5:00 p.m.  **EXECUTIVE SESSION:** Under provision of ORS 192.610 – 192.690, Open Meeting Laws, the Board of Directors will conduct an Executive Session for the following purpose:

To conduct deliberations with persons designated by the governing body to carry on labor negotiations, pursuant to ORS 192.660 (2) (d) and to conduct deliberations with persons designated by the governing body to negotiate real property transactions, pursuant to ORS 192.660 (2) (e)

(A light dinner will be served)

7:00 p.m.  **REGULAR BOARD MEETING**

**TO:**  Board of Directors

**FROM:**  George Russell  
Superintendent of Schools

**RE:**  Reports and Recommendations

**III. INTRODUCTION OF GUESTS AND SUPERINTENDENT’S REPORT**

1. **Student Board Representative Recognition**

Superintendent Russell will present the following student board representatives with certificates of appreciation for their service to the district this year.

Sun Sun Gan, Churchill High School  
Lydia Tam, Churchill High School  
Jenny Koh, South Eugene High School  
Carolyn Conklin, North Eugene School of IDEAS  
Britta Rasmussen, North Eugene Academy of the Arts  
Tobiah Meinzen, North Eugene IHS  
Karen McGhehey, IHS, All Campuses (South, Sheldon & Churchill)  
Liz Gray, Sheldon High School
VII. ITEMS FOR ACTION AT THIS MEETING

1. **Award Contract and Authorize Real Property Consultant and Staff to Negotiate the Contract Terms with Master/Powell for the long-term Ground Lease of the Civic Stadium Properties** (Staff: Jon Lauch & Larry Massey)

**Action Proposed:**
Award contract and authorize real property consultant and staff to negotiate the contract terms with Master/Powell for the long-term ground-lease of the Civic Stadium properties.

**BACKGROUND**

Request for Proposal Process. The Board on June 16, 2010 decided to use a Request for Proposal (RFP) process to dispose of the Civic Stadium properties. The RFP was issued in October 2010. The Request for Proposal outlined the process and goals to be used by the Board in reaching a decision regarding the proposals as follows:

*Each proposal in the Competitive Range will be evaluated by the Board in light of the goals listed below, as well as all other factors set forth in this RFP, including but not limited to Proposer's experience and qualifications, and financial capability.*

*The primary goal of School District 4J is to dispose of the Property for the highest possible revenue. To the extent that it does not materially and adversely affect the primary goal, SD 4J also has the following secondary goals:*

*To the extent not inconsistent with SD 4J's primary goal, SD 4J would like to sell the property to a Buyer that submits a proposal that provides other (non-monetary) benefit to SD 4J, provides community benefit, is compatible with the surrounding neighborhood and proximity to South Eugene High School, and that potentially preserves the Civic Stadium grandstands for continued use as an assembly venue.*

**1. Rationale:** Rationale for the disposal of the properties is outlined in the Findings of Fact which were made with respect to the District's need for the property, impact to the surrounding neighborhood, land use, fiscal considerations, and alternative property uses. The Findings were approved by the Board on June 16, 2010 and are available for viewing and download from the District's website. The purpose/intent of the RFP process was to solicit competitive offers for the acquisition or lease of the properties and to establish criteria, in addition to revenue, by which the proposals would be evaluated. The specific criteria and goals are discussed in detail above.

**2. Options and Alternatives:** The intended outcome of the RFP process is that the Board would select one of the proposers and negotiate a contract with the successful proposer for the sale or lease of the properties. The Board may, alternatively, decide to reject all offers (proposals) and to not move forward with disposal of the property at this time. The Board may also decide to delay a decision on the matter.
3. **Budget/Resource Implications:** The overriding factors that culminated in a decision to dispose of the property are the fiscal considerations. The Findings concluded that it is in the District’s best financial interest to sell the property in order to reduce ongoing maintenance costs, significant and looming capital costs, and other risks of ownership, and that there are immediate district needs toward which the proceeds could be applied. Board policy provides that net proceeds from the sale or lease of facilities will be placed in a district capital improvement fund and used to acquire and develop land and/or upgrade and improve district facilities unless the board decides otherwise for compelling reasons. The district’s current financial situation is one in which a disposition of the Civic Stadium site without some revenue realization is not a prudent option.

