

Three Rivers School District Board of Directors met for a regular session, Tuesday, July 15, 2014 at the District Administrative Office, 8550 New Hope Road, Grants Pass, Josephine County, Oregon at 6:00 p.m.

PRESENT: Kara Olmo, Chairperson of the Board, Zone III
Danny York, Member of the Board, Zone II PRESENT
Ron Crume, Member of the Board, Zone IV
Ron Lengwin, Vice-Chair of the Board, Zone V
David Holmes, Superintendent-Clerk
Debbie Breckner, Director of Human Resources
Dave Valenzuela, Director of K-12 Education and Technology
Stephanie Allen-Hart, Director of Student Services

ABSENT: Kate Dwyer, Member of the Board, Zone I ABSENT

Also Present: Casey Alderson/Illinois Valley HS Principal, Cindy Drought/
OSEA Field Rep, Steve Jones, Andreas Goldna, Robert
Conrad, Jamie Ongman/Hidden Valley HS Assistant Principal,
Dave Marks, Lisa Cross/District Accountant, Peri Wilson, Fred
Schneider, Patricia Krauss, Mary Miller, Ron Ruby, Jim Bunge/
Aramark, Peggy Sue Bunge, Bill Ertel, Keith Haley, Dave
Quick, Amanda Davis, Sharon Fisher, Jeff Ashton, J. Rice, Jeff
Hanes, Van Granger, Claudia Dow, Kevin Marr, Shari Larson
and Shelly Quick/Recording Secretary. ALSO PRESENT

Board Chair Kara Olmo called the meeting to order at 6:05 PM and led the audience in the Pledge of Allegiance. CALL TO ORDER

Member Crume stated a point of order and that he had several things on his list. He then stated that there were a few problems with the agenda. The board has not formally voted to approve the agenda before they began. In Robert's Rules of Order, which board policy BBDC states (*secretary note: TRSD does not have a policy BBDC*). Board Chair Olmo responded that is not something the board has done in the past meetings. Mr. Crume added that our policy clearly states that if it's not in our policy they are to follow Roberts Rules of Order. Ms. Olmo stated that this is not something the board has ever done and feels put on the spot. Mr. Crume added that he stated a point of order and read: "it is wrong to assume that the chair sets the agenda. The chair sets a proposed agenda to become officially adopted by the board. At the time it is presented to the board for adoption it is in order for any member to move to amend the proposed agenda by adding an item a member desires as long as it is approved by a motion and a successful vote". That's what Robert's Rules of Order states. Ms. Olmo asked Mr. Crume if he was asking to add something to the agenda? Mr. Crume responded that he is wanting to address three items. Ms. Olmo again responded that this is nothing the board has ever done before, and the board does have flexibility to add some things last minute, if they're timely, if they are deemed super-important. Mr. Crume stated there is no line item for unfinished business, nor is there a line item for new business or other business. Robert's Rules of Order, page 81, states "order of business states that an agenda have unfinished business category and new business category". Our agenda last

month had a line item for new business or other, and it's not on there. Ms. Olmo responded that it was not on purpose. Mr. Crume responded, with that being stated, that it wasn't on purpose, he has three motions. First he moved to approve a motion to call the meeting open and not to be adjourned until the motion to adjourn had been made, seconded and voted on. Member York seconded the motion. Board Chair Olmo stated that she is feeling nervous, and is not quite sure what Mr. Crume is doing, and doesn't know where this is headed. If they are going to make a motion and pass a motion that they are just going to stick it out—she may not be able to participate. If that happens, asked if she could just excuse herself? Mr. Crume responded sure, as long as they have a quorum she is welcome to excuse herself. The intent of the motion is because last month at the board meeting he felt that the meeting was illegally adjourned and according to Robert's Rules of Order their meetings are to be called open and adjourned with a vote, a second, and a motion. Ms. Olmo stated that they have never done that and lots of times you don't have a vote to adjourn a meeting. Mr. Crume responded that they have never had anybody gavel down and stop the meeting illegally. Ms. Olmo said that they have never had a board member put a lot of motions at the end of an agenda—that's never happened before. Mr. Crume stated that he made a motion, and there is a second, and asked if there was any more discussion? Ms. Olmo asked if he was the board chair now? Mr. Crume responded that he is making legal motions. Ms. Olmo responded she doesn't understand what is going on and it is certainly not in the best interest of our kids. Mr. Crume responded that it is in the best interest of our kids to follow the rules of order that our district has established. Ms. Olmo added that he, historically, has not. She then called for the vote. The motion passed 3-1, board chair Olmo opposing. Mr. Crume then moved to approve a motion to change line item 11 to 'Unfinished Business', create line item 12 as 'New Business', and create line item 13 as 'Adjournment'. Member Lengwin seconded the motion. Board Chair Olmo called for discussion. Superintendent Holmes stated that looking at moving forward in this district, from a perspective of open, honest communication. He thinks it is important to realize that adding a new business piece to an agenda where items would be added at a meeting without proper ability for the public and anybody involved in those items to not have proper time to prepare themselves, to view those items and come prepared to discuss those items would not be appropriate. He could see adding a new business section that would then list items in the agenda prior to that meeting coming to pass, so that people would have an opportunity. Those agendas are posted, sent to the papers, put on the website and sent to board members well ahead of time so that they can do that. When we arrive at a meeting, and we want to add items for discussion, he does not think it's appropriate to put anybody in the audience, board, directors or school on the spot to try to be prepared to vote on something that has impact on our kids down the road. He has no problem seeing an item added to the agenda that states 'New Business' but under that item for new business, which would be typical in Robert's Rules of Order, there would be items listed under New Business. There would also be items listed as 'Unfinished Business' that would need to be discussed and followed up on. He does not want to see them showing up, from his leadership and his perspective being involved, showing up on a monthly basis and adding topics every meeting that they have that nobody is aware that's going to be discussed. It's not a good way to do business. Member Crume stated he agreed with that. Hopefully they will not have to do that in the future and the items that the board requested will be put on the agenda; but it is perfectly legal, according to policy BDDC and offered to read it. It's also legal in accordance to Robert's Rules of Order, and it's also legal in accordance to ORS 192.640. He would hope that in the future they don't have to add those items as well, but they have in the past. Board Chair Olmo disagreed. Member York asked if potentially, instead of 'New Business' could it be 'Future Business' or 'Future Items'? Mr. Crume responded that the way he reads it, it could be anything a board member wants it to be—something to be added to a future agenda, something to be voted on now, a motion to be made now. Mr. York meant for this evening, instead of saying 'New Business' on line item 12, if they said 'Future Business'? Mr. Crume said they would need to change the motion,

