

MINUTES
BOARD OF DIRECTORS
OLYMPIC EDUCATIONAL SERVICE DISTRICT 114
February 18, 2016

REGULAR SESSION CALL TO ORDER

Chair Carl Johnson called the meeting to order at 12:21 PM in the Board Room of the Olympic Educational Service District, 105 National Avenue North, Bremerton, WA 98312.

PLEDGE OF ALLEGIANCE

Chair Carl Johnson led the Pledge of Allegiance.

ROLL CALL OF MEMBERS AND GUESTS

Carl Johnson, Chair

Elizabeth Drew, Vice Chair

Katie Proteau

Donn Ring

Shirley Johnson

Conrad Green (Excused)

Greg Lynch, Superintendent

Monica Hunsaker, Assistant Superintendent of Finance

Stephanie Parker, Assistant Superintendent of Teaching and Learning

Sue Armstrong, Human Resources Director

Tina Schulz, Executive Assistant

Guests: Lee Goeke, Consultant

Greg Belding, Architect, *Rice, Fergus, Miller*

Gena Lee, Interior Designer, *Rice, Fergus, Miller*

Sadie Belding, *Take Your Daughter to Work Day*

APPROVAL OF AGENDA

Donn Ring moved to approve the agenda, as presented. Katie Proteau seconded the motion. Motion carried.

MINUTES

Katie Proteau moved to approve the minutes of the January 21, 2016, meeting, as presented. Shirley Johnson seconded the motion. Motion carried.

Donn Ring moved to approve the minutes of the February 12, 2016, special meeting, as presented. Elizabeth Drew seconded the motion. Motion carried.

ADMINISTRATIVE REPORTS

Superintendent's Report: Superintendent Lynch noted the following:

- Susan Lathrop has been hired as the new Assistant Superintendent of Teaching & Learning, effective July 1, 2016, as Stephanie Parker retires.
- Business Office Manager Mary Cook will be on leave for several weeks. The Business Office has a plan in place to ensure daily business continues.
- Statuses of ballot initiatives around the region were reviewed. Several were passing (Central Kitsap, Bremerton, Bainbridge, Brinnon, North Mason, Crescent, Quilcene, Port Townsend), and some were not passing (Sequim, South Kitsap, Chimacum). Some results landed within a very narrow margin and some had strong support.
- **Salary Study:** Superintendent Lynch introduced consultant Lee Goeke, who conducted a thorough salary review for the OESD. Mr. Goeke provided an executive summary and thanked the Board for welcoming him. He noted that a compensation review was conducted in December 2015, analytics in January 2016, and a report was produced. The objective of the study, how the survey was conducted, credibility of information, and next steps in the process were reviewed. The three tiers of staff positions were identified: administrative managers, professional-technical (pro-tech), and classified. Key questions were part of the review: (1) is compensation currently

competitive in the market; and (2) are the salary schedules internally aligned to represent the work of each position that was reviewed. Three sources were used for market comparison (twelve school districts, public and private wage data for Bremerton and surrounding areas, seven comparable ESDs). A sampling of approximately thirty positions was surveyed to create benchmark salary data. Minimum and maximum salaries were evaluated for competitiveness when recruiting or retaining staff. Key outcomes from each position category indicated that some executive/management positions, classified and pro-tech positions fell below 90% of the mean. Suggestions on how to achieve market competitiveness and how to sustain it were reviewed and recommendations were made. Mr. Goeke recommended a multi-year strategy – and some positions will be moved to another category (from classified to pro-tech, or from pro-tech to executive level). He also recommended establishing criteria for position level of pay for future hires and provided some initial criteria to use. In his report, he recommended certain positions (executive/management, classified and ProTech) be adjusted so they are closer to the comparable wages. Overall and across the referenced categories, OESD compensation generally remains competitive for our area. Contingent upon available revenue adjustments the OESD could consider potential longevity raise adjustments, a COLA increase and other forms of benefits such as the number of vacation days earned. Conducting salary surveys every couple of years should also be considered. Board member questions were answered about the local sampling of positions and how salaries were compared. Superintendent Lynch noted that salary and cost of living adjustment (COLA) information will be reviewed as the 2016-17 budget is formed. Board members thanked Lee Goeke for his work and for providing the review today.

