MINUTES OF THE REGULAR MEETING OF BOARD OF DIRECTORS
SCHOOL DISTRICT NO. 4J, LANE COUNTY, OREGON

October 18, 2006

Meeting Convened

The Board of Directors of School District No. 4J, Lane County, Eugene, Oregon, held a work session at 6 p.m. and a regular meeting on October 18, 2006, at 7 p.m., at the Education Center, 200 North Monroe Street, Eugene, Oregon. Notice of the meeting was mailed to the media and posted in the Education Center on October 13, 2006, and published in The Register-Guard on October 16, 2006.

ROLL CALL

BOARD MEMBERS:
Tom Herrmann, Chair
Beth Gerot
Craig Smith
Anette Spickard
Yvette Webber-Davis

STAFF:
George Russell, Superintendent of Schools and district Clerk
Barbara Bellamy, Director, Communications and Intergovernmental Relations
Tom Henry, Deputy Superintendent and Chief Academic Officer
Bill Hirsh, Director of Facilities and Transportation
Hillary Kittleson, Director of Financial Services
Jon Lauch, Assistant Director of Facilities Management
Laurie Moses, Director of High School Services
Susan Fahey, Operations and Reporting Manager
Londa Rochholz, Alternative Education Coordinator
Caroline Passerotti, Financial Analyst

STUDENT ADVISORY PANEL MEMBERS:
Joseph Dombrosky, Churchill High School
Steven Brantley, IHS, All Campuses
Antonio Salgado, North Eugene High School
Dara Halligan, Sheldon High School
Caitlin Monroe, South Eugene High School

MEDIA:
Frank Nearing, KLCC

CALL TO ORDER, ROLL CALL, AND FLAG SALUTE

Board Chair Tom Herrmann called the meeting to order at 7 p.m. and led the salute to the flag. He noted that all board members were present except Charles Martinez and Eric Forrest who were both out of town.
AGENDA REVIEW

Mr. Herrmann requested that the first item under the Consent Group, Approve Zone Change Request for Awbrey Park Elementary School Property, be removed and added to Items for Action at This Meeting.

INTRODUCTION OF GUESTS AND SUPERINTENDENT'S REPORT

Superintendent Russell noted that Betsy Boyd and Virginia Farkas, members of the 4J Budget Committee, had attended the work session on Special Education and were still present in the audience.

Superintendent Russell noted the following items in the red folder:

• An article from Education Week titled Data-Driven to Distraction. Andy Hargreaves was the author and was a recent keynote speaker at a Wallace sponsored conference in Portland. Mr. Hargreaves made some interesting points in his article about over-reliance on data-driven decision making. Superintendent Russell said that he had met with Mr. Hargreaves and discussed with him the possibility of his coming to Eugene to make a presentation. Superintendent Russell said that there were copies of a book by Mr. Hargreaves in the Wallace Library for those who were interested in reading it.

• A memorandum about the on-going dispute with the Bureau of Labor and Industry (BOLI). Superintendent Russell said that at this point the district did have a decision in its favor.

• Letters to the Eugene Mayor and City Council from Jon Lauch, Assistant Director of Facilities Management, about the impact of the proposed Transportation System Maintenance Fee and the proposed ordinance to create a Measure 37 Compensation Fund. Superintendent Russell suggested that the board empower Board Leadership, if it wanted to take a more formal position on those items, to develop some communication from the board.

• A letter from Robert M. Lehner, Chief of Police, requesting a meeting. Superintendent Russell said that the meeting had been scheduled for October 30 and would include a debrief of the Sheldon incident and discussions of future protocols and how to be better prepared for these kinds of incidents.

COMMENTS BY STUDENT REPRESENTATIVES

Antonio Salgado, North Eugene High School, informed the board that the week of October 23 was Homecoming Week and that there would be different themed days throughout the week. He said that the Associated Student Body (ASB) had met to plan Homecoming activities. He said that representatives to the Site Council from the Small Schools had been elected.

Caitlin Monroe, South Eugene High School, reported that South several weeks ago held its Club Week and that now all of the clubs were starting up. She mentioned some of the more unusual clubs, the Earthworm Club that was about composting, the Disco Roller Skating Club, and the UN. Ms. Monroe said that the Recycling Program at South had received a $500 grant to help with awareness activities and the purchase of can liners. She said that the Student Government was beginning its budget process to appropriate funds to the clubs. She said that Student Government had a speaker on diversity and that it would continue in the future to work with the speaker on this issue.
Joseph Dombrosky, Churchill High School, said that this week was Homecoming Week and that there would be a dance on Saturday and a football game against North on Friday. He said that the Leadership Council was working hard on getting ready for the Homecoming activities. He said that this was Test Day at Churchill. He said that there had been a College Fair put on by the Oregon public universities in the afternoon.

Dara Halligan, Sheldon High School, reported that Homecoming would be next week and that the students were working on activities such as the Homecoming assembly, floats, etc. She said that the Big Leadership (executives and representatives) was working on the in-school service and out-of-school service requirements for students in Leadership to get a passing grade. She said that five hours of in-school service were required and that for the out-of-school service, Leadership was looking at doing one big community service event that would be mandatory. She said that the goal was to make it easier to get the required hours of service, to unify Leadership, and to help students feel like they were making a difference.

