

**Minutes of the Regular Meeting of the Board of Directors
OLYMPIA SCHOOL DISTRICT NO. 111
December 15, 2003**

The regular meeting of the Olympia School District Board of Directors was called to order by President Carolyn Barclift at 7:01 p.m., Monday, December 15, 2003, at the Knox Administrative Center, 1113 Legion Way SE, Olympia, Washington 98501.

The Pledge of Allegiance was led by Ken Brown.

DIRECTOR JOHN KEEFFE MOVED AND DIRECTOR MICHELLE PARVINEN SECONDED, APPROVAL OF THE MINUTES OF THE REGULAR BOARD MEETING OF NOVEMBER 24, 2003, AMENDED. MOTION CARRIED.

The Oath of Office was administered by Washington State Supreme Court Chief Justice Gerry L. Alexander to re-elected Board Directors Carolyn Barclift and Michelle Parvinen, and to newly-elected Director Rich Nafziger. Chief Justice Alexander stated how proud he was to be administering the oath to the three Directors, as he is a product of the Olympia School District himself.

A short break was called by President Barclift at 7:08 p.m. The meeting was reconvened by President Barclift at 7:25 p.m.

ANNUAL BOARD REORGANIZATION

President Barclift asked for nominations for president to serve during the ensuing year. Director Parvinen nominated John McGee, seconded by Director McGee. President Barclift called for additional nominations; hearing none, asked for discussion.

Director Lehman stated that, although awkward, it was necessary to put a number of things on the record, though not necessarily for discussion purposes. He stated that the tradition of the Board, as he understands it, is that the Board presidency rotates so that each Board member can share in the responsibilities of being president. What's happening here, he stated, is a precedent-setting rejection of that tradition; never before has this process been subject to an analysis of qualifications--since he is the current vice president, typically he would have become president. As it turns out, he continued, there are three members of the Board who believe that the tradition should be changed because they somehow deemed him unqualified to be president this year.

The Board reorganization of last year, he continued, came when he had been on the Board for one year and was wearing a brace as a result of a broken neck. He said that when the reorganization happened last year he voted for the current president in keeping with tradition, that no analysis was made as to qualification, and he voted with the rest of the Board purely for tradition's sake. He stated that he was then nominated and made vice president, but was not informed by the Board about what that meant, and assumed that it meant he would stand in for the President during that year. He said that it was a difficult year for him, with a broken neck and not being able to drive, and that he frankly wasn't paying that much attention, but that it didn't seem like the position carried any responsibility. Some weeks later, he said, he was informed by District staff that part of his responsibility was to review the hundreds of vouchers, or checks, at the Finance office, and initial the cover sheet of the vouchers signifying that they had, in fact, been reviewed. He stated that he

informed the staff member that, as a lawyer, he was extremely uncomfortable signing or initialing a document that he did not review in any detail. He said he was informed that the usual review was cursory, giving the Board member an opportunity to ask questions, then initial to show that it had in fact been reviewed.

He said he was quite surprised by the assignment, as it was an action that could expose the Board member to potential liability. He said he also believed the process to be a little bit awkward in that the window is very short, being Friday afternoon before the Board meeting. He said some four months elapsed before he was asked by a Board member if he was reviewing the vouchers, that the Board member suggested that it would be a good idea if he did so, but that he continued to not do the review, primarily because of his discomfort and concern over the legal liability and, frankly, for what he felt was an unproductive task at best because a thorough review was impossible. At no point during the entire 12 months, until the Board retreat about a month ago, did anyone mention that there was any connection between failure to review vouchers and becoming President at the next reorganization. When it became clear to me, he said, what the expectation of the Vice President was with regard to the vouchers, I should have had a discussion on the record with the Board about my discomfort with it and we could have figured out another process.

Director Lehman said that some three months after he became vice president he was informed that another role of the vice president was to set a date for a retreat for the Board. He said he did not act on that quickly, and it was sometime before it became clear that setting such a date was impractical, that a retreat of sorts wound up happening about a month ago, and that it was not set up by him.

He said those were the two functions he became aware of some extended time after becoming vice president; that at no point during the preceding 12 months did any Board member make any suggestion that failure to set the date for a retreat was a necessary step to becoming president.

