

**BAINBRIDGE ISLAND SCHOOL DISTRICT NO. 303
SCHOOL BOARD MEETING MINUTES**

Date: August 25, 2011

Place: Board Meeting Room – Commodore Campus

Board of Directors Present

Board President – Patty Fielding

Board Vice-President – Mary Curtis

Directors – John Tawresey, Mike Spence, Tim Kinkead

Call to Order

5:33 p.m. – Board President Patty Fielding called the meeting to order and a quorum was recognized.

Public Comment

No public comment.

Superintendent’s Report

Superintendent Faith Chapel congratulated Community Relations Coordinator Pam Keyes and contributing graphics designer Lynn Brofsky for receiving two awards from the Washington School Public Relations Association. The awards received included one for Excellence in the category of External Print Newsletter (District OpenBook), and an Honorable Mention in the category of Special Purpose for publications related to the district’s recent levy campaigns.

Ms. Chapel reported on the recent new teacher orientation held on Friday, August 19th and noted the bright and capable certificated staff joining the district for the 2011-2012 school year. She added that preparations were well under way to welcome students back to school for the new year.

Board Reports

Directors Tim Kinkead and Patty Fielding met with Superintendent Chapel for a conversation about the initiatives for the coming year, as well as plans for a future board retreat.

Public Hearing: *Final Budget – Fiscal Year 2011-2012*

Board President Patty Fielding opened the public hearing regarding the Final Budget for Fiscal Year 2011-2012 and asked for public comment. No public comment was made, and Ms. Fielding closed the hearing.

Presentations

A. Resolution 14-10-11: Final Budget – Fiscal Year 2011-2012

Director of Business Services Peggy Paige provided a summary of the General Fund Budget for Fiscal Year 2011-2012. Assumptions related to the budget included the following: a) Reductions in State/Federal funding; b) Cost increases in benefits, utilities and curriculum; c) Additional revenues from Supplemental Levy; d) Continued support from Bainbridge Schools Foundation; e) Existing fund balance available to help maintain programs and class size ratios; and f) Ending reserve of 3% per board policy. Ms. Paige noted estimated General Fund revenues will be \$36.5 million that included increased support from the Bainbridge Schools Foundation, Safety Net Funds conservatively estimated at \$200K, tax revenues consistent with voter approved levies, reduction in state apportionment, and a reduction in Federal Stimulus Funds. Also noted was proposed appropriations (General Fund expense) of \$37.55 million that includes increases in benefit rates (retirement, L&I, unemployment), increases for curriculum adoption, and increases in utilities rates (stormwater fees, water, sewer). Ms. Paige also reviewed the Associated Student Body Budget, Debt Service Fund, Capital Projects Fund, and Transportation Vehicle Fund. Following the presentation, Resolution 14-10-11 regarding the final appropriation level of expenditures for each fund in Fiscal Year 2011-2012 was presented for board approval.

Motion 104-10-11:

That the Board approves Resolution 14-10-11: Final Budget – Fiscal Year 2011-2012. (Kinkead) The affirmative vote was unanimous.

B. Resolution 15-10-11: Transfer Funds – Capital Projects to Debt Service

Director Paige explained that last year, in June 2010, the Board of Directors received a financial report from Capital Projects Director Tamela Van Winkle indicating an estimated surplus of over \$800K would likely remain in the 2006 Bond Fund once final projects were completed. At the September 9, 2010 school board meeting, the Board expressed their belief that any surplus remaining in the 2006 Bond Fund should be returned to the taxpayers of Bainbridge Island. It was noted that Capital Fund dollars cannot be used to pay for staff positions, or day-to-day operations of the General Fund. Further, board members agreed the best way to return these funds would be to transfer the surplus dollars to the Debt Service Fund in one lump sum, thereby reducing school taxes in 2011. A public hearing was held on September 30, 2010 to give citizens an opportunity to comment on the proposed transfer before a final decision was made. A motion was unanimously approved to proceed with the transfer. The resolution being presented to the board formally authorizes this transfer.

