

**MINUTES OF THE BOARD OF TRUSTEES  
SPECIAL MEETING/WORK SESSION  
Pocatello/Chubbuck School District No. 25  
Tuesday, February 10, 2015  
Board Room at the Education Service Center  
1:30 p.m.**

**BOARD MEMBERS/SUPERINTENDENT PRESENT:**

Janie Gebhardt, Chair  
Jackie Cranor, Vice Chair  
Dave Mattson, Clerk

Jim Facer, Asst. Treasurer  
Paul Vitale, Member  
Mary M. Vagner, Superintendent

A Special Meeting/Work Session of the Board of Trustees of Pocatello/Chubbuck School District No. 25 was held on Tuesday, February 10, 2015 at 1:30 p.m. in the Board Room at the Education Service Center, 3115 Pole Line Road, Pocatello, Idaho, as provided in Section 33-510, Idaho Code;

**Convene Work Session**

Chair Gebhardt Convened the Work Session at 1:30 p.m. She reviewed the agenda and the addendum and said the Special Meeting/Work Session was for the purpose of the administration discussing with the Board the following topics:

- 1. Portneuf Greenway Foundation Update**
- 2. New Horizon Center Focus Visit Report**
- 3. PCCS Performance Certificate**
- 4. Annual Food Service Overview and Loss Ratio Report**
- 5. Request from Idaho Power**
- 6. 2015-16 Operational Cost Increases/Losses**
- 7. Request from Varsity Facility Services for Contract Increase**
- 8. Budget Adjustments**
- 9. Reports: *Broadband Update; Legislative Report***
- 10. Public Comment**

Board Protocols for Public Comment will be followed at all Board Meetings. Patrons wishing to address the Board will fill out Form AD 2 – Request to Appear before the Board and present it to the Board Chair or Board Secretary prior to the meeting. Because of the diversity of issues, members of the Board may not respond to delegations. Instead, issues are recorded and referred to the proper staff member for follow-up. The Board is informed of these efforts by the staff member responding to concerns.

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**11. Adjourn**

**Portneuf Greenway Foundation Update**

Ms. Vagner said Mr. Reed had been in communication with the Portneuf Greenway Foundation regarding a proposal to expand the bike trail near the new Wellness Complex. Mr. Harelson said he was a Board Member on the Portneuf Greenway Foundation and they were in the process of expanding the walking/bike trails from Olympus Drive to Satterfield. He said it was the Foundation's intent to provide better access to the Wellness Complex. He said a flashing crossway would be installed at the busier intersection and the Foundation would like to name the trail after the Parrish family. Mr. Erchul arrived and introduced himself as the President of the Portneuf Greenway Foundation. He said a lot of good things were happening and this project was one of those areas that the Foundation Board felt strongly about and they were already almost done raising enough funds for the project. He said the Foundation had currently raised \$13,000 and needed \$20,000 to complete the project. He said he believed the Foundation would surpass that amount. He said Jedd Thomas with the Bank of Commerce had been leading the charge to raise the funds and was doing an excellent job. He said the Foundation had been working with the Portneuf Medical Center and the neighborhood to come up with an easy and safe way for people

in the community to get to the Wellness Complex. He said people in the neighborhood were supportive of dedicating the trail name to the Parrish family. He said the first 1,000 feet of the trail would be on School District property, but the Board had previously expressed its support for the expansion of Greenway trails in that area. He said he was aware that the District could not support a memorial for the Parrish family, but could support a trailhead marker with the family's name. Ms. Vagner asked about the estimated timeline for completion. Mr. Harelson said the grant awards would be announced in April and money would be awarded in July. He said the contractor would have from July through December, 2015 to complete the project. Ms. Cranor asked where the flashing lights would be placed. Mr. Harelson said one set of lights would be installed near the freeway so drivers would see it before coming up on the intersection and the other would be placed on Olympus Drive. Mr. Facer asked if there would be an actual stoplight. Mr. Harelson said there would just be warning flashers.