Steven Brantley, IHS, All Campuses, reported that the opening IHS assembly went very well and had a great turnout. He said that IHS had finalized its t-shirts and were ordering them already. He said that the first fund raiser, the Penny War, had begun. There would be four jars at each campus, one for each grade, for collecting pennies. He said that the money would go to the Heifer Project, which bought farm animals for families across the world. Mr. Brantley said that IHS was involved in two service projects each semester. He said that IHS was considering Food for Lane County and the Grassroots Garden as its first two projects. Mr. Brantley said that Friday, October 20, was the last day for juniors to declare their IB candidacy.

ITEMS RAISED BY THE AUDIENCE

Betsy Boyd presented the board with a letter from members of the Adams Elementary Parent Teacher Association (PTA) and the Adams Site Council. She said that the letter was sent in order to help the board understand the recent reporting of test scores from Adams School. She said that Adams Elementary School was disappointed to receive an overall ranking of “satisfactory.” She said that the letter was an effort to help the board interpret the scores and ranking that Adams received. She said that the district had not always been helpful in the way it described its neighborhood school programs or its academy schools. She said that Adams and Harris were examples of schools that were both closing the achievement gap.

Ms. Boyd read the following points from the letter that illustrated why 4J should be as proud of Adams as the parents were:

- For eight years in a row the State of Oregon had ranked Adams as “strong” on academic achievement.
- 91 percent of Adams students met the writing benchmark – only one school did better
- 95 percent of Adams students met the reading benchmark, exceeding the district and State average.
- 91 percent of Adams students met the math benchmark
- The percentage of Adams students who “exceed” on state tests was greater than the district average.
- The percentage of Adams students (50.6 percent) who received a score of “exceed” on the state math test greatly surpassed the district average (39.5 percent).
- Adams students also outperformed many district schools on the state science test.
- The overall state school ratings are misleading
- Adams students test better than schools ranked “strong.”
Ms. Boyd said that all of this mattered because of the way the district communicated to the community about achievement. She said that a better way to discuss this issue would be to say that the district had strong schools that were getting stronger and to give examples of where the district was closing the achievement gap. She said that then genuine issues of diversity could be talked about in terms of how a school was doing. She said that small schools that had large populations of disabled kids and economically diverse populations had a tougher time telling its story and could easily be misunderstood.

Ms. Boyd said that she was addressing the board to make sure that it did a good job of understanding the story of one of its exceptional schools and to ask the board to look at the data and figure out how to help the district talk more successfully about schools that were having success in closing the achievement gap.

ITEMS FOR INFORMATION

Receive a Report on Jefferson K-8 Planning

Superintendent Russell introduced Jeff Johnson, Principal at Jefferson Middle School and Magnet Arts Elementary, who updated the board on planning for the Jefferson K-8 Academy and responded to board questions.

Mr. Johnson referred to a copy of a report on the Jefferson K-8 Concept that he had provided to the board members:

Progress to Date

- Committee of Churchill region principals and representatives from ILT, Finance and ESS
- Considered several factors: strengthening the Churchill region and making sure to continue serving the neighborhood students
- Two proposals being discussed:
  1. In-district charter school – unlikely due to neighborhood student preference
  2. Neighborhood Pilot – Will keep the Jefferson boundary and become a K-8. This would give all students in the Jefferson boundary two neighborhood options. Jefferson would still be the neighborhood middle school option. May have to cap elementary enrollment.

Items That Had Been Decided

- K-8 Elementary School
- Strong focus on literacy, arts, and technology

Items That Need a Decision

- Model for instruction
- Leaning toward an elementary-like structure: self-contained classrooms K-8, and wanting to remain open to possibilities with licensure.
• Implementation time – 1 or 2 year (committee felt strong on 2 years, Mr. Johnson leaning toward 1 year)

• Traditional or year-round calendar

Timeline

• Bring proposals to superintendent Staff in two weeks

• Survey community around mid November

• Superintendent would give recommendations by mid to end of November

Board Member Yvette Webber-Davis asked what the options would be if the elementary enrollment was capped. Mr. Johnson said that the enrollment might be capped to reduce the direct competition with the other local elementary schools, Adams, Chavez, and Crest Drive.

Board Member Anette Spickard asked if Jefferson would have to apply to the board under the alternative school policies in order to create a new school model with a cap. Superintendent Russell said that would have to be looked at and considered.

Ms. Spickard asked how the number for the cap would be decided. Superintendent Russell said that Jefferson K-8 would not be an alternative in the same sense as the other alternative schools because it would not be open to kids out of the Jefferson attendance area. He said that it would be really kind of a hybrid. He added that the thinking at this time was that the cap would be limited to what was currently the Jefferson attendance area. He said that if there was a cap and the school did not meet it, then theoretically someone from another attendance area could enroll their kids there.