Motion 105-10-11:

That the Board approves Resolution 15-10-11: Transfer Funds – Capital Projects to Debt Service. (Spence) The affirmative vote was unanimous.

Board President Patty Fielding suggested item *H. Monthly Capital Projects Report* be moved forward on the agenda. There were no objections.

H. Monthly Capital Projects Report

Director of Capital Projects and Facilities Tamela Van Winkle presented a summary of capital projects/facilities activities for August 2011, including the Bond 2009 Project Summary providing detailed information regarding the status of the budget. Other highlights from the report were as follows: *Wilkes Replacement Project* – a) Project is on budget and on schedule. b) Excavation occurred during July and August to make way for the gym and commons. The excavated soil has been stockpiled on top of the hill creating a new, temporary landform affectionately called “Mount Wilkes.” c) Capital Projects and Facilities has been coordinating temporary parking and recess refinements in order to maximize use of the school while construction is underway. d) Capital Projects has implemented the use of project fact sheets to be distributed to parents and community members. *Transportation* – a) Improvement to the vehicle wash and rinse area is Substantially Complete. Modifications are predicted to reduce water usage at the rinse rack by 50%. *Supplemental Information* – Ms. Van Winkle explained Puget Sound Energy (PSE) is discussing options to bring customers in the Winslow area of Bainbridge Island increased electric reliability. The plan will require installation of underground distribution lines between the Murden Cove substation and the intersection of Northeast High School Road and Madison Avenue North. PSE has been actively engaged with both the City of Bainbridge Island and the Bainbridge Island School District. PSE is currently preparing a cost analysis to determine the feasibility of moving forward with the project.

C. Policy/Procedure 3515: Student Incentives (New – First Reading)

Director of Business Services Peggy Paige explained the Washington State Constitution prohibits the gifting of public funds. Recently, several school districts sought guidance from the State Auditor’s Office regarding the impact of this constitutional provision on using district funds to provide student incentives such as those related to positive behavior. The State Auditor issued a one-page guidance letter summarizing essential concepts for a district consider. Among other things, the letter stated a district must have a board policy related to student incentives. The policy must state the amount to be spent for gifts, establish a *de minimis* amount and identify the connection between the incentive, the recognized activity and a public purpose. Ms. Paige noted Policy/Procedure 3515: Student Incentives was developed from a model policy provided by the Washington State School Directors’ Association and was presented for board review and comment. Following the review, several board members suggested editorial changes to the policy/procedure text. It was decided that the first reading of the policy would be tabled until the next meeting. Director Curtis will volunteered to work with Ms. Paige on the revisions to the policy.

D. Policy 6005: Program Planning, Budget Preparation, Adoption and Implementation (Revision – First Reading)

Director Paige noted currently, Washington State law does not require school districts to maintain a minimum fund balance. However, recognized governmental accounting standards and school district best practices strongly support maintaining a minimum fund balance from one fiscal year to the next. Past practice in the District has maintained a target fund balance of 3% percent, but district Policy 6005: Program Planning, Budget Preparation, Adoption and Implementation indicate an unreserved fund balance of not less than 2% percent. Recently, the Governmental Accounting Standards Board (GASB) recommended categories for fund balances, and last year the Office of the Superintendent of Public Instruction (OSPI) created a new account – GL 872 – which is committed to minimum

fund balances. This account is displayed in the district's budget and annual financial reports. In response to the GASB recommendation and the creation of GL 872, the Washington State School Directors' Association developed Model Policy 6022: Minimum Fund Balance. Ms. Paige submitted for board review, revisions to Policy 6005 that would eliminate the inclusion of the unreserved fund balance reference, which will now be included in new Policy 6022: Minimum Fund Balance.

Motion 106-10-11:

That the Board approves the first reading of revised Policy 6005: Program Planning, Budget Preparation, Adoption and Implementation with attention to the suggested edits. (Curtis) The affirmative vote was unanimous.

