

**MINUTES OF THE BOARD OF TRUSTEES  
SPECIAL MEETING/WORK SESSION  
Pocatello/Chubbuck School District No. 25  
Tuesday, May 13, 2014  
Board Room at the Education Service Center  
1:30 p.m.**

**BOARD MEMBERS/SUPERINTENDENT PRESENT:**

Janie Gebhardt, Chair  
Jackie Cranor, Vice Chair  
Paul Vitale, Clerk

Jim Facer, Asst. Treasurer  
Dave Mattson, 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, May 13, 2014, 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. **Convene Work Session**
2. **Purchase of ISU Property Adjacent to Franklin Middle School**
3. **Results of Private Bond Sale to Refinance the District's Bond**
4. **Notice of Hearing on Enrollment Cap Increase for The Academy, Inc.**
5. **Wellness/Insurance & Budget Committee Updates / Enrollment Projections and Budget Preparation for 2014-15**
6. **Elementary Computer Upgrade**
7. **Draft Policy 7132 – Use of Social Media**
8. **Explanation of Special Meeting:** *Issue Contracts for Certificated Teaching Staff for 2014-15 School Year; Salary Increase for Classified Staff for 2014-15 School Year; Salary Increase for Administrative Staff for 2014-15 School Year; Equalization of Salaries; Authorize Release of Emergency Levy Funds; Reconsider Bid Award for Hawthorne Middle School Entry Vestibule Remodel*
9. **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.

**Board Operating Principles #22 & 23:**

**22)** The Board will follow the chain of command referring others to present their issues, problems, or proposals to the person who can properly and expeditiously address the issues; **23)** Board members will refrain from communications which create conditions of bias should a problem or complaint become the subject matter of a hearing before the Board.
10. **Adjourn Work Session and Convene Special Meeting for Action**
  - a. **Issue Contracts for Certificated Teaching Staff for 2014-15 School Year**
  - b. **Direct Equalization of Salaries**
  - c. **Authorize Release of Emergency Levy Funds in the Amount of \$108,182.96 for: SBAC Test Proctors for 2014-15, iPad Minis for Middle and High Schools; Additional Wifi Equipment and ICS Printing Budget for 3 High Schools**
  - d. **Reconsider Bid Award for Hawthorne Middle School Entry Vestibule Remodel**
11. **Adjourn Special Meeting**

### **Purchase of ISU Property Adjacent to Franklin Middle School**

Mr. Reed introduced Dr. Kent Tingey and Mr. Roger Egan. Mr. Reed said the District had been working on purchasing the ISU property for several years with the intent of securing a site for a future elementary school. He said the Long Term Facilities Planning Committee and the CIP Committee made the original recommendation. He said the piece of land adjacent to Franklin Middle School was nearly 13 acres and was undeveloped. He said the location was ideal for the District. He said it allowed for joint use of green space and facilities. He said included in the packet was a letter from the District communicating interest as well as a letter from ISU communicating that the State Board of Education approved the sale of the property. Dr. Tingey said the ISU administration had been working with the District to come to an agreement on the purchase and sale of the property and were pleased to help the District in planning for the future. He said the future elementary site would be a blessing to the District and the community. Mr. Egan said the arrangement made perfect sense and the District would be able to make better use of the land than ISU. Mr. Reed said it was an ideal piece of property for the District. He said the purchase price was \$135,500 which was very reasonable. He said the property was recently appraised and both parties agreed the price was fair. He said included in the addendum was the Purchase and Sale Agreement that was reviewed by both organizations' legal counsel. He said the administration recommended that the Board consider approving the Purchase and Sale Agreement at the May 20, 2014 Regular Board Meeting. Ms. Cranor asked if the District would need to create road access to a future elementary school. Mr. Reed said the property was currently inaccessible and creating access would be very expensive. He said the administration determined it would need to redesign the current access to Franklin Middle School to extend further to provide access to a future elementary school. He said the District would need to develop the extension and build a new parking lot. Ms. Vagner said the property was purchased using School Plant Facilities Funds. Ms. Cranor said it was a great piece of property for the District's needs. Mr. Reed said it was the perfect size property to build a new school which was very hard to find within city limits. Mr. Egan said the ISU administration took the proposal to the State Board of Education and the Board was very much in favor of the idea.

