

THREE RIVERS SCHOOL DISTRICT
8550 NEW HOPE ROAD
GRANTS PASS, OR 97527

BOARD MEETING

REGULAR SESSION

December 14, 2009

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Three Rivers School Board of Directors met for a regular session, Monday, December 14, 2009 at Jerome Prairie Elementary School, 2555 Walnut Avenue, Grants Pass, Josephine County, Oregon at 7:00 p.m.

PRESENT: Jim Weaver, Chairperson of the Board, Zone II
Leslie Meier, Vice-Chairperson of the Board, Zone III
Dave Strahan, Member of the Board, Zone IV
Ron Lengwin, Member of the Board, Zone V
Robert Litak, Member of the Board, Zone I
Dan Huber-Kantola, Superintendent-Clerk
Debbie Breckner, Director of Human Resources
Doug Ely, Director of Student Services
John George, Director of Secondary Education

PRESENT

ABSENT: Peter Maluk, Director of Elementary Education

ABSENT

Also Present: Steve Jones, Sue Calvert, Dave Fuller/Principal Jerome Prairie & Newbridge, Dave Bracken/Maintenance, Mark Kimzey, Lisa Cross, Gabrielle DiMatteo, Kelly Porter, Jackie Gray, Kimberly Flow, Robin Kennedy, Megan Beck, Elly Lengwin, Malachi Hall, Steve Clogston, Michael Morris, /Food Service Director, Kathie Luna, Owen Peterson and Shelly Berry/Recording Secretary.

ALSO PRESENT

Chairperson Weaver called the meeting to order at 7:07 PM and led the audience in the Pledge of Allegiance.

CALL TO ORDER

Jerome Prairie Principal Dave Fuller recognized ten parents and two teachers for their outstanding service to the school. They were presented certificates of appreciation by Superintendent Huber-Kantola.

SUPERINTENDENT'S
REPORT

Chairperson Weaver added action item 6B to the agenda, Resolution (#07) to Transfer General Funds.

Superintendent Huber-Kantola announced that he has attended many of the school's Site Council meetings, and will have attended all schools by mid-January. One of the major topics being discussed at the Site Council meetings is the impact of Measures 66 & 67 on Three Rivers School District. If Measures 66 & 67 do not pass it amounts to:

- \$2.57 million revenue loss to Three Rivers School District
- Equal to 34 Teaching positions OR
- 17 School days
- \$733 million revenue to the state (Measure 67—\$255 million / Measure 66—\$478).
- If Measure 66 were to fail that would reduce about \$1.67 million to Three Rivers School District.
- If Measure 67 were to fail that would be a loss of about \$890,000 to the district.

SUPERINTENDENT'S
REPORT (CON'T)

Superintendent Huber-Kantola reported that he asked the Site Councils about the District calendar issues and their feedback on them:

- Week of Thanksgiving off—Response was 100% favorable.
- Early start (before Labor Day) - about 70% okay with parents and staff. Hidden Valley staff felt behind and on the run since school started due to starting the week earlier.

When Site Councils were asked about any other concerns they might have, there was a universal request from parents to see grades electronically.

Superintendent Huber-Kantola reported that the district has the potential to be awarded a Federal grant to help install some biomass in a couple of our schools. The two schools are Illinois Valley High School and Evergreen Elementary. Biomass installation is expensive. The total project for IVHS would be about \$546,600 and the potential SEP award would be approximately \$283,000. We would get a BETC return of about \$67,000, but then the district would still have to pay about \$195,000 for the installation. The cost for Evergreen is a little less at \$430,000 for the total project, the SEP award is \$220,000, a little better return on the BETC, so the district cost would be \$139,704. If the district is awarded the grant, we are proposing to send a team out to look at some biomass installations to determine whether or not it's a place we want to go. We did budget within our QZAB last year, some funds for boiler replacement, and think there is enough in the QZAB to cover the district costs without having to dip into the General Fund or Capital Projects.

