

**Redmond School District
School Board Meeting and Work Session
February 13, 2013**

In Attendance: Chair Cathy Miller, Vice-Chair AJ Losoya, Directors Ric Little, Bob Perry, Patricia Reck, Superintendent Mike McIntosh, RSD Staff; Kathy Steinert, Tara Lew, Linda Seeberg, Martha Hinman, Trish Huspek, Brett Hudson, Jennifer Waterman, Lee Loving, Legal Counsel; Sharon Smith from Bryant, Lovlien & Jarvis, Community members; Mandi Puckett, Bob Dent, David Foote, Ed Danielson, Budget Committee members; David Imig, Don Fields, Sharon Rosen, Rick Bailey.

Chair Cathy Miller called the meeting to order with a quorum of five at 5:30 p.m.

The flag salute was led by a student in the audience.

PROCEDURAL ITEMS

Corrections, Additions, Deletions and Questions Regarding the Regular Agenda

None

Citizen Participation for Non-Agenda Items

Mandi Puckett provided an update regarding the school safety proposal she is working on. Since the last meeting Congressman Walden has made a statement of support. She has been asked to present on Monday, at Highland Baptist Church for the Redmond Patriots. She stated that in our nation over the last four decades there has been a significant increase in school violence. In 2012 there were nine incidences of school shootings. In the month of January there were eight school shootings. These statistics have provided her a reminder of why they are advocating for our schools to be safer. She invited the board members and superintendent to their first committee meeting which will be held on February 18th at Pappy's Pizza at 6:30. They want to hear all sides to the issue so they are encouraging people to attend.

Superintendent McIntosh stated that JB Demaris has been asked to represent the district on this issue. He further reported the district has completed a review of all of the buildings and have identified Level 1, Level 2, Level 3 things that can be done to help secure the buildings. Progress is being made in addressing some of the recommendations. Superintendent McIntosh will provide a copy of the report to board members.

Mandi reported that she has met with JB Demaris and is encouraged with the steps that are already being taken to help make our schools safer.

Bob Dent stated that he wanted to express his appreciation for the professionalism of JB Demaris and wanted the board to know that he is an excellent representative of the school district.

LOCAL CONTRACT REVIEW BOARD

Adoption of Exemption from Competitive Bidding and use of Competitive Request for Proposal Process

Superintendent McIntosh gave a brief overview of the history of the construction of Elton Gregory Middle School and the subsequent issues with the roof. Sharon Smith and Brett Hudson are before the board tonight to discuss the process by which we can qualify bidders for this important work. The goal is to have the roof designed and fixed by this summer.

Oregon Revised Statutes require that all public improvement contracts be based upon competitive bids. Any exception to competitive bids must be justified by “findings” as stated in ORS 279C.330 and ORS 279C335. Brett Hudson, Capital Projects Manager is requesting that the board approve the use of the competitive proposal process for the permanent repair of the Elton Gregory Middle School (EGMS) roof. Sharon Smith, district legal counsel, provided a list of the required findings and the conditions and information regarding those findings. The board will be asked to either elect to require individual competitive bids or implement a competitive bid process to allow the scoring of firms according to the facts and findings presented. The draft findings in support of the exemption state, in part:

1. Funds for the repairs are coming from the recently settled dispute with the original contractors
2. The contractor to repair the EGMS roof would be selected through a competitive process in accordance with a Competitive Proposals – Request for Proposals (RFP) process.
3. The history of the failure of the roof due to faulty construction demonstrates the need for substantial and specific experience in roof construction.
4. Use of the RFP process allows for selection of a more experienced contractor while still preserving competition in the process.
5. It will be important that the contractor selected have experience in the repair of roofs of the size and structure of EGMS, in this climate.
6. The technical complexity of this project centers around construction work on an existing school where students are in attendance. The RFP process allows the district to consider the experience of the contractor as well as cost, which will reduce the risk to the district of hiring a contractor with less technical experience in this complex repair project.
7. The RFP process will bring the contractor with the best experience and competitive price to the project.

Board members were provided the opportunity to ask clarifying questions.

Brett Hudson reviewed the plans for fixing the roof and answered questions from the board members.

Cathy Miller stated that thorough out the mediation process all of the experts advised the current design proposal is the best way to resolve the leaking issues.

PUBLIC HEARING

Adoption of Exemption from Competitive Bidding and use of Competitive Request for Proposal Process

By law, a public hearing must be held to allow concerned citizens the opportunity to speak to the use of the proposed Competitive Request for Proposal Process. A public notice announcing the public hearing was placed in both the Dailey Journal and Bend Bulletin on January 29, 2013.

Cathy Miller opened the Public Hearing at 6:04pm to allow for public comment.