### **Results of Private Bond Sale to Refinance the District's Bond**

Mr. Reed introduced Mr. Alan Westenskow from Zion's Bank. He said Zions Bank provided the financing for the renovation to Pocatello High School and the District's administration was confident in the institution's abilities. He said the bond debt was about two years away from being paid off. He said the District refunded the bond a number of years ago and saved taxpayers about \$600,000 at the time. He said the current refunding was anticipated to save taxpayers another \$245,000. He said the administration discussed the option of conducting a public sale or a private sale and would recommend whichever option was most advantageous to taxpayers. Mr. Westenskow handed out the most recent graph of savings. Mr. Reed said the cost savings were approximately \$245,000 due to the low interest rates. Mr. Westenskow said he had been working with District #25 for the last 15 years. He said the District's bonds would become callable on August 15, 2014 and the District was legally allowed to refinance the bonds within 90 days of that date. He said Zions Bank would stay in contact with District to review current bond rates as it got closer to that date. He said when the District refinanced the bond the first time it was at 5% and current bond rates were now at .525% which was where the cost savings would come from. He said normally the bank would conduct an open market sale but the District would get a better interest rate if the bank conducted a private sale. He said the refinancing package was sent to the banking community and five responses were received. He said Key Bank was the underwriter. He said Zions bank sent its bid in ahead of time in order to avoid any conflict of interest and Zions Bank ended up being the lowest bidder. Mr. Reed said he received the quote from Zions Bank well in advance of the other institutions so there was no question of fixing numbers. He said the additional savings from conducting a private sale compared to a competitive sale was due to the low cost of issuance on a private sale. He said the Board approved the Resolution to refinance the bond at the April 15, 2014 Regular Board Meeting and this report was to inform the Board of the outcome of the bond refinancing. He said the bond would be paid off in just over two years. Ms. Cranor said there were some patrons that were unhappy with the District's Emergency Levy and hoped this would help them see that the District gave back to taxpayers when it could. Mr. Reed said the bond refinance returned just over half of the amount of the Emergency Levy.

### **Notice of Hearing on Enrollment Cap Increase for The Academy, Inc.**

Ms. Vagner said included in the packet was a letter from the Idaho State Public Charter School Commission noticing the District that The Academy, Inc. was requesting to increase its enrollment cap by 155 students and that any input should be submitted to the Charter Commission prior to a hearing to be held to consider the request. She said included in the addendum was the District's response to the Charter Commission requesting that the

Commission deny The Academy, Inc.'s request. She said the letter included the rationale that the charter's facility only had twelve classrooms which accommodated up to 355 students, not 555 students. She said another reason the District was requesting denial was to avoid having to compensate for the loss of 155 students which the District had already planned for and hired staff for. She said the Board would be asked to direct the administration to submit the letter to the Charter Commission. Ms. Cranor said she wondered where the charter school planned to place the additional students. Ms. Vagner said she did not know, but the numbers that were reported to the Board monthly showed a much lower enrollment picture than what the charter was asking for. Ms. Gebhardt asked if the administration knew why the charter was requesting the increase. Ms. Vagner said more students meant more state money. Ms. Cranor said the charter needed to have space for those students. Mr. Vitale said he thought the charter planned to add a high school. Ms. Vagner said the charter school had considered adding a high school at one point but the plan never materialized. The Board directed the administration to submit the letter to the Idaho State Public Charter School Commission requesting denial of The Academy, Inc.'s request to increase enrollment.