Superintendent Huber-Kantola reported on his participation in 'Pioneering Healthier Communities'. The YMCA put together a community team that includes people from Grants Pass School District, Three Rivers School District, the CEO of Asante, the City of Grants Pass, Dave Toler and Rogue Community College. They are addressing the problem with obesity rates in America, and specifically among kids. The community is designed to help the public and the communities work together to figure out ways to bring more healthy lifestyles to our community. One of the tasks for the schools is to go back and look at our Wellness Plan. Our district is actually further ahead in some of our nutritional practices than other communities. Due to some of the things that Food Service Manager Michael Morris has instituted we don't have soft drinks in the schools and we have much healthier food choices.

Member Litak asked when we would have to decide whether to accept the SEP grant? Superintendent Huber-Kantola responded that the grant is reimbursable. We would have to spend the funds, and then get reimbursed. We would have a couple of years to either expend the funds or not use them at all.

COMMUNITY
COMMENTS

Board Chair Weaver asked if there were any community comments at this time, and there were none.

REMOTE SMALL
SCHOOL FUNDING

Board Chair Weaver addressed the next item on the agenda regarding remote small school funding. This is regarding a bill that went through the legislature last year and asked Member Meier to explain further.

Member Meier explained that there is a remote school funding act, whose original intent was to make it more feasible to run the small remote schools because they cost more to run. There is a remote school funding correction that certain schools will get based on their population and how far they are located to another elementary school. It could mean quite a bit of money. Williams Elementary currently gets over \$100,000 a year because of this remote school funding. The previous bill read that you couldn't be within eight miles from the next nearest elementary school. This impacted several schools within our district, which include Applegate and Wolf Creek. The wording would

REMOTE SMALL
SCHOOL FUNDING

need to be changed to say “within eight miles to the closest elementary school within the district”. The wording change would have meant close to \$300,000 to the district between the two schools. The money goes to the district to offset the cost of running the smaller schools, it doesn’t go directly to those schools. The last Legislative session the bill came up again and we were hopeful that an update to the bill would be passed. Representatives from Williams, Applegate and Wolf Creek communities went up and testified before the Legislature. The end result was the elementary schools were stripped out of the bill and only impacted high schools. Member Meier stated that this was disgusting and the original intent of the legislation was to help our small rural schools, not to help the Tigard’s of the world. Her understanding is that it was done on a cost basis, and there were too many elementary schools that would have qualified. Member Meier would like to do something; we were cut out and would like to be lobbying to see if we can push it through in the next legislative session.

Superintendent Huber-Kantola stated that he had an opportunity to speak with Representative Mauer, who was an original supporter of the bill that included the elementary schools. Representative Mauer feels that if we respond to it now it would get lost before the next legislative session due to the budget issues. His advice was to do some research and be willing to introduce it again prior to the next legislative session. It is very likely that by the time the next legislative session comes up Illinois Valley High School may be below the 350 student enrollment mark and based on current legislation unqualified for remote small school funding. So, not only does it impact the Applegate and Wolf Creek communities, but possibly the Illinois Valley area as well.

Member Meier requested to go on the record protesting this due to her outrage by what took place. She would like to start working now with other elementary schools around the state to start working together to build support and would like to obtain the list of schools in the state that would be impacted and perhaps create a committee to work on this issue. The committee could be compiled of school and representatives from the communities that would benefit from this.

Member Meier stated that she would like to go on record with some kind of statement of how disappointed we are and how we are missing the original intent of the legislation which is to protect our smaller rural schools.

Board Chair Weaver asked if Member Meier would be open to drafting such a letter and seeing if we have support from the rest of the Board to sign it?

Member Meier inquired as to whether or not the rest of the Board supported her position before drafting a letter of that nature.

Member Strahan commented that he supports a letter of protest to the Education Committee of the Legislature as well as our own elected representatives here. He agrees with Member Meier; the intent and language of the legislation was for small rural schools—not metro area high schools.

Member Meier requested that she and Superintendent Huber-Kantola work on a letter together.

