

MINUTES
BOARD OF DIRECTORS
OLYMPIC EDUCATIONAL SERVICE DISTRICT 114
January 21, 2016

REGULAR SESSION CALL TO ORDER

Chair Donn Ring called the meeting to order at 12:35 PM in the foyer of the Olympic Educational Service District, 105 National Avenue North, Bremerton, WA 98312.

PLEDGE OF ALLEGIANCE

Chair Donn Ring led the Pledge of Allegiance.

OATH OF OFFICE

OESD staff gathered. Superintendent Lynch administered the Oath of Office to re-elected Board member Katie Proteau and to originally appointed Board members Shirley Johnson and Conrad Green, who were elected in the November 2015 election.

ESD BOARD APPRECIATION

In recognition of Board Appreciation Month as declared in the Governor's Proclamation, Superintendent Lynch presented a special card signed by OESD staff to the Board members thanking them for their dedicated service and countless hours of volunteer time.

12:47 PM – Board members returned to the Board Room to resume the meeting.

ROLL CALL OF MEMBERS AND GUESTS

Donn Ring, Chair

Katie Proteau, Vice Chair

Elizabeth Drew

Carl Johnson

Shirley Johnson

Conrad Green

Greg Lynch, Superintendent

Monica Hunsaker, Assistant Superintendent of Finance

Stephanie Parker, Assistant Superintendent of Teaching and Learning

Carol Kovarnik, Assistant Superintendent for Financial, Technology, Instructional Resources, and Early Childhood

Sue Armstrong, Human Resources Director

Tina Schulz, Executive Assistant

APPROVAL OF AGENDA

Two corrections to the Agenda were noted: the Agenda year is 2016, and under item 45-I, Year-End Financial Report, the date of the report is 2014-2015. Carl Johnson moved to approve the agenda, as corrected. Elizabeth Drew seconded the motion. Motion carried.

MINUTES

Shirley Johnson noted a correction in the minutes to the start date of Michelle Parkin to replace Superintendent Kandy Ritter as July 1, 2016. Shirley Johnson moved to approve the minutes of the November 16, 2015, meeting, as corrected. Katie Proteau seconded the motion. Motion carried.

ADMINISTRATIVE REPORTS

Superintendent's Report: Superintendent Lynch noted the following:

- Brief legislative update: issues with charter schools, the levy cliff and teacher shortages are major topics under review. There will likely be no movement on K-12 budget issues until next year's legislative session. With charter schools, the main issue is using public funds, but no publicly elected board. Levy cliff concerns are around the levy percentage change in 2018 and if legislative decisions are too late, they could significantly affect budgeting for school districts. (continued next page)

Teacher shortage impacts are significant, especially in eastern Washington districts. New teachers are not staying in the profession, economy and restrictive certification programs stalled when hiring was slow, and it is difficult to fill positions in teaching and substitute teaching. Professional development relies on substitute teachers because current educators cannot leave the classroom without a substitute.

- A letter signed by all ESD Superintendents was shared regarding the significant teacher shortage concerns. The shortages are more acute in elementary and also in special education. In secondary schools – math and science has a significant shortage. Board members discussed the challenges. Sue Armstrong discussed a recent meeting with HR directors in the region where teacher shortages were discussed and ideas were shared about how the ESD may be able to help.
- AESD legislative brochures were provided to the Board.
- A search for three new ESD Superintendents is underway. Openings are at ESD 105, ESD 123, and ESD 189.
- State Superintendent of Public Instruction position is up for election. Gil Mendoza, Erin Jones, Chris Reichtel, and Larry Seaquist are potential candidates.
- A professional development session regarding issues around *McCleary* was provided for superintendents and board members on January 11, 2016. Responses from attendees were positive that the professional development was quite useful when surveyed. ESD Board members that attended discussed the event and the importance of the content.
- A Safety and Security Cooperative meeting was held January 20, 2016. Superintendent Lynch thanked the ESD Board members who were able to attend along with sheriffs, mental experts and superintendents to collaborate on Threat Assessment. He noted that he will be traveling to ESD105 in Yakima to meet with Superintendent Steve Myers and pass the torch of leading statewide School Safety and Security efforts to OESD.
- Facilities Study: retired Assistant Superintendent Carol Kovarnik noted that the OESD has contracted with Rice Fergus Miller Architects to evaluate space options. The property has also been surveyed those currently leasing space at the OESD building have been notified about the ending lease. The Port Angeles office lease and options are under review. Goals of the facility review include better physical alignment of departments while allowing room for growth. Cost estimates are under review in hopes to complete the project during summer 2016. Some heating, ventilation and air conditioning changes would be needed. Other needed items include partitions/desks/items that will remain with potential new construction in the future. Some remodeling was recommended during summer 2016 and longer term options were mentioned. The Port Angeles land lease ends in 2017 and the Port Angeles building is owned by OESD. Options will be reviewed to consider potential staffing moves, potential of selling the Port Angeles building, and other potential considerations before decisions are made. The construction would be paid by the General *Fund*. Step 1 would include a remodel and Step 2 includes longer term planning yet to come. The existing bond expires in 2024. At the next Board meeting in February, the Port Angeles lease options need to be decided so that staff in Port Angeles can be notified and make personal decisions. Staff is currently aware that OESD is evaluating the location and options.
- Salary Study: retired Assistant Superintendent Carol Kovarnik noted that salary data was provided to the consultant and more information is currently being processed. Guidance on differentiation of positions and a comprehensive and clearly defined placement of positions on salary schedules will take more time before the study is complete.