because the motion has been made. Mr. Crume then stated he actually had nothing in the 'New Business' category to add; it's just that according to Robert's Rules of Order, that's the way they are supposed to state it. Board Chair Olmo asked if there was any additional discussion? She then added that she disagrees with this, it sets the board up for having things added to the agenda at the end that aren't properly researched. Mr. Crume responded that last month it was on the agenda—'Other' and Robert's Rules of Order states that it can be 'New Business' or 'Other'. Ms. Olmo stated that when she became Chair she started something new in that she was trying to remember if anyone has something they wanted on a future agenda and felt that was something that was in the best interest of the district. But, does not think adding action items and motions, especially if not absolutely necessary, at the end of the agenda makes sense. Mr. Crume responded "But, it's legal under Oregon State Law, Robert's Rules of Order and our policy". Ms. Olmo responded there are incidences where you would have supporting materials and documentation, which they haven't had in the past when this has happened. Board Chair Olmo then called for the vote. Member Lengwin stated that this means there will be no new business, they are just going to adjourn the meeting... Member Crume responded that maybe there will be something that comes up in the meeting that somebody will want to add under 'Other' for next month's meeting or... Ms. Olmo added or an action item, or whatever they feel like—that hasn't been properly noticed, that doesn't give the community the opportunity to show up and have input. It can work both for and against. The board does not have a history of doing it, and does not believe that it is appropriate, and she is not prepared to vote for it but called for the motion. The motion passed 2-1 (Olmo opposing and Member York abstaining). Board Chair Olmo asked Member York to state his reason for the abstention. Mr. York responded that he does not like the idea of being 'New Business' at the end. He could see where it could be 'Other'. He disagreed with 12-New Business. Member Crume offered to call it 'Other' - Robert's Rules of Order states it can be called 'Other' or 'New'. Mr. York responded that he is with Dave where he feels like potentially it could be a little "circus-ish" if they did something where it could be.." Ms. Olmo stated that the motion did not pass. Member Crume made a motion to change line item 11 to 'Unfinished Business', line item 12 to 'Adjournment'. Member York seconded the motion. Board Chair Olmo asked for clarification from Mr. Crume as to what he meant by 'Unfinished Business' - an action item or could that include new business? Mr. Crume responded that it could be unfinished business or it could be an action item. Ms. Olmo asked him if it was his unfinished business, or the district's, things they have tabled in the past? Mr. Crume responded that it would be the board's unfinished business—he is going by what the book says, and what board policy says. Board Chair Olmo asked for clarification as to what 'Unfinished Business' means? Mr. Crume said it means any unfinished business. Board Chair Olmo then called for a vote, and the motion passed 3-1, member Olmo opposing. Board Chair Olmo stated they had concluded Mr. Crume's three items and moved on the agenda to the Superintendent's Report. Mr. Crume interrupted to state that they had revisited one, and his third item was to move to approve the new agenda as it's stated by Robert's Rules of Order. Member York seconded and Board Chair Olmo called for discussion—there was none. She then called for a vote and the motion passed 3-1 (member Olmo opposing).

Superintendent David Holmes stated that in the future months he will have superintendent's report that will have something to do with teaching and learning, things that happen in the schools and things that go on in the district that are important to the public. For tonight, he put his thoughts down on paper. Typically he would do this 'off the cuff', but concurs with Ms. Olmo, a bit nervous tonight as it's the first meeting, new district, new house and 104 degrees out. Mr. Holmes thanked the board, all the constituency and their constituency for allowing him to serve Three Rivers School District. He spent his first fifteen days getting to know a lot of people, toured almost all of the facilities, reviewed budgets, reviewed policies and did a lot of things that he thought he would never do, including climbing to the top of a wastewater treatment tank. He toured the Newbridge

SUPERINTENDENT'S
REPORT

SUPERINTENDENT'S
REPORT (CONTINUED)

school this morning and saw some really phenomenal things that are going on there. He wished that we could fund general education the way they fund that education. Bottom line—there are a lot of great things going on in this district and a lot of very dedicated, talented people that are working to support the education of all of our students. At the same time, there are a number of challenges facing us as they work toward the goal of having every single student walk across the stage at graduation and having the skill set to enable them to be successful at the next stage of life—whatever that is. His overarching goal is to make the Three Rivers School District a destination district for staff, students and families. What that means to him is that staff feel empowered, they feel supported and they have the professional freedom to create life long learning environments in each of their environments they are responsible for. This creates the desire to teach in the Three Rivers School District as opposed to elsewhere for teaching. It means that students feel connected and have pride in their schools and the learning that they participate in every day. It means that our families choose to buy homes in Three Rivers School District because they value the education and the extra-curricular opportunities that are available to their students—not the opposite. Sadly, this is not always the current situation under which he begins his tenure. He, just today, received two more resignations from two of the district's best building principals and we have teaching positions that are currently open that they are struggling to fill with quality educators. He plans to move this district forward in a number of key areas which he hopes will immediately start to turn this tide. The details of the work are not as important right now as the understanding that this is going to require hard work and support from all stakeholders. To him it seems that the lines of responsibility between the board and former leadership have blurred over the recent past based on a lack of trust. Having met individually with all board members in his short time here, he knows that he has their 100% support and commitment. He looks forward to the board reviewing and setting policy and respecting his duty to administer them. From those same conversations with board members, he has developed three different goal areas to begin work in. The first is to improve our graduation rate—it is dismal. He is looking to immediately expand or enhance our vocational offerings, expand our music and arts programs and to improve our alternative education programs, among other things. Secondly, he wants all staff to be mindful that education is a service industry. With every contact with a student, a parent or a community member there must be a humbling willingness to participate in the educational process of the Three Rivers student. Like every service industry, we never get a second chance to make a first impression. Lastly, he would like to work to better support our maintenance department in maintaining our facilities. We all need to be able to be proud of our schools as a centerpiece of our local neighborhoods and communities. Because of the severe budget constraints of our recent past, our ability to maintain, repair and upgrade our facilities has had an impact. While we need to be great custodians of taxpayer dollars, we also have a responsibility to protect the physical infrastructure that our community has entrusted with us. In conclusion, he wants to ensure you that stakeholder input is valued and he will do his best to keep everyone informed about the ongoing great work occurring in our district and the initiatives we are undertaking. He hopes that you will see a concerted effort by his office to find multiple ways to communicate to you what is going on. An example of board agendas that will be clear, concise, up-front and well ahead of time so that anybody and everybody can have input, be here to give their input if they so desire. Board members can come prepared in a timely manner. I expect to have electronic communication going out in multiple forms—whether it's Facebook and Twitter and all those other things that our young generation seem to value. Along with creating press releases for our esteemed colleagues here at the Courier and other local newspapers that are willing to come and share what great things are going on in our district. Moving forward, hopefully what you will hear will be the positive reports far outweighing the negative reports. He believes over a period of time we can build trust back in this district and create this district to be a destination district and not a place that you pass over and look elsewhere.

Board Chair Olmo stated the first board meeting in July is designated for the board to elect its chair and vice-chair for the year (2014-15). She opened it up for nominations. Member Crume nominated Danny York for chair. Ms. Olmo closed the nominations called for a vote. Danny York was elected chair by a vote of 4-0. Ms. Olmo passed the gavel and board chair position over to Member York. Board Chair York asked for nominations for vice-chair. Member Crume nominated Ron Lengwin for vice-chair. Member Olmo nominated Kate Dwyer. Mr. York closed the nominations and called for a vote. Member Dwyer received one vote (Olmo) and Member Lengwin received three votes (Crume, York and Lengwin). Ron Lengwin was elected board vice-chair for 2014-15.

ANNUAL BOARD
ORGANIZATION
2014-15

Board Chair York brought forward the prepared designation of meeting dates, times and places for approval. Meetings for 2014-15 are scheduled for the third Tuesday of the month (regular meetings) at 6:00 p.m. and the first Tuesday of the month (work sessions) at 5:00 p.m. unless designated otherwise. Member Crume moved to approve the 2014-15 meeting schedule as submitted. Member Olmo seconded. Member Lengwin commented that the schedule seems to coincide with a lot of sports schedules. Ms. Olmo commented that last year the meeting were on Monday's and they were tough because there were so many holidays; they switched to Tuesday's in an effort to get off of Monday's. She, personally doesn't have any reason to stay on Tuesday's—she just kept it as it was. Mr. Crume stated there was a good reason that they switched and it was for the Daily Courier. The reporter didn't work on Monday—they switched to Tuesday's so the reporter could attend. Mr. Lengwin said he was fine keeping it the same. Board Chair York called for the vote and the motion passed unanimously.