Ms. Spickard asked how kids from other elementary programs who came there for middle school would be incorporated. Mr. Johnson said that this was definitely a topic for more discussion. Superintendent Russell said that Mr. Johnson and the committee would look at some of the other K-8 schools in the state. He said that it would also be a “learning as we go” process.

Superintendent Russell noted that the board had talked for a number of years about wanting to have K-8 schools and also about starting a year-round school at some point. He said that he was hoping that as Jefferson continued in its process that some of the things the board expressed interest in would blossom.

Mr. Herrmann clarified that the board would be hearing about this again in November. He commented that this was an ambitious schedule. Tom Henry, Deputy Superintendent and Chief Academic Officer, said that it was important to get some of these decisions made before the school choice process began in January. He said that this was an important project and that the district was putting in the time necessary for it.

receive a Monthly Financial Report

Hillary Kittleson, Director of Financial Services, reviewed the monthly financial report and responded to board questions. She said that this report was after the first quarter and that she had done some work on revenues. She drew attention to the following:
• The Beginning Fund Balance was a little under $800,000 (which meant that the district ended 2005-06 with $800,000 more than budgeted).
• Of the $800,000, almost $600,000 was for reappropriations
• Of the $600,000, most of it was for unspent Access and Options money
• $200,000 of the Ending Fund Balance was undesignated – Ms. Kittleson said that she would be bringing a recommendation to the board for those funds in the first supplemental budget.
• Total revenues were about $1.5 million higher than the budget. Ms. Kittleson that this was due to mainly to two factors: the local option levy came in about $1 million higher because properties were less compressed than last year; and interest earnings

Ms. Kittleson said that she thought that the district would end 2006-07 with about $10 million than the board budget. She said that this was pretty much in line with the April forecast which said that the district would have sufficient reserves to be able to hold services through the next biennium all other things remaining equal. Ms. Kittleson said that all of this was dependent on the November election. She said the Oregon School Boards Association (OSBA) said that the estimated impact of Measure 41 on 4J for the next biennium would be $5.5 million per year. If Ballot Measure 48 was approved and was affective immediately and if 4J’s cut was proportional, 4J would lose $14 million this year. If it was not affective immediately, 4J would lose between $6 and $14 million per year in the next biennium. She repeated that the election would have a great impact on the district as would the actions of the State Legislature.

Receive an Update on Bond Projects Including the Rachel Carson Environmental Education Center

Bill Hirsh, Director of Facilities Management, gave an update on the capital bond projects, including the Rachel Carson Environmental Education Center, and responded to questions from the board.

Mr. Hirsh said that the district was already planning for the next bond and that as part of that process he, Kay Mehas, and Dennis Urso had gone to every school in the district and visiting every instructional space with the principal to get a sense of what the district had, how it used that space, and what the district might be able to do in the future. He said that they had also looked at the facilities and a variety of needs. He said that it had become very clear that the buildings were built in a time when the community felt very secure. He said that with the recent event at Sheldon and other incidents around the country, times had changed. Mr. Hirsh said that the staff had been looking at how to make at least the building portions of the campuses more secure. He said that an example of that was the rod irons gates installed at Sheldon and Churchill to make the building an enclosed campus. He said that part of the planning was to look at needs like that across the district.

Mr. Hirsh introduced Pat Johnston from the Bureau of Land Management (BLM) and a member of WREN added information to the following information provided by Mr. Hirsh on the development of the Rachel Carson Environmental Education Center:

The May 2002 Capital Improvement Bond included funding of $500,000 as "seed money" toward a several million dollar development of a Rachel Carson Environmental Education Center to be constructed adjacent to the West Eugene Wetlands, subject to adequate fund-raising and contributions from others. (The $500,000 included $25,000 for bond administration, and approximately $4,000 that had been spent to date on estimating costs). The project was discussed in length by the board, prior to the passage of the bond, at the board meeting on February 27, 2002. (see attached minutes)
In November of 2003, members of the Willamette Resources Educational network, WREN, the non-profit group that was sponsoring this development, appeared before the board and made a presentation requesting additional time to identify adequate fund raising. (In some of the following board agendas and minutes, this meeting was erroneously referred to as occurring in 2004). In terms of spending bond funds within IRS limitations, an extension of three years from November of 2003 could have been granted. The board elected to allow two years for additional fund raising. The two-year period ended in November of 2005, with the additional funds not yet identified and the land not yet transferred. The board discussed the recommendation, and after some deliberation, it was decided by the board to extend the fund-raising period for one additional year, with no further extensions to be granted. One year would be the absolute limit on (bond fund) time extension without involving an IRS penalty for expending funds beyond an IRS designated period from the last bond sale.

In November of 2005, it was estimated that the amount of additional funding needed to complete a phase 1 environmental center was approximately $550,000. Since that time the project cost had grown. Initial infrastructure estimates proved to be far too low. In addition, WREN and its partners decided to construct the buildings to a national environmental (LEEDS) platinum standard, which was the highest attainable. This added further to the design and construction cost. The current total cost for phase 1, including all soft costs, infrastructure, and phase 1 buildings, was in excess of $4 million. Should the City bond pass, the project would still be short approximately $1.5 million; assuming the District funds of $500,000 could be used.