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

- AESD Annual Conference Promotional Video was shown and information on conference registration for the April 7-9, 2016, conference was provided.
- Draft AESD Constitution and AESD Election and Nominating Report were included in the packet for voting at the next AESD Annual Conference in April. Carl Johnson discussed proposed changes in the constitution documents.

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 ending balance was \$377,742; Unemployment Fund ending balance was \$4,897,797; the Workers Compensation Fund balance was \$13,305,951, and the Compensated Absences fund was \$582,350.

- Due to 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. The actual balance is \$6,723,894.82. Two balances will be presented to the Board from now forward: one with the Governmental Accounting Standards Board (GASB) amounts and one without.
- 2014-2015 Year-end Financial Report presentation was included in the Board packets. Monica walked through the adjustments in detail to present GASB adjustments and discussed the requirements of the GASB with liabilities on retirement contributions. Due to the GASB adjustments, the books appear to be over \$6 million less than last year although there has been financial growth since last year. The GASB numbers can affect those ESDs that seek financing. Budget status reports could show a negative fund balance due to the new requirements. School districts also must record the liability in their accounting reports.
- Mileage and per diem rates have changed effective January 1, 2016. The new rate for mileage has reduced to .54 cents.
- Bank of America is no longer serving public agencies and January 21, 2016, is the last day of OESD banking with Bank of America. Bank accounts have been moved to Keybank.
- Data Processing staff has been working diligently as many of the school districts we serve are also moving banks and needing to ensure payroll is processed with the correct bank.
- W-2s have been distributed to ESD staff.
- Affordable Care Act requirements are also being met by providing 1096 reports to all staff.
- The Data Processing Department has posted a student analyst position due to a recent resignation.

Teaching and Learning Services – Stephanie Parker highlighted the following:

- Reports were included in the Board's packet
- Noted that the OESD is assisting districts to write plans to meet requirements of ESSB 5946.
- Funded through the state Teacher and Principal Evaluation Program, the OESD is involved in several statewide workgroups to develop several initiatives. The initiatives will be reviewed and rolled out to all districts through Teaching and Learning Department programs.
- Don Jacobs, OESD Certification and Clock Hours Specialist, is retiring in June 2016. The position has been posted in hopes to hire a new staff member that can cross-train on the complex system prior to Don's retirement.
- Head Start documents and items for approval follow under the Business section of the agenda.

BUSINESS

Annual Reorganization/Election of Officers: Chair Donn Ring initiated the process to reorganize the Board according to Board Policy 1080. Donn Ring called for nominations. Katie Proteau nominated Carl Johnson for Chair and Elizabeth Drew for Vice Chair. With no further nominations, Shirley Johnson seconded the motion for both positions. Voice vote was called. Motion carried. Carl Johnson noted willingness to continue serving as the representative on the AESD Executive Committee and Washington State ESD Coordinating Board, and Elizabeth Drew noted willingness to continue serving as the Legislative Representative. Elizabeth Drew moved approval on the two positions. Katie Proteau seconded the motion.

- Chairperson: Carl Johnson
- Vice Chair: Elizabeth Drew
- Legislative Representative: Elizabeth Drew
- AESD Executive Committee and Washington State ESD Coordinating Board: Carl Johnson

Resolution #250 Revised AESD Interlocal Agreement

Carl Johnson summarized discussion at the last AESD Executive Board meeting. It was decided by the AESD Executive Board to exclude language on mediation in the Agreement. ESD limitations of recruiting were also discussed by the AESD Executive Board. Currently the Interlocal Agreement language is under legal review by state Attorney General's office. With no further discussion, Carl Johnson moved to approve *Resolution #250 Revised AESD Interlocal Agreement*, as presented. Conrad Green seconded the motion. Motion carried.

OESD Policies – Re-numbered to align with WSSDA Model Policies: Monica Hunsaker reviewed the process with re-numbering the policies. Sue Armstrong provided a memorandum in the Board packet describing the re-alignment of the OESD policies numbering system. A grid showing translation of the old numbers and the new numbers for each policy was provided in the Board packet. Notes about essential and non-essential and not required (by law) policies were included. WSSDA policies are very specific to school districts, and not all translate directly to ESDs. More policy work is ahead. Shirley Johnson moved to approve the Re-numbered OESD Policies, which align with WSSDA Model Policies, as presented. Elizabeth Drew seconded the motion. Motion carried.

