Cathy Miller (5:45), Bob Moore, Carol Moorehead, Scott Reynolds and John Sundell

HDESD Staff: Dr. Dennis Dempsey, Superintendent, Kathy Emerson, Deputy Superintendent, Michael Allen, Network Administrator, Paul Andrews, Executive Director of Children's Programs, Jayel Hayden, Executive Director of Human Resources, Greg Munn, Executive Director of Fiscal Services and Shelley Knutz, Executive Assistant

Call to Order: Board Chair Scott Pillar called the meeting to order with a quorum of seven at 5:30 pm.

PRESENTATIONS

Fiscal Report

Greg Munn presented the Finance Report as of August 30, 2010. At Cathy Miller's request, Greg has highlighted the services being considered for regionalization on the Detail Fiscal Report: Financial Services, Human Resources and Technology. Dr. Dempsey reported that we are moving forward with studies to evaluate the costs/savings and should know by December if it is possible and what the financial impact of regionalizing would be. Depending on how the regionalization is organized, we could take on additional employees and it could appear that our expenses increase when we actually are saving money for the districts and HDESD.

- ❑ Manzanita Loan – Review of the building and loan history. There is a large difference between what we are earning in interest vs. what we are paying in interest at a cost of approximately \$25K per year. Greg reviewed some options for paying down/paying off the loan. The Facilities Committee will meet to review the options and make a recommendation to the Board at the October meeting.
- ❑ Review of Potential Threats to Revenue and Expenditures
 - ✓ Declining state revenue
 - ✓ Federal stimulus funding "cliff"
 - ✓ Increasing PERS rates, health insurance costs and unemployment claim costs
- ❑ Review of Opportunities
 - ✓ Regionalize services to take advantage of efficiencies
 - ✓ Restructure/consolidate ESDs/school districts
 - ✓ Prioritize services

Greg concluded his presentation by reviewing what all these changes could mean to HDESD and the potential impact they could have on the Fund Balance.

Cathy Miller thanked Greg Munn and Dr. Dempsey for assisting the new Redmond School District Business Manager, Mike McIntosh, in his new position.

ODE Contracts and State Revenue

Dr. Dempsey reviewed two documents from COSA based on the September 2010 Revenue Forecast: General Fund & Lottery Spending by Major Program Area, including Federal ARRA Funds to offset General Funds. Education Programs Percentage of General Fund/Lottery Funds Revenue Allocated. The Board discussed the distribution of lottery funds and the need for legislative changes.

Chalkboard CLASS Project Update

Jayel Hayden reported that the HDESD has received \$8K to continue with year two of the design phase for the CLASS Project. We haven't spent all of last year's Chalkboard funds and are being allowed to carry the additional funds forward to this year. He distributed an overview of the CLASS Project from Chalkboard and a copy of the HDESD's final report submitted to Chalkboard in June. Jayel reviewed the report and our own assessment for readiness. Dr. Dempsey suggested that the board members take some time to read the materials because this Project is impacting our districts. Our participation is allowing us to be another resource for them. He complimented Jayel for leading the charge and keeping the team on task. Kathy Emerson noted that Jayel has done a great job narrowing the focus to just one ESD program – Special Education.

EBS Business Plan/RFP

The Central Oregon Educational Broadband Service (EBS) Consortium is prepared to move forward in an attempt to keep our EBS licenses. Michael Allen and Dr. Dempsey reviewed the RFP and discussed options if there are no adequate responses to the RFP. The RFPs will be sent out by the end of the week and we will submit information to be published in The Bulletin. It was noted that the deadline for submitting the RFP is rather short. Dr. Dempsey will make sure they are sent out right away and look at publishing information in The Bulletin.

Scott Pillar said this has been discussed many times and the deadline is making the Board feel pressured. He asked if we could get the deadline extended. Michael said the date is firm allowing only for a 15-day grace period. All three boards from the consortium members must approve any approved responses to the RFP.

- **Terry Rahmsdorff moved and Scott Reynolds seconded a motion to follow administration recommendation by sending out the RFP and review any submissions after the deadline. Motion carried 9-0.**

Facility Committee Report

Dr. Dempsey reported the Facility Committee met on August 24 to discuss the Tamarack building. They agreed to notify the owner of our intent to consider purchasing the building and will start with an informal appraisal. The Board asked Greg Munn to work up options on purchasing/leasing the building.

Dr. Dempsey and Bob Martin will meet with Jefferson County SD Superintendent, Rick Molitor, to discuss using classrooms in Westside elementary school. Carol Moorehead asked about the number of classrooms the programs need and said she would look into some possibilities she is aware of in Madras.

ACTION ITEMS

OSBA Board Nominations

Position #3 is currently held by Scott Reynolds and he has decided not to run for re-election. Scott updated the Board on the status of the OSBA Board and Executive Team because there have been some recent resignations. The time commitment is four weekend meetings and more during the legislative session. Dr. Dempsey said he understands if no one is willing to commit to this position because of the time commitment but believes it is important to have ESD representation on the OSBA Board. The Board supported Scott Pillar for the position if he chooses to apply. Scott will consider the nomination but will not accept it until he has a chance to think it over and discuss it with his family. Members of the Board offered to do what they could to lighten his load on the ESD Board should he accept the nomination.

- **Carol Moorehead moved and Jerry Crafton seconded a motion to nominate Scott Pillar for the OSBA Board position if he chooses to apply. Motion carried 9-0.**

Terms of Office

Dr. Dempsey referenced the list of the board members and their term end dates. He confirmed these dates from feedback he received from the board members. Cathy Miller noted that her RSD term ends in 2012 and the HDES term ends in 2013. Dr. Dempsey confirmed that she could fulfill her term on the ESD board if she were no longer and RSD board member.

- **Bob Moore moved and Terry Rahmsdorff seconded a motion to approve the proposed terms of office. Motion carried 9-0.**

Consent Agenda

- **Bob Moore moved and Ron Gallinat seconded a motion to approve the consent agenda as presented. Motion carried 9-0.**

DISCUSSION ITEMS

Board Governance and Leadership Roles

There was discussion about options for increasing leadership opportunities for board members and creating a conduit for board members to move into leadership positions if they are interested. It was noted that new leadership is always good because it encourages innovative ideas and discussions. An HDES vice-chair does not automatically transition to the chair position but current leadership opportunities are limited. Dr. Dempsey asked for any ideas on governance models. He will meeting with Kathy, Ron Gallinat, Cathy Miller and Shelley to draw up some options and bring them back at the October meeting. Dennis asked that those with ideas please share them with him. Bob Moore said he would consider the vice-chair position if they needed him.

Superintendent Report

Dr. Dempsey updated the board members on Cascade Child Center.

Adjourn

The September 21, 2010, High Desert Education Service District Board of Directors meeting adjourned at 7:54 pm.

Scott Pillar, Board Chair

Shelley Knutz, Executive Assistant