Following was a brief summary of the project and efforts to date:

The Bureau of Land Management, City of Eugene, Bethel School District, Eugene 4J School District and WREN had continued to show support for this effort. By 2005, representatives from these entities reinforced their commitment by signing an Education Center Partnership statement.

When completed, the West Eugene Wetlands Environmental Education Center campus would include a laboratory, greenhouse, auditorium, reference library, classrooms, meeting rooms and staff and volunteer offices. The building would strive to meet the highest standards of Leadership in Energy and Environmental Design (LEED) certification as a demonstration of sustainable building techniques applied in an economically sound and environmentally friendly manner. The sustainable design features embodied the Center's ecological vision to demonstrate that humans could live responsibly with the land by creating a realistic model that could be emulated in the neighboring industrial, commercial, and residential complexes.

The current strategy was to build the center at a modest rate and phase the project to meet current needs. The first phase of the project included: initial site development, a storm water demonstration project for sustainable landscaping, roadway and parking development, a composting toilet that would conserve water, information kiosk, laboratory for school groups and interpretive programs, mudroom to support volunteer and education participants, and a public reception area with volunteer staff to answer questions and schedule programs. When and if adequately funded, 4J would build two classrooms on-site to house the Rachel Carson High School for Natural Resources, currently offered through Churchill High School to complement the first phase.

Minutes and agendas from the board meetings on 2/27/02, 11/19/2003, and 11/9/2005, were provided to the board for reference.
Status, Phase I:

Architect selection, led by the City of Eugene, had begun for the entire project.

The City of Eugene committed (some modest) funds to this project, and expressed interest in seeing the project completed, which would involve the District’s financial participation coupled with successful fund raising which would have to occur in the next year(s). In addition, the City included approximately $1.7 million in its Parks and Open Space Bond for the infrastructure for the entire center.

WREN estimated that its current fund raising efforts might generate approximately $500,000. Assuming the City bond passed, and the District funds were still available, the project would still be $1 million short and the building portion would not be able to begin until something near the additional $1 million were fund raised. In summary, as of today, the project was short the amount in the City bond levy plus $1.5 million.

The proposed land transfer from the BLM to the City of Eugene, requiring an action of the US Congress, had still not occurred.

Ms. Johnston distributed a handout titled Progress on the Wetlands Education Center. She noted that the second page of the handout was the West Eugene Wetlands Education Center Partnership Statement dated September 2005. She said that there was also a report from Kirk Bailey, Counsel, who represented the City of Eugene and the United Front in Washington, D.C. She said that Mr. Bailey discussed the Eugene Transfer Act, which was a bill as well as appropriations for the Wetlands Education Center currently in HUD. Mr. Bailey said that both of these seemed to be favorable.

Ms. Johnston said that the packet also included a timeline for a capital campaign. She reviewed the timeline and said that currently 4J School District, the City of Eugene, and WREN were going through an architectural selection process. She said that next week there would be interviews with the top two candidates with an architect chosen after that. She said that following that there would be a public process and some master planning and a conditional use permit would be sought. The next steps would be: selecting the contract and permit and bid process.

Ms. Johnston reported the following funding items:

- The City of Eugene had about $350,000 currently designated for the project
- WREN had raised $150,000 privately
- The 4J Bond Funds anniversary date was November 7, 2006
- A Parks and Open Space Bond Measure included $1.75 million for the project
- WREN would continue to raise funds throughout the winter
- WREN would apply for grants further along in the process.

Mr. Hirsh clarified that the district had set aside a total of $500,000 in this bond for the purposes of the Environmental Education Center. He said that he had informed the board in the past that there was a time limit on the money. He explained that the IRS had set up a vehicle by which public agencies could benefit from bond sales by making those municipal bonds tax exempt. He said that the IRS did not want public agencies to benefit unduly from the funds by putting the money in the bank for a long period of time and making a lot of interest on it. He said that there were two limitations:
1. The IRS would not allow an agency to make more interest over an extended period of time (the average of five years) than the interest rate at which the bonds were sold. He said that if more interest was made, the excess interest earnings had to be returned to the IRS. He said that this was called arbitrage. He said that this was not in play in this situation.

2. The IRS did not want an agency to make interest for a long period of time so there was a requirement that the vast majority of the funds had to be spent within three years of the bond sale. He said that was why, over a period of six years, the district had two bond sales, the second of which was in August 2005. He said that required the district to spend the vast majority of its funds by August 2008. Mr. Hirsh noted that it took time for the district to plan a project, hire a designer, and then do the construction. He said that generally, 18 to 20 months was the minimum. He said that this was why the date November 2006 had been set as the target point where the district had to use the funds or program them somewhere else so they could be used without incurring the IRS penalty. Mr. Hirsh pointed out that at the end of 2008, the district would have some unspent funds through project savings and other things. He said that the IRS did allow a small percentage to be unspent.

