

**MINUTES OF THE SPECIAL MEETING FOR THE PURPOSE OF TAKING ACTION ON THE  
VARSITY FACILITY SERVICES CONTRACT RENEWAL**

**POCATELLO/CHUBBUCK SCHOOL DISTRICT NO. 25  
BOARD OF TRUSTEES**

**Superintendent's Office at the Education Service Center  
Wednesday, January 23, 2013  
4:15 p.m.**

**BOARD MEMBERS/SUPERINTENDENT PRESENT:**

Janie Gebhardt, Chair	Jim Facer, Member
John Sargent, Vice Chair (Excused)	Paul Vitale, Member (Excused)
Jackie Cranor, Clerk	Mary M. Vagner, Superintendent

**OTHERS PRESENT:**

Bart Reed, Director of Business Operations  
Rena Johnson, Board Secretary

**Welcome, Call to Order and Statement of Purpose**

Chair Gebhardt called the Special Meeting to order at 4:21 p.m. She said the purpose of the meeting was to take action on the rate increase proposal from Varsity Facility Services.

**Take Action on the Varsity Facility Services Contract Renewal**

Ms. Cranor asked if the cost increase would be taken out of the contingency fund. Mr. Reed said yes. Ms. Gebhardt asked if the increase was \$5,000 per month. Mr. Reed said yes it amounted to \$60,000 per year and would cost \$25,000 for the remainder of this year. Ms. Cranor asked if he spoke with Varsity about deferring to the District's billing cycle when making any rate changes. Mr. Reed said in speaking with the new management he understood the reason for the mid-year request was the inability to continue to absorb a loss on providing the services. He said he encouraged them to time any future increase request with the District's fiscal year. He said they understood and agreed to do so in the future but could not at this point in time. He said Varsity was willing to continue absorbing some of the loss but not the full amount. Ms. Cranor asked who the new CEO was. Mr. Reed said Arlo Luke had retired and his son, Eric Luke was the new president. Ms. Gebhardt said she would guess this was the first of more rate increase proposals to come. Mr. Reed said there would likely be another with the District adding a fourth middle school. He said he did speak with them about not hitting the District with another increase immediately after the start of the new fiscal year. He said he did not get a firm commitment but this was only the second time Varsity had increased its rates in 12 years. He said it was a good indication that it would not be an annual request. Mr. Vitale asked how much it would cost for the District to go back to in-house cleaning. Mr. Reed said most of Varsity's employees were part time and were not paid any benefits which Varsity could do as it was not a state mandated program. He said if the District were to do this in-house it would be required to pay fringe benefits which amounted to \$7,000 per employee, including PERSI which was increasing by another 12 cents per dollar next year. He said Varsity did not do much more than the District could do itself, it just did it at a cheaper cost. Ms. Cranor said she had heard complaints about the level of service from Varsity. Mr. Reed said it was an issue of constant supervision. He said there is one person who oversees the work of Varsity and tells them when they do not do an adequate job and Varsity was pretty good about correcting any inadequacies. Mr. Facer asked if Varsity's employees were hourly. Mr. Reed said Varsity was contracted for certain expectations regardless of how long it took them to complete. He said the District paid them the same amount to clean the floors whether it took longer on some days or not.

A motion was made by Mr. Vitale and seconded by Ms. Cranor that the Board approve the contract for Varsity Facility Services with the proposed rate increase of \$5,000 per month, effective February 1, 2013, and that the contract be amended to include the following language: that Varsity Facility Services agrees that any future proposed rate increases be presented to the Board in a time frame that is congruent with the Board's budgeting

process aligned with the fiscal year; that Varsity Facility Services agrees it will increase quality control; and that Varsity Facility Services agrees that summer cleaning will be completed in accordance with the District's stated schedule. The voting was unanimous in the affirmative.

**Adjourn**

A motion was made by Mr. Facer and seconded by Ms. Cranor to adjourn. The Board adjourned its Special Meeting at 4:34 p.m.

**APPROVED ON:**

FEBRUARY 19, 2013

**MINUTES PREPARED BY:**

  
Secretary, Board of Trustees

**BY:**

  
Chair

**ATTESTED BY:**

  
Clerk