Public Comment

None

ACTION ITEMS

Adoption of Exemption from Competitive Bidding and use of Competitive Request for Proposal Process

AJ Losoya made a motion to adopt the specific Exhibit A “Findings of Fact” and to approve the use of a Competitive Proposal Process for the EGMS roof repair project. Bob Perry seconded the motion. Motion carried 5-0.

Cathy Miller adjourned the Local Contract Review Board 6:07pm.

Regular Session

ACTION ITEMS

House Bill 3681 Open Enrollment for 2013-2014 and Capacity Report

Superintendent McIntosh reviewed with the board that House Bill 3681 was enacted by the 2011 legislature and provides an additional method of school choice for Oregon students. The bill did not remove Oregon's traditional methods of inter-district transfer, tuition and mutual district agreement. Local school districts have control over the decision of whether to accept students using any of the methods of inter-district transfer.

Prior to March 1, district school boards must determine whether the board will give consent to persons whose local residence is not within the school district to attend school in their district. If the school board gives consent, the board needs to establish the number of persons who consent will be give for the school year.

The open transfer period is from March 1 – April 1. Students approved for transfer during this timeframe become a permanent member of the requested district for the remainder of their K-12 school career. Parents do have the option to rescind a transfer request at any time.

Superintendent McIntosh also provided a chart that lists the capacity at each school at each grade level. The numbers are based on the projected staffing. The purpose of this motion will be to declare the Redmond School District as being open to accepting students from outside the school district and to approve the capacity numbers as presented.

Cathy Miller asked if any changes were identified in the processes that were established last year. Superintendent McIntosh stated the system worked very well last year and no changes were identified. There will be two parent information nights; March 12 at Ridgeview High School, in the auditorium at 6:30pm and March 18 at Redmond High School, in the auditorium at 6:30pm.

Bob Perry asked what we are doing to recruit students to Redmond School District. Superintendent McIntosh stated that, "We have the most state of the art high school in the state of Oregon. That alone is a calling card. After that we develop the best education system we can to attract students. We have kids who have left our district and I am all about getting them back. We want a school district that offers an incredibly strong product." An information blitz will begin next month regarding Redmond's virtual school that will be up and running in September, 2013.

Bob Perry made a motion to accept nonresident students under the provisions of HB3681 for the 2013-2014 school year and to approve the grade level capacity report as presented. Ric Little seconded the motion. Motion carried 5-0.

Out of State Field Trip

Per board policy all out of state field trips must be approved by the board. The JROTC program at Redmond High School will be traveling to Medical Lake Washington on February 22-24, 2013. The students will be participating in training, testing and marksmanship.

Pat Reck made a motion to approve the out of state field trip for the JROTC students. Ric Little seconded the motion. Motion carried 5-0.

Superintendent McIntosh reported that when Senator Tim Knopp visited the high school the JROTC were amazing. They stood at attention and saluted Senator Knopp as he walked by them. The students and the men who are leading that program for our students are incredible. "We are turning out some amazing, military minded, polite people."

ADJOURN

The regular board meeting adjourned at 6:34 p.m.

WORK SESSION

The work session was called to order at 6:45pm.

Superintendent McIntosh stated that it is important to involve the budget committee members earlier in the budget process. “As we move forward and get more specific about the next fiscal year we have some assumptions that we are looking for feedback on. I would welcome assistance in developing priorities for the district. I think it is important to partner with the larger budget committee and not just the board to help us shape the budget from the ground up.”

Kathy Steinert, Director of Fiscal Services provided the board with a power point presentation to provide background information regarding the district’s fiscal status. “When we develop these plans, decisions are made with the vision and mission of the district in mind.”

The goals of the evening are to:

1. Review the 2014-2018 long range financial plan with a focus on FY 2013-2014
2. Explain the assumptions that underlie the forecast.
3. Understand the fiscal challenges and future uncertainties.
4. Respond to questions and concerns.
5. Discuss next steps

To provide additional information the following areas were reviewed:

Statewide Education Budget Context

- Great recession triggered disinvestment in K-12 education
- PERS increases followed the 2008 investment market downturn
- Absence of Federal funds to offset State shortfalls
- Contract concessions with employee groups (foregoing salary increase, insurance increases and reduction of contract days)

To further provide clarification, Kathy reviewed education's share of the state budget, the State School Fund per ADMw, Redmond School District's average PERS rates and the impact of the 2013-15 PERS rate increases with no reform.

RSD average PERS rates were reviewed and the reasons the rates have jumped significantly. The district has mitigated the PERS increases by using reserves that were purposely set aside to help address these increases. They are looking at seeing if there is a way to augment those reserves during the next budget process. Current balance is \$1.7 million specifically set aside for PERS reserve.