Ms. Spickard asked if the project could move forward if the $500,000 was not available for the two classrooms at this time but might be if the district included this money in its next bond measure. Ms. Johnston said that once the architect was hired and the plans were being detailed, it would be important to know if the Education Center was being built with 4J’s involvement and would affect the size of the project.

Dr. Webber-Davis asked what the impact of the center would be on 4J students. Mr. Hirsh said the two classrooms would house, during the school year, the a component of the Rachel Carson program that currently existed at Churchill High School. He said that the entire educational center would be made available for field trips by students. He said that 4J would have ample opportunity to use the center. Dr. Webber-Davis said that she would like to have some actual numbers of students who would have an opportunity to use the center. Ms. Johnston said that it was designed for the Rachel Carson program at 120 students a year, 60 in the morning and 60 in the afternoon.

ITEMS FOR ACTION AT THIS MEETING

Adopt the 2006-2007 Superintendent’s Goal Statement and Establish the Criteria for the 2006-2007 Annual Evaluation

The contract between the superintendent and the board stated that the board would evaluate the superintendent at least once each year based on the goals and objectives agreed upon by the board and the superintendent, and the terms of their contract. ORS 192.660 (1) (i) required and School Board Policy CBB stated that the “standard criteria and policy directives to be used in evaluating the superintendent shall have been adopted by the board in meetings open to the public no later than January each year.”

Superintendent Russell proposed that the criteria to be used in his annual evaluation consist of the agreed upon goals, the contract between the superintendent and the board, the position description contained in School Board Policy CBA, and a Self-Evaluation Feedback form. A draft copy of his proposed two-year goal statements, which were based upon the board’s annual agenda, was included in the packet. Superintendent Russell highlighted the following changes in the Superintendent’s Goals for 2006-2007 and 2007-2008:
• Page 2, Number 9, second bullet
  Provide equal access for all students to enroll in educational programs that meet their needs, abilities, and interests
  This replaced the former goal area of School Choice: Access and Options

• Page 3, Item II. Strategic Planning, Section d.
  Review district emergency and school security planning and response protocols, and as necessary: Refine existing practices, or develop new policies, and procedures or practices related to the protection of students and staff; Refine communication protocols and practices.

• Page 7, Section f.
  Work with the Wellness Committee to develop Wellness Policy administrative rules, evaluate the district’s progress in implementing the Wellness Policy and advise the board on wellness related issues.
  Superintendent Russell said that the following needed to be added: developing minimum standards for students' participation in physical education and activities at the elementary and middle school levels as part of the implementation of the administrative rules of the Wellness Policy. He said that if the board approved the goals, this piece would be included.


VOTE: All board members present voted yes, 5-0.

Approve Amendment to Board Policy DJC- Allow Amendments Altering Original Contract Amount Up to 50% When Conditions Are Met

Caroline Passerotti, Financial Analyst, presented and explained this amendment.

School Board Policy DJC was originally adopted on July 2, 1973. The policy was revised on June 12, 2001, September 18, 2002, and December 10, 2003. The latest version approved at the February 23, 2005 meeting was made in response to an almost complete revision to the Oregon state procurement statute ORS 279, which became operationally effective on March 1, 2005.

ORS chapter 279C governed procurements related to public improvements. Chapter 279A defined a public improvement as a project for construction, reconstruction, or major renovation. However, 279A.010(1)(aa)(B) stated that a public improvement did not include a public contract for minor alterations or ordinary repair or maintenance to preserve the public improvement. Thus, what once were considered construction contracts under the old ORS 279 now fell under ORS 279B. The effect of this change was that amendments to contracts for minor alternations or ordinary repair or maintenance could not increase the total contract price by more than 25% of the original contract price. Compared to amendments to construction contracts procured through an ORS 279C intermediate procurement process; these contracts might be increased by 50% when a contracting officer for the agency determined that such a change was warranted and a contracting agency official, board, or governing body with administrative review authority over the contracting officer approved the increase.

District staff contracted for a number of projects that more likely fell into the category of non-public improvements (e.g. minor alterations or repair) as opposed to major renovation or reconstruction. Frequently the scope of work, and thus the original contract price, would have to change because of what was encountered once work began (e.g. surprises might be uncovered in the ground, wall, or floor with a plumbing repair of leaking sewer or water lines). Often, a limit
of a 25% increase was not sufficient to deal with what was encountered once work on the original contract commences.

