



**Board of Directors Meeting  
November 16, 2010**

Board Members: Chair Scott Pillar, Directors Jerry Crafton, Ron Gallinat, Cathy Miller, Bob Moore, Carol Moorehead, Scott Reynolds and John Sundell

HDES Staff: Dr. Dennis Dempsey, Superintendent, Kathy Emerson, Deputy Superintendent, Paul Andrews, Executive Director of Children's Programs, Jayel Hayden Director of Human Resources, Theresa Layman, Business Supervisor, Greg Munn, Executive Director of Fiscal Services and Shelley Knutz, Executive Assistant

Guests: Candi Fronk and Michelle Rich

Call to Order: Board Chair Scott Pillar called the meeting to order with a quorum of eight at 5:35 pm.

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## **PRESENTATIONS**

### **2010 Audit Report**

Candi Fronk and Michelle Rich with Harrison Price Fronk reported to the Board that the audit went very well this year resulting with an unqualified opinion. The summary of auditors' results included:

- ✓ The auditor's report expresses an unqualified opinion on the basic financial statements of HDES – Region 10.
- ✓ No material weaknesses in internal control over financial reporting were identified during the audit of the financial statements.
- ✓ No instances of noncompliance required to be reported under Government Auditing Standards were identified.
- ✓ No deficiencies in internal control over compliance considered to be material weaknesses were identified during the audit of the major federal award programs.
- ✓ The auditors' report on compliance for the major federal award programs for the District expresses an unqualified opinion on all major federal programs.
- ✓ No audit findings relative to the major federal award programs for the District are reported in this schedule.
- ✓ Eight programs were tested as major programs.
- ✓ The threshold for distinguishing Types A and B programs was \$300,000.
- ✓ The District was determined to be a low-risk auditee.

Dennis and the Board encouraged the auditors to let the HDES know if during the audit process they observed any procedures that could be improved or streamlined.

### **Fiscal Report**

Greg Munn presented the Finance Report - Revenue and Expenditures as of October 31, 2010.

- General Fund – Operations, Fund Balance/ Reserves, Revenue and Expenditures
- Special Revenue Fund
- PERS UAL Debt Service Fund
- Facilities Maintenance Fund

Bob Moore asked if we were expecting additional costs from moving Cascade Child Center (CCC) to Brown Education Center. Dr. Dempsey said the cost should be neutral. Paul Andrews agreed that the moving expenses will be covered with their budget.

Scott Reynolds asked if there are guidelines for realizing a savings for regionalization. He understands the benefit of shared savings but does not want one organization to be saving money simply by moving the costs to another organization. The ECONorthwest report classified the savings that could be generated as low, medium & high. Dr. Dempsey will report back on the percentage and dollar amount of savings. Scott Reynolds asked Dr. Dempsey to provide the Board with a summary of the phases of regionalization and the thought process behind each decision.

Greg Munn distributed a 2009-2010 Financial Summary – Post Audit. The Board thanked him for this clear and concise update.

### **Facilities Committee Report**

The committee met to discuss the current lease of the Alyce Hatch Center. There are some repairs that need to take place in the next few years and the AH Board is not in the position to cover them. They have mentioned the possibility of a 15 year lease at a minimal cost if HDESD were to cover the repairs. Bob Martin will create a spreadsheet of potential repairs. If those repairs are reasonable and an opt out clause is added to the lease then the committee would recommend the HDESD move forward.

Madras Community Center looks like the building is full and we would be able to double the space we have for children at half of the cost.

## **DISCUSSION ITEMS**

### **Legislative Platform – Board Priorities**

After discussing the options and the difference between opting out of OEBC and opting out of an ESD, the Board was in support of the following priorities:

- ESDs as Regional Service Providers of Shared Services
- Unemployment Law and Costs

### **First Reading – Multiple Board Policies**

The board members asked a few clarifying questions on the policies. Staff will research the questions and provide an answer to the board members before the policies are placed on the next board agenda for approval. Bob Moore asked about follow up on fingerprinting and criminal background checks for staff after they have been hired. Dr. Dempsey said he will ask the attorneys what our options are. Additional questions or recommendations for language changes should be directed to Shelley.