### **New Horizon Center Focus Visit Report**

Ms. Vagner said Principal Wallace and the staff did a great job preparing for the Site Visit from the State Department of Education. She said the site visit was tied to the school's three-year School Improvement Grant and was part of the follow up. Mr. Wallace said the Focus Visit took place in December and was the second visit in a series of three visits. He said included in the packet was a report summarizing the outcome of the visit. He said he and the staff were grateful for the District's support with the visit and the Grant. He said his report would focus on the action plan for the school following the Focus Visit. He said the school planned to continue to focus on building positive relationships, increasing engagement and on building conative skills. He said as a result of the feedback from the state the school had rededicated professional development and PLC time to building conative skills, specifically to understanding and controlling oneself and in responding to others. He said teachers were focused on improving classroom techniques and were practicing smooth transitions, avoiding disruptions, discussion techniques, communication and avoiding confusion and understanding and implementing formative assessments. He said the practices were built into the professional development plan for the 2015-16 school year. He said there was a lot of discussion about the Going On program so the school built a "Start Class" during each trimester that would help students connect to the College of Technology, individuals at ISU and would help students get information on grants, scholarships, financial aid and housing. He said the class was approved by the Curriculum Committee. He said the school was also staying in communication with other Alternative schools in the state to collaborate on ideas for helping students focus on post-secondary plans. He said the school would hold a career night where students would learn how to complete a resume and fill out applications. He said they would also have a mini College and Career Fair. He said the school planned to increase parent and community involvement. He said there was some concern about some perceptions in the community relative to the New Horizon Center. He said the school connected with the Pocatello Rotary and they were developing an Interact Club. He said the school was focused on providing service to the community. He said students were connecting with various community groups and causes like the Pocatello Recreation Center and the Portneuf Greenway Foundation. He said the school would continue its Parent Advisory Meetings and developing a plan to increase attendance. He said the school started sending out a regular school newsletter which was well received. He said they also started sending out parent surveys to increase communication and get better feedback from families. Ms. Vagner asked about the family ski night. Mr. Wallace said during one of the Parent Advisory Meetings the families asked that the school offer some family activities to help build positive relationships and to give the families some opportunities that they could not afford otherwise. He said the school was able to work with the state and with Title I to get a family ski trip approved. He said over 100 people attended the event and the response was very positive. Ms. Gebhardt asked how many of the attendees were skiing for the first time. Mr. Wallace said a majority of the participants had never been skiing and all of them were so appreciative and communicated how much they enjoyed the experience. He said it was a good way to bring students and families together in a fun and positive environment. He said teachers loved working with the students.

### **PCCS Performance Certificate**

Ms. Craney said Charter Schools were required to prepare a Performance Certificate that set expectations for operations and education. She said the Certificate outlined the relationship between the authorizer and the Charter. She said the administration met with the PCCS administration and Board to review all of the expectations outlined in the Certificate. She said included in the packet was a letter to Mr. Mendive discussing the review of the Performance Certificate and the areas that needed to be addressed. She said the areas that needed to be addressed included current insurance information, evidence of revisions and updates to the Charter, documentation of continuous training for special education staff, updates on the progress of the transfer of the Charter to another authorizing agent, and an update on the progress of the Charter becoming its own LEA. She said included in the

packet was the Performance Certificate. She said the Certificate outlined the authorization, governance, roles and responsibilities, operations, finance and compliance requirements for the Charter. She said the framework showed the information that had to be completed by PCCS and presented to the Board. She said the Charter provided budget information, an audit report and economic and demographic information to the District. She said the Charter School was to outline the improvements that were taking place and provide an update on the progress. She said the Charter was required to have a School Closure Policy and opted to use the state's version. She said Mr. Mendive would provide an update on the items that were outline in the memorandum.

