

**Multnomah ESD Board of Directors' Session
Minutes
Tuesday, March 16, 2010**

- 2009-2011
Agency Goals
#1 – Reconnecting Youth
#2 – Districts Service Plans
#3 – Professional Development
#4 – Facilities
#5 – Fiscal Stability
#6 – Board Policy
#7 – Legislative Advocacy

1. CALL TO ORDER AND ROLL CALL

Chair Kevin Spellman called the meeting to order at 7:40 p.m. on Tuesday, March 16, 2010 in accordance with the agenda and public notice of the meeting.

A. Board Members Present: Harry Ainsworth
Mike Delman **(Left at 9:27 p.m.)**
Bernie Giusto
Jean Haliski
Sean Schafer
Kevin Spellman, Chair
Geri Washington, Vice Chair

Board Members absent: None

Administrative Staff present: Ron Hitchcock, Superintendent
Barbara Jorgensen, Chief Program Officer
Leslie D. Nelson, Board Secretary

B. Introduction of Guests and Audience:

2. PRESENTATIONS

A. Student Spotlight (#1): None

B. Program Spotlight (#4, #5, #7):

1. Health and Social Services

a. Program Review

Cabinet Director Baynes introduced Jan Hootman, Coordinator of Health Services, Pat Haley Coordinator of Social Services, Candice McBeth Special Needs Nursing, and Melissa Phong who presented the Health and Social Services review through stories and pictures.

- Coordinator Hootman focused on safety of students, crisis management, wellness promotion and healthy environments. From providing Bloodborne trainings to making it possible for students to get glasses, 140 nurses and six supervisors are our liaisons to our component districts providing nursing care daily.
- Special Needs Nurse McBeth shared about the medically complex students that MESD provides services to. Just this year they have been involved in making it possible for a student to return to their classroom with a one-on-one nurse who received specialized training from the pharmaceutical company who provided the medication and pump. They work closely with the discharge nurses at the hospitals to make sure that students transition from hospital to school smoother.
- Coordinator Haley shared how Beth, Jan and he had worked to bring these two areas together. The Hospital School's program assisted over 1,680 last year who come from all over the state for treatment here as Portland has three children's hospitals. The program is funded by ODE. Last year the focus was moved to more school re-entry and integration as more students were being discharged from the hospital but not ready to return to school so were at home with no opportunity for services. We continued to work with Medicaid fee for service; administrative claiming for not only our component districts, but also contract with the State of Alaska and Madras School District will be added in the near future. Another area of focus for Social Services is the administrative services to help families with the Child Health Insurance Access Program in conjunctions with Kaiser. Wraparound Oregon: Early Childhood Program, coordinated by Rob Abrams, is also under the responsibility of Social Services.
- AFSCME staff member Phong shared her experiences at Wynne Watts that houses four different programs for students who need a secure facility and are evaluated as needing mental health services but not hospitalization. She shared a success story of one student who had 51 home placements and 17 school placements and he is only 15. Since his placement at Wynne Watts, he has gone from being able to control himself in a classroom setting for no less than 10 minutes at a time to making it through an hour and a half of classroom time.
- Counterpoint Program Teacher Wittman shared about the students she sees daily in the program. They are older male students who are convicted sex offenders. One of the issues for these students is the wide range of having from six to 16 credits for graduation. At least 50 percent of these students also have ADHD. The program does work. These students get out of jail early to come to the program, have parole officers and have been identified as committed to fix their problems and wanting to go back into society. We have had a very good success rate.

Director Schafer thanked the group for their clear report.

2. Recognitions

Cabinet Director Webster introduced Principal Ramirez who reported:

We want Arata Creek families to be known we care. Most of our students are mandated to be there and we want them to know that we want them there. We use the “Teach and Re-teach, Second Chance” model of service. As an example:

- Food Box Program: We are ready to put together food boxes this Thursday and Friday for families to help with nutrition over the Spring Break
- Back Pack Program – Began with the focus on getting nutritious meals home with students each Friday. Students are identified by the classroom team. Some of the donors toward this effort have been: Franz Bakery, Wal-Mart, and New Life Church.