- ACA – Americans with Disabilities Act
- EE/EEA – Student Transportation
- GBA – Equal Employment Opportunity
- GBEC – Drug-Free Workplace
- GBED – Medical Examinations/Drug Testing
- GBL – Personnel Records
- GBN/JBA – Sexual Harassment
- GBNA/JFCF – Hazing/Harassment/Intimidation/Bullying/Menacing
- GCDA/GDDA – Criminal Records Checks/Fingerprinting
- GCPB/GDPB – Resignation of Staff

- IIBGA – Electronic Communication Systems
- ILBA – Assessment Exemption
- IT/NOC – Telecommuting
- JB – Equal Educational Opportunity

### **Superintendent Report**

- Dr. Dempsey distributed the EI/ECSE Monthly Count of students as of October 2010. The number of students being served by the program is up almost 10% but the funding will not be adjusted to accommodate the increase. The staff is actually serving more children with less funding than in previous years. There was discussion regarding why these numbers are rising.
- Dr. Dempsey commended Paul Andrews and Sandy Bishop for the work and organization that went into transitioning the students from Cascade Child Center to Brown Education Center. All agencies worked very hard to do what was best for children. They will start classes at Brown Education Center on November 17.
- The Skyliner Steering Committee met and he is very pleased with the number of providers who are anxious to work with HDESD to establish education/conservation programs at Skyliner Lodge. A subcommittee is working on a presentation for the superintendents at their January meeting.

### **ACTION ITEMS**

#### **Governance Model and Committee Appointments**

Scott Pillar was not ready to appoint board members to committees. He would like to talk to individual board members regarding their interests before appointing them. However, he would entertain a motion to vote on the proposed governance model. John Sundell asked for clarification of the proposed committees. Will they be board committees, sub-committees or administrative committees and will these committee meetings fall under the public meeting law in regard to posting notices. Dr. Dempsey said he would consult with the attorneys.

- **Cathy Miller moved and Jerry Crafton seconded a motion to create three committees to include: Finance/Negotiation, Facilities and Legislative. Motion carried unanimously.**

#### **EBS Business Plan**

The attorney hired by the consortium has produced a comprehensive contract that is being reviewed by our legal and technology departments. Each entity in the consortium must have their own contract with Webformix so this contract will serve as a template. Dr. Dempsey hopes to have a contract ready to present at the next board meeting.

#### **Approve Superintendent Contract**

The board members had the opportunity to review the proposed adjustments to Dr. Dempsey's contract. They asked for clarification on the reopener option and payment of his health insurance benefits.

- **Scott Reynolds moved and John Sundell seconded motion to approve Dr. Dempsey's Superintendent contract as presented. Motion carried unanimously.**

**OSBA Resolutions**

OSBA is asking all member boards to vote on three new resolutions. There was discussion regarding each resolution and how the members felt about supporting or not supporting them. Shelley will register the Board's vote online.

- Resolution 1** Amend the OSBA Constitution to provide that the dues of the association by be increased annually by the Urban CPI as approved by the OSBA Board of Directors.
  - **Cathy Miller moved and Ron Gallinat seconded a motion to not support Resolution 1. The Board does not want the OSBA Board to have the ability to make dues/fees adjustments without a vote of the membership. Motion passed unanimously.**
  
- Resolution 2** Amend the OSBA Constitution to align with governance changes approved by members in November 2009.
  - **Ron Gallinat moved and Jerry Crafton seconded a motion to approve Resolution 2. Motion passed unanimously.**
  
- Resolution 3** Adopt the proposed 2011 OSBA Legislative Policies and Priorities
  - **Scott Reynolds moved and Ron Gallinat seconded a motion to support Resolution 3. Motion passed 7-1 with Director Miller voting in opposition.**

**Consent Agenda**

The Personnel Report for November and Board Minutes from October 19, 2010 were presented to the Board on the Consent Agenda.

- **Scott Reynolds moved and Ron Gallinat seconded a motion to approve the consent agenda as presented. Motion carried unanimously.**

**Adjourn**

The November 16, 2010, High Desert Education Service District Board of Directors meeting adjourned at 7:50 pm.

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Scott Pillar, Board Chair

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Shelley Knutz, Executive Assistant