E. Policy 6022: Minimum Fund Balance (New – First Reading)

Director Paige presented new Policy 6022: Minimum Fund Balance for the first reading. The new policy recognizes the importance of maintaining a prudent fund balance in the general fund. The policy establishes a commitment of at least 3% percent of the current year's expenditures towards a minimum fund balance.

Motion 107-10-11:

That the Board approves the first reading of Policy 6022: Minimum Fund Balance. (Curtis) The affirmative vote was unanimous.

F. Policy 6881: Disposal of Surplus Equipment and/or Materials (First Reading)

Director Paige submitted revised Policy/Procedure 6881: Disposal of Surplus Equipment and/or Materials for the first reading. She explained the district was implementing a new procedure for disposing of surplus property. The district has entered into an inter-agency agreement with the Washington State Department of General Administration (Dept of GA) to sell its surplus items. The Dept of GA will transport the surplus items to their storage facility, which will then be sold through their retail store or by live auction from their warehouse in Auburn. The proceeds, less transportation and fees, will be sent back to the district. The goal of this new procedure is to allow the district to dispose of surplus property using an ongoing process rather than storing surplus items long-term, and hosting a large sale every few years. To further facilitate the district's ability to dispose of surplus equipment and/or materials, the dollar value of the items requiring board approval of the sale is being increased. Following board review of the policy/procedure revisions, several board members suggested minor edits to the text.

Motion 108-10-11:

That the Board approves the first reading of revised Policy 6881: Disposal of Surplus Equipment and/or Materials. (Kinkead) The affirmative vote was unanimous.

G. Monthly Financial Report

Director Paige provided the monthly financial reports for July 2011, which included analysis of the General Fund, as well as a summary of the other fund balances. Ms. Paige noted the district just received the Safety Net award and the revenues to date appeared positive. Regarding expenditures, total adjusted expense for Basic Education increased over the last year but was below the average. Extracurricular will exceed budget estimates for extra time due to officials' fees and travel. Transportation/Motor pool may exceed budget estimates by year end due to extended school year (Special Education) transportation. Utilities costs are up compared to last year but still below the 3-year average. Propane, water and sewer expense are currently above prior year, while electric expense is down. Food Service expense continues to be below the average but sales were in line with budget estimates. Related to Maintenance, expenses are below average, however there may be an increase in expense during the summer months due to seasonal projects. Current spending patterns indicate a total ending fund balance of over 6% (not including the reserve for inventory). Of this balance, 3% is reserved per board policy, 1.5% is reserved to offset funding reductions for Fiscal Year 2011-12, and .5% is reserved for school building and grant carryovers.

I. Monthly Technology Report

Director of Instructional Technology and Assessment Randi Ivancich submitted the technology report for August 2011, which included a summary of the Technology Levy Budget to date. In addition to the report, Ms. Ivancich presented information related to the implementation of the data management tool School Data Solutions. She noted administrators and school staff have increasingly focused on data analysis as a way to inform instructional decisions. An increasing amount of reporting is available electronically including areas such as demographic databases, annual state testing results, MAP assessment data, and other databases related to attendance and special populations. With the influx of all this data, there is a need to merge the multiple databases to allow for the extraction of information that will help guide instructional decisions at the district, school, grade level, classroom, and individual student level. Ms. Ivancich explained work was underway with School Data Solutions, a Washington-based company, to

input the district data into a “data dashboard” that will unify the multiple databases. Once the data dashboard is established, building and district administrators will be trained so this information can be used to assist in the development of improvement plans and goals. Board members discussion focused on the use and availability of the data, the process to be used to roll out the information, and how the data relates to the district’s overall vision, mission and goals. It was suggested that additional information be presented to the board including more details regarding the use of the data.

