

**Minutes of the Regular Meeting of the Board of Directors
OLYMPIA SCHOOL DISTRICT NO. 111
February 9, 2004**

The regular meeting of the Olympia School District Board of Directors was called to order by President John McGee at 7:02 p.m., Monday, February 9, 2004, at the Knox Administrative Center, 1113 Legion Way SE, Olympia, WA 98501. Vice President Michelle Parvinen, Directors Carolyn Barclift, Russ Lehman and Rich Nafziger, and Superintendent Bill Lahmann were present.

The pledge of allegiance was led by Mr. Dan Swain.

DIRECTOR BARCLIFT MOVED, AND DIRECTOR PARVINEN SECONDED, APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JANUARY 26, 2004, AS AMENDED TO REFLECT THAT THE FIRST COMMUNITY MEMBER TO ADDRESS THE BOARD ON THE SUBJECT OF VOLUNTEER REQUIREMENTS WAS MR. FRANK BYRON GLENN, NOT FRANK GRIMM, AS RECORDED. FIVE AYES; MOTION CARRIED.

Mr. Charlie Kirry, President of the newly-established Olympia High School Alumni Association, and a graduate of the Class of 1976, reported on the formation of this new organization, which began meeting a year ago. The intent of the association is to undertake a scholarship effort, provide historical preservation, sponsor social events, and provide reciprocal support to class reunions. They currently have 200 dues-paying members, at \$10.00 annually, and are currently in discussion with Olympia High School Principal Matt Grant to present awards at a May 17th recognition ceremony. Honorees for this year are alumni State Chief Supreme Court Justice Gerry Alexander, former County Commissioner George Yantis, and Dick Pust, General Manager of, and morning host for, KGY radio. In addition, a service award will be made to a long-time faculty member, Mary Farrington. They plan to create a hall of fame near the school office for the display of awards. Mr. Kirry stated that they will endeavor to reach out to the community to re-capture and provide a home for items from the school's history that might otherwise go to the landfill.

In celebration of Career and Technical Education Week, February 8th through 14th, Career and Technical Education (CTE) Director Mike Hickman addressed the Board on the success of the programs currently in place at Olympia High School (OHS) and Capital High School (CHS). He noted that Mr. Charlie Kirry was a member of the CTE Advisory Committee. Mr. Hickman introduced Mr. Stan Bratt, an industrial technology teacher at OHS and graduate of 1973. Mr. Bratt told how he came to be a part of the CTE program and how valuable the program was to the students. He introduced students Alex Brown and Dan Swain of Olympia High School, who addressed the Board on their own experiences with the CTE program and the impact the courses have had on their education.

Director Nafziger offered praise for the work being done, stating that he has heard very good things about the CTE programs in our high schools. He stated that what excites him is that the program has raised the standard—a really great reason for continued support.

President McGee thanked Stan Bratt, Alex Brown and Dan Swain for sharing their time and thoughts with the Board.

IDENTIFICATION OF AUDIENCE MEMBERS WHO WISH TO SPEAK TO AGENDA ITEMS

There were no audience members who indicated their intent to speak to agenda items.

COMMUNITY COMMENT

There were no audience members who desired to offer comments to the Board.

ITEMS TO BE BROUGHT UP BY MEMBERS OF THE BOARD

Director Barclift reviewed data she had received and shared with the Board as a result of her legislative work with Washington State School Directors Association (WSSDA) regarding the school lunch program, its audit standards, implementation in light of the No Child Left Behind act (NCLB), and the potential for change. She noted that three states have opted out of NCLB, with others considering following suit, which could impact our District in the future.

Director Barclift noted that the District hosted the WSSDA Region V dinner meeting last Wednesday night at McKenny Elementary School. She offered thanks to the levy committee for their efforts which resulted in such positive response from the voters. President McGee suggested that a letter from the District expressing our appreciation would be in order.

Director Lehman inquired as to whether, with so many bills currently being considered by the legislature, the Board should consider expressing our views on one or more bills. He referred to the letter written by the OEA regarding charter schools and asked Director Nafziger if he thought it would be advisable for the Board to let its position be known. Director Nafziger responded that the legislators currently representing the District are already very supportive.

President McGee reminded the Board that the annual filing with the Public Disclosure Commission must now be done electronically and encouraged the members not to delay in filing.