Director Lehman continued that he wanted to be sure that his concern about the vouchers was a rational concern, so he checked with Washington State School Directors Association (WSSDA) legal staff and a number of lawyers both public and private. He said the unanimous response ranged from surprise to strong concern that a Board would require a Board member to subject themselves to potential legal exposure. He said many also commented on the sheer impracticality, since the Board member is not expected to conduct a detailed review, but merely to look them over and ask any questions they might have.

He concluded that this was his attempt to put on the record the events that led to what he felt was clearly a radical change in Board tradition, that if, in fact, this were the case in the reorganizations of his prior two years on the Board, he very well might not have voted as he had. Clearly, we are now not moving the vice president to the presidency based merely on the fact that they were vice president, he said.

Director Nafziger asked whether there was a job description for role of the vice president and, if so, if the vice president received a copy of it. Superintendent Lahmann stated that the responsibilities were contained within the Policy Manual, and he responded to a direct request from Director Parvinen by reading from the District Policies and Procedures Manual, Policy No. 1229.

President Barclift then called for a vote to the motion nominating Director John McGee as President for the coming Board year: three ayes, one nay, one abstention; motion carried.

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President McGee assumed the chair and called for nominations for vice president.

Director Barclift nominated Director Michelle Parvinen as Vice President for the coming year. President McGee seconded the nomination and called for discussion and additional nominations. Hearing none, he called for the vote: four ayes, one nay; motion carried.

President McGee stated that the next item of business was to appoint a Board representative to the Educational Foundation Board. Director Parvinen stated that she had been serving on the Board, an ex-officio position, for a couple of years and suggested that Director Lehman might want to consider serving. Superintendent Lahmann presented a sketch of the Foundation's activities, stating that they meet once a month for an hour and expect to be meeting during the noon hour going forward. Director Lehman indicated his willingness to serve and was duly appointed.

IDENTIFICATION OF AUDIENCE MEMBERS WHO WISH TO SPEAK TO AGENDA ITEMS

Glenn Waugh

Barb Roder

Bob Jacobs

Julia Lynden

Daniel Stusser – Cost of Growth

COMMUNITY COMMENT

Bob Jacobs, of Olympia, stated that he had addressed the Board some weeks ago about impact fees, asked the Board to eliminate the subsidy to the construction industry, or, if you chose not to eliminate the subsidy, that you inform the public as to your reasons. If you charged the full amount of impact fees that you are allowed by law, he said, you could reduce the construction levies by millions. He said he doesn't expect an answer at this moment, but would appreciate an answer in writing and hopes you will send it to the press as well.

ITEMS TO BE BROUGHT UP BY MEMBERS OF THE BOARD

On January 7th, 5:30 p.m. to 8:00 p.m., the Thurston County School Directors Association is teaming up with the Tumwater Chamber of Commerce for a meeting with our legislators on various legislative issues. The cost is \$20 and includes dinner. Directors Barclift and Nafziger will attend.

Director Barclift noted that on Wednesday night, February 4th, 6:00 p.m. to 8:00 p.m. OSD is sponsoring the Washington Association of School Administrators (WASA) Area 5 Regional Directors dinner meeting; given that it falls during the legislative session, the timing couldn't be better. Superintendent Lahmann stated that several school sites were being considered for the meeting and the Board will be advised at the next meeting.

Director Barclift updated the Board on the tremendous success of the recent book drive she initiated, a coordinated effort involving the City of Olympia Police Department, the South Sound Reading Foundation and our Curriculum Department, collecting some 1,300 books to be distributed at the Literacy Nights held in the elementary schools, with each child receiving a book to take home. As a result, she received many requests to continue the drive, perhaps even on an ongoing basis—a perpetual book drive—and she has also been asked to organize an adult literacy book drive.

Director Barclift proudly announced that her son, a product of the Olympia School system, graduated fourth in his class of combat medic trainees and will be stationed at Fort Sam Houston in San Antonio.

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Director Nafziger questioned the lack of impact fees on properties outside City boundaries but within the County, stating that it didn't seem right for people within the City to pay more than people in the County. He asked if there had been a recent effort to raise the issue with the County. Director Barclift stated that this had been a subject addressed by the WSSDA legislative assembly and there was support for establishing a WSSDA position that would work toward requiring any taxing

authority to collect impact fees if directed to do so by a school district. Director Parvinen indicated her agreement and asked Superintendent Lahmann to set up an appointment between County Commissioners and the Board. He agreed, and stated that he had in fact already made contact, with a view toward setting up just such a meeting.

