

HARNEY ESD BOARD OF DIRECTORS
MONTHLY BOARD MEETING
JANUARY 11, 2012

Present: Connie Barber, Chair
Robin Cramer, Director
Charles Dunten, Director
Pete Merritt, Vice Chair
Richard Jenkins, Director
Charles Schmidt, Director

Also Present: Dennis B. Mills, Superintendent
Kaeko Blackburn, Business Manager
Barbara Buchanan, Assistant Business Manager

Absent: Daniel Brown, Director

1. Connie Barber called the January meeting to order at 1:30 p.m. at the Harney ESD Administrative Office at 779 West Fillmore. CALL TO ORDER
2. Minutes for the December Board meeting were presented for review. Charles Dunten made a motion to approve the minutes as presented, Charles Schmidt seconded and the motion carried. MINUTES
3. The fund balance report for January 11th was presented. The report showed an All Funds total of \$1,305,809 and a General Fund total of \$600,425. Reimbursement has been received for the Early Childhood Programs; therefore they are currently showing a positive balance. The figures continue to be on target for this time of year. FINANCIAL REPORT

Kaeko stated that she just found out that she needs to post interest for the School Improvement Funds. The Grant funds were not totally expended before the deadline; therefore ODE should have deducted the balance from HESD's state school fund payment. This was not done, so interest will need to be posted to the fund's balance.
4. January disbursements in the amount of \$55,557.78 were presented for review. Kaeko noted that the payments to Oster Professional Group, Government Finance Officers Association, and Oregon Audits Division were all 2010-2011 audit expenses. The payment to the Department of Administrative Services was for five months of connectivity. Kaeko stated that we tried several times to get the invoices earlier, but we were unsuccessful. The problem now seems to have been corrected. Dick Jenkins made a motion to approve the disbursements as presented. Charles Schmidt seconded and the motion passed unanimously. DISBURSEMENTS
5. Visitors: VISITORS/STAFF
Mary Jo Evers, Oster Professional Group
Kari Ott, Oster Professional Group

Staff:
Donna Schnitker, Early Childhood Director
Gail Faulhaber, Instructional Support Director
Jenell Zamora, Speech/Language Director
6. Mary Jo Evers, Oster Professional Group, presented the audit to the HESD Board of Directors. She stated that this year a Comprehensive Annual Financial Report (CAFR) audit was performed instead of a basic audit. This year's audit includes the Management's Discussion and Analysis (MD&A) which is written by Superintendent Mills and Kaeko Blackburn. The MD&A is an overview of financial activities for the fiscal year. These are the known facts. A statistical section has been added. This section shows financial trends, revenue and debt capacity, demographic and economic AUDIT PRESENTATION

information, and operating information. This section includes information from ten fiscal years and shows how HESD's financial picture has changed.

This year HESD adopted the Governmental Accounting Standards Board (GASB) 54. The HESD Governmental Fund balance shows an increase because funds changed classification in accordance with GASB54.

Mary Jo stated that the fixed asset records need better controls. An annual inspection of the fixed assets is recommended. Harney ESD received an unqualified opinion which is the best that can be received.

7. There was a discussion of changes to the 2012-2013 Local Service Plan which included, any component school district that wanted to convert to an online policy book with OSBA, HESD would pay \$1,000 to help offset the conversion fee. All other costs would be the responsibility of the school district. LOCAL SERVICE PLAN- APPROVED
- Last month it was decided that HESD would no longer pay for the T1 lines for the rural schools because it was less expensive for the schools to use a point to point connection. The funds used for the T1 lines could be shifted to pay for anti-virus software and internet filter for all of the component schools. Charles Dunten made a motion to offer the \$1000 conversion fee and to pay for anti-virus software and the internet filter for the component schools. Pete Merritt seconded and the motion carried. Robin Cramer made a motion to approve the Local Service Plan as amended. Dick Jenkins seconded and the motion passed unanimously.
8. Designation of Telecommunications service provider was tabled until the February meeting because there is a waiting period. TELECOMMUNICATIONS SERVICE PROVIDER-TABLED
9. Superintendent Mills presented the following policies for the first reading; BBD-Board Member Removal from Office, DB-District Budget, DBE-Budget Preparation, DBEA-Budget Committee and DDA-Local Service Plan. Superintendent Mills stated that all the policies were being revised with new language being added. POLICIES FIRST READING
10. Superintendent Mills stated that with the revision of policy DDA, Local Service Plan, the School Improvement area's focus will not be professional development. HESD will not need to eliminate professional development, but it is no longer a mandate for ESDs. SUPERINTENDENT'S REPORT/ SCHOOL IMPROVEMENT

Superintendent Mills asked Gail Faulhaber to highlight possible School Improvement changes. She stated that the education reform bills include proposals for achievement compacts as a requirement for receiving state funding. The compacts would affect all education entities. Copies of the draft regional achievement compacts and regional operations efficiency compacts were shared and discussed. More information will be available when the legislative session ends. Oregon Education Investment Board will continue to disseminate more information on the education changes as they become available. The education reforms will be phased in, starting this year.

Superintendent Mills reported that the state would like ESDs to work with their component school districts to find ways to create efficiencies including the possibility of centralizing some functions.

Superintendent Mills reported that he was continuing to have meetings to review Eastern Oregon Technology's services, contracts and business plan. This is being done to ensure that it continues to be beneficial to our component school districts.

Superintendent Mills stated that on July 1, 2013 a new law goes into effect requiring *special* certification in order to be an ESD superintendent. Options on how to meet the requirements for this certification are being discussed.

11. Donna Schnitker presented the Early Childhood report. Donna stated that the monthly monitoring report was in their packets. Donna reported that it was time to start the self assessment process and wondered if any of the board members would like to be part of the team. Robin Cramer will continue to be part of the team. PROGRAM REPORTS

Donna also stated that the Commission on Children and Families funding is scheduled to be eliminated, as part of the education reform. Donna is working with Harney County on a plan to make Harney County the regional hub for the programs.

12. With no further business Chair Connie Barber adjourned the meeting at 3:40 p.m. ADJOURNMENT

Connie Barber, Chair