Dean Mendive introduced Alli Flores and said she would address the insurance issue. Ms. Flores said District #25 was the certificate holder and the Charter was not allowed to purchase insurance on the District's behalf which was explained in a letter from ICRMP. Mr. Mendive said the administration was in the process of revising the Charter. He said starting in November the administration researched various Charters and selected Prairie – Northstar Charter School as a model for their revisions. He said the Charter Board met to compile and review all of their areas for revision and to assign responsibilities for the revisions. He said a list of training was provided to the District's administrators relative to continuous training for special education. He said the Charter started the training even before the District recommended it. He said the next step for the administration was to move forward with finding another authorizing agent. He said included in the packet was a letter from the Idaho Charter Commission explaining that a temporary hold had been placed on approving any authorizations or transfers which meant that the Charter would not be able to fulfill that request until the hold had been lifted. Ms. Flores said the Charter submitted the paperwork to the State Department in December requesting to become its own LEA. She said that process would move forward and the Charter would be assigned a new number. She said once the Charter was its own LEA it would apply for its own Grant reimbursements. She said the state would come to the Charter in October to review special education requirements. She said the Charter would hire a special education director and a program director and it was prepared to become its own LEA by July 1, 2015. Ms. Craney said PCCS had complied with most of the requirements with the exception of the Charter revisions. She said she recommended that the Board delay approval until it received a complete Charter revision from PCCS. She said she anticipated that the District would receive the revised Charter by April, 2015.

### **Annual Food Service Overview and Loss Ratio Report**

Mr. Wilson said included in the packet was a Powerpoint presentation with information relative to the Food Service Program. He said one of the slides showed the original poster for the National School Lunch Program. He said the original school lunch program started in 1853 and was called the Children's Aid Society. He said that program reached over one million kids for hot lunch. He said he did some research to find out when Pocatello served its first hot lunch and couldn't find an exact day, but did find an article talking about the PEA spearheading the 9<sup>th</sup> National School Lunch Program in 1935. He said the PEA bought cafeteria equipment and started the program. He said the program now included breakfast and average participation was 2,217. He said school lunch participation had recently started to slightly decline. He said Food Service operated the After School Snack Program at eight sites throughout the community. He said Jefferson Elementary School just started a new Fresh Fruits and Vegetables Program through a special grant. He said the purpose of the program was to expose students to fruits and vegetables that they may not ever see otherwise. He said earlier that day the Food Service Department brought guava to the school and would bring star fruit the following week. He said the special program ran four days per week. He said the students really liked the program. He said Mr. Winward was great to work with and took the Food Service workers right into the classrooms and the teachers and students were really excited about the program. He said Food Service funds were allocated to elementary and secondary schools to update old cafeteria equipment. He said most of the elementary schools had new kitchens. He reviewed a financial comparison from the previous year to the current year and said revenue was fairly consistent. He said net revenue was down by \$274,000. He said food costs and wages were almost the same amount and accounted for a majority of the budget. He said food costs amounted to 45% of the budget. He said it was always a challenge to keep up with increasing food costs. He said one in four School Districts reported food costs that were over the state reimbursement rate and were not able to keep up. He said it was a challenge to find healthy, affordable foods that children wanted to eat. He said the Department did a very good job of looking at each item and awarding bids based on cost. He said waste management was also a challenge. He said it took a lot of work to identify what foods were popular, healthy and affordable. He said a study conducted in a Boston middle school estimated their food waste at 19% for entrees, 40% for fruit and 73% for vegetables which represented millions of dollars in wasted food and amounted to 26% of the budget. He said if you averaged that waste across the nation, the cost would be just over one billion dollars in wasted food for just middle schools. He said the Pocatello Food Service Department took waste very seriously and worked hard to manage waste. He said the Department had to increase

