

Three Rivers School Board of Directors met for a regular session, Monday, December 12, 2011 at the Three Rivers District Administration Office, 8550 New Hope, Grants Pass, Josephine County, Oregon at 7:00 p.m.

PRESENT: Ron Lengwin, Chairperson of the Board, Zone V PRESENT
Bob Litak, Member of the Board, Zone I
Jadd Horban, Member of the Board, Zone II
Leslie Meier, Vice-Chairperson of the Board, Zone III
Ron Crume, Member of the Board, Zone IV
Debbie Breckner, Director of Human Resources
Doug Ely, Director of Student Services
Peter Maluk, Director of Elementary Education

Also Present: Steve Jones, Dave Marks, Lisa Cross/District Accountant, Dave Bracken/Aramark, Jim Bunge/Aramark, Peggy Sue Bunge, Patti Richter/Daily Courier, Michael Morris/Sodexo, Stacey Denton, Wensdae Davis, Kathy Ryan, Sally Clements, Richard Ziff, Kirk Baumann/Lincoln Savage Vice-Principal, Damian Crowson/Lincoln Savage Principal and Shelly Quick/Recording Secretary. ALSO PRESENT

Board Chair Ron Lengwin called the meeting to order at 7:05 PM and led the audience in the Pledge of Allegiance. CALL TO ORDER

Superintendent Huber-Kantola gave a financial update that gave a beginning look at finances and where we are at as of the end of October. We're anticipating local revenue (taxes) to not change. The money from the Southern Oregon ESD will not change a lot. State revenue will go down largely due to our loss of enrollment and loss of a State sub-grant. It would have gone down a lot more had the Legislature not passed the Senate Bill that allowed for remote small school funding for Applegate School which would be an almost \$800,000 loss without that additional income. The Federal revenue (Federal forest fees) is not coming at this point. We will have slightly less revenue next year than we had this year. On a good note the beginning fund balance that is in our budget for this year was \$1.2 million and we actually began the year with about \$1.8 million. At the bottom line of 'Total Resources' if we ran all salaries all days and staff exactly the way it is this year for next year we could make that work and would have a balance of \$177,000 left over. This is a much better start than we have had in other years. For additional expenditures when you look at restoring six days that were cut it is a cost of about \$850,000—at everybody's current salary level. The ending fund balance should be at a level of \$1 million, which increases expenses by \$500,000. A conservative estimate of utilities and insurance with a 2% increase equals \$81,000. To restore everything to a full school year and an ending fund balance of about one million dollars we are about \$1.2 million short. SUPERINTENDENT'S REPORT

Superintendent Huber-Kantola reported on House Bill 3417 in regards to charter school funding. In speaking to Michael Elliott he found out that it affects us potentially in two ways; it definitely affects us with Sunny Wolf and potentially affects us with Woodland Charter School. The law says it funds charter school funding separately

