

**MINUTES
of the Regular Meeting of the Board of Directors
of the ENUMCLAW SCHOOL DISTRICT #216
7:00 p.m., District Office
July 28, 2008**

I — PRELIMINARY

A. Call to Order:

The regular meeting of the Board of Directors was called to order by Cathy Dahlquist, President of the Board of Directors, at 7:02 p.m. in the boardroom of the district office.

B. Pledge of Allegiance:

Following the pledge of allegiance led by Aaron Stanton, Mrs. Dahlquist asked for a moment of silence in memory of Brenda Houston, her daughter Beth Crews, and Dr. Virgil Becker who perished in a plane crash July 27th.

C. Roll Call:

All board members were present.

D. Minutes:

Mr. Weyer moved and Mr. VanHoof seconded a motion to approve the minutes of the regular board meeting of June 16, 2008 and the special board meeting of July 2, 2008 as printed. Motion carried.

II — BOARD OF DIRECTORS/COMMUNICATIONS

A. Board Communications:

Mr. VanHoof gave a legislative update stating that a basic education funding task force has been assembled to review the funding formulas. The task force met with State Superintendent Bergeson to recommend an increase to \$1,383 per student which would triple the funding currently received. The recommendation will go to the Legislature in December. Mrs. Merrill asked if there was any way to give input to the task force. Mr. VanHoof suggested contacting the task force or go to the legislative website.

Mr. VanHoof recognized Mr. Madden for his service to our district, describing him as “one of our nearest and dearest”, and wished him well in his retirement. The board presented Mr. Madden with a card of appreciation and gift certificate.

Mrs. Dahlquist shared that we lost three members of our community in a plane crash. She used a quote from a Randy Travis song, “It’s not what you take when you leave this world, it’s what

you leave behind when you go”, stating that these people made huge contributions to our district and it is a tremendous loss. She expressed her sympathy to the families.

B. Superintendent’s Report:

Mr. Nelson feels a sense of devastation for those we lost. He shared that information will be sent out as it is received regarding services. Facilities and support will be offered to the families. This loss will touch people in every building. We have experienced several tragedies over the last few months. It is hard for our community and we will rally around those in need.

Mr. Nelson reported that articles have been written regarding “Core 24” which is a proposal from the Board of Education regarding new graduation requirements which increases the number of credits from 19 to 24. This is a big shift statewide. It was groundbreaking work for our district when the grad required credits increased to 24, but the state proposal adds more specificity with an additional math class required as well as art, science, and world language. This leaves only two credits for electives which will impact our elective program. This proposal will go from the state board to the legislature and will be tied to funding. We will be hearing more about this issue at conferences. It may become an election issue. Mr. Nelson will be attending the OSPI Conference the next four days in Tacoma and will share the latest information.

C. Budget Hearing:

Mr. Nelson opened with a brief overview stating every district in the state is having conversations regarding budgets and budget cuts. The concern is over next year’s budget as districts tap into reserves. Drastic cuts will affect student learning. Our intent is to keep from impacting student learning. District budgets are built on predictions of enrollment and costs. Transportation and food services costs are escalating. A lot of time has been spent building a conservative budget. Over the past year, adjustments have been made which allowed our district to end the year with a 3.5 million reserve rather than 2.2 million. Mr. Nelson vowed to continue to do that. He stated that Mr. Madden has worked hard to prepare a succinct report that captures the key elements. His work was to align decreasing enrollment with staff numbers. We want to create as accurate a picture as possible.

Mr. Madden began his presentation by sharing that it is a public hearing. He stated that he would do the presentation as quickly as possible and then the public can comment.

General Fund: This is the largest fund and it pays for staff, supplies, transportation, food service, maintenance, and technology. The major contribution to the general fund is student FTE. The projected enrollment for next year is down 100 from last year. The General Fund budget for next year is \$42,596,412 (an increase of \$1,647,000 over last year).

Mr. Madden remarked that next month the board will receive an updated facility use fee schedule for approval. The district needs to maximize revenues on its facilities. The loss of 100 FTE next year equals a \$500,000 loss. Costs have exceeded the amount of I-728 funding we receive which was \$30,000 less due to declining enrollment. Promoting Academic Success funding has been eliminated resulting in a loss of \$100,000.