District staff thought it was necessary to define a class of contracts for which the contract amount could be increased by as much as 50% upon discovery of either unforeseeable additional work, or potentially foreseeable additional work which scope could not be determined without some work of the original contract. The amended section to School Board Policy DJC would read (with the additions in **bold print and underlined**) as followed:

**Procurement Bids/Proposals/Intermediate/Direct Procurement**

The Board of Directors will serve as the local contract review board (LCRB) of the district. Employees of School District 4J shall comply with the most recently approved provisions of the Oregon Attorney General’s Model Public Contract Rules (Oregon Administrative Rules Chapter 137, Divisions 46, 47, 48 and 49), when procuring goods, services, and construction services for the district with any district funds including donated funds, with the following exceptions:

**Pursuant to ORS 279A.065, add to OAR 137-047-0270(4) the following clause:** “Except that, for construction contracts covered under ORS 279B, the total Contract price may be increased by no greater than 50% of the original Contract price when both of the following conditions are met: (1) work on the project leads to the discovery of either unforeseeable additional work, or potentially foreseeable additional work the scope of which could not be determined without some work of the original Contract; and (2) the proposed Contract amendment(s) are authorized by a contracting agency official, board, or governing body with administrative review authority over the contracting officer approving the increase. For the purposes of this revised rule, and for OAR 137-049-0160(6) (b), the contracting official with such authority is defined as the superintendent, financial services director, financial analysis and procurement manager or the facilities and transportation director.”

Ms. Spickard commented that this did not seem to make an allowance for an extension of time. She asked if an amendment was needed to deal with this. Mr. Hirsh said that the statutes and rules did not address time. He added that time was a contract issue.

Superintendent Russell recommended amending the section entitled, “Procurement Bids/Proposals/Intermediate/Direct Procurement” found in School Board Policy DJC, for the reasons stated above.

**MOTION:** Ms. Spickard, seconded by Board Member Craig Smith, moved to amend the section entitled, “Procurement Bids/Proposals/Intermediate/Direct Procurement” found in School Board Policy DJC, for the reasons stated above.

**VOTE:** All board members present voted yes, 5-0.

**Adopt Board Policy BCH, Consultants to the Board**

Hillary Kittleson, Director of Financial Services, spoke to this item and gave background information.

On August 16, 2006 the board adopted an addition to board policy DJCA regarding classes of contracts to be considered personal services contracts. These included:
(1) Contracts for engineering, architecture, landscape architecture, and related services, as defined in ORS 279C and subject to the procurement provisions of ORS 279C and OAR 137 Division 048;

(2) Contracts for accounting, auditing, insurance/risk consulting, legal, real estate consulting, information technology consulting and support for hardware or software, educational program and curriculum consulting, educational support services, and management consulting;

(3) And any other contracts whose primary purpose is to acquire specialized skills, knowledge and resources in the application of technical or scientific expertise, or the exercise of professional, artistic or management discretion or judgment.

As a companion to this policy, Superintendent Russell recommended that the board adopt a policy regarding consultants to the board. This policy would state that the board might engage consultants in an advisory capacity, would clarify the board’s approach to the procurement of legal services, and would specify the board’s intent to conduct periodic reviews.

Superintendent Russell recommended adoption of draft policy BCH, as followed:

The Board may engage persons in an advisory capacity when specific services are required that are beyond the capabilities or responsibilities of regularly employed personnel.

The Board will appoint an attorney to advise and represent the district. Other consultants may include auditors, architects, agents of record and others with technical skills or professional training.

Unless the service is procured in accordance with policy DJCA, 1-4, board appointments for consultants will be for up to one year on a fee basis, with reappointment subject to a vote of the Board.

Except where the consultant serves under a written contract for a specified period of time in accordance with policy DJCA, the Board has sole discretion for terminating such advisory services.

The Board will conduct periodic reviews of the services and may request periodic reports to the Board.

Prior to reappointment, the district may seek information via a competitive process for service.

**MOTION:** Mr. Smith, seconded by Dr, Webber-Davis, moved to approve the adoption of policy BCH as stated above.

**VOTE:** All board members present voted yes, 5-0.

**Grant a Waiver to the Formal Competition Process and Approve Contract with Wellsprings Friends School**

Caroline Passerotti, Financial Analyst, made the following presentation:

For many years, the district had contracted with Wellsprings Friends School to provide an alternative education program for district resident students referred to the school by the district.
Wellsprings Friends School was a registered alternative education provider, as required by the State of Oregon.

On August 2, 2006, in the board’s approval of alternative education contracts serving district students who were not home schooled, the board approved a contract with Wellsprings Friends School and provided for a contract limit of $150,000. This limit reflected staff estimates of the number of students expected to be referred to Wellsprings and the portion of the district alternative education budget projected to be spent for services provided through this program. District staff now anticipated student placements to exceed original projections and projects payments of approximately $220,000 in 2006-07. Increasing the contract amount would not result in an increase in the district budget; funds would be reallocated from other areas of the alternative education budget to accommodate this increase.

Because this revised contract amount exceeded $150,000, two board actions were recommended: 1) waiver of board policy which required a formal competitive process for contracts over $150,000 and 2) approval of a revised contract amount of $220,000.

Board Policy DJCA – Personal Services Contracts #4 required a formal competitive process for personal services contracts exceeding $150,000. Board Policy DJCA #6 permitted the board to waive this requirement: “The district may waive any of the above requirements upon a written finding that such a waiver is in the public’s best interest, and the granting of the waiver will result in substantial cost savings or other significant value to the district.” In this case, it was believed that granting of the waiver would result in significant value to the district by providing appropriate placements for students.