Board Chair Weaver commented that a letter is a good idea and also feels getting a working group together to handle this the next time it comes around would be a good idea. Member Meier and Superintendent Huber-Kantola will work together to create a committee. He stated we do not need a formal action on this, but we have a starting point to move forward.

RESOLUTION TO
SUPPORT BALLOT
MEASURES 66 & 67

Board Chair Weaver presented a Resolution (#06) to support Measures 66 & 67. He commented that Superintendent Huber-Kantola has already presented some of the numbers and impact of these measures; \$733 million projected income and our share of that has already been budgeted in this year's budget. The business measure establishes a minimum tax and also establishes a tax on sales and income. Member Litak explained that it raises the minimum business tax from \$10 to \$150 for corporations or establishes a tax based on sales rather than earnings. The other measure has a surtax on high-earners (joint earners over \$250,000).

Member Meier moved to approve the Resolution to Support Measures 66 & 67. Member Strahan seconded.

Member Litak commented that we are at the point in the school year where we have to support these measures, as the alternative is so dramatic.

Member Strahan stated that he supports these measures to protect our funding.

APPROVED

Board Chair Weaver called for a vote and the motion carried unanimously

RESOLUTION TO
TRANSFER FUNDS

Board Chair Weaver presented Resolution (#07) to Transfer Funds to support necessary upgrades to our network.

Human Resources Director explained that the infrastructure for the network has been neglected for the last fifteen years, and was hopeful that our switches would make it until July when she could budget to replace them. Unfortunately they are not, and causing many network issues. The switches are not capable of handling the increased network traffic. She is requesting the lease of new switches that will not replace all of the switches in the district, but will replace the main switch in each building and upgrade the switches in the student labs at the middle and high schools. In addition we would like to create a storage area network in each attendance area, which is the SAN server, so that if a server fails there are other data centers available.

District Systems Analyst Malachi Hall explained that currently all of the storage is managed local to each school server. The SAN server will allow us to have a centralized repository of data where we can run multiple servers accessing the same data storage. We can also then share that data among data storers so that in the event we lost any one school or part of our fiber ring we would still have full access. All of the regional districts have adopted or are adopting this technology.

Director Breckner explained that the move to a more virtual set up over the next year or two is because the network is geographically so huge that the tech staff we have cannot keep up with the current needs and the needs we have coming. By doing more virtualization, and putting the data in three locations instead of 2200 locations we are able to maximize the staff to handle issues.

Member Litak commented on the five year lease, and asked if the equipment would become obsolete in five years? Tech Mark Kimzey responded that they will not.

Member Litak moved to approve the Resolution to Transfer Funds. Member Meier seconded.

Member Meier asked after the first year expense of \$35,378. where will the funds come from for the next four years of the lease?

Director Breckner explained that currently our systems do not work. The work we have to do is electronic and our system is fifteen years old. The reality is that in the next four years we will have to budget the \$35,000 to pay for the lease or purchase it outright from somewhere. By doing this upgrade, we will probably not have to re-lease computers in the future.

RESOLUTION TO
TRANSFER FUNDS

Superintendent Huber-Kantola referred to the current financial report and referred to the proposed contingencies. There is enough in that contingency group to pay for the switches and still, assuming everything continues to go well, reinstate 4-5 of our school days.

Board Chair Weaver called for a vote and the motion carried unanimously.

APPROVED

Sue Calvert, the volunteer organizer of the Fruitdale Garden Project provided an update to the Board. Ms. Calvert reported that the garden has been very successful over the last nine months. Many members from the City and community came forward to help out. The next goal is to make the garden sustainable. The next spring she hopes to put in a 20,000 gallon water collection system with the help of a grant. The water would be collected off of the roof and stored in a buried tank in the ground. There were 80 volunteers over the summer to keep the garden going. This year they grew 140 pumpkins, and through Ft. Vannoy farms and other donations, every child in the school received a pumpkin. Ms. Calvert received assistance from Michelle with the Soil & Water Conservation to apply for a grant as well as applying for another grant for the National Gardener Association to help with tools and other needs. Ms. Calvert noted that she is also mentoring Ft. Vannoy at this time to help set up a garden there.