1:02 PM – Chair Carl Johnson announced that the Board would recess for a short break as Lee Goeke departed the meeting and guests from Rice, Fergus, Miller Architects arrived, Gena Lee (interior designer), Greg Belding (architect), Sadie Belding (Greg's daughter – *take your daughter to work day*)

- **Facilities Study:** The OESD anticipates growth of approximately 32 additional positions during the next 3-5 years. In preparation for this potential growth, the OESD property was surveyed and Greg Belding of Rice, Fergus, Miller Architects provided some short and long term options to consider. Highlights of the report:
 - current buildings (OESD Bremerton, Port Angeles, storage spaces) were reviewed
 - meeting room space is limited and in-use/reserved most of the time
 - room for increased staff work space exists, but not enough area for meeting rooms, storage expansion, or science kits
 - current lease holders were already notified and planning to move to another location
 - several considerations were reviewed to bring departments together (cohesiveness) and add meeting space
 - Gena Lee reviewed some options for modular space short-term to provide additional private offices and conference room spaces. New work stations would be 6'x 8' standard with partitions.
 - cost estimates were reviewed: a viable short-term solution could range somewhere between \$248,000 and \$383,000
 - Short-term next steps and timeline: solicit quotes, planning and implementation of moving office spaces.
 - July 2016 – construction
 - August 2016 - move staff into new workspaces
 - Port Angeles Building - potential options for the facility and for staff relocation were reviewed. The current building lease expires in approximately eighteen months. Considerations of whether or not to move forward on appraising the building to potentially sell it were discussed by the Board members as they consider perceptions and the OESD presence in all areas of the region.
 - Longer term potential options were presented with “today’s dollar” estimates of cost:
 - addition to the Bremerton office to the west of the property
 - addition to the east end of the property
 - renovation and addition to the existing building
 - sell the current building and renovate another site

- Long term solutions pose funding challenges and with a short term solution, the funding is currently available without extending or adding to the current bond. The OESD is beginning to plan now for an eventual longer-term construction solution.
- Board members supported moving forward with a short-term renovation of existing space in Bremerton, and to appraise and consider options of potentially selling the Port Angeles building.
- No formal decisions were made, but options will be explored. Superintendent Lynch noted the potential consideration of telecommuting to maintain staff presence in the area, or the OESD could potentially look into renting space at the Port Angeles Skills Center or at one of the school districts. The Board expressed positive support of moving ahead on exploring the options.

AESD Executive Board Report: Chair Carl Johnson noted the following:

- AESD Annual Conference registration information for the April 7-9, 2016, conference was provided and each Board member indicated whether or not they would be attending.

Financial, Technology, and Instructional Resources – Monica Hunsaker highlighted the following:

- Budget Status report was provided in the packets and Monica reviewed the report highlights. The General Fund *reported ending balance was \$-92,970; actual ending balance was \$6,253,182; Unemployment Fund ending balance was \$4,893,406; the Workers Compensation Fund balance was \$13,483,713; and the Compensated Absences fund balance was \$690,212. *She noted the negative balance showing on reports for the General Fund is due to the new requirements of the Governmental Accounting Standards Board (GASB), the ESD is now required to record its proportionate share of the underfunding within the state Department of Retirement Systems (DRS) even though it is not a real expense. This results in a lower than actual General Fund balance.
- Ms. Hunsaker noted that the Vouchers and Payroll (presented below) have regularly included a payroll report that provides an estimate of final payroll. Language on the document presented at future Board meetings will be changed to “We, the undersigned, do hereby certify that the foregoing estimation of Payroll is just, true and correct; that the persons whose names appear hereon actually performed services for the time shown, and that the estimated amounts are due and unpaid.” Board member signatures are required for the actual amounts (including payroll) listed on the vouchers report each month. Board members concurred that the wording of the payroll document should be changed.