Board Chair York brought forward the Annual Board Organization Resolutions for 2014-15. Member Crume moved to approve the document as stated with the exception of striking out 'H' (Designate Legal Counsel: Hungerford Law Firm). Member Lengwin seconded the motion. Superintendent Holmes stated that this was a bad idea. The district currently has a lot of things in the hopper right now from a legal perspective. These people are up-to-date; they are one of the best attorneys/groups in the state and they are used by multiple school districts. They have done our business for years and they have background and knowledge. If we were to switch—there are other quality firms in the state that represent school districts and know school law—but this is probably not a proper time to think about immediately switching out with them, with no notice, based on what we have going right now. If the board would like them to look at doing an RFP for a new legal service of a group of attorneys offices in the state that serve large school districts, they can certainly pursue doing that. But to cut off the ability to access these people right now, in his opinion, is not a smart move. Mr. Crume responded that by no means does the motion indicate that we quit using Hungerford at this point in time. At a future meeting he would assume they may go ahead and make the motion to continue on with them or name them as attorney as designated legal counsel. But he would like to see some bids. He doesn't know that the district would have to do a full RFP, maybe we do, but he would just like to get some bids and see how they compare. He thinks it is responsible to do that. Mr. York stated that there was a discussion earlier about RFP's and how much time it takes to prepare them. He asked what kind of timeline they would be looking at for preparing something like that? Director Breckner responded 90-120 days. Member Olmo asked if the board does not designate them as legal counsel at this meeting they would be without attorney representation? Yes. Mr. Crume asked if they could extend it? Superintendent Holmes responded that it doesn't mean the board couldn't come in later and designate a new law firm. If we want to pursue looking and bring information to the board about the other options out there, and what they charge per hour, their background, their business and who they also represent—if the board want to take a look at that, they certainly can. Board Chair York called for a vote and the motion failed 0-4. Member Olmo made a motion to approve the Annual Board Organization Resolutions for 2014-15 as presented. Member Lengwin seconded and the motion passed unanimously.

CONSENT AGENDA Board Chair York brought forward the Consent Agenda. Items in the consent agenda will be approved by a single motion unless a member of the Board or the Superintendent requests that an item or items be removed and voted upon separately. Member Lengwin made a motion to approve the Consent Agenda with the revised personnel report. Member Crume seconded and the motion passed unanimously.

COMMUNITY COMMENTS Jeff Hanes stated he attended the last board meeting because he had concerns about Common Core. As a registered voter in Josephine County, he expressed concerns about actions that took place at the last board meeting by the board chair which included “gaveling into silence anyone who she chose to not to take responses from.” This did not meet his expectations on how a school board meeting should be run. Board policy BBDC, line 2, clearly allows for that to happen. One of the items brought forward involved the electronic recording of school board meetings. These meetings have been recorded, the attorney representing the district and the citizens of the district could clearly hear what happened at these meetings. They would then be then able to quickly resolve those issues with the people involved. Teamwork and team-building is what he expects from board members. All school board members are elected by the citizens of Josephine County and are accountable for their actions or lack of actions. Their oath of office clearly states they solemnly swear or affirm that you will support the Constitution of the United States, the Constitution of the State of Oregon and laws thereof and the policies of the Three Rivers School District and during their term they will faithfully and impartially discharge duties of the Office of School Board Member to the best of their ability. Lastly, he was shocked at the \$250,000 over-budget school lunch program which was tried to be pushed through at the end of the year when dollars are short. Also, a \$30,000 request to continue mental health support for youth in the district. These items are very important, especially the mental health, and should be dealt with proactively throughout the year. We should not come to the end of the year with “hat in hands.” He asked all board members to bury the hatchet, work together as a team to improve the best educational services possible to the youth in Josephine County.

Kevin Marr welcomed Mr. Holmes. He asked members of the board to get off to a new start. It’s a new school year coming up and the district has a new superintendent. They need to put the kids first and not their own self first—not their personal agenda, not their friends, not their church, not anything. The kids first. Mr. Marr believes in running a school district like a company. He thinks that this is a \$45 million organization that needs to be run efficiently, effectively, and financially sound. The district has a CEO and they need to let him do his job. No need to micro-manage. Stick to policy and moving forward the district in a way that is going to continue to attract the great teachers, administrators and classified that we have. Many of the employees of this district are afraid to stand up and say what they really think because of recriminations or fear of retaliation.

Robert Conrad addressed the unprofessional behavior of certain board members at the last meeting. There was lots of texting back and forth between board members, rolling eyes and the careless use of the gavel—what happened to freedom of speech? The food budget for the lunch program seems to be out of control. He then accused people of “playing with the numbers” and suggested the district “look at the lunch program contractors to see if everyone is being honest.” \$350,00 is a great sum of money—who is in charge of this program? “Maybe some changes should be made in the personnel department”.

Joseph Rice spoke about values in our community. Every board member sits there because they are elected to position by the people, which makes them an elected employee who represent the values of our community. He expects the values of the board’s position to be transferred down to the new superintendent. He expects the new superintendent to act within the board’s direction and guidance; he expects the superintendent to reflect the values of the community. As a taxpayer in Josephine County there is a fiscal accountability for his tax dollars and there is right, there is wrong. The board has had friction—it’s time to come together in unity, take a focused direction forward, and respect all.

Bill Ertel expressed concern about our school system. Concerned about the quality of education for our future taxpayers. He welcomed superintendent Holmes. Doesn't know if Common Core curriculum is a good or bad idea. He hopes that moving forward board members, who are elected, can absorb ideas from someone like him and pass it on and share it. It's up to the superintendent to guide the implementation of stuff. Like some other speakers, floored that the district is \$250,000 over budget on school lunches. He would think something like that would have been a goal that would have a progress to performance on a monthly or quarterly basis so they knew where they were before the end of the year. Pleas the board take steps to advance on the agenda. The agenda should be approved at the beginning of a board meeting.

COMMUNITY COMMENTS
(CONTINUED)

Member Olmo reported that earlier this year the board received an employee complaint against a board member. The normal process after receiving a complaint would be to have the Human Resources Director investigate that complaint. As the complaint was filed against a board member they asked our insurance liability provider how to best proceed and they recommended that the district hire an outside firm to conduct the investigation. The district did that, and they have the results of the investigation from the employee complaint against a board member. The results of the investigation have been shared with the entire board. The ten page report of the investigation found that Ron Crume violated board policy, created a likely violation of state and/or federal law that his actions were contrary to his obligation and oath to obey the laws of the State and that he used raised volume demands, cajoling, inappropriate language and strident assertion of his position as a way to get employees to take the action he wished. The conclusion reads "District policy GBNA provides that 'the Board is committed to providing a positive and productive learning and working environment. Hazing, harassment, intimidation, menacing or bullying and acts of cyberbullying, by students, staff or third parties is strictly prohibited and shall not be tolerated in the district.' The actions of Board member Crume did substantially interfere with the employee's productive working environment, as identified above. Board policy indicates that any action by "third parties" (non-students and non-staff) in violation of the policy shall be subject to appropriate sanctions as determined and imposed by the superintendent of Board." Ms. Olmo then made a motion that after reviewing the findings on the employee complaint against a board member, the actions of the board member, Ron Crume, do not represent the actions of the entire board and are inappropriate. The motion died due to lack of a second. Member Crume asked to discuss. They could not as there was no second.

COMPLAINT AGAINST A
BOARD MEMBER

Superintendent Holmes reviewed the Long Range Facility Plan that was tabled at the May board meeting. He has toured all of the facilities and looked at things such as boilers, heating units, roofs, parking lots and water treatment plants. He presented the board with an addendum to the plan which listed the top ten items to make a priority and begin work on. The downside of waiting for him to review the plan is that they have lost about six weeks of the summer addressing items that are critical to getting school started the first of September. He asked the board to approve the Long Range Facility Plan with the revised ten item priority list so they can begin immediately addressing those ten items. He reminded the board that by approving the long range plan they are not, as a board, committing themselves to doing any or all of the items. It is a plan that sets the district in motion toward addressing the issues. At any time the plan can be changed or modified based on things that occur. If we do not have the Long Range Facility Plan approved and in place the district cannot access the Construction Excise Tax (CET) account to use the money to pay for the repairs. The dollar figures provided, he believes, are well within the cost of the fixes. Member Olmo made a motion to approve the Long Range Facility Plan as submitted. Member Lengwin seconded. Member Crume asked if on the ten items— are these items that were prepared, and were the figures prepared by the previous Maintenance Director? Mr. Holmes that they have been reviewed by our current maintenance leads with conversations, phone calls and some of his personal input based on what he knows about what some of the estimates should be. Mr. Crume asked about