DIRECTOR PARVINEN MOVED AND DIRECTOR BARCLIFT SECONDED APPROVAL OF THE FOLLOWING CONSENT AGENDA ITEMS. MOTION CARRIED.

CONSENT AGENDA

1. SCHOOL DIRECTORS

1.1 Board Meeting Schedule

- Monday, January 12, 2004, 7:00 p.m., **Regular Board Meeting**, Knox Administrative Center, 1113 Legion Way SE, Olympia, Washington 98501.
- Monday, January 26, 2004, 7:00 p.m., **Regular Board Meeting**, Reeves Middle School, 2200 Quince Street NE, Olympia, Washington 98506.
- Monday, February 9, 2004, 7:00 p.m., **Regular Board Meeting**, Knox Administrative Center, 1113 Legion Way SE, Olympia, Washington 98501.

2. CERTIFICATED PERSONNEL

2.1 Certificated Personnel Report

Board approval was granted for a one-year increase in contract for Mary Jo Rydholm.

3. CLASSIFIED PERSONNEL

3.1 Classified Personnel Report

The Board approved the Classified Personnel Report previously submitted for review.

4. PUPILS AND SCHOOL PROGRAMS

4.1 Federal Grant Application, IDEA Part B and IDEA Section 619 (Pre-school)

The Board approved a Federal grant application for the Individuals with Disabilities Act (IDEA) and Section 619 (pre-school), requesting funding in the amount of \$1,330,220.

4.2 Overnight Field Trip Request

The Board approved the following student overnight field trip request:

- Capital High School - Experience travel in a bilingual country; French Club, Victoria, B.C., Canada; 15 students, two teacher chaperones; December 14-15, 2003.

6. BUILDINGS AND GROUNDS-NEW CONSTRUCTION

6.1 Easement and Bill of Sale - Knox Administrative Center Water Main

The Board approved an easement and bill of sale for a new water main installed at the Knox Administrative Center.

8. FINANCES

8.1 Declaration of Surplus

The Board approved a declaration of surplus for miscellaneous classroom and office furniture, equipment and materials, food service and maintenance equipment, stored at the Knox Administrative Center gym. All items are surplus to the educational and operational programs of the district or are beyond economic repair or functional usefulness.

8.2 Approval of Vouchers

The Board approved Associated Student Body Fund Voucher Nos. 24955 through 25060 in the total amount of \$105,870.37; Capital Projects Voucher Nos. 7270 through 7297 in the total amount of \$477,541.57; General Fund Voucher No. 126146 in the amount of \$21,080.65; and General Fund Voucher Nos. 126147 through 126483 in the total amount of \$512,259.49.

8.3 Financial Reports

The Board approved the September 2003 and October 2003 Revenue and Expenditure Reports for the General, Capital Projects, Debt Service, Associated Student Body and Transportation Vehicle Funds.

REGULAR AGENDA

1. SCHOOL DIRECTORS

1.1 New Procedure 4260P(C) - Facility Use and Rental Procedures for Ingersoll Stadium

Bob Wolpert, Director of Facilities & Operations, made a presentation to the Board outlining a bit of the history of Ingersoll Stadium and the District's proposed procedure, including drafted revisions and neighborhood responses regarding use of the stadium sound system and portable sound systems, lighting, event supervision, days and hours of operation, posting the stadium schedule on the OSD website, comparisons with other stadiums and neighborhood clean up following events.

Mr. Glenn Waugh of Olympia asked for clarification of several items. He complimented Mr. Wolpert on his review of the project's history and the opportunities for public involvement and comment, stating that he has been involved in stadium concerns for many years, that the stadium is recognized as a District facility, and it needs to be improved and used. He said he believed the District has done a good job of addressing the concerns of the community and that it's time to move forward.

Mr. Daniel Stusser of Olympia stated his belief that the neighbors were being sandbagged, and that their concerns about the days of operation and hours of use were being disregarded. Director Lehman assured Mr. Stusser that failure to incorporate specific suggestions to a document does not mean that there was failure to consider all recommendations.