SUPERINTENDENT'S REPORT (CONTINUED)	<p>from school funding in considering the ADMw. He gave a scenario of the funding utilizing Sunny Wolf as an example. The District is paid on the previous year's number of students for the regular schools, and the current enrollment on the Sunny Wolf students. So if their enrollment goes up next year, it will be an increase in funds for the District. If we start a charter school, because their total in our ADM this year was none, we get funded based on whatever the number of ADMw is at the time for the charter school. Superintendent Huber-Kantola presented various funding scenarios for review that were based on different flow-through estimates and the number of students enrolled in the charter school and those transferred from Three Rivers School District to the charter school.</p>
FINANCIAL REPORTS	<p>District Accountant Lisa Cross presented the Cash Report and Ending Fund balance Report. Ms. Cross reported that our Cash Report through November reflects \$14,168 in the bank and taxes have been coming in regularly. They are down about 2% from last year, but the first part of December we have received some very large payments. We should end up with what was estimated. The ending fund balance estimate is \$1.71 million—down about \$90,000 from last month. Mostly due to employee and insurance costs and an increase in utilities.</p>
CONSENT AGENDA	<p>Member Meier asked the November 14th Regular Session minutes and the Melissa Farmer out-of-state travel request be pulled for discussion.</p>
APPROVED	<p>Member Meier moved to approve the Consent Agenda with the noted exceptions. Member Horban seconded and the motion passed unanimously.</p> <p>Member Meier asked how the sub costs and transportation were being paid for Melissa Farmer's out-of-state travel to San Diego to attend the Murdock Conference? Superintendent Huber-Kantola responded that they will be paid out of the Illinois Valley High School discretionary budget. In the past the costs have been paid for with professional development funds, which we don't have this year.</p> <p>Member Meier moved to approve the travel. Member Litak seconded and the motion passed unanimously.</p> <p>The draft minutes for the November 14, 2011 Regular Session were tabled. There was a content issue that will require the Board Secretary to go back and review the audio for clarification. The minutes will be brought back before the Board for approval at the January 9th meeting.</p>
COMMUNITY COMMENTS	<p>Board Chair Lengwin opened up the meeting for Community Comments and there were none.</p>
WOODLAND CHARTER SCHOOL UPDATE	<p>Federal Programs Director Peter Maluk reported that at the last board meeting we agreed, along with Woodland Charter, to ask the State Board of Education for another postponement so that the Board could make a final vote on their revised application in January. The State was willing to do it, and verified that they are still going to rule if it gets into their hands in their January meeting, which is in late January, that they would still rule on the original application based on everything that was in effect last June at the first hearing. As a result, we looked at their application and sent back feedback regarding the academics and curriculum and believe we are in agreement that they took our recommendations and expectations regarding student achievement and curriculum. The issues that still remain include:</p> <ul style="list-style-type: none">• Flowthrough—we informed WCS that we are standing firm at 80%. They were structuring it so that kindergarten received 90%, 5th-6th—87% and 1st-4th—80%. They are willing to come down to an overall 85%. They are different than Sunny Wolf Charter School in that Sunny Wolf had a site—we

gave them a school. WCS has to develop a site based on the fact that we have made it clear that we do not want the school in Williams. WCS also lost the start-up grant. Director Maluk explained that WCS could be looked at differently than Sunny Wolf when considering the flow-through rate due to the start-up costs involved. He explained if the Board were to approve we would have to agree on the flow-through.

- We have agreed that there would be a cap of twenty (20) Three Rivers students in the first year. WCS reluctantly does this because they have some concerns about the legality, which Director Maluk agrees, if challenged, could be an issue. We have been told by our attorney that if we jointly agree to set a cap it should be able to hold up against any charges. We want to maintain some control over the first couple of years until we get a regular flow of revenue and the financial impacts are as little as possible. WCS has stated that if they are to agree to a cap that they would assume that the District would pick up any legal costs that might ensue because of a challenge. Director Maluk stated he does not foresee any legal costs because if it gets challenged, it would be determined rather quickly whether we would have to take the cap off the table or not.
- Site development—WCS will come in next month with a plan to share on how that is going to transpire.

WOODLAND CHARTER
SCHOOL UPDATE
(CONTINUED)

Director Maluk presented a flow chart indicating what would happen with the Woodland Charter decision in the event the Board approves or does not approve. If the Board decides to approve sponsorship there is a potential of 15-20% ADM flow-through, a cap of twenty Three Rivers students, legal implications around the cap and then the site development needs to be discussed and agreed to. If the Board does not approve the State Board will, at their meeting in January, decide on State sponsorship. If the State Board accepts sponsorship we will receive just 5% ADM flow-through and the State Board will be its sponsor. The site will still be up in the air, it would not have to be Hidden Valley and could possibly be back in Williams. If the State Board rejects it, which Director Maluk believes they will as the State Board has only sponsored four charters in the entire state and most of them are in the Portland area, Woodland could then either disband or come back with another application. If they should come back with a new application, with the new House Bill that was passed last year they can apply to Three Rivers, RCC and/or Southern Oregon University.