Expenditures for next year have increased \$2,774,000 due to staff salary increases, benefits, food service, fuel and utilities. 81% of the budget pays for salaries and benefits.

With revenues at \$42,596,412 and expenditures at \$44,679,586, reserves will be depleted by 2.1 million. A contingency fund of \$500,000 has been built into the budget for unexpected expenses. Capacity has been built into the budget and adjustments can be made due to changes in enrollment, fixed cost increases, etc.

Two significant sources of revenue in our district were I-728 funds and the Gates Grant. There is no Gates money remaining and no carry-over in I-728 funds. These two funding sources significantly helped our overall budget picture for the past several years. The biggest hits to the budget come from salary increases, fixed costs and declining enrollment. Costs are rising and revenues are not keeping up. What does this mean for the future? There will be a 2.5 million deficit for 2009-2010 unless enrollment turns around and the legislature changes basic ed funding. It is realistic to expect that some districts will not be able to continue. Our Cabinet has already begun to talk about next year and ways in which we can bring a balanced budget. Mrs. Merrill commented that the district has always been able to keep a 5% reserve. Mr. Madden stated that it has historically been 6-10%. Reductions in spending have been made. Mr. Nelson remarked that adjustments have been made to the budget throughout the year. We want to build the budget to capacity, however we do not know what our enrollment numbers will be yet.

Mrs. Dahlquist called for questions from the board. Mr. Madden responded to Mr. Cassell's question regarding the budget for the board of directors. This money is used for attorney costs, membership fees, travel, WSSDA fees, election expenses and the auditor among other things. Mrs. Merrill stated that she liked the new format of the budget report. Mr. Madden gave credit to Bonnie Walkup for the new format. Mr. Weyer stated that he appreciates the work that goes into budgets. He is concerned about the projected deficit and future projections. Mr. Weyer stated he didn't know if he could support the deficit. Mr. Nelson responded that we are facing ten years of declining enrollment and inflation. We are in a critical place. A very different budget will be presented next year if things don't change, including reduction of staff. Mr. Madden added that it will get worse if enrollment continues to decline. Discussion continued until Mr. Madden asked to present the four remaining budget reports.

ASB: This fund is for student activities and athletics. Beginning fund balance \$288,539; anticipated revenues \$786,203; expenditures \$825,903; ending fund balance \$248,839.

Debt Service Fund: This fund is connected with long term debt and taxes collected by the county. Payments are made for outstanding bonds approved by the voters. Total revenues \$3,804,195; expenditures \$3,026,700; ending fund balance \$3,016,173.

Outstanding Debt: Total outstanding debt is \$27,288,671.

Capital Projects Fund: This fund is for school construction, etc. Total resources available \$69,753; expenditures \$67,000; and ending fund balance \$2,753.

Transportation Vehicle Fund: Beginning fund balance \$445,894; available resources \$811,583, budgeted expenditures \$350,000; ending balance \$461,583. Mr. Madden stated that a big bus costs \$100,000 and the smaller busses are \$40-50,000. The district subsidizes transportation \$5-600,000 per year. Mrs. Merrill remarked that transportation will be an issue when the district grows. Mr. Madden and Mr. Nelson discussed the strategy they will use in reporting ridership numbers in order to improve revenue.

Mrs. Dahlquist called for board questions. Mrs. Merrill commended Mr. Madden for a good presentation. Mr. Madden thanked Chad for the SmartBoard. Discussion followed.

Mrs. Dahlquist then opened the meeting to comments from the public. When no one present wished to comment, she thanked Mr. Madden for his presentation. Mr. Nelson remarked that the board has had the budget for review since last Thursday. He also stated this is the process we have followed historically except the budget was on the agenda a month early. Reporters have been given the budget information and it has been announced in the media. Andy Weisenfeld commented that the union has not seen the proposed budget and would like to review it prior to the next mediation date in August.

Mrs. Dahlquist then opened the meeting to anyone desiring to address the board.

III — HEARING OF PERSONS DESIRING TO ADDRESS THE BOARD AS A WHOLE

Andy Weisenfeld, PSE Union Representative, shared that a scholarship has been created in honor of Donna Biesold, former much loved district classified staff member and PSE president, who recently passed away.