LONG RANGE FACILITY
PLAN

LONG RANGE
FACILITY PLAN
(CONTINUED)

line item 1—replace the boiler at Williams. Is it a new steam boiler or is it a complete system? Mr. Holmes responded that it is a new steam boiler. He forwarded the two estimates he received on to board members. The one he wants to go with is the 'A' bid from Western Boiler. That matches the size that's currently at Williams. It also has the preferred igniter and blower that is the same horsepower and is what we stock for most of our other boilers. Mr. Crume then asked about the roof repair at Fleming. Has there been any request for proposals (RFP) put together? Mr. Holmes said no—he is currently in the process of getting a roof consultant that the district has not used before to give us some parameters on what we need to ask for that repair. Mr. Crume then asked about the bleacher repair—does the repair that he is proposing have motorized? Mr. Holmes responded yes. He has waded through an extremely large amount of bleacher information and there are two ways to go: buy new ones or repair the ones we have. Hidden Valley bleachers are the most critical. A year ago he was told by a company that he is familiar with out of Washington, that has done good work for his previous district, that they could be repaired for about \$37,000. That would include motorization, re-welds, new wheels, basically refitting the whole set. They would do the same thing for any number of sets of bleachers in our district at Illinois Valley and at Hidden Valley if we so choose. The district is looking at about \$95,000-100,000 for a new set. He wants to be thrifty not cheap—cheap never works out, thrifty usually works out. What he knows right now, repair of Illinois Valley and North Valley would be the route to go and hoping to get the guy here to look at Hidden Valley to see if it is still doable. This is an item we should have been working on two months ago and he is trying to get the district up to speed as soon as possible. With volleyball season coming up it's pretty critical to get something done right away. Mr. Crume expressed a concern on item 10 (HVAC computer software) - is it \$40,000 district-wide? Mr. Holmes said that is correct. Mr. Crume felt the cost was very low, and is concerned about it. Then on the Madrona playground equipment—is that cost (\$75,000) to move the Jerome Prairie equipment to Madrona? Mr. Holmes responded that is what that is for. That is why it is categorized under future consideration. He needs more time and needs to talk to some more people and have a conversation with the board. It is a lot of money just to move that piece of equipment and it may be something where we look at buying something new and having it installed at Madrona. Mr. Crume said that what alarmed him about that is they had put forth a project, like a community effort project, to move that equipment and actually got some bids of like \$6,800 to \$8,000 to move that. It seems like there was about \$8-12,000 in bark expenses. So, the \$75,000 seems very high from what he remembers putting together. Mr. Holmes agreed—it seems high; the reason it is high is that is the recommendation cost or estimate from the company that installed it and makes it. His maintenance department has been advised that it's not something that a community effort could likely accomplish in a manner. When you deal with playground equipment the liability around doing anything is huge. They have advised our maintenance department that they don't believe it is something that a community effort could pull off in a manner that would be appropriate. That's why it's not in his top ten—it needs more consideration and needs to look into it further. Mr. York stated the concern he has with it is one of the items they have is the fire alarm system at the district office. The district has bulging elementary schools and have students here at the district office that they need to relocate. Mr. Holmes said the students here are 18-21 age program. He has had a brief conversation with Director Allen-Hart about what potential options could be. He has not had any opportunity to have discussions about what the solution might be right now. Mr. York responded that we have a school that is just sitting at Jerome Prairie that he doesn't know if it makes sense to drop a bunch of money in a fire alarm system, when you have an active one. Mr. Holmes responded that he has no perspective of putting a fire alarm system in at the District Office—that's not happening. It is not a good fiscal choice. If what he was suggesting is that they might reopen Jerome Prairie in some capacity to house the students that are at the District Office and maybe some other uses—he is open for that discussion. Mr. York said that is something to think about. Mr. Holmes also has a meeting with a community group that wants to talk about using that facility themselves for other purposes. There may be a number of things coming together that might put us in a position that has some solutions.

Board Chair York called for a vote and the motion to approve the Long Range Facility Plan passed unanimously.

LONG RANGE FACILITY
PLAN (CONTINUED)

Director Breckner brought forward the 2014-15 student calendar for approval. She believes she has answered all of the questions that has come her way since the last meeting regarding the calendar. She again requested that the board approve the calendar so that they can get enrollment packets run for the fall and get it communicated to parents and begin the process of assigning staff work calendars. Member Lengwin made a motion to approve the 2014-15 student calendar. Member Olmo seconded and the motion passed unanimously.

2014-15 STUDENT
CALENDAR

Director Valenzuela brought forward the second reading of the planned course statement for Holocaust Studies. The planned course statement was developed by a teacher at Illinois Valley High School. It is an elective course, driven by content standards from both English/Language Arts and Social Studies involving the study of the Holocaust through literature of the time. He provided the board with a reading list as requested. Member Lengwin made a motion to approve the Holocaust Planned Course Statement. Member Olmo seconded and the motion passed 3-1 (Crume opposing)

PLANNED COURSE
STATEMENT

District Accountant Lisa Cross brought forward resolution (#02) as recommended by the district Budget Committee. At the time the budget was adopted they asked that \$75,000 set aside in this year (2014-15) to be put towards the turf field project at Hidden Valley High School. Josephine County Education Fund (JCEF) is in charge of that grant and they have had donations and made payments already. According to the Budget Committee, this resolution was asked to be brought forward. Member Olmo made a motion to approve the resolution—#2. Member Lengwin seconded the motion. Member Lengwin asked for an update. Hidden Valley Assistant Principal Jamie Ongman reported that it no longer resembles a football field. Goal posts are down and sod is torn up. Ms. Olmo interjected that this was a \$1.2 million grant. Due to a large amount of in-kind donations that were received the district was asked to fund \$75,000 of the project. Mr. Ongman went on to report that Steve Stark Excavating has stepped up in a huge way as a partner with the fields and has been up there working tirelessly. They met today with Allen Surveying to set the grades for what the slope of the field is going to be. As soon as they get the grade on to the field, hopefully by the first of next week, they will have a community get-together to attach the boards to the inside of the track, which the turf will fasten to. Lumber was donated by Fields Hardware and their supplier. After that the turf installation will come which will take about two weeks just for the football field to be complete and then just the football field alone will be valued at \$1.2 million. They will then move to the softball and baseball fields. They have phenomenal people and community folks working along side to help with issues that come up. This could not have been done without our community folks. Board Chair York called for a vote and the motion carried unanimously.

RESOLUTION TO TRANS-
FER CONTINGENCY &
APPROPRIATIONS

District Accountant Lisa Cross then brought forward Resolution #3 to transfer contingency and appropriations in the amount of \$30,000 to be used towards mental health services in the 2014-15 year. This will help the other two-thirds of students in the district. Member Olmo made a motion to approve resolution #3. Member Lengwin seconded the motion. Ms. Olmo asked Director Valenzuela, at the last meeting when he spoke during the Community Comments about the need to transfer the \$30,000 to this program at the last minute. She asked Mr. Valenzuela to remind them exactly what happened and why they are looking for the \$30,000. Mr. Valenzuela shared that historically this program was funded by Medicaid reimbursement dollars, which have been declining over the last several years. They made a concerted effort last year to educate our staff on how to go through the claiming process. The process has become more tighter and more difficult for the district to be reimbursed for services. That money has been declining so they are unable to cover the cost of that program with that funding source. He went to a couple

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different foundations looking for funding sources and the only option he had was to eliminate those programs. They have two mental health providers, Options Mental Health and Kairos, utilized for the elementary K-5 programs. The \$30,000 is to keep in place what we had in the past. We have approximately \$14,000 from Medicaid reimbursement to add to the \$30,000 to put programs in every one of our elementary schools and keep the skills trainers in place. The elementary principals are really concerned about losing the skills trainers that they have now and those services going away. He is working with Superintendent Holmes now for a plan for the 2015-16 school year. The middle schools and high schools have different programs. Options handles the bulk of it and Lincoln Savage and Fleming have a 21st Century grant which includes Kairos services. They have after school programs that pull in skills groups so identified kids, two days a week, can get pulled in an after school program. Lorna Byrne is at the tail end of a 21st Century grant also. At high school, the majority of them are covered by the Oregon Health Plan and cover more specific needs. Member Lengwin asked Mr. Holmes if he is supportive of this and Mr. Holmes responded that he was. Ms. Olmo commented that she couldn't imagine reducing our mental health services. Board Chair York called for a vote and the motion passed unanimously.