meal prices this year and was in the process of determining whether or not it was necessary for next year. He said the negative account balance was at \$9,700. He said last year at the same time that amount was \$13,400. He said the Department sent out negative account balance notices to parents when a student's meal account was outstanding. He said some parents wanted a notice sent out earlier to inform them when a meal account was getting low on funds but some parents got upset that they were receiving a notice when the account still had funds. He said parents now had to opt-in to receive a notice. He said the notices were sent out twice a week when an account was negative by \$2 dollars or more. He said the Department was now able to accept credit card payments over the phone and at the Education Service Center. He said if the credit card payment process worked well, it would be implemented at each of the schools. He said some of the newly implemented healthy foods that were popular this year included blueberry pancakes, goldfish crackers, raspberry churros, yogurt parfaits, turkey chili in a whole grain bread bowl and baked sweet potato bites. Mr. Reed noted that the Fresh Fruits and Vegetable program at Jefferson Elementary was for one year only. Mr. Wilson said the department held off on implementing the program at Jefferson until just a couple months ago otherwise the funding would most likely have been used up at this point. He said one teacher was tracking the most popular items and wanted him to come to the school to do a presentation for the students. He said he would let the Board know when he was invited so they could attend. Ms. Gebhardt said she had seen a film on poverty that showed students seeing fresh fruits like honeydew melon that they would have never seen at home. Mr. Wilson said some of the fruits and vegetables were available locally but were difficult to find. He said the Food Service Department was his community which included 135 employees. He said the group of employees celebrated and grieved together as a community. He said this was his 17<sup>th</sup> year with the District and his 5<sup>th</sup> year as the Food Service Coordinator. He said there were 135 employees at 24 kitchen sites and 95% were Certified Food Handlers through the Health Department. Ms. Vagner said the negative account balances would be addressed when the Board considered fee increases in the spring. Mr. Reed said the Food Service Department was only allowed to carry 4 months of operating costs at one time. He said the Department was able to minimize losses this year which helped to maintain revenue. He said the goal of the Food Service Program was to be a self-sustaining operation. He said the Department had to compete with local businesses which made it more difficult when the Program had to meet federal guidelines. Mr. Wilson said the Department continually tried to minimize loss. Ms. Cranor asked if the Food Service budget was adjusted based on participation. Mr. Reed said yes it was monitored. He said the Department was also required to offer certain items whether students ate them or not.

### **Request from Idaho Power**

Ms. Vagner introduced Dave Spillett and Stephen Muse from Idaho Power. Mr. Muse said he and Mr. Spillett were there to talk to the Board about the Regulatory Act. He said federal programs directed that Idaho Power make certain purchases that were in turn passed onto customers. He said Idaho Power was required to purchase 46 megawatts of additional solar contracts and anticipated having to purchase 885 more. He said the purchases were federally regulated as they were required to purchase power on twenty year contracts. He said Idaho Power was requesting that the Idaho Public Utilities Commission reduce the required contract length to 2 years which would eliminate the need for purchasing more power than was required and would reduce the cost to customers. He said Idaho Power currently had enough power to meet the needs of their customers for the next six years. He said the Public Utilities Commission allowed a temporary stay on purchasing from twenty years to five years and it was reviewing the request to reduce that down to two years. He said the Commission was currently accepting stakeholder input. He said Mr. Spillett had been in contact with the District to see if it was interested in providing input on the issue. Ms. Gebhardt asked why solar energy could not be used in place of energy sources like coal. Mr. Muse said generally with coal, a power company could provide a certain amount of power at any given time but solar energy was not instantaneous and was not guaranteed. He said if the wind was not blowing then no power was being generated by a wind farm. He said coal was more immediate. He said even if solar power was going well a coal power plant could not be shut down or started back up easily enough to eliminate a plant altogether. Mr. Mattson asked which was cheaper. Mr. Muse said natural gas was cheaper right now. Mr. Spillett said the information included in the packet detailed the rationale for supporting the request. He said it did not make good sense for Idaho Power to be forced to purchase energy that it did not need right now. Ms. Cranor said she was in support of a two year contract. Ms. Vagner asked if the Board was in agreement to send a letter of support on behalf of Idaho Power. The Board was in agreement. Ms. Vagner said a letter of support would be included in the packet for Board approval at the February Regular Board Meeting.