Mrs. Julia Lynden of Olympia stated that she absolutely empathizes with her neighbors regarding the noise emanating from the stadium, suggested a "white noise" machine as a solution to sleep issues, and spoke in complete support of the full use of the stadium. She also stated that she chose to live in the neighborhood, in part because of the stadium and the traditions it represents, and hopes to see it utilized to its full potential.

Director Barcliff suggested that Item 9 of the proposed procedure be clarified to define "maximum seating capacity". She stated that although cars on the track for homecoming was a strong tradition, the District should do what was necessary to protect the investment in the track surface, but that it was absolutely unnecessary to add language regarding "emergency vehicles", as emergency equipment would go wherever necessary. She stated that she believed they had heard some interesting comments regarding the use of music and portable sound systems during warm ups. She stated her appreciation of Director Lehman's comment earlier that failure to incorporate a recommendation does not mean it was not given full consideration. She added that an extraordinary amount of work has gone into developing the procedure, and that the Board should approve the procedure and review its use after a full year. Director Parvinen clarified that the review would occur one full year following installation.

Director Parvinen suggested clarification might be appropriate for Item 12, regarding decorating or altering the facility for non-District events. She reminded the Board that they had never before voted on a procedure and that if they were to do so, any later modifications would also require Board action. Director Lehman stated that this was also his concern, that an enormous amount of time had already been invested during the last year, and that ultimately it is an administrative responsibility, not a Board responsibility.

President McGee clarified his previous comment regarding being willing to consider Board action because of the controversial nature of the issue, but that it has become clear that the Board endorses the procedure.

Superintendent Lahmann commented that an interesting issue had been raised, and that the Board has the authority to approve or disapprove anything. Historically the Board has acted upon a policy, then instructed staff to construct a procedure to implement it and bring it back to the Board for its information, whereupon the Board would tell staff to go ahead and run with it or to take it back and re-work it. On this item we can proceed either way.

Director Parvinen stated that she believes the administration has done a good job and doesn't think the Board needs to vote. Director Nafziger agreed with Glenn Waugh that when he sees the stadium empty, he sees taxpayer dollars being wasted. He stated his concern about creating rules for hypothetical problems.

The Board again discussed the use of music for warm-ups and concurred that the use of music for warm-ups should be permitted without restriction to time periods, but that if it was being abused, concerns could go to Mr. Wolpert, Director of Facilities and Operations.

Eric Rowe, Athletic Director at Olympia High School, provided clarification on pre-game music, and added that it's important for the kids, it's fun for them, and they miss it. He also stated that the fall schedule for next year had just been received in draft form and will be adopted next June.

Mr. Stusser asked for time restrictions on the use of portable or secondary sound systems.

1.2 District Membership in Thurston Regional Planning Council

The administration recommended approval of the District's membership in the Thurston Regional Planning Council (TRPC). Bob Wolpert, Director of Facilities & Operations, outlined for the Board some upcoming work of the District directly related to services the Planning Council provides to its members at no charge, including eastside elementary boundaries, disparity of student loading in the four westside elementary schools, and growth on the eastside as a result of new housing being developed and planned. He indicated that these outside resources would be vitally important, and that TRPC will bring to us an enrollment forecasting model that could be updated on an annual basis, not only for use as a budget forecasting tool for the next year, but for future planning. In addition, growth patterns need to be reviewed in order to make appropriate decisions concerning facilities and properties. Mr. Wolpert confirmed that the annual fee, based on enrollment, will be \$4,795. All the services Mr. Wolpert described will come to us through our membership. In addition, TRPC is planning to host a forum to address some county-wide issues, including impact fees, related to the Growth Management Act, now in its tenth year.

Superintendent Lahmann reported that funding for membership could come from funds budgeted for a management review of our business operations. The amount set aside is significantly more than the cost of the TRPC membership and would leave adequate funding for a management review should we choose to have one done, so it would not require our going into our Ending Fund Balance.