On November 20th Arata Creek had its first ever Family Night. We tried to make the prizes family friendly for interaction at home. The first night we had 105 students and guests. We had 25 staff attend including Kelvin Webster and Superintendent Hitchcock, and it was a huge success, largely in part to the many volunteers (staff and community members) that contributed their time and resources to this event. Additionally a series of donations came in from a variety of community agencies/businesses including but not limited to the following: Legacy Emanuel Pediatric Answer Service Nurses, Troop 174, Papa John’s Pizza, Oregon Zoo, Bullwinkle’s Fun Center, Gresham Firefighters, and Columbia Sportswear.

Key to making this event happen was Pam Pestalozzi, Arata Creek School Nurse. Pam was integral in championing this cause, organizing the event and soliciting the donations. We have just held our second Family Fun Night and it was just as successful. We had a clothing drive for gently used clothing. We had 63 guests and our students. Some of the prizes, mostly donation, four mountain bikes donated and of those they were all refurbished. The smiles on the faces of the students who won them said it all.

a. Recognition - Pam Pestalozzi, Arata Creek School Nurse

Director Schafer presented the Certificate of Recognition for your leadership and generous contributions of time and resources to help make the Arata Creek Fun Night(s) a successful and ongoing event for Arata Creek students and their families.

b. Arata Creek Staff

Director Schafer presented the Certificate of Recognition extended to the staff at Arata Creek for volunteering their time and resources, along with families to make the Arata Creek Fun Night a successful and ongoing event for Arata Creek students and their families.

C. Partnership Spotlight

Cabinet Director Rose presented:

1. SISNet – Student Information System Network - Recognition

SISNet is a collaboration of our agencies that operates the student information systems shared by the three districts. SISNet has allowed our agencies to provide a more robust and stable student information system application while adding new features. SISNet is a clear demonstration of how school districts and ESDs working together can erase district and county lines and deliver better services to students and districts. Their leadership and hard work are appreciated.

Together we represent SISNet to provide the care and feeding of student information and our data warehouse. We share staff co located in one facility. We have most of our production at CESD, our back up at MESD, and our data warehouse at PPS. We have been at this for 18 months. I wanted to take this opportunity to let them know how much we appreciate their efforts, commitment, leadership and hard work.

Director Schafer presented the Certificates of Recognition in appreciation for their leadership and vision demonstrated in the development and support of SISNet.

Nick Jwayad felt it was worth mentioning that the IT folks usually are not recognized so this was greatly appreciated. Being the one school district involved, it is important that we are able to evangelize these kinds of efficiencies to others. They should result in trickle down dollars that can be reallocated to classrooms. This will be a great story to tell my Superintendent Ms. Smith. PPS endured a tragedy with Marysville School burning down this fall. Having partners like these two gentlemen made all the difference. I cannot describe how much that these guys stepped up to let us know they were there to back us up.

Larry Carter expressed that it isn't all about saving money. The main objective was to improve services for our clients and we have successfully done that. The synergy with staff working together and agencies working together is great. It is a passion to look at public agencies working to create partnerships because we cannot afford to do this on our own anymore. . It wasn't an easy task. It took over a year to bring the staffs together and we are now seeing the payoff.

Cabinet Director Rose shared that he is meeting with another ESD to bring them into SISNet family, a regional effort for economic efficiencies.

Chair Spellman shared that this was a great example of collaboration.

3. PUBLIC COMMENT

The board heard public comment from Sally Kissell and Gloria Soderquist, who both serve on the AFSCME bargaining team. They expressed their frustration that bargaining has not concluded and their desire for an agreement to be reached as soon as possible.

4. ACTION ITEMS

A. Consent Agenda:

1. Approve February 16, 2010 - Board Executive Session Minutes(#7)
2. Approve February 16, 2010 - Board Minutes (#7)
3. Approve March 2, 2010 – Board Budget Work Session Minutes (#2)
4. Approve March 3, 2010 – Board Budget Work Session Minutes (#2)
5. Approve March 9, 2010 – Board Budget Work Session Minutes (#2)

Motion: Director Ainsworth moved to approve the Consent Agenda. Director Schafer seconded the motion.