Policy 5110, Head Start Program Monitoring: Head Start/ECEAP & Early Head Start Monthly Reports (November and December 2015) – Information was provided in the Board packet.

Policy 5110, Head Start Program Monitoring: Certification of Health and Safety Screening: Board members approved the Certification of Health and Safety Screening process, as presented at the November 16, 2015, Board meeting. A review was provided by Stephanie Parker. Chair Donn Ring signed the document electronically once documents were final in January 2016, and a copy of the signed certification was provided in the Board packet.

Policy 5110, Head Start Program Monitoring: Policy Council by Laws

Stephanie Parker noted that Policy Council by Laws have been updated and must be approved when changes occur. Details were provided in the packet.

Shirley Johnson moved to approve the Policy Council by Laws, as presented. Carl Johnson seconded the motion. Motion carried.

Policy 5110, Head Start Program Monitoring: Supplemental Funding for Early Head Start Childcare Partner Grant – and Waiver

Information was provided in the packet. Katie Proteau moved to approve the Supplemental Funding for Early Head Start Childcare Partner Grant – and Waiver, as presented. Conrad Green 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.

**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 21st day of **January, 2016:**

FUND	DATE PAID	WARRANT #'S	AMOUNT
General:	11/13/15	ACH	\$ 6,637.12
	11/17/15	ACH	\$ 42,433.00
	11/17/15	149773-149807	\$ 210,272.52
	12/04/15	149834-149896	\$ 82,190.36
	12/18/15	ACH	\$ 27,346.03
	12/18/15	149903-149988	\$ 377,038.11
	01/08/16	ACH	\$ 2,688.03
	01/08/16	150014-150048	\$ 25,997.44
	01/15/16	150054	REISSUE -0-
	01/22/16	150055-150114	\$ 322,052.30
	01/22/16	ACH	\$ 22,725.15

Payroll:	11/13/15	WIRE	\$ 38,221.75
	11/13/15	149770-149772	\$ 1,017.98
	11/13/15	701024-701036	\$ 3,389.50
	11/30/15	WIRE	\$ 614,961.74
	11/30/15	149808-149833	\$ 291,879.40
	11/30/15	701037-701042	\$ 1,292.51
	12/15/15	WIRE	\$ 44,806.70
	12/15/15	149897-149902	\$ 1,127.10
	12/15/15	701043-701060	\$ 3,350.61
	12/29/15	WIRE	\$ 613,964.95
	12/29/15	149989-150013	\$ 292,498.90
	12/29/15	701061-701066	\$ 1,330.10
	01/15/16	WIRE	\$ 20,718.03
	01/15/16	150049-150053	\$ 614.72
	01/15/16	701067-701078	\$ 2,594.35
Workers Comp:	11/13/15	403179	\$ 19,000.00
	11/17/15	403180-403188	\$ 69,600.70
	11/25/15	403189-403190	\$ 5,045.98
	12/04/15	403191	\$ 10,000.00
	12/11/15	403192	\$ 11,000.00
	12/18/15	403193-403201	\$ 101,285.67
	12/18/15	403202-403210	REISSUE -0-
	12/22/15	403211	\$ 17,000.00
	01/08/16	403212	\$ 11,000.00
	01/15/16	403213	\$ 21,000.00
Unemployment:	01/22/16	403214-403220	\$ 40,104.62
	12/04/15	200305	\$ 7,340.75
	12/18/15	200306	\$ 760.33
	12/18/15	200307	REISSUE -0-
Compensated Absences:	01/22/16	200308	\$ 760.33
	12/04/15	600035	\$ 300.00

Elizabeth Drew moved to approve the Vouchers and Payroll, as presented. Conrad Green 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>
Barbara Kluge	Site Coordinator 21 st CCLC	11/12/15

Resignations:

Employee	Position	Date
Chris Booze	Workers Compensation Claims Adjuster	10/15/15
Christine Edmiston	Youth Services Professional	12/3/15
Brandi Murphy	Tutor Mentor, 21 st CCLC	12/10/15
Rhodes Lockwood	Child Care Partnership Program Manager I	12/31/15
Andrew Wentworth	Student Services Support Analyst II	1/29/16
Joyce Copeland	Head Start Home Visitor	1/31/16
Reece Benge	Tutor Mentor, 21 st CCLC	2/5/16

Retirements:

Employee	Position	Date
Carol Kovarnik	Assistant Superintendent Finance	1/31/16
Stephanie Parker	Assistant Superintendent Teaching & Learning	6/30/16
Don Jacobs	Certification Officer	6/30/16

Sue Armstrong noted that the OESD has posted the position for Assistant Superintendent of Teaching and Learning. Applications are currently being screened.

Conrad Green moved to approve the employment of staff, as presented. Carl Johnson seconded the motion. Motion carried.

2:41 PM – Chair Donn Ring 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).

3:42 PM – The Board returned to Regular Session and immediately adjourned.

Respectfully submitted,

Gregory J. Lynch
Secretary to the Board

Donn Ring
Chair