Barb Roder, of Olympia, spoke in favor of the District re-establishing its membership on the TRPC, reminding the Board that Esther Knox was one of the five founding members of the Thurston Regional Planning Council. The Olympia School District was the only school district in TRPC until about 1986. She stated that she served not only as a Director of the Olympia School Board, but served 16 years on the TRPC, four years as Vice Chair and three consecutive years as the chairperson, and was the only elected school board member in the country to serve as the chair of a regional government organization. Mrs. Roder went on to discuss the many jurisdictional and funding issues the Council worked through during those years. The public schools of the Olympia School District, she went on, are one of our community's greatest assets. She urged the Board to not only rejoin the Council but to be an active member, realizing its responsibility to the entire community as well as to the school system.

DIRECTOR PARVINEN MOVED AND DIRECTOR BARCLIFT SECONDED A MOTION TO JOIN THE THURSTON REGIONAL PLANNING COUNCIL BEGINNING IN JANUARY 2004. MOTION CARRIED.

Director Barclift will attend the next meeting of the Council; the Board will appoint a member to represent the Board for the year at its first meeting in January.

President McGee called a five minute break at 9:50 p.m., reconvening at 9:58 p.m.

4. PUPILS & SCHOOL PROGRAMS

4.1 Accountability Goals

Dr. Pam Farr, Assistant Superintendent for Educational Services, presented information on the new requirements for district accountability goals related to Reading, Mathematics and High School Graduation Rates. She stated that a District-wide goal is to increase the percentage of students, using the 9th grade as the base year, who graduate with a regular

high school diploma in the anticipated year. Goals will also be established for the individual schools. Our target for the year 2014 is an 85% graduation rate of high school students graduating "on time", or in four years.

In response to a question from Director Lehman, Superintendent Lahmann introduced Pete Bylsma, Director of Evaluation and Accountability with OSPI, who was instrumental in developing the goals programs. He stated that the 85% was a negotiated, realistic goal set by the state, then adopted by the A+ Commission.

Director Lehman stated concern that the Board is being asked to adopt state and federal goals that were not established by the District and asked what happens if we fail to meet those goals. Mr. Bylsma stated, and Superintendent Lahmann further clarified, that the primary requirement is that we meet the State goal; for instance, if our goal is set at 95% and we don't achieve that level, but we do meet or exceed the state goal of 85%, then we're okay.

A discussion ensued with reference to definitions, how dropouts are accounted for, students who at some point can not be accounted for, and how those situations would impact the results. Mr. Bylsma responded that those have been established, that there are clear-cut goals which have been published and are available on the OSPI website.

DIRECTOR NAFZIGER MOVED THE ADOPTION OF THE STATE UNIFORM BAR FOR GRADES 4, 7 AND 10 AS OUR DISTRICT READING AND MATHEMATICS PROFICIENCY GOALS, REPLACING THE STATE-MANDATED GOALS ADOPTED BY THE BOARD IN 2001, AND THE ESTABLISHMENT OF HIGH SCHOOL GRADUATION GOALS BASED ON THE A+ COMMISSION AND THE STATE OF WASHINGTON UNIFORM GRADUATION RATE REQUIREMENTS. DIRECTOR PARVINEN SECONDED MOTION CARRIED.

6. BUILDINGS & GROUNDS-NEW CONSTRUCTION

6.1 GC/CM Selection Process - Capital High School, Additions & Modifications, Phase II

Bob Wolpert, Director of Facilities & Operations, introduced John McLaren, Project Manager, and acknowledged his diligent work of the last four months putting together the GC/GM process, the contracts, and all the other up-front requirements of the process. He presented the selection committee's recommendation for the GC/CM (General Contractor/Construction Manager) for the Capital High School Phase II project. The selection committee is recommending Robinson Construction Company of Hillsboro, Oregon, as their choice for GC/CM. Mr. Wolpert stated that the committee found Robinson to have valuable experience with that process and in utilizing the process in the construction of school projects, and further found there to be a strong connection in their commitment to us.

DIRECTOR BARCLIFT MOVED TO ACCEPT ROBINSON CONSTRUCTION COMPANY AS THE GENERAL CONTRACTOR/CONSTRUCTION MANAGER FOR THE CAPITAL HIGH SCHOOL PHASE II PROJECT. DIRECTOR NAFZIGER SECONDED. MOTION CARRIED.