Discussion: None

Action: The motion carried with Directors Ainsworth, Delman, Giusto, Haliski, Schafer, Spellman and Washington voting aye. Motion passed 7-0.

B. Action Agenda:

1. Approve Resolution 10-11 – First Reading of New Board Policy DBDB – Risk Management Reserve Fund (Goals #5)

RESOLUTION 10-11 First Reading of New Board Policy DBDB - Risk Management Reserve Fund

Background: At the Budget Work Session on March 9, 2010, the Board of Directors reviewed a proposal to create a Risk Management Reserve Fund for the purpose of paying costs associated with Risk Management activities.

The Superintendent recommends approval of this resolution:

WHEREAS, the Board of Directors were presented with a proposal to create a Risk Management Reserve Fund at the March 9, 2010 Board Budget Work Session; and

WHEREAS, the Board discussed the advantages to setting aside funds for the purpose of paying costs associated with Risk Management activities; and

WHEREAS, the creation of the fund and appropriation of monies for the fund requires Board action.

NOW THEREFORE BE IT RESOLVED, that the Multnomah Education Service District Board of Directors approves new policy DBDB – Risk Management Reserve Fund and delegates expenditure authority and administrative responsibility to the Risk Management Oversight Committee.

BE IT FURTHER RESOLVED, that Superintendent will develop an Administrative Rule for implementing and administering the Risk Management Reserve Fund; and

BE IT FURTHER RESOLVED, that the Superintendent is directed to bring Board Policy DBDB – Risk Management Reserve Fund back for Second Reading and adoption at the next regular meeting of the Board.

**MULTNOMAH
EDUCATION SERVICE DISTRICT**

Code: DBDB
Adopted:
Revised/Readopted:

RISK MANAGEMENT RESERVE FUND

The Board will establish a special financial reserve and budgetary fund. The purpose of the fund will be to pay for costs associated with Risk Management activities including payment of insurance premiums, activities to prevent or minimize exposure and pay for incurred losses.

Administration of the Risk Management Reserve Fund will be the responsibility of MESD's Risk Management Oversight Committee.

The amount of the Risk Management Reserve Fund shall be established by the Board through the MESD's annual budget development process or subsequent budget transfers.

The Superintendent will develop ARs for implementing the Reserve Fund for Risk Management.

END OF POLICY

Legal Reference:

ORS 294.305 – 294.565	OAR 150-294.435 (3)
ORS 334.125	OAR 150-294.450 (3)
ORS 656.262	

Cross Reference to MESD Policies:

BHE	Board Member Liability Insurance
DH	Bonded Employees
EEBC	Vehicle Insurance
EI	Risk & Insurance Management
EIA	Insurance Programs
GBEA	Workers Compensation Insurance
JFCM/GBEAA	Work Place Violence

Motion: Director Haliski moved to approve Resolution 10-11. Director Ainsworth seconded the motion.

Superintendent Hitchcock presented:

- As an outcome of the March 9, 2010 Budget Work Session, this resolution is submitted for first reading. It directs the Superintendent to develop administrative rules for implementing the policy. A Risk Management Oversight Committee will authorize expenditures. The Committee is made up of our insurance carriers and MESD staff.

Discussion:

Question: A transfer could be approved, but the intent of the reserve is actually for revenue to go into and expenditures to come out of?

Answer: It is designed that it would be part of the budget process and reflected on our monthly reports. It is designed that next year, we would be asking for another transfer into the reserve.

Question: Wasn't PERS supposed to be a part of this reserve fund?

Answer: Our first response from TSCC, when approached to our considering creating a reserve, was not to go this route, but rather place those PERS reserves in a contingency report. We received word late, that it would be appropriate to place these funds in the Reserve as we had originally intended. We will rewrite the new resolution and policy to reflect that change, and bring back to the Board in April for a second reading as amended.

Question: How does the money get in there?

Answer: The only way that money gets into the reserve fund is through a transfer and the only way that happens is through Board action taken during a public meeting.

Question: Did you figure out a tiered level for the PERS portion?