CONSENT AGENDA

**DIRECTOR BARCLIFT MOVED APPROVAL OF THE CONSENT AGENDA, AS FOLLOWS.
DIRECTOR NAFZIGER SECONDED. FIVE AYES; MOTION CARRIED.**

1. SCHOOL DIRECTORS

1.1 Board Meeting Schedule

- Wednesday, February 11, 2004, 6:30 p.m., **Board Executive Session**, Knox Administrative Center, 1113 Legion Way SE, Olympia, Washington 98501.
- Monday, February 23, 2004, 7:00 p.m., **Regular Board Meeting**, Garfield Elementary School, 325 Plymouth Street NW, Olympia, Washington 98502.
- Monday, March 8, 2004, 7:00 p.m., **Regular Board Meeting**, Knox Administrative Center, 1113 Legion Way SE, Olympia, Washington 98501.
- Monday, March 22, 2004, 7:00 p.m., **Regular Board Meeting**, Boston Harbor Elementary School, 7300 Zangle Road NE, Olympia, WA 98506.

3. CLASSIFIED PERSONNEL

3.1 Classified Personnel Report

The Classified Personnel Report dated February 9, 2004, was approved.

4. PUPILS & SCHOOL PROGRAMS

4.1 Instructional Materials

The Board is in receipt of a list of instructional materials for study.

6. BUILDINGS & GROUNDS, NEW CONSTRUCTION

6.1 Capital High School, Dedication Deed for Public Right-of-Way

The Board approved the execution of a dedication deed to the City of Olympia for street frontage at Capital High School.

6.2 Ingersoll Stadium Improvements, Schematic Design Approval

The Board approved the schematic design of the improvements to Ingersoll Stadium.

6.3 Capital High School, Modernization & Additions, Phase II, Schematic Design Approval

The Board approved the schematic design for Capital High School, Phase II, Modernization & Additions project.

7. TRANSPORTATION

7.1 Award of Bid, New District Buses, Bid Nos. 578 and 579

The Board approved bid awards to Schetky Northwest Sales, Inc., for Bid No. 578, regular 84-passenger bus, and Bid No. 579, special needs 54-passenger bus.

8. FINANCES

8.1 Approval of Vouchers

The Board approved for payment Associated Student Body Fund Voucher Nos. 25199 through 25270, in the total amount of \$73,796.55; Capital Projects Voucher Nos. 7344 through 7372, in the total amount of \$201,183.30; General Fund Voucher No. 127073, in the amount of \$17,960.10; General Fund Voucher Nos. 127074 through 127350, in the total amount of \$276,124.39; and, General Fund Warrant Nos. 14301 through 14404, in the total amount of \$1,148,139.13.

8.2 Facility Use Agreement, Vineyard Christian Fellowship of Olympia

The Board granted approval of a facility use agreement with Vineyard Christian Fellowship of Olympia, to use Garfield Elementary School for Sunday services.

REGULAR AGENDA

6. BUILDINGS & GROUNDS, NEW CONSTRUCTION

6.1 Temporary Housing, Washington & Reeves Middle Schools Projects

Director of Facilities & Operations Bob Wolpert and Project Manager Tim Byrne presented a plan for temporarily housing Washington Middle School (WMS) and Reeves Middle School (RMS) offsite during construction in order to avoid the disruption to learning that naturally results when remodeling occurs while school is in session. After study of a similar situation in Tacoma, staff began looking for possible alternatives. As a result, they began working with a concept which would utilize the space we have available at our Rogers Elementary School site. Although RMS could be fully accommodated at Rogers, with utilization of a few portables, due to its size, WMS cannot. As a possible solution, an exploratory meeting with the Lutheran Church of the Good Shepherd, located at the southwest corner of North Street and Henderson Boulevard, to consider the feasibility of renting their newly-completed classroom wing during the course of WMS construction. The recommendation then, would be to place the WMS 6th grade block at the church facility, while utilizing Rogers for the 7th and 8th grade classes.

Mr. Wolpert then provided a thorough review of how the two sites would function, costs associated with improvements that would be required at Rogers, along with added transportation, and savings that would be generated by reduced construction time. He noted that he will be meeting with officials of the Head Start program, long-time tenants at Rogers, to advise them of the plans under consideration, and that future meetings will be needed with the Church of the Good Shepherd to discuss terms. He added that the church has been very open and clearly favors entering into an agreement with the District.