EQUITY IN SCHOOL
LUNCH PRICING

Ms. Cross brought forward the Equity in School Lunch pricing which was tabled at the last board meeting. It is an increase in the food service prices according to the federal regulations. It states that the district should be increasing the rates at ten cents a year to make them equal to the federal reimbursement rate. Member Olmo made a motion to approve the increase in school lunch prices by ten cents. Member Lengwin seconded and the motion passed unanimously.

RESOLUTION TO
TRANSFER
CONTINGENCY &
APPROPRIATIONS

Ms. Cross brought forward resolution #01 which was also held over from the last board meeting for the food service deficit. She spoke with the auditors and was told they did not have to approve it. The district would simply have a comment in the audit about it, but it does have to be addressed. Member Lengwin made a motion to approve resolution #1 to transfer up to \$246,000 for the food service program. Member Olmo seconded the motion. Board Chair York called for a vote and there was no response so they went back for discussion. Ms. Olmo stated for reasons that they have all talked about, this is a really difficult situation to understand how they got here. As the chair, she was privy to conversations held throughout the district office about how they got here and was wondering if they could talk about the next item on the agenda, which is the 2014-15 Sodexo Food Service Contract, which will possibly give them some more support for cleaning up. She would like to understand how they will clearly be moving forward in a different way with more transparency and more communication before they vote to release a quarter of a million dollars. Mr. Crume interjected that he believes they need a motion to move that line item down the list on the agenda. It was suggested that they table this item and then come back to it.

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FOOD SERVICE
CONTRACT

Superintendent Holmes reported that he was not here to throw Sodexo under the bus. He believes they have a responsibility here and there is also a district responsibility for how we got in the position we got in. To answer one of the comments from tonight regarding the question about oversight and changes in responsibility—that has already been done and addressed to move forward. There were a number of things that happened last year in our district that caused us to get to where we were with that deficit. Some of which were in our control, some of which were not our control. We lost the Boys and Girls Club food service account which was about \$80,000 of the \$250,000 that we didn't expect. The snow days were another big hit. There were increases of costs. There were losses of participation. The percentages of losses of participation in the food service program mirror the losses that he incurred at his former district almost identically. They come from students not wanting to eat whole wheat crust pizza, as an example. It's based on a number of acts from the federal government for the federal food service program that requires us to meet certain nutritional guidelines and use certain foods of certain nutritional values. When you do that, and do it within the scope of trying to what Sodexo's trying to do which is produce a meal for \$1.70,

sometimes the food that's produced is not quite as tasty as what mom's producing. So, we experienced a fairly large decrease in income from lunches. Two things that the district had a responsibility for that we need to clean up. One, is that he knows Sodexo did come to us in February and warn us that we were in a situation that was not looking good and going to be in the red. That information did not get from the administrator in charge to anybody in charge—that was their fault. Secondly, there was in previous years, and will be now starting in September, a regular food service update presentation to the board on a monthly basis that will monitor profit and loss, cost overruns, percentage of participation and the things the will help us never get in that position again. Finding out about a quarter of a million dollar loss after school is out is not acceptable. We have put things in place to prevent that from happening again. Two other things—Debbie Breckner will be taking over the administration oversight of the food service program. She will do a cost labor analysis of all our sites; where our efficiencies are and aren't at each of our schools so we know where to start looking for possible cost savings. Finally, based on where we ended up at the end of this year we will go through the process of forming a Food Service Committee and putting together a full RFP and going out for bid sometime in November so that we have plenty of time to make a decision about who the contract will be issued to for the next school year. A possible consideration of bringing in-house if that's a possibility. It's a really hard thing to do and not something he looks forward to doing. All these ancillary services that we take on and take responsibility for outside of educating students in the classroom have a way of getting in the way of educating students in the classroom. It's nice, from the school administration perspective, to deal with teaching and learning and not deal with a lot of these ancillary services. A combination of monthly reports to the board as we go through this next year, a full RFP and having a number of companies bid on our contract to see what kind of value is out there, and keeping a close eye on what's going on. The item in front of the board is a new contract addendum presented by Sodexo which he believes is incredibly attractive, based on our previous contracts. They have come up with a reduction in meal prices from \$1.73 to \$1.635, which is a significant decrease in cost to the district per meal. It will result in about a \$50,000 savings next year on our current participation rate. They also came up with funding the district another \$50,000 that the district can bill Sodexo for the maintenance of kitchen equipment that frequently break. This would help offset the loss from last year and looking forward to help putting the district in the black this coming school year. Mr. Holmes recommended that the board approve the addendum for one year and move forward under the guidelines he described.

2014-15 SODEXO FOOD
SERVICE CONTRACT
(CONTINUED)

Member Crume explained one of his concerns. When he first got on the board, they were sold to the Sodexo contract. That they had ran over budget with our food service in the district and that they were doing such a wonderful job, and there were no overruns. In fact, if remembered right, they were under budget one year. He hears what Mr. Holmes is saying, but they heard the exact same thing last year when it was a \$50,000 overrun. {He was corrected by Mr. Holmes that is was \$100,000 overrun last year}. They were concerned. They were assured that this wouldn't happen again and now it's \$250,000. He is concerned. Mr. Holmes shared his concern and thinks that on a number of levels—1) the food service provider industry is not going real well right now. No matter what company, they are all experiencing the same type of issues. Any time the customers quit coming through the door, you are going to have problems with cost overruns and efficiencies go down. One of the things we deal with in this district, particularly in elementary schools, is that we could probably almost double the population at our elementary schools and the number of participations for lunches without increasing our labor costs. Running a profitable business, and looking at a way the district can do that is a very challenging piece. It doesn't mean it can't be done; it doesn't mean we have to find solutions—because we can't afford to continue to spend and pull money out of classrooms and put it in food service. The alternatives at this point are to not approve the contract and to try to provide food service ourselves next year, starting on September 1. He does not believe that is even possible, let alone feasible. Does it mean, moving

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(CONTINUED)

forward, good planning and looking at things that couldn't be a consideration. It's not something he would entertain wanting to do, but having time to be able to have those conversations.

Mr. Crume stated another concern he has is the summer lunch program. He has seen the schedule of all the dates they are serving lunches at the school. He has been to the schools. He has taken pictures of Fruitdale Elementary school. The signs draped over the school sign that says "Free Lunches". The signs in Spanish stating free lunches for anybody under 18 years old. He went in and sat and monitored through the whole entire time and the amount of lunches that he believes we are being charged for—the lights are on, the air conditioning is on, the food service people are there and we are not serving nearly as many lunches as what it looks like the district is being charged for. He has gone to the Boys and Girls Club—and wonders why we are serving lunches there in the city limits. He has monitored those lunches—the amount that they are giving out and the amount that they are giving. They haven't been the same as we are supposedly being charged for. He looks at the fair program and the hundreds of lunches that we are serving there. He has a lot of concerns and a lot of questions about what's going on and where the money is going—it's not going to the classroom.

Member Lengwin asked when the district went to subbing food service out? Ms. Breckner responded that she was still a building principal, so it's been a really long time. Since she was in charge of the program last year—the furlough days have greatly impacted. When we are not in school it's \$10-11,000 a day in revenue that's not coming in. The district already has a full calendar next year which is a helpful thing. In addressing Mr. Crume's concern about the summer food program. Fruitdale is the site where all of the lunches are being made and they are being sent out to the other sites. She offered to get Mr. Crume information on how many kids participated in those programs. Furlough days have been a huge impact. Mr. Holmes has given her a pretty clear picture of what he wants done. She does have a background in it and understands what they need to do. Unfortunately, when the district has those snow days, they don't have the revenue coming in and they are still paying staff. That doesn't help when you have expenses and no revenue. The intent when the district went that direction back in 2000/2001 was that all of the staff and everything is charged to the food service fund—that it would be self sufficient. They have had some good years where that happened. Last year we had ten furlough days which impacted us tremendously. She doesn't know all that happened this year, but with the snow and some of the other things. Mr. York commented that we had 163 days versus 165 days last year. Ms. Breckner added that next year we should have 172 days of revenue. Mr. York asked if the efficiency of having the summer lunch program cost effective? Ms. Breckner responded that it is. Based on the reimbursement rate for the free meals it is cost-effective. She offered to give him an overview and provide the exact numbers if he wanted. She agreed with Mr. Holmes in that there's mutual problem-solving to be done and Sodexo is committed to helping solve that problem, especially as we transition with a new director. She is confident they can get it under control.