8. FINANCES

8.1 2002-03 General Ending Fund Balance

Jim Crawford, Assistant Superintendent for Business and Support Services, presented information on the 2002-03 Ending Fund Balance. The financial books have been closed on the 2002-03 school year, and the 2002-03 actual Ending Fund Balance (EFB) was \$3,143,409. This is \$601,000 lower than the estimated EFB that was used to develop the District's operating budget for the 2003-04 (current) school year. The primary reasons for the EFB being below projection are: a) lower than projected enrollment resulted in lower than projected revenues; b) state apportionment revenues in late 2002-03 below projection due to District reporting of K-4 staffing levels below actual staffing (an issue discovered and reconciled in the closing of the 2002-03 books); and, c) higher than budgeted final staffing costs for 2002-03.

The adopted 2003-04 budget projected an EFB for the current year of \$3.545 million (5.6%). This projection contained an unreserved (or contingency) fund balance of 1%. The lower 2002-03 EFB reduces the projected 2003-04 EFB because the beginning fund balance for this year is lower than projected. Accounting only for the lower EFB last year, the current year EFB projection is now \$2,943,000 (4.6%). This is below the Board's goal of maintaining a fund balance of between 5% and 10%. The fund balance available for contingencies is significantly lower.

As previously discussed, current year revenues are lower than budgeted last spring, due to lower than projected enrollment and the rollback in 2004 local levy funding to comply with state levy limits. Current year expenditures are higher than budgeted last spring. The District is currently projecting an EFB for this year of \$2,768,000 (4.3%).

Certainly there is concern about the reduction in fund balance over the long term, and also in the short term. There is no room for additional spending this year without identifying offsetting savings. The administration is being very conservative about adding any new spending. We are developing options for short-term savings for this year. Ongoing budget monitoring will continue monthly.

At this point, the primary focus and effort is on the budget process for next year. We will need to build a sustainable budget for the future, and the administration will recommend rebuilding the fund balance to a more comfortable level (about 7%) over time. We also want to develop a budget process that gives the Board options and enables choices. We plan to update the Board in late January on the status of the current budget as well as provide an outlook for the 2004-05 budget.

8.2 Sale of Old Madison School Site

Bob Wolpert, Director of Facilities & Operations, presented information regarding the potential sale of the old Madison School site, stating the administration's position that the property is surplus and should be considered for sale. He reviewed for the Board the process to be initiated beginning immediately and proceeding to the point of sale. He stated that it was necessary to re-appraise the property, as it has been about two years since it was last appraised, and that staff would be looking for an appraiser. He did not recommend utilizing the firm that appraised it last. A discussion ensued as to the value of the property, the potential of subdividing into two parcels so that the hillside portion could be sold to the City of Olympia, and how the sale proceeds can be utilized. Superintendent Lahmann stated that the administration will return in January with a recommendation for an appraiser.

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President McGee called for general Board Member comments. Director Barclift commented on Bob Jacob's remarks about impact fees, and reminded the Board that the most recent bond passed by a significant margin. She stated that she is very much in favor of going to the County, and is also convinced that just because we have the right to impose the full impact fee doesn't necessarily make it the right thing to do.

Superintendent Lahmann stated that staff is in the process of updating additional policies and would like to start bringing those updates to you. He proposed that two Board members review each section of the policies with the staff person assigned. Deputy Superintendent Ken Benny has been working on Section 3000 – Students, and Directors Barclift and Nafziger agreed to review the policies with him prior to bringing them to the full Board for approval.

Director Barclift offered a suggestion on the subject of televising Board meetings—that the topic be considered by the Board at their planned retreat in February 2004 as part of the Communications goal. Director Parvinen stated that she would prefer to see the Board move forward with it, rather than waiting. President McGee stated that he, too, would like to see the next round of proposals to know what specifics were being proposed.

Superintendent Lahmann stated that the date earlier discussed for the Board retreat was February 24, 2004. Director Nafziger indicated that he would not be available during that time period, until after March 13, 2004. Superintendent Lahmann said he would get back to Michael Pendleton, the consultant selected, to find an alternate date and report back to the Board.

Future Agenda items:

- Televising Board Meetings - January 12
- Review of Volunteer Requirements - January 26
- Board Retreat - TBD

The Board recessed to Executive Session at 11:20 p.m., reconvened, and immediately adjourned at 12:01 a.m.

Respectfully submitted,

Secretary

President