Director Barclift noted that it seems the plan would be highly beneficial for students and staff to avoid working around constant noise, construction workers and shifting barriers.

Principal Joni Wolpert of WMS stated that their staff found the idea of moving off campus for the period of construction very appealing. She said the staff was already working on ways to stay connected since they would have two campuses, but that the proposed split of 6th grade on one campus and 7th/8th on the other was the most natural. Overall, she indicated, the staff is happy with the idea of moving offsite.

Principal Martha Roth of RMS stated that the move to Rogers would be even better in their case, because their size would permit their entire program to be housed there. The plans to renovate while classes continued had created concerns about disruption to learning. She stated that they believe the advantages of moving offsite outweigh the disadvantages, and that it is a great solution to what might have been a difficult year.

8. FINANCE

8.1 2003-2004 Budget Review & 2004-2005 Budget Projection

Jim Crawford, Assistant Superintendent for Business and Support Services updated the Board on enrollment projections, and on the status of the 2003-04 operating budget and initial budget projections for the 2004-05 budget.

He discussed enrollment projections for the next four years, stating that the methodology was to use historical grade-level succession data for each school to project enrollment in future years by grade level. The next step is to take the data and projections for each school and have a conversation with each principal about future enrollment. That is happening over the next 3 weeks. He noted that the projections for 2006-07 and 2007-08 are very rough, and that we need to have conversations with Thurston County Regional Planning and others about mid-term growth and economic forecasts to refine these trend projections.

Last year, enrollment was 156 students below the prior school year, and this year, enrollment is projected to be about 73 students below last year. Next year, we are initially projecting enrollment to be another 100 students below this year. Combined, that is an enrollment decline of 329 students over 3 years, and it's not in one neat, isolated package. It is spread across the District geographically, and between grade levels. Generally, the decline has been in elementary enrollment, which will continue for another year, maybe two. It's just beginning to move through the middle schools, and will continue for three, maybe four years. High schools are more of a mixed bag; we anticipate a modest enrollment decline next year, with an offsetting gain the following year.

He provided the following projected budget data for the current year:

- Certificated Staff Costs over budget by \$390,000
 - Overloads over budget by \$70,000
 - Supplemental contracts for extracurricular over budget by \$150,000
 - Inservice and extra days over budget by \$175,000—may be timing difference if inservice and extra days were taken earlier this year than in prior years.
- Classified Staff Costs over Budget by \$700,000
 - Extracurricular contracts and overloads over budget by \$80,000
 - Classified staff charges projected over budget by \$400,000
 - Includes contracted budget and time-slipped employees
 - \$200,000 of projected overcharges will be shifted to grants, supported by revenues or reimbursements (probably overstating the problem by this amount)
- Health benefits are over budget by \$570,000
 - Biggest component of this is a budget error in the employee carve-out—funding we send per employee to the HCA for benefits for retirees.
- Non-Salary Costs are Under Budget by \$1,200,000
 - Approximately \$800,000 of this is projected building and program budget carryforward to 2004-05
 - Based on expenditures through January, we are on track to carryforward budgets at the same level as last year.
 - Another \$280,000 of this underspending was budget reserved for staffing. When the expenditures are made year to date, the costs show up in staffing costs, while the budget remains in the non-staff category. This offsets some of the staffing over-expenditure.
 - Also slightly underspending in supplies, equipment and travel

As examples of higher than budgeted items, we experienced an increase in insurance costs when we shifted from the ESD pool, because rates with ESD were going to rise beyond anticipated levels, higher than with a new carrier; after a warm winter with lower energy cost, we cut the budget, only to encounter higher energy costs during this year's colder winter.

Director Lehman asked if a potential for energy savings was being researched, and Mr. Crawford responded that adding a staff person for an intensive study would be an up front cost that could result in savings later. Director Lehman suggested that it might be helpful to discuss that further.

Mr. Crawford stated that projecting current year costs forward into the 2004-05 school year results in the need to reduce expenditures next year by \$2.2 million to balance expenditures to projected revenues. In addition, the District would need to reduce expenditures by another \$1 million next year to rebuild a fund balance sufficient to manage cash flows next year. Combined, the first projection of next year's budget indicates a need to cut \$3.2 million. He stressed that these are preliminary projections, based on projected expenditures for the remainder of the current year, and that these estimates will be refined.