Ms. Passerotti responded to an earlier question from Ms. Spickard in which she asked if the staff would be coming back to the board in the future with additional waiver requests. Ms. Passerotti said that the staff wanted to look at this contract and the types of services being provided and return more pro-actively to the board in the fall when the contract was being presented. She said that the staff might go through a competitive process, propose a multi-year contract such as the one with Looking Glass, or propose a waiver at that time. She said that the staff did not want to keep coming back after the fact asking for amendments.

Superintendent Russell recommended granting a waiver to the formal competitive process for personal services contracts exceeding $150,000 and approving a contract with Wellsprings Friends School in the amount of $220,000 for alternative education services provided to district students in the 2006-07 fiscal year.

**MOTION:** Mr. Smith, seconded by Ms. Gerot, moved to grant a waiver to the formal competitive process for personal services contracts exceeding $150,000 and approving a contract with Wellsprings Friends School in the amount of $220,000 for alternative education services provided to district students in the 2006-07 fiscal year.

**VOTE:** All board members present voted yes, 5-0.

**Approve Zone Change Request for Awbrey Park Elementary School Property**

Jon Lauch, Assistant Director of Financial Services, was available for questions regarding the written information the board had received in the board report.
Prior to the recent annexation of the Awbrey Park Elementary School property into the City of Eugene, the property was zoned Agricultural – Urbanizable Lands (AG/UL). Under this zoning designation, a school was a permitted use. Once the property became annexed, the UL portion of the zoning designation was removed. Under the AG zoning designation, the school was considered to be a legal nonconforming use. While maintenance and minor repairs were allowed, remodeling or building expansion would not be permitted without first obtaining a zone change. There were currently no remodeling or expansion plans on the horizon for this school. As a “housekeeping” item, however, a zone change now would prevent any potential glitches in the future when such projects might be desired. The appropriate zone for the property was Public Land (PL), under which a school was a permitted use (schools are a “conditional use” in residential zones).

Superintendent Russell recommended approval for a zone change request for the Awbrey Park Elementary School property from Agricultural (AG) to Public Land (PL).

Mr. Herrmann said that he would abstain from the vote as his law firm and in particular his law partner, Jim Spickerman, often handled zone change matters for the district.

MOTION: Ms. Spickard, seconded by Mr. Smith, moved to approve a zone change request for the Awbrey Park Elementary School property from Agricultural (AG) to Public Land (PL).

VOTE: The motion passed, 4:0:1, with Mr. Herrmann abstaining.

CONSENT GROUP - ITEMS FOR ACTION

MOTION: Ms. Spickard, seconded by Ms. Gerot, moved approval of the Consent Group.

VOTE: All board members present voted yes, 5:0.

Approval of the Purchase of School Buses

On June 21, 2006, the board approved a contract with Western Bus Sales for the purchase of seven (7) forty-two passenger school buses and three (3) eighty-four passenger school buses.

Based on an increase in special needs transportation, staff determined the need to purchase two (2) additional forty-two passenger, one wheelchair position, front-engine buses. The base contract price for these buses was $98,149 each, totaling $196,298. This purchase could be made under the contract with Western Bus Sales, Inc., approved on June 21.

Superintendent Russell recommended purchasing two (2) additional forty-two passenger, one wheelchair position, front-engine buses totaling $196,298.

Approve Personnel Items

Superintendent Russell recommended approval of the personnel items included in the packet. These covered employment, resignations, and other routine personnel matters. (See attached)
ITEMS FOR ACTION AT A FUTURE MEETING

Appoint Budget Committee Members and Set the Date for the First Budget Committee Meeting

Ms. Bellamy gave the following report:

On June 30, 2006, the terms of District 4J Budget Committee members Janet Calvert (three years) and Debbie Roberts (one year) expired. The board was scheduled to fill two full-term (three year) positions at its November 1, 2006, meeting.

These two openings had been published in the Register-Guard and on the 4J web site. Former applicants to the board and budget committee as well as members of 4J citizen committees had also been notified. Applications were available on-line as well as from the district office. The application deadline was October 26, 2006, at 5:00 p.m.

A list of candidates for the two positions and copies of each of their applications would be provided in the board packet sent out in advance of the November 1 meeting.

Candidates would be invited to attend the November 1 meeting to make brief presentations explaining their interest in and qualifications for serving on the budget committee. The board would select the budget committee members by open ballot at that meeting.

Superintendent Russell would recommend appointment of two electors to fill the vacancies on the budget committee: two full-term (July 1, 2006 – June 30, 2009) positions. The superintendent would further recommend setting the date for the first budget committee meeting as Monday, December 11, 2006.

Approve Process in Attempt to Remove Deed Restriction for Bailey Hill Elementary School Property

Mr. Lauch said that this item was phrased as an “attempt” because there was no guarantee in the process. He gave the following report noting that this property was a challenge:

Bailey Hill Elementary School was closed in June 2001 at the end of the 2000-2001 school year. The board classified the property as surplus in October 2002. The surplus designation was reviewed and upheld in March 2005.