Member Meier asked how it would work if RCC or SOU were to sponsor a charter school—in terms of what responsibilities that would leave to our school district? Superintendent Huber-Kantola responded that it is unclear, he believes that the district may still have responsibility for the needs of Special Education students and Director Breckner added that she believes that the district may still have the responsibility of the registration of staff as well. We would need to get further clarification on the issue.

Director Maluk continued that if they reapply the entire process starts anew. The potential loss of ADM revenue remains 5-10% and the location is out of our control and any cap on Three Rivers School District's students gets out of our control. There is some risk going in that direction.

Member Meier commented that she is uncomfortable on the cap. She is concerned for the potential that it could be challenged—not those making the agreement challenging it. Superintendent Huber-Kantola responded that he will take the question back to our legal counsel.

Wensdae Davis presented a chart to members of the Board showing the difference between the 80% pass-through versus the 85% pass-through in comparison with Sunny Wolf as Woodland will need to be renting facilities in addition to developing it. The total difference between the 80% and 85% is at almost exactly the amount that they would be

WOODLAND CHARTER
SCHOOL UPDATE
(CONTINUED)

renting their modular buildings for, without taking into account what they will need to spend to develop the site. This information backs up their need to insist of having 85% flow-through to make their school work.

Member Litak asked if there are still currently 62 kids pre-enrolled, as this was the number presented over a year ago. How many of those do we know are still solid? Ms. Davis responded that it is always changing but they are still at that same number. They have recently made contact with all pre-enrolled students and have dropped some and added others as well. Of the 62 kids pre-enrolled, only seven of those were Three Rivers students. Their current budget is based on 95 students.

WCS representative Stacey Denton provided an update of the site development at the Hidden Valley campus. They have started working with two third-party contractors in the area, Richard Cassidy and John Schmear and they are gathering for them information about what kind of potential permits and costs they can anticipate in the development of the Hidden Valley site. They should have some rough numbers from them later in the week. It is their intention to get all information to the Board about two weeks before the January 9th vote. This packet of information will include any numbers they have on the estimated costs for development at Hidden Valley and have also submitted a pre-application for a Site Plan Review to Josephine County Planning. They have given them an estimate of about a four week turn-around to be able to give them the analysis. Unfortunately, four weeks from now will be after the vote on the 9th, but they have hired John Schmear to be their agent in that process and she anticipates that he will be able to talk with them and get a good deal of information before the final report from the application comes back. Ms. Denton anticipates getting the packet of information out to the Board on December 26th.

Member Litak asked if there are excess modular buildings in our District that could be potentially available for WCS to utilize? Director Maluk responded that there are three modular available at Lincoln Savage. Those buildings do not have facilities, they are just classrooms.

WCS representative Richard Ziff asked Member Litak if he had any further questions regarding the financials? Member Litak responded he had none at this time.

Ms. Denton commented that there are a lot of small details that could be pertinent to a vote which is scheduled for January 9th and asked if there was a possibility for a study session prior to that date? It was decided that the Board will discuss the possibility of a work session further and advise them tomorrow.

SODEXO FOOD SERVICE
VENDOR APPROVAL

Human Resources Director Debbie Breckner reported that there were only two food service proposals submitted in response to the RFP. There were a number of vendors that attended the pre-bid meeting, but only two submitted proposals. Director Breckner requested Board approval to move forward with Sodexo as the vendor. This will enable her to contact ODE and get a draft contract to then bring back to the Board for approval prior to June 2012.

Board Chair Lengwin asked how long the contract was for? Director Breckner responded that she has not yet seen it from ODE, but the last one was for a five-year term, renewable every year.

Member Horban asked when was the last time we had sent this out for RFP? Director Breckner responded that it was five years ago. Superintendent Huber-Kantola added that it is mandated to go out for RFP every five years.

Member Litak asked where the scoring categories came from? Director Breckner responded that the categories were in the RFP and came from the template that ODE provided us. Director Breckner reviewed the scoring differences and pros and cons of both vendors. She also noted that there will be some things we will be asking Sodexo to do differently such as looking the elementary lunch program to address the possibility of adding more choices and other ways of increasing participation to feed more kids. Director Breckner also explained the make-up of the committee that evaluated the proposals. It was a large committee with as much diversity as possible to ensure fairness.