4. **Board and Superintendent Goals:** Disposition of Civic Stadium property will support the board goals related to prudent stewardship of district resources and implementing a sustainable budget by eliminating ongoing capital costs associated with operation and maintenance, and providing revenue that can be used to support unfunded or underfunded facility needs.

**Review of Proposals.** Three proposals were received on February 1, 2011 for the Acquisition of the Civic Stadium Properties. A general summary of the original proposals was provided to the board on February 16, 2011. All three proposals were reviewed and considered by the board.

The proposals initially were evaluated by the screening committee based upon revenue (50 pts), additional benefit to school district 4J (20 pts), community benefit (20 pts), and preservation of the stadium (10 pts). The screening committee considered the Master-Powell and YMCA proposals to be within the competitive range, and forwarded these proposals to the Board for further consideration. Although, the short-list of proposals was forwarded by the screening committee, the board had specifically requested that all proposals be forwarded, whether or not each individual proposal was short-listed. Staff presented an overview of the individual proposals to the Board in executive session on March 16, 2011, along with the screening committee’s evaluation comments, scores, and financial comparison.

On March 16, 2011, the Board received a request from the City of Eugene to consider input from a committee that would “explore a possible public/private/nonprofit collaboration for the repair and repurposing of Civic Stadium and the redevelopment of the rest of the site”. In a work session on March 30, 2011, the Board revised its schedule for the review of the proposals to give the City time to work through their process, but to not unduly delay the decision point which otherwise could have adversely affected proposers. The Board also decided to invite all three proposers to present their proposals.

All three proposers presented their proposals to the Board in executive session on May 16, 2011. The purpose was to allow the proposers an opportunity to provide supplemental information for clarification of the proposal contents, as well as submit any additional information that could assist the board in arriving at a decision to award a contract resulting from the RFP. The executive session allowed for the Board to discuss the terms of the potential contracts with individual proposers.
Some offers were modified significantly while others were simply clarified. All presenters were given until noon on Tuesday May 17 to respond with additional information or clarifying questions that were not fully addressed during the presentations. Following the presentations the Board conducted further deliberations to de-brief the presentations and information provided.

The Board discussed their deliberations in open session at the regular Board meeting on May 18, 2011 and also discussed pros and cons of the various proposals relative to the Superintendent’s recommendation to select the Master/Powell ground-lease proposal. The Board is scheduled to make a final decision at this meeting regarding the selection of the successful proposer. The Board may also decide to delay a decision, or to reject all proposals and to not move forward with the sale or lease of the property at this time.

A recap/summary of the proposals as modified with the assessed pros and cons for each is provided as an attachment.

**DISCUSSION**

The quality and substance of the presentations was varied. Answers to questions posed by the Board, real property consultant, and staff either built confidence in the individual proposals or elevated significant concerns. On the whole, the Master/Powell presentation was the strongest and most fully addressed the questions and concerns. Following the presentations, concerns remained, to varying degrees, regarding the Eugene YMCA and Save Civic Stadium Proposals.

**Save Civic Stadium Proposal.** There are a number of concerns with the Save Civic Stadium (SCS) proposal, not the least of which is the financial capability of the organization. While there appear to be a number of potential opportunities for grants, tax credits, and revenue bonds, the proposal is heavily dependent upon fundraising of charitable donations. Phase I capital improvements are projected to be complete in two years which is highly optimistic; perhaps unrealistic, since this requires fundraising or financing for over $11 million. Revenue projections are made which reach the full amount of cash flow for year three of the lease, yet appear to be dependent upon completion of Phase II improvements for an undetermined commercial development partner which will provide 50% of the lease payment. The additional costs for these improvements are over $9 million. The District would likely be required to subordinate its position to financing (repayment of revenue bonds, for example) or to make guarantees that are typically associated with receipt of grant funds and/or tax credits. The parking and traffic issues of the fully re-developed site and intensification of use have not been adequately addressed. There is concern whether the proposed lease payments are achievable and sustainable, along with the proposed CPI increases over the 40-year term of the proposed lease.