FRUITDALE GARDEN
PROJECT

Applegate School Principal Stephanie Allen-Hart commented that there are some very positive things going on at her school, partially due to the Rightsizing process that took place a couple of years ago. The two largest issues were decreasing enrollment and the school facilities. To deal with the falling enrollment they have created a group called 'Friends of Applegate School'. Through fundraising efforts and community organization they have added a strings program for the 4th through 8th grade students which pays for a full-time instructor and the instruments for all students. Over 80% of the students in the school participate in the program. They also have fully implemented the art elective for middle school. A professional artist is on campus two days a week to provide art for the middle school students. There is an after school program with many enrichment activities. The enrollment for this year was projected to be 95 and is currently 125. Much of the increase in students is due to drawing in home school students.

APPLEGATE SEISMIC
GRANT

Ms. Allen-Hart introduced Kara Olmo, who is an Applegate Community member, and also a member of the Three Rivers School Foundation Board. Ms. Olmo commented that during her time spent on the Foundation Board they have been looking for ways to enhance and enrich the district. Ms. Olmo explained that the 'Friends of Applegate School' is a loosely formed group under the Three Rivers Schools Foundation. She stated that Aaron Ausland, President of Ausland Builders in Grants Pass, is the current President for Three Rivers School Foundation and brought forward a potential grant possibility for Applegate School. The money for the seismic rehabilitation grant program came out of the 2009 Legislative session. The grant has been submitted and the initial feedback is that there is a very good chance of having it funded. We should find out about January 15th. The grant will not pay for 100% of the building to be re-done, there may need to be some community fundraising. In order for the grant to be submitted by the district, there was about \$10,000 in fees to get the necessary studies done to complete the grant. The fees included a cost analysis and cost calculations of \$4,900, which was donated by Aaron Ausland and Ausland Builders. Ms. Olmo donated her time

APPLEGATE SEISMIC
GRANT

as project director. The engineering study cost about \$5,000 and was paid for by five different community groups: Friends of the Applegate School, Three Rivers Schools Foundation, Applegate PTO, Greater Applegate Community Development Department, and the Applegate Vintners Association. The grant was submitted for \$850,000.

Member Meier expressed thanks for all the work done towards the grant and stated it was personally exciting to her as a community member; her children attended school in the old building. In the past the cost of the repairs were so prohibitive.

FINANCIAL AUDIT

Accounting Manager Lisa Cross presented the results from the 2008-2009 district audit. The audit is in the mail on the way to the state. Ms. Cross explained that every year they are auditing more information and getting more in-depth. The audit is an unqualified audit which means that the financial statements give a true and fair view of the districts position as of June 30, 2009. They audited the Federal program type IIA this year and there were no inconsistencies or any problems with that Federal grant.

Comments:

- There were two instances involving student attendance (not dropped on the 11th day) which affects ADM.
- There were two appropriation over-expenditures. They had to do with prior year lease agreements that were changed by the auditors from rentals to lease agreements which put the appropriations over.

Opinion Letter Comments (Auditing school books):

- Elementary school—the auditors would like them to use pre-numbered receipts.
- Bank reconciliation signatures—auditors would like reconciliations signed by the principals instead of the Accounting Manager.
- No formal purchase order on file for an expenditure—this is a requirement, policies will be reviewed with all bookkeepers.

Other Matters:

- Recommend the district review risks associated in contracting with ESD's in conjunction with IT services. (Does not apply to Three Rivers because none of the software we use is supported by the ESD).
- Recommend a review of the district's fidelity insurance coverage/limits.
- Recommend the district assess sufficiency of documentation for 403(b) plans provided by third party administrator.
- Recommend the district assess the Local Government Investment Pool risk versus the rewards.

Comment from the auditors: "The financial affairs have been professionally conducted. The accounting records were in good condition and we commend the staff for their assistance and support during the audit".

