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Board of Directors Board Minutes November 18, 2014

Board Members Scott Reynolds, Chair, Doug Nelson, Vice-Chair, Directors John Lang, Mike McGowan, Bob Moore, Jenni Newby and Ron Radabaugh

HDESD Staff John Rexford, Superintendent, Paul Andrews, Deputy Superintendent, Shawna Bell, Business Analyst, Jayel Hayden, Human Resources Director, Greg Munn, Director of Fiscal Services, and Shelley Knutz, Executive Assistant

Guests Candi Fronk and Margi Heater

Call to Order Scott Reynolds called the November 18, 2014 meeting to order at 5:50 pm

Agenda Revisions

We will be voting to elect Doug Nelson to the OSBA Board of Directors, instead of nominating him.

REPORTS

Audit Presentation

Candi Fronk and Margi Heater with Harrigan Price Fronk & Co. LLP, reported the 2013-14 audit went very well. The audit resulted in a clean opinion with no findings. The staff were great to work with, and they had excellent access to staff and to records. Systems of internal control are in place, and the systems are working well. They met with the Finance Committee and reviewed the audit in detail.

High Desert ESD received around \$3.2M in grant funds in 2013-14. This year the auditors selected the special education programs to be the focus of the single program audit. They met with Sandy Bishop and Diane Tipton and found there to be good internal controls over compliance. There will be some changes coming in the single audit rules in the future.

Candi mentioned the unfunded PERS liability will be reported on the balance sheet beginning next year. Doug asked if the auditors are confident PERS will be able to provide accurate information for reporting purposes. Candi said that she did not have any concerns. Considering all of the major changes in the business office the past few years, everything is going smoothly. Scott Reynolds complimented Greg and his team for their good work.

Fiscal Report

Greg Munn presented the Finance Report for November 2014

- General Fund is up about 8% in Revenue, due to an increase in state school funds.
- Audit work is complete, and we have finalized our carry forward fund number at \$865,000 which is \$89,999 more than budgeted.
- General Fund Operations fund balance is governed by Board policy, which states 5% of revenue is budgeted as unappropriated fund balance.

- Our PERS reserve is currently \$604,000. 2014-15 is the fourth year of an original four year plan to use reserves to offset a portion of the PERS rate increases.
- Over the years since the recession, the ESD has experienced a steady decline in grant and contribution funding. In 2013-14 revenue in this category increased by \$1.8M or 21% over the previous fiscal year.
- Greg gave kudos to his staff for all of their good work to help the audit go so well.

ACTION ITEMS

Authorizing Purchase and Financing of Real Estate – Resolution #34-14

- **Bob Moore moved and Mike McGowan seconded the motion to approve the purchase of real estate located at 3804 SW 6th Street, Redmond, OR 97756 from R5 Investments, LLC for \$960,000 in accordance with the purchase and sale agreement signed on October 3, 2014, and approve financing the purchase up to 90% of the sales price as contained in Resolution 34-14. Motion carried 7-0.**

OSBA Board of Directors – Central Region Representative

- **Ron Radabaugh moved and John Lang seconded a motion to elect Doug Nelson to the OSBA Board of Directors, representing the Central Region. Motion carried 7-0.**

The Promise of Oregon – Resolution #30-14

Doug explained the Promise Oregon campaign, and the video is the kick off to a public awareness campaign focused on our students. If the students are going to be a success, we need to increase funding in public education. The Promise of Oregon video was produced by Blue Chalk video as a social media campaign. We will be seeing more about this campaign from OSBA in the future.

- **Doug Nelson moved and Bob Moore seconded a motion to approve Resolution #30-14. Motion carried 7-0.**

2015 OSBA Legislative Priorities – Resolution #31-14

Superintendent Rexford noted that this Board was able to provide feedback to the legislative priorities for the 2015 Legislative Session.

- **Doug Nelson moved and Mike McGowan seconded a motion to approve Resolution #31-14. Motion carried 7-0**

Modify Process for Adoption of OSBA Legislative Policies – Resolution #32-14

- **Doug Nelson moved and Ron Radabaugh seconded a motion to approve Resolution #32-14. Motion carried 7-0.**

Allow Appointments of OSBA Board & Legislative Policy Committee Members from Contiguous Regions – Resolution #33-14

Doug explained that this resolution is intended to make sure there is some level of representation from all areas of the state. There are times when some regions go unrepresented, and it would be better to at least have a representative from a contiguous region.

- **Mike McGowan moved and Doug Nelson seconded a motion to approve Resolution #33-14. Motion carried 7-0.**

Consent Agenda

- **Bob Moore moved and Jenni Newby seconded a motion to approve the Consent Agenda as presented. Motion carried 7-0.**
 - Personnel Changes for November 2014
 - Board Minutes 10-21-14

DISCUSSION ITEMS

Superintendent Report and Legislative Update

- Superintendent Rexford reviewed the OAESD Summit.
- He distributed a document provided by Nancy Golden that focused on Outcomes-Based Strategies to meet 40-40-20.

Board Chair Report

- Scott thought the OSBA Annual Conference was well attended, in spite of the weather. He attended the Better Together presentation. They are close to becoming a community based organization.
- He also attended a presentation by Ron Wilkinson on how Bend-La Pine Schools are changing the pay structure for teachers. It was excellent information and very cutting edge. They have created a lot of trust with their staff, union and administration to make this work.
- Scott felt the EI/ECSE letter and white paper was very well received. He thanked Bob for the work he put into getting that effort started.
- Bob attended the Smarter Balanced presentation. Several principals were in attendance. While schools seem to support Smarter Balanced, many communities are protesting the concept.
- Doug noted the regional roundtable discussion focused on EI/ECSE. Jefferson County will be discussing EI/ECSE funding at their next board meeting. Bend-La Pine members were also supportive on carrying forward the push for increased funding.
- There was an interest expressed by the region to meet with our legislative delegation. Doug will work with Jim Green to set this up.
- Doug attended Funding for Outcomes by Duncan Wiese. Considering the initiatives coming out of OEIB, it is clear to see how money is going to flow. There is a big push for funding for kindergarten and reading initiatives. Special Education students must be included in the mix of funding needs.
- Education Trust presented a barrage of data that all pointed out, Oregon is behind. We have a lot of work to do to ensure we provide the funding to achieve 40-40-20.

Regular Session recessed to Executive Session at 7:30 pm, and reconvened at 8:40 pm.

Adjourn

The November 18, 2014, High Desert ESD Board of Directors Meeting adjourned at 8:40 pm.

Scott Reynolds, Board Chair

Shelley Knutz, Executive Assistant