Answer: On page 91 of the Proposed Budget document under Risk Management Reserve, we incorporated the Board's request for a five year plan as follows:

“Beginning in fiscal year 2011-12 it is anticipated that PERS rates will increase substantially. Beginning in 2011-12 and for the following four years this amount will be used to offset the impacts this increase will have on the Operating Fund. This reserve is intended to offset 80% of the PERS operating fund costs in 2011-12, 60% in 2012-13, 40% in 2013-14, 30% in 2014-15 and 10% in 2015-16.”

Question: Who and what is the Risk Oversight Committee?

Answer: This committee has been in existence for a long time. The purpose is to be an advisory group to the agency on risk management, insurance policies, reduction of risk activities and exposure. The Risk Management Reserve would help with preventative activities, incurred losses, Flight Team, Safety Committee, Emergency Response Committee activities, etc. Our Risk Management Committee has helped to bring down our incurred losses, with us being at the lowest point in six years.

When we have issues that could be litigious, we call PACE and get their advice. Whether we follow that advice or not is our choice. It is the same with Beecher, Carlson. We really on the experts in this area.

The committee is comprised of these professionals (SAIF representation, Beecher, Carlson representation) in their related fields and our own staff: Barbara Jorgensen, Don Hicks, David Turner, Mark Wheeler, Kelly Schwartz and Superintendent Hitchcock.

Action: The motion carried with Directors Ainsworth, Giusto, Haliski, Schafer, Spellman and Washington voting aye. Motion passed 6-0.

5. REPORTS

A. Fiscal Report (Goal #5)

1. Auditors Report

Cabinet Director Sesnon introduced Rob Moody, Jr., Talbot, Korvola & Warwick, LLP. Mr. Moody reported:

- This is the first year that MESD has prepared the Comprehensive Annual Financial Report. He commended the MESD staff for their work on the report, and expressed his appreciation for our work with children and thanked MESD for partnering with them.
- In reviewing our report, no big issues or disagreements came up.
- There are several new guidelines that will be coming down the pike in the future that won't have much affect on the MESD, but there will be an addition of the possibility of some additional reports to our current report.

Director Giusto expressed his concern regarding internal audits in light of the recent media of other ESDs who have had problems. He wants assurance that our internal controls are in place so we are okay. After reviewing the Board policy regarding audits, which he believes to be non-existent as it is only one line, that the Board take an active part in future audits. He reiterated that his was not a comment about administration or that he considers us to be in a precarious situation, but that the Board needs to take a more active role in this area.

Mr. Moody explained that his firm has a meeting prior to the audit with each client before building the audit. There is also an exit meeting with written documentation, similar to what is being shared tonight. Mr. Moody reviewed the CAFR report.

- Page 61 – Government Auditing Standards Report defines they types of deficiencies they look for in an audit.
- Five items were identified and addressed on pages 68 -72. It is the responsibility of the organization to address these.

Cabinet Director Sesnon thanked Mr. Moody for his report and explained to the Board that this is the purpose of an outside auditing entity, as we are sometimes so close to the trenches that we might not see something simple that can, if left undetected place the agency in a possible vulnerable place.

Question: How will we know, as a Board, if corrective action has been implemented?

Answer: The auditors will review next year to be sure that it has been implemented and included in that report.

2. February 28, 2010 Fiscal Report

Cabinet Director Sesnon presented:

- We are now two-thirds of the way through the year and on track
- We have made available to all Directors access to the estimated actual budget and will be providing training

B. Agency Report (Goals #1, #2, #3, #4,#5, #6, #7)

Superintendent Hitchcock highlighted the following:

- The report this month reflects 19 activities conducted by six different departments that add value in excess of \$860,000 to the agency. The Board can be very proud of the staff and programs of the agency.

Question: Is there a way to bring this information up when someone is considering contracting with us? How do we get out that information?

Answer: That has been our calling card when we do our annual report and accountability report to our component district boards.

The Superintendent's report is posted on the MESD website: www.mesd.k12.or.us.

C. OSBA and OAESD (#7)

1. OSBA – May 4 – Spring OSBA Regional Dinner

- 5:00 – 6:00 p.m. – Board Training Sessions
- 6:00 p.m. – Dinner

Director Washington shared that discussions were held regarding the Executive Director position and the Spring and Fall Regional dinners not meeting the needs of the attendees. She will be watching to see how this particular meeting works since the request was made that if we are going to be partners; we need to be incorporated as partners.