RSD Budget Context

- Declining to flat in-district enrollment
- FTE reductions (since 2008 the district has reduced staff by 10.4%)
- Days cut
- Charter School impacts (Current CAP is 525 students – including the middle school program)
- Ridgeview High School opening
- Local Service Plan cuts
- Debt Service on NW property

- Deficit Budgeting/Spending

There was a lengthy discussion regarding the Redmond Proficiency Academy, the caps, and the impact to the Redmond School District budget. Superintendent McIntosh stated that we need to identify what the RPA offers students to see if those things can be duplicated in our district.

As a beginning step in developing a budget for the 2013-2014 school year, the following scenario represents full restoration of the cuts that have occurred in recent years, increased funding from the State, and PERS reform.

Long Range Plan Objectives

- Restore a standard school year for students (9 student contact days)
- Maintain successful programs, including CLCs, and equitable class sizes
- Successfully launch Redmond K-12 Online
- Implement Proficient Learning Model & CCSS with appropriate training and resources
- Enhance professional growth and development and expand evaluation system
- Provide competitive compensation to attract, recruit and retain highly effective staff

2013-2014 Revenue Assumptions

- Governor’s Education Budget
 - \$6.15 Billion for a biennial K-12 allocation
 - PERS Reform - \$253 million in savings (Avg. 4.7% rate reduction)
 - \$120 million carve-out from ESD’s for regional professional development centers – NOT INCLUDED in base scenario.
- Modest Enrollment Growth – 1.5%
 - 60 full time enrollees in RSD K-12 Online Academy (students who are not currently attending RSD)
 - Growth exceeds 0.2% growth in State School Age Population
- Other Assumptions
 - 2.2% growth in Statewide local revenues
 - 49%/51% split

2013-2014 Expenditure Assumptions – Staffing

- Class size ratios

KG	23	High School	32-34
Grades 1-5	27	Redmond K-12 Online	75
Middle School	32		
- Minimal FTE Growth – 0.09%
 - Licensed – 3.75 FTE decrease (MS and High School)
 - Classified – 2.23 FTE increase (SpEd; DO & 0.5% growth)
 - Admin – 2.04 FTE increase (HS; DO-grant/bond funded)

2013-2014 Expenditure Assumptions – Salary

- Salary Related
 - All days restored (9 instructional; 6 workdays)
 - 1.6% COLA
 - Horizontal and vertical salary schedule movement
 - Stipends – increase due to no Collaboration Grant reprieve
- Related Payrolls Costs
 - PERS rates – 4.7% rate reduction due to reforms; 1.07% increase in rates
 - Medical Insurance Cap – increase of 4.2% to \$1,141
 - Restore tuition reimbursement

2013-2014 Expenditure Assumptions - Other

- Purchased Services
 - HDES Tech Consortium increase \$231,000 due to 2.0 FTE added
 - Charter School payments increase \$220,000 due to estimated growth in enrollment at RPA of 26; increase in Charter School rate
 - Redmond K-12 Online – Connections Learning curriculum and instructors cost of \$225,000
 - Substitute costs increase of \$121,000 (12%) due to salary/days
 - Very modest utility cost increases

- Consumable Supplies and Materials
 - CPI-U – 1.6%
 - Computer Software – Additional Synergy Modules \$38,000 increase
 - Computer Hardware - \$100,000 Increase (Refresh and Online Academy)
 - Textbooks – Interim CCSS English and Math Adoption - \$126,000

Anticipated 2013-2014 Shortfall – Governor’s Budget

- Net Operating Deficit – (\$6,022,000) Total restoration budget
- Deficit Net of 5% Required Reserves – (\$4,314,000)

Anticipated 2013-2014 Shortfall - \$6.4 Billion K-12 Funding

- Net Operating Deficit (\$4,781,000)
- Deficit Net of Required Reserves (\$3,142,000)

Next Steps

- Legislative session – Receive Co-chairs budget in early March
- Budget Committee Work Session – March 6
- Agree on 2013-2014 budget assumptions
- Budget development
- Refine estimates
- Proposed Budget – April 24
- Public Input

Cathy Miller expressed her appreciation to all of the budget committee members for their attendance at the meeting.

Superintendent McIntosh thanked Kathy Steinert and her team for the exceptional work they have done and will continue to do as the budget process develops.

Superintendent Evaluation

Cathy Miller stated in light of the lateness of the hour she recommends the conversation regarding the superintendent evaluation be postponed until Wednesday, February 20th 11:30-1:00. Board members concurred with the postponement.

ADJOURN

The work session adjourned at 9:25 pm

Cathy Miller, Board Chair

Trish Huspek, Executive Assistant