Mr. Crawford outlined a proposal for developing the budget for next year, based on a defined timeline from initial preparation, now underway, to adoption in late July.

Director Nafziger stated that looking at proposed cuts was a right approach, but that the Board needed to act up front to discuss what is and isn't important, to provide something to take to the Budget Advisory Group (BAG) in the form of priorities and goals. Superintendent Lahmann wholeheartedly agreed, adding that it is not appropriate for us as a District to hand off to BAG

to solve, but rather, that we need to take a look at the whole picture and consider how we move forward looking out three and five years. He said that the District needs to set the stage for the BAG.

Director Parvinen suggested that a date be set for a Board study session. Superintendent Lahmann requested that we allow some time for him to work with staff to put the data together. Director Nafziger agreed, stating that he liked the idea of staff setting the framework

After discussion, a date of March 15th at 6:30 p.m. was set for a Board study session on the budget.

Director Lehman stated that he was optimistic about the way the situation had been laid out concisely and on the mark, but noted that the contract process is going to be running simultaneously, asking how are we going to work those together (the BAG process and the contract negotiations) so that everything is coordinated. Superintendent Lahmann responded that the more you have your employee organizations on board with you, the better the process works to set the framework; how that will shake out is part of the bargaining process, adding that it is imperative that we have a common understanding of the situation. He noted that this school year marks the end of a three-year contract with OEA and that the bargaining will begin in March or April.

Director Lehman thanked the administration for a very helpful process.

Mr. Crawford suggested that the Board might want to consider increasing the fees for outdoor school this year, as an offset to the increased costs, and offered three alternatives to the current fee. President McGee inquired about the percentage of students who take advantage of help resources. Superintendent Lahmann responded that most schools have a "pay what you can and we'll make up the difference" practice. He added that a determination has been made that we need to identify our staff earlier so that a better training program can be assured, that we've been told of a distinct difference between those who are trained and those who aren't. There are concerns about safety, how to adequately supervise 5th graders and understand their needs. He stated that he felt a \$75.00 fee was do-able, but a substantial increase.

Director Parvinen asked if there were no scholarships currently built in, and Superintendent Lahmann stated that there are not; that most of the needed additional funding has come from the PTAs. Director Barclift indicated her strong support of the program. Director Lehman stated that he is also a strong supporter, and offered a suggestion that an alternative program on Bainbridge Island might be considered, as he is aware of a operation there that is under-utilized.

President McGee requested that further consideration of an outdoor school fee increase be made by the administration and returned to the Board for a decision at the next meeting.

Superintendent Lahmann stated his appreciation to Jim Crawford, and to Patti Clark and their staff, as well. He said he is really pleased to have Jim Crawford on our staff with the work being done under his leadership. He added that the information delivered tonight may be more detail than you may be used to, but necessary in order to keep the Board well informed. He said this offers some big challenges in a community that just passed a levy at 71%.

Director Lehman noted that our public relations efforts are going to be very important in order to communicate the message accurately.

ITEMS TO BE BROUGHT UP BY PERSONS PRESENT

There was no response from the audience.

BOARD MEMBER COMMENTS

Director Barclift noted that the crossing lights are now up on Division Street at Bowman, Conger and Madison. This project is going to be very beneficial to the District.

Director Barclift inquired as to whether a date had been set for the Board retreat; it was stated that we were awaiting a call back from the facilitator; expected within a day or so.

Superintendent Lahmann stated that the administration was ready to move forward with revisions to the Personnel section of District policies, and asked if two Board members would be willing to review that section for first reading at the first regular Board meeting in March. Directors Parvinen and Barclift agreed to review the Personnel section.

Superintendent Lahmann stated that two Board members would also be needed to review the Curriculum section, scheduled to be brought before the full Board in April. President McGee and Director Lehman agreed to review the Curriculum section.

President McGee suggested that it would be appropriate for the administration to send thank you letters on behalf of the Board to students who make presentations to the Board.

Superintendent Lahmann reminded the Board that a meeting for the purpose of his mid-year review was scheduled for Wednesday evening, February 11th, at 6:30 p.m. at the Knox Administrative Center.

FUTURE AGENDA ITEMS

- Volunteer Requirements - March 22
- Staff Recognition - May 10

No executive session was required.

President McGee declared the meeting adjourned at 10:28 p.m.

Respectfully submitted,

Secretary

President