### **2015-16 Operational Cost Increases/Losses**

Ms. Vagner said there were some changes in the District's operational costs that were included in the addendum. She said the District just learned that the Academy, Inc. Charter School was going to expand in the fall by 200 students. She said the administration anticipated that the District could lose around 160 students K-5. She said the administration did not know if the expansion would draw any middle school students at this point. She said based on this preliminary information Mr. Smart calculated that it could cost the District around \$570,000 and 7.7 FTE. She said Gem Prep Academy Charter also planned to expand which would mean another \$91,000 and 1.1 FTE based on loss of 45 students. She said budget planning had changed for the coming school year when the District was looking at a potential loss of \$700,000 and 9 FTE at the elementary level. She said the administration would contact the Academy, Inc. in March to see if the District could get grade specific enrollment information. She said it made it hard to project enrollment increases or decreases or to plan for staffing. Mr. Smart said a School District in Deary, Idaho had sponsored the Gem Prep Academy Charter School. Ms. Vagner said the District did not receive any notice of the Charter's intent to expand. Ms. Cranor asked if the District would be able to absorb the loss of 9 FTE through attrition. Ms. Vagner said yes but the District still had the cost to operate the classrooms regardless of how many students were in them. She said the administration would present the current rollup numbers to the Board next week. She said the Board would also have to consider at some point whether it could continue to justify the operational costs at Washington Elementary with such low enrollment numbers. Mr. Smart said the administration still did not know how use it or lose it would play out in the legislative session. Ms. Vagner said another challenge with not knowing where the District's enrollment would end up was whether or not it should hold off on filling any vacancies and if it waited too long, it may not be able to fill the vacancies. She said any other revenue losses would be added to the spreadsheet. She said Mr. Reed, Mr. Smart and Ms. Giles had been working with Lockton on medical insurance premiums and the anticipated increases were highlighted in the spreadsheet. Mr. Smart said the District did qualify for the whole 4% reduction but a premium increase was still anticipated to come in between 8 and 10%. He said 10% amounted to a \$600,000 cost increase. He said the District could offset any increase with a plan change. He said the one thing that was driving up the District's renewal rate was the cost of prescription drugs. He said some of the injectable prescription medications could cost around \$8,000 per month. Ms. Vagner said another proposed cost increase was for the Varsity Contract which would be discussed later on the agenda.

### **Request from Varsity Facility Services for Contract Increase**

Mr. Reed said included in the packet were two letters from Varsity Facility Services. He said Varsity provided custodial services to the District's secondary schools. He said the District had utilized Varsity's services for the past ten years. He said the letter explained that despite the Board approving an increase two years ago the company continued to sustain losses. He said the letter explained that the reason for the losses was due to increased supply and equipment costs and the Affordable Care Act. He said Varsity originally asked for a \$9,000 per month increase. He said the Varsity contract was \$575,000 annually and represented a majority of the District's custodial budget. He said the letter stated that if an increase was not approved by February 17, 2015 the company would issue a letter of cancellation. He said the second letter extended the deadline until May 22, 2015 if the Board approved a minimum increase of \$4,000 per month. He said the deadline placed the District in a difficult position. He said overall it would cost the District \$115,000 more per year. He said he had been in contact with various vendors to compare market rates and found that the District was paying well under market value even with an increase. Ms. Vagner said the administration recommended that the Board approve the increase for Varsity Facility Services at the February Board Meeting the following Tuesday. Mr. Reed said even though the timing of the request put the District in a tough spot, the increase was not unreasonable. Mr. Reed said there were usually 5 to 7 people working in the high schools and 2 or 3 in the middle schools between and they usually worked on average two to five hours per day depending on the location. Ms. Vagner said the level of service would be addressed with the company prior to any approval for an increase. Mr. Reed said the company used its own equipment and supplies so the company's expenses were not just in labor costs.