IV — ADMINISTRATION/BUSINESS

A. Payroll and Vouchers:

Mr. Madden presented the list of top ten expenditures in the district as follows: Green River Community College, Micro Computer Systems, White River School District, Carolina Biological Supply, Associated Petroleum, Puget Sound Energy, KCDA, City of Enumclaw, CDW Government, and NW ESD 189.

After reviewing all vouchers, Mr. VanHoof moved and Mrs. Merrill seconded to approve payroll and general fund vouchers #42942 through #43241 in the amount of \$1,051,481.91; associated student body fund vouchers #18969 through #19039 in the amount of \$63,126.89; private purpose trust fund vouchers #14 through 22 in the amount of \$4,800.00; and ratification of the general fund payroll warrant issue for June in the amount of \$2,926,647.37. Mr. Cassell commented that it would be helpful to see the revenues that offset the expenditures in some of the programs such as Literacy Camp. Motion carried.

B. Consent Agenda:

Mrs. Dahlquist presented the consent agenda:

1. Donation of \$2,525.54 from Sunrise PTA to Sunrise Elementary for document cameras and LCD projectors
2. Donation of \$1,000.00 from Sunrise PTA to Sunrise Elementary for a SmartBoard and Weather Station site license
3. Donation of \$500.00 from Boldt Construction to Westwood Art Program
4. Out of State Travel: Cross country team to Seaside, Oregon for the Seaside Invitational Race
5. Award Bid for the High School Yearbook
6. Award Bid for Dairy Products

Mr. Weyer stated that he would abstain from voting on item 6 as his friend owns Meadowsweet Dairy.

Mr. Weyer moved and Mr. VanHoof seconded to approve consent agenda items 1-5.

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Motion carried

Mrs. Merrill moved and Mr. Cassell seconded to approve consent agenda item 6.

6. Award Bid for Dairy Products

Motion carried with Mr. Weyer abstaining.

C. Resolution #924: Adoption of the City of Enumclaw/City of Black Diamond/King County Capital Facilities Plan:

Mr. Nelson stated that we want to be proactive in getting the revenues to support our kids and taxpayers. He introduced Mr. Madden and Ms. Stiffarm to present the current plan.

Mr. Madden said the plan has a few differences and King County has been added to the plan. The School Technical Review Committee has approved the plan. School impact fees have been agree upon at 20% discount in both cities of Black Diamond and Enumclaw with 50% in King County. Ms. Stiffarm stated the original plan was put together because Black Diamond was moving quickly. The student generation rates were updated in this version. This document will be current for all three jurisdictions. Mr. Nelson remarked that there was no Capital Facilities Plan for a six year period. He is pleased with the plan and thanked Mr. Madden and Ms. Stiffarm for their work. Mr. Madden added that the fees in the plan are significant compared to other districts. Following further discussion, Mrs. Merrill stated she is thrilled to have the cities in support of the discount and appreciates their willingness to enter into partnership with us. Mr. Nelson said the plan will go to the cities for a vote and it would be great to have a presentation at their council meeting. Mr. Weyer expressed his appreciation to Mr. Nelson and Mr. Madden for their efforts.

Mrs. Merrill moved and Mr. Cassell seconded to approve Resolution #924: Adoption of the City of Enumclaw/City of Black Diamond/King County Capital Facilities Plan as presented. Motion carried.

D. Resolution #925: Interdistrict Cooperative Agreement for Students with Disabilities:

Mr. Nelson explained that this is an annual resolution for special services to work in partnership with other districts and agencies. Mr. Stanton stated that the list is updated annually and that they negotiate contracts with the service providers.

Mr. VanHoof moved and Mrs. Merrill seconded to approve the Resolution #925: Interdistrict Cooperative Agreement for Students with Disabilities as presented. Motion carried.

