

BOARD OF DIRECTORS
LAKE COUNTY SCHOOL DISTRICT 7
LAKE COUNTY, OREGON

Present: Pete Schreder, Chair
Darryl Anderson, Director
Desi Zamudio, Director
Stefani Roseberry, Vice-Chair
Dustin Gustaveson, Director
Sean Gallagher, Superintendent
Janet Melsness, Business Manager
Rebecca Hargis, Executive Secretary

Ex-Officio: None

Guests: None

5:06 PM **Work Session opened.**

1. Auditor Briefing

Kari Ott and George Wilber from Oster Professional Group reviewed the two letters related to the audit for the year ended June 30, 2014. In the first letter they noted that the district chose not to conduct an actuarial evaluation. Most areas were pretty much the same as last year. In the management letter it talks about the opinions that they provided. They noted that the payroll clerk and the business manager both have signature authority over the bank account at Sterling Bank. They recommended tightening up of timecard approval. They would like to see evidence of a comparison of the ODE Cumulative ADM Summary and the Annual Attendance Summary. Darryl Anderson asked for clarification of the process. Sean Gallagher explained that there has been an ongoing issue with LBL and that we have requested changes be made to correct these issues. It takes oversight from the building secretaries to verify. Gallagher stated that unless they take full accountability to fix these issues we will likely consider looking at other student systems. It is very time consuming, a lot of resources and manual work goes into the process. There has been some talk about a statewide system but Gallagher stated that he has not heard about any traction. They noted a large improvement in student funds. Would like to see the secretary at the high school removed as a check signer for the checking account. Also recommended copies of cancelled checks are attached to the bank statements. All items are fairly small and most are already corrected. They recommend that supporting documentation and approval be kept with all journal entries. Anderson asked what the process was for paying for lunches. Gallagher explained that the students put funds (cash or check) on their accounts to pay for lunches. Stefani Roseberry asked if 32.5% not having supporting documents with journal entries was

a high number. They responded that it was fairly high. Dustin Gustaveson pointed out that number of unapproved timecards was concerning. Janet Melsness stated that we have tightened up on this process. She also noted that we do not have any accounts at Sterling Bank any longer. Patty Mills and Amy Howen cut checks but Melsness does the reconciliations. Mills is on as a check signer when needed for accounts payable but not payroll checks. All checks come to Melsness first then to Gallagher. Accounts payable is at Washington Federal and payroll is US Bank. The board did not have any further questions. Both Ott and Wilber advised the board that they are available anytime for questions.

2. Policy Summary

Gallagher noted that he did not do a breakdown of the policies as he has done in the past because we are not recommending anything outside what OSBA is recommending. Very normal procedural enhancements and in accordance with updates in recent state and federal laws. Gallagher recommends approval of all including the optional recommendations. Roseberry stated that she has not had a chance to read through the optional recommendations. It was decided that this would be put on consent agenda for February 9, 2015 meeting to allow time for review of the optional recommendations.

3. Facilities Update

Gallagher reviewed the facilities projects spreadsheet with the board. Melsness, Doug Tatro and Gallagher outlined the exhaustive list of all the outlying projects on the horizon. Most would need to be summer projects to limit the disruption to the education process. Several are left over from the economic recession. He noted that we have been planning on some of these projects for quite some time. He advised the board that Anderson's name is attached to several of these as we need his services. He also noted that there is not a name attached to the completion of DMS north wing because we need to put out for a request for proposal (RFP). The decision needs to be very public on how we got to the project manager. Melsness attended training in Klamath Falls last week and made some good contacts. It was noted that windows were a concern for the teachers at the board listening sessions. Gallagher stated that there are funds in an account that we could possibly use for this project but we have to get the Department of Energy to approve the use of funds for windows. Melsness will research the 1149 funds and report back to the board as she is not familiar with this process. Gallagher suggested we add windows to this list and will wait for the information from Melsness for further details. There was discussion on the teacherage and the possibility of a duplex on district property. The board would like us to get an estimate on the asbestos abatement. Anderson stated that he would take care of it if we send him the information that Mike Getty had. Gustaveson asked about priorities for funding availability for this budget. Gallagher stated that there is certainly not enough to do all the projects on the list. Melsness will bring a list of what is budgeted. The bus barn is a

priority. She added that the soccer field and green house move will happen before the year ends.

4. District Goals

This agenda item will be moved to the next meeting due to lack of time.

5. Legislative Talking Points

This agenda item will be moved to the next meeting due to lack of time.

6. Update on College Vision & ILC

This agenda item will be moved to the next meeting due to lack of time.

6:03 PM **Work Session closed.**

Board Chair

Superintendent