### **Budget Adjustments**

Mr. Reed said the administration brought Budget Adjustments every year in either January or February when budgets were more solid. He said the administration monitored federal programs, carryover and enrollment. He said the budget was being adjusted by \$475,000 less than originally anticipated. He said it was always better to present an increase from the original budget, not the other way around. He said the budget was adjusted down because the state base support was less than anticipated. He said the District's enrollment projections were right on the mark but the District also had more staff turnover than originally anticipated which reduced the index. He

said the District's beginning fund balance also came in less than anticipated. He said he was always conservative when projecting the budget but it was so tight that it ended up coming in less than he anticipated. He said the only bright spot was that the District would get reimbursed from the state for the wireless installation in the high schools. He said overall the adjustment amounted to \$771,000. He said a detailed breakdown of the General Fund adjustments were included in the packet. He said salaries and benefits were down by \$400,000 overall. He said additional expenditures included the Varsity contract for this year and the additional cost for insurance. He said he anticipated that the District would save \$40,000 in natural gas costs because of the good weather this winter. He said fuel costs had also gone down recently which helped. He said there was some money left in the secondary text book budget because Curriculum had found an open source for secondary math texts. He said the money would help to offset the reduction in state revenue. He said the District would still be short about \$400,000. He said the District received a new Grant for Restorative Practices. He said the District also received a \$140,000 increase for PTE Education which would carry forward. He said Title I funds had increased slightly and there was a slight decrease in Perkins funding. He said all of the increases and decreases were accounted for in the \$400,000 budget adjustment. He said budget adjustment in Head Start and special education would be forthcoming. He said the Board would be asked to approve the adjustments at the February Regular Board Meeting next week.

**Reports:** *Broadband Update; Legislative Report*

Mr. Jolley said he would provide an overview of broadband and e-rate filing status. He said both of the required forms for the District's e-rate reimbursement had been filed as of Friday. He said the District always filed two forms because it had its own data package that was eligible for e-rate reimbursement. He said if IEN could not provide the data that it was currently providing to the District it would have a negative impact on the District's services. He said the District would have to pay an additional \$3,000 per month if the state discontinued paying for that half. He said the District was currently paying for more service than was provided by the state. He said if the state's ENA contract was discontinued the District could operate on the portion of service that it paid for in addition to the state paid service. He said it would significantly slow down the District's services. He said the District had not been faced with usage problems in quite some time. He said he would not recommend lowering the District's broadband services especially in light of the additional testing requirements. Ms. Vagner said any impact to service or cost would depend on what the legislature decided. Mr. Jolley said IEN recommended that Districts wait to file for e-rate reimbursement but the District decided to file both forms which were due by March 25, 2015. He said the closer the District got to the deadline the more risks it faced. Ms. Vagner said there were currently four different versions being drafted relative to a career ladder and two that could legitimately be carried forward. She said the two proposals that would likely be carried forward were being presented by one of the education chairs and the other by the IASA. She said the biggest differences in the bills were the accountability and evaluation pieces. She said the legislature wanted to continue to increase accountability for teacher performance. She said the tax credit bill would likely become permanent. She said there was some proposed legislation that would eliminate the SBAC which was in conflict with the state's federal waiver. She said the Clearwater District was requesting legislative approval of a "Maniac License Plate" in order to show school spirit while raising funds for the District. She said the proposed strategic planning legislation may provide for the adjusted timeline that was requested by Districts. She said another piece of legislation awarded scholarships to students that earned 17 – 20 college credits before graduating from high school. She said there was a proposed task force to research data collection, student achievement, Personally Identifiable Information (PII) and any recommendations to simplify state reporting.

**Public Comment**

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There was no public comment at the time of the meeting.

**Adjourn**

Chair Gebhardt adjourned the Special Meeting/Work Session at 3:26 p.m.

**APPROVED ON:**

17 March 2015  
By:

Janie Gebhardt  
Chair

**ATTESTED BY:**

[Signature]  
Clerk

**MINUTES PREPARED BY:**

[Signature]  
Secretary, Board of Trustees