### **Wellness/Insurance & Budget Committee Updates / Enrollment Projections and Budget Preparation for 2014-15**

Mr. Smart said included in the packet were several documents relative to the budget. He said the first document showed the District's projected enrollment. He said enrollment projections for the 2014-15 school year were similar to the current year. He reviewed the projected kindergarten enrollment which he anticipated would drop slightly but would not affect the District's units. He said it took an extreme increase or decrease in kindergarten enrollment to have any impact on the number of units the District got from the state. He said the anticipated units for 2014-15 was 591. He reviewed the state funding estimate which detailed salary apportionment and benefits and special distributions that were earmarked for specific programs. He reviewed the accounts that the special distributions would be placed in. He said the projected cost increases spreadsheet was included in the addendum. He said the District would have to offer full time benefits to staff working over 30 hours a week which he anticipated amounting to an increase of \$100,000 for the 2014-15 school year. He said there may not be a need for additional periods for Algebra so that cost increase would be removed. He said he hoped to have a balanced budget to present to the Board at the Regular Board Meeting the following week. He said the requested budget for textbooks had to be reduced which would be reflected in the final budget presentation. He said it was unfortunate that the District was unable to implement the proposed textbook adoptions but was necessary in order to balance. Ms. Vagner said Mr. Wegner requested over \$1 million for textbook adoptions including high school math and K-5 science. She said the administration approved the textbook adoption for high school math at \$540,000 but denied the adoption for K-5 science at \$430,000 based on the lack of funds to implement both. She said providing math support at the secondary level was critical this year and the administration was exploring options for open source materials for integrated math. She said funds for curricular materials should go to support the needs of teachers in implementing the common core which would be defined during unit refinement over the summer. She said the money would not go very far but any available funding to support that work was critical. Ms. Gebhardt asked if there was any way for teachers to obtain resources through technology. Ms. Vagner said teachers were encouraged to find free resources to support instruction. She said the teachers would be researching resources during unit development over the summer. Mr. Smart said the administration learned that the State Department of Education would not renew its contract for PLATO and was still in the process of determining whether the District would be responsible for funding the program on its own. Ms. Gebhardt said she heard that Districts would receive remediation funds from the state and would be responsible to purchase their own programs. Mr. Smart said the state had not communicated that information to Districts. He said PLATO was aware that the state would not renew its contract and had reached out to School Superintendents to propose a group contract at a discounted rate. He said PLATO was an integral part of the District's curriculum. He said the likelihood was that Districts would be responsible to fund the program. He said the District used PLATO for credit recovery. Ms. Vagner said it was also part of the District's Alternate Route to Graduation Plan. Mr. Reed reviewed the fund balance. He said Districts were given a one-time distribution about four years ago and the District's share of the one-time distribution was \$2.4 million. He said the Board voted to set aside the money to help offset future reductions and to help balance the budget. He said even with 1% increase to salaries and the increase to operational funds for the coming year, the District would still not have any appropriated fund balance which had been exhausted in order to balance for previous years. He said the budget was still very tight and was down to the Board policy minimum fund balance requirements. Ms. Vagner said the District no longer had an appropriated fund balance to fall back on. She said the District's funds had been stretched as far as they could go and it would be critical for the administration and Board to communicate the financial picture to the legislative delegation. Ms. Cranor said the District was fortunate to have had the set asides funds to fall back on over the last few years. Mr.

Smart said the Wellness/Insurance Committee met and determined there would be a 6% increase in medical, which would be offset by a wellness participation discount, and 2% increase in dental. He said the increase had been built into the proposed budget. Ms. Cranor noted the District's Medicaid reimbursement had gone down. Mr. Reed said it was due to changes in what Medicaid determined to be a reimbursable service. He said the District would have to become less dependent on Medicaid reimbursements as the rules continued to change.

### **Elementary Computer Upgrade**

Mr. Smart said when the District requested bids for the elementary computer replacement project the results came back with a more significant savings than anticipated and the administration determined that it could upgrade those same computers for less than the amount that was originally estimated. He said the Board would be asked to approve the upgrade to the elementary lab computers.

### **Draft Policy 7132 – Use of Social Media**

Ms. Vagner said included in the packet was draft Policy 7132 – Use of Social Media. She said the policy encouraged staff to use good judgment relative to electronic communications and was meant as a guideline and to create awareness as to the risks of using social media. She said the policy communicated that there was a higher moral standard that School District staff are held to. She said the policy spoke to respecting privacy rights and covered the recommended “do’s” and “do not’s”. She said the Idaho Professional Standards Commission did not have a policy but covered appropriate communications the under the Code of Ethics for Professional Educators. She said on the last page of the policy the word “unattended” should read “unintended”. She said the policy would be brought to the Board for a first reading at the May 20, 2014 Regular Board Meeting. She said the policy was meant to create awareness and communicate common sense. Ms. Cranor asked if the policy would be posted for public comment. Ms. Vagner said it would and that posting policy changes for public input was standard practice. She said input would be reviewed and considered prior to bringing the policy back to the Board for adoption.