**YMCA/Valeo Companies Proposal.** While the community perception of the Eugene YMCA proposal has centered on the construction of a new Y, this piece is the minority element of the proposal (40%) and appears to be contingent upon successful fundraising and pending transactions with their housing partner regarding their current property. The student housing portion of the proposal represents 60% of the development. The Board was informed during the presentation that if the construction of the Y was not able to materialize, that the remaining portion of the
The site would be further developed as student housing. The Board was also informed that, either the District would need to subordinate its position to the financing for the housing portion of the development, or an arrangement or mechanism would need to be created through which the District’s risk would be mitigated in the event of default or foreclosure. This arrangement or mechanism adds a level of complexity that was not initially anticipated.

**Master/Powell Proposal.** There is little doubt regarding the development capability and the financial capability of the Master/Powell development team. This team has extensive local experience and expertise in mixed use development and understands the requirements and complexities of the associated land use and planning processes. The District would not be required to subordinate to financing and would remain in first position in event of default or foreclosure.

**Ground Lease Option.** The Eugene Y and Master/Powell proposals have both indicated a preference to purchase the property on a fee-simple basis (cash sale). The Board decided, however, to structure the RFP in a way that allowed for the flexibility of ground-lease options, allowing the District to choose between a full range of options, selecting the option that provides the greatest benefit. The Eugene Y and Master/Powell provided a “companion” ground-lease offer at the District’s request. Under the right circumstances, a ground-lease can provide greater long-term financial return while still limiting the District’s risk of property ownership, and can provide additional flexibility for the future. The total estimated value of the three ground-lease proposals, projected over a 20 year period is estimated as follows:

- **Save Civic Stadium:** $10.7 – 13.4 million (with TBD 50% site development partner)
- **Eugene YMCA:** $9.0 -12.5 million
- **Master/Powell:** $12.0 – 16.6 million

**RECOMMENDATION:**

In making my recommendation I have weighed the relative risk for the school district, considered the Board’s goals as listed above, listened to the Board’s deliberation in executive session and open session, and received the Districts’ staff and real property consultant’s assessment of the proposals. The District needs a partner in which it can have a high level of confidence in the ability to successfully follow-through on its proposal. I recommend that you select the Master/Powell ground lease proposal; that you award a contract to Master/Powell subject to the successful negotiation of the contract terms, and that you authorize the District’s real property consultant and staff to negotiate the terms of the contract following the expiration of the 72 hour protest period. Pending your decision, district staff will issue an Intent to Award.

This proposal will provide the District with an ongoing revenue stream of $7.1 million over the next twenty years which represents an average 7.5% return on investment based upon the land value reflected in the purchase offer. The proposal also provides the opportunity to continue the lease or to sell the property at fair market value in the future. The proposal provides additional community benefit associated with the economic development and property tax revenue to support public services.
Other Options:

If the board chooses to reject the recommendation of the superintendent, these are the options I believe are available to the board:

1. Reject the recommendation for the Master/Powell proposal and take action to accept one of the other proposals, and direct staff to begin the negotiation with the successful proposer.
2. Reject all of the proposals and direct staff to initiate a new or different process for the disposition of the Civic Stadium properties.

One additional option would be to delay the decision date, possibly to June 15, 2011, so that the board may have further time to consider the superintendent’s recommendation and receive additional public input on the proposed action.

Additional Considerations:

If the board chooses the Master/Powell proposal, the Board may wish to consider working with the Eugene Y to explore options to partner in potential solutions that would alleviate or mitigate parking requirements for the potential reconstruction of the Y facility on its current site which severely limits the Y’s current options.

The Board may also wish to consider potential relocation options for the stadium in collaboration with Save Civic Stadium and the City of Eugene, concurrent with the approval process for the removal of the stadium from the site. Such relocation would need to limit the District’s financial exposure.

VIII. CONSENT GROUP – ITEMS FOR ACTION

1. Approve Resolution Making Appropriations from the Acceptance of Grant Funds (Staff: Mary Nickelson-Hill)

Action Proposed:
On June 1, 2011, the board is scheduled to approve a resolution making appropriations from the acceptance of grant funds during the 2010-11 school year.

Background:
The district has received the following grant funds in addition to funds anticipated at the time the 2010-11 budget was adopted. The district may expend grant funds received for a specific purpose upon enactment of a resolution by the board.