E. Resolution #926: 2008-09 Budget	
General Fund	\$44,679,586.00
Transportation Vehicle Fund	\$350,000.00
Capital Projects Fund	\$67,000.00
Debt Service Fund	\$3,026,700.00
A.S.B. Program Fund	\$825,903.00

Mr. Nelson and Mr. Madden recommended approval of the 2008-09 Budget. Mrs. Merrill moved to approve the Resolution #926: 2008-09 Budget. When the motion did not receive a second, Mrs. Dahlquist called for discussion. Mr. VanHoof stated he would like to table the resolution until the August meeting and made a motion to table. Mr. Cassell seconded the motion. Mrs. Merrill expressed her concern for what the delay might mean to staff who have done so much to have the budget ready. Mr. Nelson stated that this comes as a surprise as it is the same process as always. Mr. VanHoof said he didn't know there would be people who weren't prepared to vote. Mrs. Merrill remarked that no one said they wanted to change a budget item. Mr. Weyer said that he would like to contact WSSDA to ask what the legislative perspective is going to be. He also commended Mr. Madden and Mr. Nelson for communicating the budget concerns beforehand but didn't expect the deficit to be as large as it was. Mr. Nelson reminded the board that 81% of the budget is in staffing. He is trying to value staff. Mr. Weyer responded that they want to look into it a little bit more and determine how they are going to address the situation. Mrs. Dahlquist apologized for missing the budget resolution on the agenda. She was also concerned about the large deficit. She then addressed the PSE group, stating that her desire to look at the budget more carefully was not related to their request for time to review the budget but in response to what they are trying to do as a team. Mr. Madden reminded the board that it became a public document a month ago and was advertised in the paper. Anyone could have picked it up. He also stated that every district in the state is facing these same deficits. The budget has already been sent to the ESD for review and will require a lot of work if it is changed. He warned the group that any changes would result in reductions of staff. Mrs. Merrill commented that she didn't see what would change with the delay. She felt this action to be an affront to the staff and the board's trust in the administration.

F. Resolution #927: Interlocal Agreement Puget Sound Joint Purchasing Cooperative:

This is an annual resolution for the purchasing of products for food services.

Mr. VanHoof moved and Mr. Weyer seconded to approve the Resolution #927: Interlocal Agreement Puget Sound Joint Purchasing Cooperative. Motion carried.

G. General Fund Report

Mr. Madden presented the General Fund Report

The beginning of the year fund balance was \$4,015,838.50. Total resources available were \$33,598,985.30. Expenditures to date: \$33,125,828.08. Transfer amount to debt service: \$42,689.83. Ending fund balance: \$4,446,305.89. Unreserved balance: \$3,986,240.96.

Capital Projects beginning fund balance was \$119,785.47 with an ending balance of \$46,298.54.

The Debt Service Fund beginning fund balance was \$1,973,163.18 with an ending balance of \$2,194,677.71.

ASB Fund beginning fund balance was \$360,851.14 with an ending balance of \$452,681.16.

Transportation Fund beginning fund balance was \$433,114.56 with an ending balance of \$441,859.23.

At 8:45 p.m., Mrs. Dahlquist announced the board would take a short break and return at 8:50 p.m. for a 45 minute executive session to discuss personnel and land acquisition. The board returned to regular session at 9:54 p.m. No action was taken on land acquisition.

V — PERSONNEL

A. Personnel Report:

Employment with the district will be conditional upon the district's receipt of a criminal conviction history record that is clear of any convictions, adjudications, protective orders, final decisions or criminal charges in accordance with Washington State Law. Mr. Cassell moved and Mr. Weyer seconded a motion to accept the personnel report as presented.

Certificated:

- A. New Employees:
 - 1. Meri Miller, teacher, EHS, effective 8/26/2008

Classified:

- A. Retirement:
 - 1. Lillian Weygandt, driver, transportation, effective 8/31/2008
- B. Resignation:
 - 1. MariLou Artz-Payne, LPN, Westwood, effective 8/25/2008

Ratification of Agreements:

- A. Non-Represented Salary Schedule

Supplemental Agenda:

Certificated:

- B. Change of Assignment:
 - 1. Virginia Callison, from principal at Black Diamond Elementary to principal at Thunder Mt. Middle School, effective 7/17/ 2008

Classified:

- B. Resignation:
 - 2. Sonja Bonnell, Native American Specialist, effective 7/28/2008

Motion carried.

VI — ADJOURNMENT

This meeting adjourned at 9:56 p.m.

President, Board of Directors

Secretary, Board of Directors