Teaching and Learning Services – Stephanie Parker highlighted the following:

- Reports were included in the Board’s packet
- Special Education Cooperative - OESD provides extensive service on the Olympic Peninsula. She reviewed numbers of staffing and discussed services provided to all districts (except Chimacum) in addition to districts outside of the OESD region. Jennifer Acuña, OESD Special Education Director was commended for providing support throughout the region on a regular basis.
- Science Kit Cooperative - partnership management coordination is underway with Jeff Ryan, Sandy Gessner-Crabtree, and Eric Johnson to move forward on an alignment plan for meeting the new science standards.
- Legislative math and science proviso – OESD Math Coordinator Tamara Smith has taken a notable lead on developing new courses to meet the new course requirements in math and science.
- In March 2016, more details on STEM programs and plans for the future will be available.
- Professional Development - planning was reviewed and the Association of Educational Service Districts (AESD) network is providing feedback to the Office of the Superintendent of Public Instruction.

BUSINESS

Policy 5110, Head Start Program Monitoring: Head Start/ECEAP & Early Head Start Monthly Reports (January 2016) – Information was provided in the Board packet.

Policy 5110, Head Start Program Monitoring: Governance Survey Review and Assurances of Proper Governance Procedures – Board members were provided with the survey and discussed the value of the survey by the OESD Board and the Policy Council to find out what information is needed for future training or planning. Shirley Johnson moved to approve the Assurances of Proper Governance Procedures for Early Learning Programs, as presented. Katie Proteau seconded the motion. Motion carried.

VOUCHERS AND PAYROLL

Monica Hunsaker presented the vouchers and payroll. She reviewed the fund balances included in the Board packet earlier in the meeting.

**OLYMPIC EDUCATIONAL SERVICE DISTRICT 114
 BLANKET CERTIFICATION AND APPROVAL
 FOR PAYMENT OF VOUCHERS**

We the undersigned Board of Directors of Olympic Educational Service District 114, Kitsap County, Washington, do hereby certify that the following disbursements are approved this 18th day of **February, 2016**:

FUND	DATE PAID	WARRANT #'S	AMOUNT
General:	01/21/16	150115	\$ 1,005.43
	02/05/16	ACH	\$ 732.00
	02/05/16	150142-150223	\$ 129,415.35
	02/05/16	150224	REISSUE -0-
	02/05/16	150225	REISSUE -0-
	02/19/16	ACH	30,278.74
	02/19/16	150232-150298	\$ 254,081.79
Payroll:	01/29/16	WIRE	\$ 611,206.44
	01/29/16	150116-150141	\$ 287,263.26
	01/29/16	701079-701092	\$ 3,567.88
	02/12/16	WIRE	\$ 65,623.33
	02/12/16	150226-150231	\$ 23,669.51
	02/12/16	701093-701108	\$ 3,591.98
Workers Comp:	01/29/16	403221	\$ 3,000.00
	02/05/16	403222-403223	\$ 285,488.06
	02/12/16	403224	\$ 43,000.00
	02/19/16	403225-403230	\$ 61,598.86
Unemployment:	02/05/16	200309	\$ 7,340.75
	02/19/16	200310-200311	\$ 43,705.63
Compensated Absences:	02/05/16	600036	\$ 300.00

Elizabeth Drew moved to approve the Vouchers and Payroll, as presented. Shirley Johnson seconded the motion. Motion carried.

PERSONNEL

Sue Armstrong recommended the employment of the following:

EMPLOYMENT OF STAFF

New Employees:

<u>Employee</u>	<u>Position</u>	<u>Date</u>
Susan Lathrop	Assistant Superintendent Teaching & Learning	7/1/16
Angela Wageman	Professional Development Certification Officer	TBD

Donn Ring moved to approve the employment of staff, as presented. Katie Proteau seconded the motion. Motion carried.

2:13 PM – Chair Carl Johnson announced that the Board would recess into EXECUTIVE SESSION after a 5-minute break to review the performance of a public employee (pursuant to RCW 42.30.110).

2:34 PM – The Board returned to Regular Session and immediately adjourned.

Respectfully submitted,

Gregory J. Lynch
Secretary to the Board

Carl Johnson
Chair