Member Lengwin made a motion to approve the 2014-15 Sodexo Contract. Member Olmo seconded and the motion passed 3-1 (Crume opposing).

Board Chair York returned back to item 'H' - the resolution (#01) to transfer contingency and appropriations—\$246,000 for the food service account. Member Olmo made a motion to approve, with the intent on getting to discussion as she had a question. Member Lengwin seconded the motion. Ms. Olmo commented to Ms. Cross that this is such a large sum of money and they won't be spending it on kids—just paying a bill that they didn't realize they were incurring. There is also some slight embarrassment that she didn't realize it was coming. She asked what are the board's options? If they don't approve it what happens, and what are there options in the future? Is there an option to not pay it, or negotiate it? It's a difficult situation for all of them, and she feels for Sodexo on this as well. Ms. Cross

appreciates the question as it is something they have never dealt with before. A fund as a whole cannot be in the red. The district's special revenue funds are all of the district funds combined, but they still consider each fund individually. They do not want any individual fund to be in the red. The district is not illegal at this point, but it would not be prudent to let this deficit continue. She is still receiving revenues and still paying bills through last year. The district has not received the June payment from the feds; there are still some summer school revenues to come in, but there are still some bills to pay. That's what the accrued accounting system is—they accrue the bills and then pay them. She won't actually know until August the exact dollar amount. When she looked at what she was guessing would come in, and what to pay out it looks like \$246,000. One thing that needs to be reiterated, is that it is a business and if the business doesn't come through your door it doesn't get paid. It can be the best intentions in future years, and if the district doesn't have the participation, they still have to pay the employees. She hopes it will never happen again—but it could. Even with the best intentions. No furlough days next year has a huge impact. When you are paying employees, and not receiving revenue it is huge. Mr. Holmes added that industry standard is about 50% labor and we are running 62% - and 64% for next year. The idea that we have a partner with Sodexo, or whoever else, that at least gives the district buying power for our commodities. Debbie is working with him on where the efficiencies are at. His sense is that our people work really, really hard and there's not a whole lot of efficiencies to be had based on our participation rate and the size of our programs at all the little schools. Applegate as an example, the number of students participating in that lunch program and the number of adults it takes to prepare and serve that food is way out of whack from a labor percentage perspective. Running it as a business is a very difficult task that we have. Ms. Cross added that prior to hiring Sodexo, the contractor, food service used to be in the general fund budget. So all of those excess expenses were absorbed within the general fund. It was moved out to keep a closer eye on it and that's when they started making changes to keep it under control. Board Chair York called for a vote and the motion passed 3-1 (Crume opposing).

RESOLUTION TO TRANSFER CONTINGENCY & APPROPRIATIONS (CONTINUED)

Board Chair York moved on to unfinished business. Member Crume stated that he had two items. The first item is a motion that was made at the last board meeting to hire Cauble and Cauble law firm. We made a motion, had a second, and voted. At this point the contract has still not been signed. So, he moved to approve a motion to instruct the Three Rivers School District Board Chair, Danny York, to sign the fee agreement with the Cauble and Cauble law firm and hire them as our local attorney of record. Mr. York asked if Mr. Crume was obligating him? Mr. Crume said—yes, if they get a second and a vote. Member Lengwin stated that he thought they had done that. Mr. Crume responded they haven't done it yet. The fee agreement has not been signed. Member Olmo asked if the motion was done at the last meeting and passed? Mr. Crume said it was—but it has not been signed. Ms. Olmo asked why they are doing it again? Mr. Crume responded that they actually did not instruct the chair—this motion is to instruct the chair to sign it at this meeting—which is legal. Ms. Olmo stated she would not second the motion. Mr. York asked Superintendent Holmes about it. Mr. Holmes responded that he has not signed it yet. It's on his desk and he has had a couple of conversations with Chris Cauble concerning what his relationship might be with the district, what they would use him for and those kinds of things. Ms. Olmo asked if the board was having discussion on an item that has not had a second—and is not on the agenda? Member Lengwin seconded the motion for discussion purposes. Mr. Holmes continued that he has conversations with Mr. Cauble as to what parameters he would serve as, and believes it was Mr. Crume's idea that he would serve as a counsel to the board for questions that the board would have around needing legal advice or process contracts and those types of things—correct? Mr. Crume responded that is one. Obviously Hungerford, or whoever we use that specializes in law of contract negotiations, grievances, etc. would still continue in that. But, most districts have a local attorney of record to help them with for instance, the sewer treatment facility, or anything that comes up with the board locally. General guidance or direction, rather than using an expensive firm up in Portland they would have a local attorney of

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record that's familiar with the issues in Josephine County and surrounding our school district. He would be the local attorney of record and it's always been his understanding, he has gone back to past board members, that they have had the opportunity as a board member to receive legal counsel from time to time if necessary. In his three years on the board there has been three different times that he has either called or emailed Hungerford law firm and the agreement has always been they would respond back to every board member the answer to the question that was asked. It would seem better to have a local attorney of record in his opinion. Mr. Holmes added that his perspective on it, the reason he personally has not signed it, was walking in 15 days and having this motion made before he got here and trying to figure out what the purpose would be. He has gone through a number of obligations in his head around how this would work and he couldn't come up with a reason that he couldn't call Hungerford and get what he thought would be top notch advice around schools, or anything they might need to do on a contract basis. Then he thought about local counsel knows local issues—maybe that might be something that brings something to the table. He then read board policy and basically, it does not allow for—nor should allow for individual board members to contact legal firms for advice because that is gifting of public funds. It requires, as our board policy states, board members to go through the superintendent who then approaches the law firm for advice that he would then get back to the group. He then looked at himself as being the clearinghouse for legal advice and whose request is he going to say yes or no to? Then, would he go to Hungerford or Cauble and Cauble? At a minimum he would need some type of process in place that would guide his decisions around how that would work. Trying to be clear and not have things going on in the background that were not open and public—what's the reason? He asked for sixty days to work through it, think about it and put some procedures together. We get through sixty days which gets us to the next actual board meeting in September and then maybe he could have a clear answer. If the board directs him to go sign it, he will sign it. Mr. Crume stated that he believes with the last motion that was made they had already directed that they wanted that signed. But, the reason for the new motion was because the fee agreement and the contract that was sent on April 14th to the district had a line for the board chair to sign the contract. With the new board chair, that's why he made the motion, so they could move forward and get the new board chair to sign the fee agreement. Ms. Olmo stated that if they were back to discussing the idea of hiring Cauble and Cauble to represent the district in part, as she stated at the prior meeting, and her opinion still is—her concern is not with Cauble and Cauble. She sits with Chris Cauble on a different board and he is an exceptional member of our community, she thinks highly of him and his practice. She has two concerns about this with district money and with the communication. They have a board policy that states that all communication is supposed to go through the superintendent or the board chair if the topic is the superintendent. Ron Crume has clearly communicated to her, as he did just to him, that he believes that board members should have the ability to go directly to an attorney. She believes that could potentially be misuse of public funds and there wouldn't be board oversight and it could be confusing and we could potentially have a board member that has had many hours of advice on district dollars that the board may or may not have wanted. She believes that Chris Cauble is Ron Crume's friend and business colleague and she believes that is potentially inappropriate and she has that in writing from the attorney. Mr. Crume responded that it was not his wish that they had the right—it was told to him and Mr. Lengwin, that they did have that right. Ms. Olmo stated that Mr. Crume expressed to her that he believed he had that right and that he intended to exercise that right and that he was not going to communicate through her as the chair or the superintendent. Mr. Crume denied ever saying that to her. Mr. Crume then stated that as far as him being a friend of Chris Cauble's, the term friend can be used loosely. He does not know where he lives, has never been to dinner, lunch or breakfast with him, has never seen him outside of the office. His business hired Mr. Cauble to represent them one time in a deposition. That's the extent of his relationship with Chris Cauble. Mr. Crume stated that he mentioned Chris Cauble to her and she told him that she really liked him and sat on a board with him and would be willing to go to him. Mr. Crume stated that the board has a policy that it goes through the superintendent.