J. Minimum Basic Education Program Requirement

Associate Superintendent of Curriculum and Instruction Julie Goldsmith presented the Minimum Basic Education Requirement Compliance form for board review. She explained the reporting contained on the form gives assurance to the State Board of Education that school districts are in compliance with the minimum requirements of the Basic Education Act, as well as several other provisions. It was noted that the Board approved a proposed waiver from the State Board of Education for four (4) of the required 180 days. This reduction in days allows for a K-8 conference schedule that provides two (2) sessions of 2.5 days of parent/guardian/student/teacher conferences for the K-6 schools, and one (1) session of 2.5 days of parent/guardian/student/teacher conferences for grades 7-8. The State Board of Education is expected to take actions on the proposal at the September meeting. It was further noted that the District exceeds the required 450 minutes of instructional time for kindergarten. Ms. Goldsmith recommended approval of the Minimum Basic Education Requirement Compliance form.

Motion 109-10-11: That the Board approves the Minimum Basic Education Program Requirement form. (Curtis) The affirmative vote was unanimous.

K. District Plan for Revision of School Director Districts (Approval)

Superintendent Faith Chapel noted at their July 28th meeting, board members discussed the preliminary plan for revising boundaries for School Director Districts on Bainbridge Island. School Districts received the results of the 2010 Federal Census in late April from the Washington State Redistricting Commission that included a description of the redistricting process and provided disks containing the Census data. Following past practice, the district data was sent to Sammamish Data Systems for analysis. Ms. Chapel stated by law, the school board is responsible for reviewing data from the federal Census, and approval of the redistricting plan if the school director district boundaries need to be adjusted. The district must complete the redistricting process within eight months. The proposed plan and timeline, originally discussed on July 28th, are now submitted for approval by the board. The plan calls for final approval of the new director district boundaries by the end of November.

Motion 110-10-11: That the Board approves the District Plan for Revision of School Director Districts. (Kinhead) The affirmative vote was unanimous.

Personnel Actions

Motion 111-10-11: That the Board approves the Personnel Actions dated August 19, 2011, and August 25, 2011 as presented. (Spence) The affirmative vote was unanimous.

Consent Agenda - Revised

Student Field Trips

1. (Overnight) Request for Board approval from Odyssey Teachers Hoonan, Erler and Koivu for students to participate in Odyssey’s annual family retreat to be held at Fort Flagler on September 16 & 17, 2011.
2. (Out-of-Country) Request for Board approval from the Bainbridge High School Administrators and Head Football Coach Andrew Grimm for members of the Varsity Football Team to participate in a non-league game with Mt. Douglas School in Victoria, Canada September 16 & 17, 2011.

Donation

1. Donation to Wilkes Elementary School in the amount of \$1,394.99 from the Wilkes PTO to purchase art supplies.

Minutes from the July 28, 2011 School Board Meeting

July 2011 Payroll: (Payroll Warrants) 100576 through 1000617
(Payroll AP Warrants) 171493 through 171521
TOTAL: \$2,599,075.40

Motion 112-10-11: That the Board approves the revised Consent Agenda as presented.
(Kinkead) The affirmative vote was unanimous.

The following vouchers as audited and certified by the auditing officer, as required by RCW 42.24.080, and those expense reimbursement claims certified, as required by RCW 42.24.090, were also approved for payment.

(General Fund Voucher)
Voucher numbers 2003139 through 2003192 totaling \$ 74,732.18 .

(General Fund Voucher)
Voucher numbers 2003197 through 2003263 totaling \$ 88,299.77 .

(General Fund Voucher)
Voucher numbers 2003193 through 2003196 totaling \$ 7,199.00 .

(Capital Projects Fund Voucher)
Voucher numbers 4159 through 4177 totaling \$ 777,306.83 .

(Capital Projects Fund Voucher)
Voucher numbers 4150 through 4158 totaling \$ 30,047.72 .

(Associated Student Body Fund Voucher)
Voucher numbers 4000395 through 4000413 totaling \$ 61,796.36 .

8:23 p.m. -- Board President Patty Fielding announced the board would move into an executive session for 30 minutes regarding personnel evaluation.

Adjournment

8:53 p.m. – President Fielding reconvened the meeting to a public session and immediately adjourned.