Charter Schools Title V-B Planning $112,000
EWEB Greenpower Grant – Adams Elementary Solar Initiative 100,000
IDEA Part B, Section 619 86,072
Safe Routes to School Program (SRTS) 75,000
Expanded Dental Health Program 44,662
Miscellaneous grants (under 25,000) 121,831

Discussion:
1. Rationale:
Annually, board approval is required to recognize the receipt of grant funds not anticipated at the time the budget was adopted and create spending authority for their use.
2. **Options and Alternatives:**
   Should the board elect to not approve this resolution, the district would not have the authority to expend grant funds and would be required to return funds to the grantor.

3. **Budget/Resource Implication:**
   Approval of the resolution permits the district and district students to benefit from the services and materials afforded from grant funds.

4. **Board and Superintendent Goals:**
   This recommendation addresses the board goal of providing prudent stewardship of district resources to best support student success, educational equity and choice.

**Recommendation:**
The superintendent recommends that the board approve the resolution making appropriations resulting from the acceptance of grant funds.

2. **Approve Contract for Printing Services Provider** *(Staff: Caroline Passerotti and Matt Donley)*

**Action Proposed:**
Approve a contract to provide printing services for the District.

**Background:**
On January 28, 2011, a Request for Proposals to provide the District with printing services was issued. The RFP was sent to seventeen vendors and advertised electronically on the State of Oregon Procurement Information Network.

Proposals were opened February 28, 2011. Proposals were received from Central Blueprint Services, Inc. dba Central Print & Reprographics, Slow and Easy Corporation dba Instaprint, Office Depot, Inc., Pacific Office Automation and Shelton Turnbull Printers, Inc. The current contract for printing services expires August 8, 2011.

The proposals were evaluated on several criteria in addition to pricing. These factors included: experience and reputation of the proposer (including financial stability and references); ability to provide printing services as per the specifications and volume of business; qualifications of staff/customer service information; and the vendor’s approach to job flow/billing and transition process. After careful review of each proposal and taking into consideration the District specifications, a committee comprised of representatives from schools, departments and the purchasing department evaluated the responses, and selected two firms for finalist interviews. Following the interviews the District issued a Request for Best and Final Offers on high-usage printing services. The committee assigned points to each criterion specified in the RFP based on the content of the proposals, the interviews and the Best and Final Offers. There were 100 possible points and the following summarizes the average points allocated to each finalist:
<table>
<thead>
<tr>
<th>Finalist</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instaprint</td>
<td>99.75</td>
</tr>
<tr>
<td>Central Print</td>
<td>95.00</td>
</tr>
</tbody>
</table>

Both companies received high scores for the ability to provide printing services according to the specifications and volume of business, experience and reputation, qualifications of staff, and the approach to job flow; however, Instaprint proposed lower overall costs.

**Discussion:**

1. **Rationale:**
   The contract provides for a full range of printing, binding and graphic service options needed by all of the District’s schools and departments. The District has a wide variety of printing needs ranging from standard to highly specialized jobs. The printing services provider will be held to agreed service level standards in order to provide the District with the highest quality services at the lowest costs.

2. **Options and Alternatives:**
   The District could create its own internal print shop. However, this option is neither feasible nor cost effective. Prior to the commencement of the RFP, the purchasing department performed a written analysis of the procurement as required under OAR 137-047-0250(3). The statute requires that the board receive copies of the findings which are attached to this report. Currently the District lacks the specialized employees, equipment and space necessary to create a print shop. The District has contracted with a printing services provider since August 2001. The District did maintain its own print shop prior to August 2001. However, the decision to close the District’s print shop was made after determining that cost savings and service efficiencies could be achieved by contracting with a printing services provider.

3. **Budget/Resource Implication:**
   The District expects to spend approximately $250,000 annually for these printing services.

4. **Board and Superintendent Goals:**
   The proposal supports the Board Goal to provide prudent stewardship of district resources to best support student success, educational equity and choice.

**Recommendation:**
   The superintendent recommends contracting with Slow and Easy Corporation dba Instaprint to provide printing services beginning on August 9, 2011, for one year, with the option of extending the contract for four (4) additional one year terms.

3. **Approve Supplemental Budget #2** (Staff: Caroline Passerotti)

**Action Proposed:**
   On June 1, 2011, the board is scheduled to approve a second supplemental budget for the 2010-11 school year.
Background:
Oregon Revised Statutes 294.480 permits school districts to amend adopted budgets by 1) transferring spending authority within a specific fund or from the General Fund to another fund or 2) changing spending authority by adoption of a supplemental budget.