2008-09 Net assets \$33.5 million. An increase of \$4.26 million from last year due to the implementation of GASB 45 and 27. The prior year \$6.5 million liability for early retirement was removed from net assets and replaced by the amortized OPEB liability. The UAAL for the district is \$19.3 million, however it is amortized over a period not to exceed 30 years making the annual liability only \$2.3 million.

2008/09 STATE
ASSESSMENT AND AYP
RESULTS

Secondary Education Director John George provided a packet of data to all Board members containing the district's state assessment and AYP results. Director George presented slides of the data. Last year the district did not meet AYP the primary reason being not meeting participation of students with disabilities in terms of math. As a district our biggest area of concern was in math. The district has now implemented teams and the district now has two math coaches for assisting other teachers with the implementation of the standards as well as improving instructional techniques.

It is instructor driven. Principals are working with Federal Program Director Peter Maluk to identify teachers that need staff development in areas where they perhaps are not as comfortable in (math, writing or reading).

2008/09 STATE
ASSESSMENT AND
AYP RESULTS

Member Litak asked if we know the percentage of exceeded, and how that number compares with the state and other districts. Director George explained that we do not receive a breakdown of state and other district in just the exceeded. It would take a lot of data mining to obtain that information, but perhaps when the Data Warehouse come online the information should be easier to get. Director George believes the number of students that are exceeding are going up in our district, which shows up on the school state Report Cards.

Superintendent Huber-Kantola reported that last month we had a \$2.15 million ending fund balance and this month it is at \$2.18 million. This still puts us on track to restore the days that were potentially cut even with the potential arbitration with teachers over the 1% salary dispute, which may cost \$156,000. Even with that, as long as Measures 66 & 67 don't impact us this year, we will still be able to restore our school days.

FINANCIAL REPORT

Maintenance Director Dave Bracken reported that in addition to his written report he would like to recognize Michelle Baumgartner from Josephine County Water & Soils. They have been working to reduce the fire fuel loads around our schools. They have completed work at Evergreen and are currently working at Lorna Byrne and Hidden Valley, which is close to 30 acres. A local contractor in each area was awarded the work, which was funded by a grant that she wrote.

MAINTENANCE
REPORT

Board Chair Weaver asked what happens to the material? Mr. Bracken explained that the dead material (brush) is being burned. The firewood is being laid out and earmarked for special needs families.

Member Strahan asked if Mr. Bracken knew the approximate cost per acre? Mr. Bracken did not have an exact figure, but estimated it was about \$2500 per acre.

Member Litak asked what the replacement of the control boards at Lorna Byrne and Fruitdale are costing us? Mr. Bracken responded they were around \$4000 for both. Even though they are new schools and only four years old, control boards seem to wear out quickly and we will need to plan accordingly in the future.

Food Service Director Michael Morris had one update to his written report regarding the recycling program. SPARC is not able to participate by collecting our tin cans. Southern Oregon Sanitation will accept them, but not pick them up. Mr. Morris is looking for a new resource that will pick them up from the schools. We don't have the resources to deliver them.

FOOD SERVICE
REPORT

Superintendent Huber-Kantola requested item 10-2 be removed from the Consent Agenda.

CONSENT AGENDA

Member Litak pointed out three minor corrections to be made to the October 19, 2009 and November 16, 2009 minutes.

Member Strahan moved to approve the Consent Agenda. Member Meier seconded and the motion carried unanimously.

APPROVED

Member Litak commented on the Enrollment Report and the fact that we lost 40 students at the high school level in the last month. He asked if we were aware of the reason for

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loss of students? Superintendent Huber-Kantola responded that he will do some research and report back next month as to where the 40 students went.

Meeting adjourned at 9:40 p.m.

Jim Weaver
Chairperson of the Board
THREE RIVERS SCHOOL DISTRICT

Dan Huber-Kantola
Superintendent-Clerk
THREE RIVERS SCHOOL DISTRICT