### **Explanation of Special Meeting:** *Issue Contracts for Certificated Teaching Staff for 2014-15 School Year; Salary Increase for Classified Staff for 2014-15 School Year; Salary Increase for Administrative Staff for 2014-15 School Year; Equalization of Salaries; Authorize Release of Emergency Levy Funds; Reconsider Bid Award for Hawthorne Middle School Entry Vestibule Remodel*

Dr. Howell said the District would be able to issue contracts this year rather than issuing letters of intent. He said the state allocated a 1% salary increase for all staff and the administration was recommending the issuance of contracts with a 1% pass-through increase. He said the list of contracts to be issued was fluid and was subject to change. He said Category 2 teachers were within their first two years and Category 3 teachers were in their third year. He said the Board would be asked to issue contracts during the Special Meeting immediately following the Work Session. He said any changes would be made through a contract addendum once negotiations were finalized. He said the Board would be asked to hire administrators and to consider a pass through of the 1% increase to those staff members and classified staff members at the Regular Board Meeting the following week. He said a 1% increase from the state translated into a .84% for District staff. Ms. Cranor asked if the state included all employee groups. Dr. Howell said yes, all employee groups were included. He said the Human Resources Department planned to issue contracts on Thursday and teachers had ten days to sign and return contracts to the District. He said it was the first time in several years that the District had been able to issue contracts rather than deliver letters of intent.

Ms. Vagner said the District currently had three different levels of pay for Directors and had been an equity issue for the last eight years. She said there was an opportunity to equalize the levels of pay across the board due to attrition. She said this would be accomplished by reducing the top level of pay and increasing the lowest level of pay to the middle level which then treated everyone the same at no additional cost. She said the Board would be asked to direct the equalization of pay during the Special Meeting.

Ms. Vagner said the recommended release of the Emergency Levy Funds was presented at the April Work Session but was inadvertently left off of the April Board Meeting Agenda for Action. She said the Board would be asked to authorize the release of the Emergency Levy Funds during the Special Meeting.

Mr. Reed said included in the packet was a corrected bid memorandum for the Hawthorne Middle School Entry Vestibule Remodel. He said during the bidding process vendors recorded their bid amount on the bid sheet which was later tabulated and the bid sheet was found to have a typo on one of the bids. He said as a result the lowest bidder was reported to the Board incorrectly. He said the vendors were contacted and the error was communicated and the vendors were in agreement with the proposed change. Ms. Vagner said the Board would need a motion to withdraw the current bid award and to approve the corrected bid award as presented during the Special Meeting.

**Public Comment**

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

**Adjourn Work Session and Convene Special Meeting for Action**

Chair Gebhardt adjourned the Special Meeting/Work Session at 2:29 p.m. and convened the Special Meeting for Action.

***Issue Contracts for Certificated Teaching Staff for 2014-15 School Year***

A motion was made by Ms. Cranor and seconded by Mr. Vitale to issue contracts for Certificated Teaching Staff for the 2014-15 School Year as presented. The voting was unanimous in the affirmative.

***Direct Equalization of Salaries***

Ms. Cranor asked if the Board would see the detail of the equalization. Ms. Vagner said all of the Director salaries would be adjusted to the middle level which would put all Directors at the same rate of pay. A motion was made by Mr. Vitale and seconded by Mr. Mattson to direct the equalization of salaries as presented. The voting was unanimous in the affirmative.

***Authorize Release of Emergency Levy Funds in the Amount of \$108,182.96 for: SBAC Test Proctors for 2014-15, iPad Minis for Middle and High Schools; Additional Wifi Equipment and ICS Printing Budget for 3 High Schools***

A motion was made by Mr. Mattson and seconded by Mr. Facer to authorize the release of Emergency Levy Funds in the amount of \$108,182.96 as presented. The voting was unanimous in the affirmative.

***Reconsider Bid Award for Hawthorne Middle School Entry Vestibule Remodel***

A motion was made by Mr. Facer and seconded by Ms. Cranor to withdraw the current bid award and award the corrected bid to CR Clark Construction as presented. The voting was unanimous in the affirmative.

**Adjourn Special Meeting**

Chair Gebhardt adjourned the Special Meeting for Action at 2:33 p.m.

APPROVED ON:

17 June 2014  
By:

Jemie A Gebhardt  
Chair

MINUTES PREPARED BY:

[Signature]  
Secretary, Board of Trustees

ATTESTED BY:

[Signature]  
Clerk