Mr. Lengwin asked Ms. Breckner for clarification—that they were able to talk to Hungerford before individually? Ms. Breckner responded that they can ask the question individually, but the response goes to the entire board. There has been times before when a question was asked and the response went to the entire board. That would be the appropriate practice. As an example, it would be inappropriate for Ron as the board chair to ask a question and for that response only to go to Ron. That would be hugely inappropriate. Mr. York asked outside of board chair, if a board member could contact the attorney? Ms. Breckner responded that she does not believe we have done that, but she would have to look. The point of it when we contact an attorney, which attorney do you contact? What we don't want to do, is contact two different attorneys with the same question and get double-billed. We want to be thrifty, but not cheap. We need to be efficient and frugal with how we spend those dollars. Part of the reason the policy says to clear it through the superintendent is that you do want to watch that misuse of public funds. One of the biggest ways to get in trouble is mis-spend public money. That's why that has gone through the superintendent, because the superintendent has training and knows how public money gets spent. Mr. Crume stated he is completely fine following that policy through the superintendent, but he has also seen on the check register at least two different local attorneys hired. He knows Ms. Breckner worked with one in regards to the sewer contract. He has also been told by many different people that it is absolutely standard procedure to have a local attorney of record listed and when you talk about being frugal, the contract that he sent them is much less than what they pay Hungerford. Ms. Breckner responded that she knows three different ways that school districts are represented. One is the way we have, which is a designated law firm. There are others that use a firm like the Hungerford's when they have a real serious issue, but use primarily OSBA for their legal services. There are districts, typically the size of Medford, Eugene or Portland that do have an independent counsel that's local.

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Board Chair York asked for clarification—are we asking for the superintendent to sign the contract? Mr. Crume responded the motion was to ask the board chair to sign the contract as it was addressed to the board chair. Mr. Lengwin asked if he signs the contract there won't be any obligated funds just to sign the contract? Mr. Crume responded no, he has stated an hourly rate in his proposal and has said that he is willing to come to board meetings if there is ever an issue that they need him at a board meeting for, at a discounted rate. All communications would go through Dave Holmes as superintendent. Ms. Olmo responded that Mr. Holmes has stated he does not want this right now. Mr. York asked if they should potentially table this to allow Mr. Holmes the leeway to explore some of these things—or do they feel like they are exposed in any way? He wants to try and bring the pieces together. He understands that there are questions and thinks that this point in the relationship that they are trying to develop if they can allow some dust to settle and see where the pieces lay, it might be prudent at this time. Try to allow the man to work a little bit.

Mr. Crume stated as ORS 332.072 states that the board is the supreme authority in the district. The board has made a motion, a second and voted to have the contract signed - and it is still not signed. He asked Mr. Holmes if he would be in support of getting the board chair to sign the contract? They agree, as board policy dictates, that all correspondence would go through him. Mr. Holmes responded yes—as he would be on record to state that he does not think that it is a good idea. That he doesn't think we need it and doesn't think it is something that he wants to get himself involved in—in terms of determining multiple law firms and which goes where, etc. It's one more further distraction from what the business at hand is, which is educating students. He is in the position, and knows he has support from all board members because of individual conversations, that they are supportive of moving forward. It's time to bury the hatchet, it's time to work together, it's time to not be divisive and it's time to put a smile on our face and look out for our kids. His advice is that they don't need this, he doesn't want to deal with it, he doesn't think it's necessary— but if the board directs him to sign it, they are his

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boss and he will sign it. Mr. Crume stated that the board would be directing Board Chair York to sign it, just asking for Mr. Holmes support on it, and they may never use him. Mr. Holmes responded that again, he has stated his position and if the board wants to direct him to sign it that's up to him and, the board is his boss and he has stated his position. Mr. York said that he wants to try and build and honestly would love to table this and if they see bumps and valleys where they really need to do something like this. In his heart of hearts he would like to think that Mr. Holmes would sign it if he thought there was something that needed to be signed. If they don't trust the counsel that they are getting then he thinks they need to move forward with an RFP to find new counsel. He doesn't believe Chris Cauble's expertise is in what they are doing as a school district. Mr. Crume asked if they were saying that the board is not going to use any local counsel? Because we are using local counsel right now. They just don't have local counsel of record named. Mr. Holmes responded that is a good point. He doesn't see why they need local counsel of record named. The district can use local counsel any time for anything they need. They just call them up and ask for their services. Mr. York asked if that was a good business practice? Mr. Holmes responded that based on finding out what the rates are and knowing what their expertise are. Any time you do anything with legal counsel, the first question is what is their expertise and what are we going to get from them based on what we are asking? That is the first process he would be going through. He has no idea what Mr. Cauble's expertise is, he doesn't have any idea why we would go to him versus anybody else. Ms. Breckner has used a couple of local people for specific things that they specialized in the past. He doesn't know why they wouldn't do that in the future. We need somebody of record for the district, for district business for collective bargaining and those kinds of things because that is mandatory we have that on record. Beyond that we still have the freedom to engage anyone we want, any time we want, for whatever we want. Ms. Olmo stated that for the record, the superintendent does not need permission from the board or a board vote to enter in to a services agreement or to retain information or gather information from legal counsel. The superintendent has the right to sign a services agreement. Board Chair stated there was a motion and a second and called for a vote. The motion failed 1-3 (Olmo, Lengwin and York opposing).

Mr. Crume stated he wanted to revisit item 'A' (Complaint against a board member) and make a motion. He then made a motion that this board agreed to follow the policies of the district and does not condone any behavior described in this report. Ms. Olmo asked if he was making this motion to sanction himself? Mr. Crume responded-no, not at all. Ms. Olmo doesn't understand what the motion means, and will not second the motion. Member Lengwin seconded the motion for discussion purposes. Ms. Olmo stated that the motion she made earlier, and the words she read earlier were what was recommended to the board by legal counsel after reviewing the results of the investigation. She read her original motion again—after reviewing the findings on the employee complaint against a board member, the actions of the board member, Ron Crume, do not represent the actions of the entire board and are inappropriate. Those words were suggested to the board by legal counsel as a way for this board to show that they do not condone acting outside of board policy or the behaviors which were listed. The motion that Mr. Crume made is very vague and she doesn't understand the intention of it or what he is actually eluding to not agreeing with. She doesn't think it is appropriate, she doesn't think he would sanction himself, so she doesn't understand what he is doing. Mr. Crume is saying that he does not condone any of the behavior described in the report, he doesn't agree with the report, and he doesn't believe that the report is accurate. Ms. Olmo stated that's why he had an issue with Hungerford—they are the firm that conducted the investigation. Mr. Crume responded that has nothing to do with it. It has to do with the \$17,500 bill to the district this month. It has to do with questions, it has to do with a lot of things. In the beginning of the report it says "at the request of the board chair we conducted an investigation of complaints filed by board secretary". Ms. Olmo responded that is correct. She believes she read it in her statement, but she can share it with the board as well. Mr. Crume said his question is did Ms. Olmo request the investigation? Ms. Olmo responded absolutely, yes. Mr. Crume then stated that