SODEXO FOOD SERVICE
VENDOR APPROVAL
(CONTINUED)

Member Meier suggested that in the future we add a patron to the committee? Director Breckner responded that will be done.

APPROVED

Member Meier moved to approve Sodexo as the food service vendor. Member Crume seconded and the motion passed 4-1, Member Horban opposing.

Lincoln Savage Middle School Principal Damian Crowson explained that they would like to pursue tech grant possibilities utilizing grant writer Jane McAlvage. They would like to obtain \$400,000 to create four new electronic classrooms, 160 computers—40 per classroom. Lincoln Savage currently has the worst technology in the district. The \$400,000 amount is based on his previous experience in setting up classrooms at Lorna Byrne Middle School. Any costs associated with hooking up the computers would be included in the grant money or utilizing SOESD, there would be no cost to the district.

LINCOLN SAVAGE
MIDDLE SCHOOL TECH
GRANTS

APPROVED

Member Meier moved to allow Principal Crowson to pursue the tech grants. Member Litak seconded and the motion passed unanimously.

Superintendent Huber-Kantola brought forward an ODE student survey which asks questions about alcohol and drug use, gambling, bullying, etc. regarding student behavior. There is a survey for 6th and 8th graders and a survey for 11th graders. In the past we have surveyed the 8th and 11th grades and skipped the 6th grade survey, which we believe what Grants Pass School District has chosen to do as well. The information it gives us tells us what issues we have regarding our students. It is more valuable for the community in that the results allow them to go out for grants based on what percentage of our student population is doing 'X' thing.

ODE STUDENT
WELLNESS SURVEY

Member Litak stated it will also be helpful for us to know what kind of problems we have in the district.

Superintendent Huber-Kantola recommended that we conduct the survey for at least the 8th and 11th grades.

A discussion was held regarding the pros and cons on conducting the survey at the 6th grade level. Member Meier felt like the survey was too long and suggested the district come up with a more simple survey on their own to gather information for our own purposes.

APPROVED

Member Litak moved to offer the survey to 8th and 11th graders. Member Horban seconded and the motion passed 4-1. Member Crume opposing.

Superintendent Huber-Kantola stated HB 3681 is the open enrollment bill that passed. What he has interpreted from the legislative meeting was that they would like to give it a try and find out what happens with open enrollment. The legislatures did express some interest in potentially capping it—but we will need to see if anything comes of that or not. There will be no other guidance in terms of OAR's or ORS's other than the *'Frequently Asked Questions'* memorandum we received from ODE. It brings up as many questions as it answers. One thing we know for sure is that districts do have the ability to opt out of it—districts can state that they do not want to participate in open enrollment. As in the past, our inter-district

INTER-DISTRICT
TRANSFERS—HB 3681

INTER-DISTRICT
TRANSFERS—HB 3681
(CONTINUED)

transfer policy has been almost identical to Grants Pass D7, and so board Chair Lengwin and Member Meier have met with two of their board members to see where they are at in the process. Grants Pass D7 does not yet know where they are at in adopting or not adopting the process. There are some good things that could come from it—you could gain more kids; you could lose kids. One of the things that is scary for districts is that you no control over what kids come, unless a kid is expelled. As a hypothetical, Grants Pass could say they are going to open up ten slots in the third grade, and could get twenty applications for third graders, and would have to have some type of lottery system to fill the slots. If by chance one of the ten that they drew was a multi-handicapped student from the Illinois Valley area—because transportation is listed on that student's IEP, they would be obligated not only to serve that student in a multi-handicapped setting, but would be obligated to transport that student from the Illinois Valley to one of their programs. With districts not knowing how exactly that is going to work, creates some reluctance about potentially doing that.

Member Meier added another issue is that you are getting that student for 'life' (K-12) - it is not just for a year once you have accepted them.