2. OAESD – March 11, 2010 OAESD Meeting Update

- The vote for the revised Bylaws and Constitution will be held electronically
- Each ESD will have one vote. There will not be a forum for discussion.
- Superintendent Hitchcock previewed the one page letter from Mayor Adams should someone have a question.
- Zone A – is being held March 29th at NW Regional ESD in Hillsboro. Chair Spellman and Vice Chair Washington will be attending

D. Board Member Reports (#2, #3, #4, #5, #7)**1. Board Policy Review Ad Hoc Committee (Goal #6)**

Board Member Schafer reported:

- At the January 9 semi-annual Board Retreat a committee composed of Directors Giusto, Delman and myself agreed to serve on an *ad hoc* committee for Board Policy Review. I agreed to chair. We agreed to complete our review of Sections A and B by April or May and remaining sections by August.
- The committee was asked to consider four questions in the review of each policy:
 - (1) Do we need the policy?
 - (2) Is the policy compliant with statutory federal and state requirements?
 - (3) What changes should be made to the policy?
 - (4) Would the board like to have a philosophical discussion on this policy?

- Our committee has completed its review of Policy Sections A and B. A file with our recommendations regarding each of these policies is attached. In particular, I want to acknowledge the attention devoted to this task by Directors Giusto and Delman.
- We noted in several instances that policies will require legal review and revision to assure their compliance with current applicable statute and regulation. It appears that the policies we reviewed have not undergone such a systematic legal review for two legislative cycles.
- Our committee is not prepared nor appropriately composed to conduct this sort of policy review
- Given the need for timely legal review of all MESD policies, Superintendent Hitchcock offered to assign the responsibility for this review to Chief Program Officer Jorgensen and designated staff to review all policies to assure that they comply with current applicable statute and rule. Our committee is happy to cede this responsibility, knowing of course, that all proposed policy revisions will be presented to the Board for review and approval.
- The *ad hoc* committee will be happy to answer any specific questions about our recommendations and provide a Board perspective by reviewing drafts, or by helping to draft or prepare policy revisions.
- A list of recommended policy revisions has been given to the Superintendent. The following are two policies we wish to bring special attention to:
 - (1) BCI – Auditor: Policy lacks criteria for Board interaction with Auditor process including selection, duties and reporting timelines and venue to Board. Recommendation: Staff to develop recommended criteria as noted above and present to Board for discussion and adoption.
 - (2) Policies BF - Policy Development and BFG – Board Policy Review: Retain current language with consideration for recommendation.
 - (a) Combine these sections of policy into a single code section
 - (b) Adopt language that requires review for entire body of policies every two years following adjournment of legislature replacing four year review
 - (c) Should legislature meet annually this policy may again need to be adapted
 - (d) Modified recommendation would require review for legal sufficiency only every two years with report and/or action required to Board as necessary

Chair Spellman thanked the committee for a really good job. He cautioned that setting the policy BFG –Board Policy Review on a biennial review would not incorporate statutory changes that happen regularly.

6. BOARD ACTIVITY CALENDAR

A. March 22-26 – Oregon Schools Spring Break

- B.** March 29 – ZONE A Boards’ Meeting @ Northwest Regional ESD @ 4:30 p.m.
- C.** May 4 – OSBA Spring Regional Dinner, 6:00 p.m. @ Abernethy Center, Oregon City
- D.** May 21-22 – OAESD Summit – Oregon Gardens, Silverton

Director Giusto asked when the Board would receive a collective bargaining update. Chair Spellman responded that there would be a notice on the MESD website on Wednesday.

It was determined that an Executive Session would be called for Friday, April 2, 2010, at 5:00 p.m. to receive the collective bargaining update followed immediately (approximately 5:30 p.m.) with a Budget Committee meeting.

7. ADJOURNMENT

There being no further business the meeting was adjourned at 10:12 p.m. The next regular Board meeting will be held at 7:00 p.m. on Tuesday, April 20, 2010 at the MESD Ainsworth building.

Ron Hitchcock, Superintendent

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