in Robert's Rules of Order page 141 "the proper procedure for an investigation on any board member is to introduce a main motion to the board authorizing an investigation and a vote." Ms. Olmo explained that the board did speak about it in a board meeting—but he is correct in that they did not vote on it. Mr. Crume added board policy BBAA is *individual board member's authority and responsibilities*. Line item five—contracts made by individual board members states "if a contract is made without the authority of the board the individual making such contract is personally liable. Ms. Olmo responded that she would be happy to go back through the process in which they made that decision. The board was made aware that they were using an outside firm. Mr. Crume stated she did not follow board policy, nor the policy of Robert's Rules of Order. He does not have any faith in the investigation that was done. He doesn't believe the investigation was independent. He does believe it was biased, and he believes that she failed to follow Robert's Rules of Order policies and the district's policies. Which, by our policies says that she is liable. Ms. Olmo responded that she supported the recommendation of the district's liability insurance. After the board spoke about it together in executive session, the superintendent contacted PACE, the district's insurance liability provider, to ask how they should legally proceed as doing it through our HR Director would have put HR Director in an extremely in appropriate position. PACE recommended to the district that they use an outside firm, she believes they got two different bids, and then one was selected by the superintendent and then they proceeded. She was a part of the discussion with the liability provider and it certainly made sense that they did not do the investigation internally as it was a board member. It was certainly unchartered territory for all of them. Mr. Crume said she stated her reasons, the report shows that the request of the board chair. She has admitted that she requested it. Ms. Olmo stated that she was a part of the conversation—and she was a part of the conversation because he was no longer the board chair because he resigned because of his conduct that was alleged in the report and asked her to do it. Mr. Crume responded that was not why he resigned. She is putting words in his mouth. Ms. Olmo said they are all just trying to do the right thing. Mr. Crume responded that they have just agreed that they are going to follow board policy. He said he made the motion, and believes there is a second.

UNFINISHED BUSINESS
(CONTINUED)

Member Lengwin asked what the motion was? Mr. Crume stated the motion is that the board agrees to follow the policies of the district and does not condone any behavior described in this report. Board Chair York stated it feels like—the hatchet keeps coming back out.—and he gets it. Everybody wants their words. The behavior in the report is not something he would agree with. Mr. Crume stated that he has been accused of something he does not feel he has done. Ms. Olmo stated she was just reporting on the results of the investigation—not on one accusation. The accusations that were not upheld she did not elude to. Mr. Crume responded the investigation report used words like "likely" - it's not firm. Ms. Olmo added that those were the words that she used as well. Mr. Crume said he knows she did; he caught that. He wrote them down and he has got them highlighted in the report. The things that he told the investigator were not put in the report. That's why he feels like it was biased. Things that were asked of the investigator could not have been known by the investigator. The investigator prompted him to answer in certain ways. This is why he stated that he does not feel that this was an independent investigation by any means. He does believe it was biased. He does believe that there were mistakes made. It is so easy to quickly point the finger at somebody else for possibly making a mistake and not following board policy, but when you get caught in it and it is facing you in the face that you have made the mistakes and it's very clear. Were they intentional—he's not saying that anybody intentionally made those mistakes. He is calling out that the mistakes were made, violated our policy. He would like to move on too, but there's things that keep coming up. He believes a person has a right to defend themselves. He made a simple motion that they need to follow policy and he doesn't agree with condoning that behavior. Ms. Olmo stated that he has an amazing ability to take no responsibility for anything he says or does. Mr. Lengwin suggested they vote and move on.

UNFINISHED
BUSINESS
(CONTINUED)

Board Chair York called for a vote and the motion failed 2-2 (York and Olmo opposing).

Board Chair York asked if there was anything for future board meetings that they would want? There was none.

Member Crume moved to adjourn.

Ms. Olmo pointed out that there was a question from the audience. Madrona teacher Sharon Fisher stated that she did not want to be out of order but she is a first grade teacher and wanted to comment about the playground. She felt the playground was adequate as-is. She would hate to see \$75,000 dollars squandered on a playground. The fifth graders don't use that as much. They would also have to have more duty teachers with more equipment.

ADJOURN

Member Lengwin moved to adjourn the meeting. Mr. York seconded and the motion passed unanimously at 8:25 p.m.

Danny York
Chairperson of the Board

David Holmes
Superintendent-Clerk



**THREE RIVERS SCHOOL DISTRICT
MURPHY, OREGON**

**ANNUAL ORGANIZATION MEETING
July 15, 2014**

A. SCHOOL BOARD ORGANIZATION FOR 2014-2015

- I. Nominations for Chairperson of the Board of Education for the fiscal year commencing July 1, 2014 (ORS 332.040):

Danny York was nominated by Ron Crume for Board Chair.

Danny York was elected Chairman of Three Rivers School District's Board of Education for the fiscal year commencing July 1, 2014 by a vote of 4-0.

**THE ELECTED CHAIRPERSON WILL TAKE OVER THE CHAIRING OF THE MEETING
AT THIS TIME.**

2. Nominations for Vice-Chairperson of the Board of Education for the fiscal year commencing July 1, 2014 (ORS 332.040)

Ron Lengwin was nominated by Ron Crume for Vice- Chair.

Kate Dwyer was nominated by Kara Olmo for Vice- Chair.

Ron Lengwin was elected Vice-Chair of Three Rivers School District's Board of Education for the fiscal year commencing July 1, 2014 by a vote of 3-1.

3. Moved By: Ron Crume Seconded By: Kara Olmo
that the third Tuesday of the month at 6:00 p.m. be designated as the regular monthly meeting unless otherwise notified.

Motion: Passed X Failed _____



**THREE RIVERS SCHOOL DISTRICT
MURPHY, OREGON**

**ANNUAL ORGANIZATION MEETING
July 15, 2014**

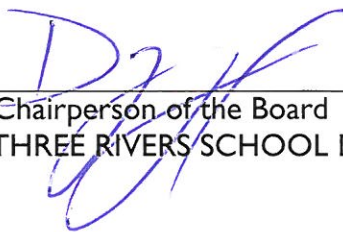
B. ANNUAL ORGANIZATIONAL RESOLUTIONS FOR 2014-15 (ACTION):

- a. **Designate Executive Officer:** *Superintendent David Holmes is the Board's Executive Officer.* Oregon statute specifies that the Board shall designate the chief administrative officer of the district as district clerk. Our policy states that the Superintendent shall act as executive officer of the Board. These designations authorize the superintendent to employ personnel, to sign checks and make salary payments, and to act as custodian of funds. In addition, all contracts must be approved by the school board before an order can be drawn for payment. Therefore, the superintendent and/or deputy clerk needs to be authorized to make payments in a timely manner of all obligations entered into by the district in accordance with the budget as adopted and appropriated by the Board of Directors.
- b. **Designate Budget Officer and Deputy Clerk:** *Superintendent David Holmes is the designated Budget Officer and Deputy Clerk.*
- c. **Designate Board's Official Agent:** *Superintendent David Holmes will be the official agent for all matters dealing with federal, state and local government agencies and other education agencies. Policy and practice designates this authority to the superintendent.*
- d. **Designate Depositories for School Funds:** Bank of the Cascades, Wells Fargo, Local Government Investment Pool, Washington Federal, Umpqua Bank, First Community Credit Union, Josephine County Treasurer, and Jackson County Treasurer and all other local financial institutions, which meet Oregon collateral requirements, are the designated depositories. These are the existing depositories and have been carried over to the new fiscal year.
- e. **Authorize Facsimile Signature of Custodian of Funds:** Superintendent David Holmes facsimile signature be authorized.
- f. **Determine Amounts of Fidelity Bonds of Persons Who Shall Be Bonded:** Superintendent/Business Manager David Holmes will be bonded for \$100,000 under current District *Property and Causality Coverage Criminal Policy.*

- g. **Designate Auditors:** *Michael L. Piels CPA's, LLP* is designated as our financial auditors for the 2014-2015 school year.
- h. **Designate Legal Counsel:** *Hungerford Law Firm, LLP* is designated as our legal counsel for the 2014-2015 school year.
- i. **Review status of Local Public Contract Review Board and Rules:** The Three Rivers Board of Directors will act as our review board for the 2014-2015 school year.

Moved: *Kara Olmo*, Seconded by: *Ron Lengwin*

Motion: passed *X* failed _____



Chairperson of the Board
THREE RIVERS SCHOOL DISTRICT



David Holmes, Superintendent-Clerk
THREE RIVERS SCHOOL DISTRICT