Superintendent Huber-Kantola stated our thought is to continue the conversations with Grants Pass and we can continue to talk about it as a Board. But, in all likelihood, because of the proximity of the districts, what one does the other is likely going to have to do.

Member Meier expressed the need to have a work session on this as there are many things that need to be discussed. We will be meeting again with Grants Pass on January 26th. Superintendent Huber-Kantola agreed as the Board will need to decide:

- Are we going to do open enrollment?
- If so, are we going to do it by school, district, grade?

Everything needs to be decided and in place by March 1st.

Superintendent Huber-Kantola added that this does not preclude or end the other inter-district agreements that we have had.

The agreement with Grants Pass was that each of the Boards would meet and discuss options, and get back together to discuss informally on January 26th.

The topic of scheduling of upcoming meetings was tabled.

Dave Bracken stated he had nothing to add to his written report and asked if there were questions?

Member Horban thanked Mr. Bracken for getting the equipment out of North Valley High School so quickly. Mr. Bracken stated that part of the equipment is currently in a compound behind the school and the other part of it is inside the school at North Valley. There are also a couple pieces of equipment in the grounds shed that were never put up. Superintendent Huber-Kantola added that the Leadership kids are doing a good job. One of the things they are looking at is moving it to the Merlin Alternative Center (MAC) possibly in conjunction with one of the parks out there which would allow school and community access.

Member Litak asked why three trees were removed from Fleming. Mr. Bracken responded that they were rotten, which made them dangerous. They were taken to North Valley and burned.

Member Meier commented on the Lincoln Savage energy use. She would be interested

SCHEDULING OF
UPCOMING MEETINGS

MAINTENANCE REPORT

to see how the estimates of what Lincoln Savage is saving compares to the bills coming in. Jim Bunge responded that Lincoln Savage is constantly down—compared to last month, they are down another 3%. They make a common practice of turning lights off, doors are closed, units are shut down at night and they're not overheating buildings. Member Meier asked if we are utilizing the unoccupied modes **of office equipment**? Are there some programs we can do to encourage that—or someone we can designate in each building to go through and check to ensure things are off, especially during weekends and breaks. Mr. Bunge responded that the custodians are encouraged when they go through at night to shut things down if they are left on. It is up to staff to remember to turn things off. Mr. Bunge will bring it up at the custodian training coming up on the 19th.

MAINTENANCE REPORT
(CONTINUED)

Member Litak asked for clarification on the Fruitdale fire alarm system as the report states that it is *currently working with alarm horns and strobes working throughout the building*. Does that indicate that there never was a problem with it except for maybe the synchronizing device or ? Mr. Bracken responded that there has always been a lot of question about the system, but over the long haul they have continually had issues with that system. As of today it is working really well. They are still experiencing some false alarms in the smoke detectors. Action Industrial will be back over winter break and will download the new system and install the new panel then go back through and check it.

Member Litak asked about the biomass boiler that was down at Illinois Valley High School. How long was it down? Mr. Bunge responded that it was down approximately four hours on Monday and three hours on Tuesday due to the jam. The backup boiler fired automatically to provide heat. Member **Litak** added that it appears the problem was with product provided by Bear Mountain Forest and asked if we would be getting reimbursement from them for the gas that was used and extra maintenance personnel required to fix the problem? Mr. Bunge responded that they are in the process of getting them the number on how much it cost and talk about reimbursement.

FOOD SERVICE REPORT

Michael Morris stated he had nothing to add to his written report and asked if there were questions? He was asked to explain the *Healthy High School Challenge*, a nation wide program, sponsored by Sodexo that helps educate students about making healthy meal choices by promoting nutritious meals in all our high school cafeterias. Currently, all three of our high schools are on the top 100 list for the entire U.S. Mr. Morris explained that it runs from October 31st through winter break. They calculate participation, a la cart sales, and is weighted on the size of the school. Illinois Valley was rated number eight last week. He will keep the Board posted on the results.

ADJOURN

Adjourn at 9:15 PM

Ron Lengwin
Chairperson of the Board

Dan Huber-Kantola
Superintendent-Clerk