The property consisted of three separate tax lots totaling approximately 6 acres. One of the parcels, which was less than one acre in size, was conveyed to the district in 1889 (then School District No. 7) and had a deed restriction in the form of a reversion clause that states:

“This conveyance of this land is made to said district for the purpose of allowing said district to use the same for a site for a school house of said district and if said district should at any time cease to use said land for said purpose that the same shall revert back to the said Matthew Wallis his heirs and assigns.”

A site drawing of the property was included in the board packet showing the individual parcels. The board was asked to note that the subject parcel was sandwiched between the two other parcels and that a significant portion of the building improvements resided on the subject parcel and crossed over the joint property lines. Under a potential sale, the district would likely market the property with the buildings intact. In this scenario, it was difficult to estimate the value of the
individual parcels. The highest and best use was considered to be low density residential (single family dwellings). It was believed that this scenario would generate the highest value for the land. In this case, the buildings would need to be removed in order to provide development-ready, vacant land.

The district’s real property consultant estimated the current market value of the subject parcel at approximately $150,000 based on vacant land with low density residential zoning (the property was currently zoned Public Land (PL) and is designated Low Density Residential (R-1) in the Metro Plan). Based on recent demolition project costs, staff estimated the cost to remove the structures that resided on the subject parcel at approximately $110,000. This equated to a net value of $40,000. It was proposed that $40,000 be offered to the remaining heirs in exchange for a release/waiver of rights to the reversion clause in the deed. As a point of clarification, there was no demolition currently under consideration. This was simply an exercise to arrive at a reasonable value for the parcel.

The district’s legal counsel coordinated an exhaustive investigation in order to determine the status and available contact information for the remaining heirs. At last count, there were 24 known heirs identified at various percentage interest in the potential reverter claim. Legal counsel prepared a draft letter to the heirs explaining the situation, requesting release/waiver of rights under the reversion clause, and offering to pay $40,000 in exchange, to be distributed according to position within the lineage. No funds would be paid to any one potential claimant until all such claimants agreed to the release/waiver of claims. A copy of the draft letter was included in the board packet along with a draft Declaratory Relief Complaint, which might be filed in Circuit Court after sufficient time has passed for the known heirs to respond. A copy of the draft Complaint would be included with the letter to heirs to let them know how serious the district was with regard to resolving the issue.

Superintendent Russell recommended approval of the process described above in attempt to clear the title (remove the deed restriction) for this portion of the Bailey Hill Elementary School property, and that $40,000 be offered to the remaining heirs in exchange for a release/waiver of rights to the reversion clause in the deed.

**COMMENTS AND COMMITTEE REPORTS BY INDIVIDUAL BOARD MEMBERS**

Mr. Smith asked if the board needed to do anything about the $500,000 for the Rachel Carson Environmental Education Center or if the time would just run out. Superintendent Russell said that the board would need to do something if it was not going to spend it on center. He said that probably the staff would come with a recommendation either the last of November or the first of December. He added that some of the recommendation would be tempered by the results of the election in terms of the bond measure. He reminded the board that the original recommendation for the bond measure was $146 million and that he had cut it to $116 million. He said that after discussion with the board he had reduced the part of the Education Center allocation from $2 million to $500,000 because some board members were worried about investing $2 million and he wanted to keep the bond measure at an amount that had a good chance of passing.

Ms. Spickard said that if the board was going to respond to the proposed City of Eugene ordinance on charging a property owner a percentage of the value increase after a zone change, it should be done soon because the record would close in two weeks. She offered to provide information to Leadership if it was needed. She and Mr. Smith agreed with Ms. Spickard that the board should give an opinion on that proposed ordinance.
Ms. Spickard asked if there would be a coordinated way for the board to educate the voters about ballot measures 41 and 48, as stated in Legislative Issues of the Superintendent’s Goals. Ms. Gerot said that she had participated in the Defend Oregon press conference. She said that Defend Oregon had decided to focus its efforts in other parts of the State. She said that made it difficult for board members to participate other than to actively talk to people in the community. She said that there would be a couple of canvassing dates and she would let the board know about those. Superintendent Russell asked if district staff could assist a board member in writing an editorial about the ballot measures. Ms. Bellamy said that the district could help with a fact sheet but could not give an opinion.

Ms. Spickard distributed copies of an article titled *Making TABOR Work: Achieving Balance Using the Property Tax Formula* by Steve Novak.

Dr. Webber-Davis said that she attended the State Action for Education Leadership Project Conference as a representative of the Oregon University System. She noted that 4J was one of 11 districts represented at the conference. She thanked Superintendent Russell and Mr. Herrmann and the school Leadership Teams that were present for the work that they had been doing with the Wallace Foundation money. She said that the focus had been on cultural competency and literacy. She commended the district for the professionalism with which it conducted itself in the work being done in these areas. Dr. Webber-Davis said that she was looking forward to the Eugene Education Fund event.

**ADJOURN**

Mr. Herrmann adjourned the meeting at 8:25 p.m.

_____________________________  ______________________________
George Russell                Tom Herrmann
District Clerk                 Board Chair

(Recorded by Elise Self)

*m:\2006\4j school district\school board\06-10-18 bd minutes.doc*