Discussion:

1. Rationale:
Transactions are proposed to recognize and appropriate revenue not anticipated at the time the budget was developed and to transfer spending authority among appropriations in the same fund. An overview of the transactions is presented below.

2. Options and Alternatives:
The board may approve, reject or modify the supplemental budget as submitted.

3. Budget Implications:

GENERAL FUND (FUND 100)

Recognition of New General Fund Revenue - $549,148
The following proposed transactions recognize new revenue and appropriate the same amount.

a. Transfers from the Capital Equipment Fund - $316,922
A change in state law permits these funds to be used to support General Fund expenditures, beginning July 2010.

i. Instruction Department - $235,000 to purchase additional workbooks and provide staff development in conjunction with the Math adoption
ii. Communications Department - $34,666 to provide temporary funding for the district’s contract with the Eugene Education Fund and develop a web template for school websites
iii. North Eugene High School - $18,210 to temporarily provide staffing for the College and Career Center to continue building the college bound culture at NEHS
iv. Superintendent’s Office/Board - $15,000 to pay for the minutes recording due to additional meetings in 2010-11 and board conference costs
v. Roosevelt Middle School - $9,202 to pay for AVID training for eight staff members
vi. Charlemagne Elementary School - $3,349 to pay for substitute teachers for teachers to address the School Improvement Plan
vii. Madison Middle School - $1,495 to purchase an on-line subscription for academic software

b. Transfer from the Sale of Surplus Properties Fund for School Closure Costs - $156,000
Appropriations to support school closures and consolidations are transferred to pay costs associated with the closure of Coburg, Crest, Meadowlark and Parker Elementary Schools.
c. **State Reimbursement for Transportation Fuel Costs - $60,900**  
The state reimburses school districts for 70 percent of qualifying transportation expenditures. This transaction recognizes reimbursement revenues and creates budget authority in the same amount. Because of fuel price increases, fuel costs are up $96,500. Of this total, $87,000 of these excess costs qualifies for state reimbursement. The $35,600 balance is requested to be funded from Contingency.

d. **Lane Regional Braille Production - $10,800**  
This transaction recognizes revenue received from other school districts and educational service districts under an intergovernmental agreement for Braille production services. Additional budget authority is appropriated to Educational Support for performing the work.

e. **School Summer Program Fees - $4,526**  
In addition to the $15,540 recognized in Supplemental Budget #1, this transaction recognizes and appropriates funds received for the 2010 summer session and appropriates a like amount to cover a portion of the summer program expenses.

**Requests from Contingency Account - $225,290**  
The adopted budget for 2010-11 established a contingency of $3,413,000, consisting of $2,513,000 for operating or general contingencies and $900,000 for special education contingencies. The operating contingency represented 1.7% of general fund operating expenditures, below the 2% board target. In Supplemental Budget #1, $176,824 of the operating contingency was utilized, leaving a balance of $2,336,176, and the contingency established to support special education services was completely re-appropriated for anticipated expenditures. With board approval of the following transactions, the operating contingency would be further reduced to $2,110,886.

Requests for transfers in the second supplemental budget include the following:

a. **Legal and Litigation Costs - $75,000**  
Additional funds are needed to cover legal and litigation expenditures that were not anticipated at the time that the budget was adopted. This transaction re-appropriates Contingency funds for these purposes.

b. **Transfer to Nutrition Services Fund - $75,000**  
The 2010-11 Adopted Budget includes a transfer of $230,083 to cover a portion of operating costs in the district’s nutrition services program. Because projected revenues in the 2010-11 school year are lower than budgeted, it is anticipated that an increased transfer will be required to support this program. The actual transfer will be limited to only the amount necessary to cover any operational loss.

c. **Transportation Fuel Costs - $35,600**  
As described above, the district will incur $96,500 in higher than budgeted transportation fuel costs due to increased fuel prices. This transaction re-
appropriates Contingency funds to pay the portion of the cost increase that does not qualify for reimbursement by the state.

d. **Superintendent Search - $17,890**
Expenditures incurred in conjunction with the superintendent search and selection process exceeded the $60,000 budget originally provided. Additional funds are needed to pay remaining costs associated with site visits, candidate interviews and recruitment.

e. **Funds to promote equity - $13,500**
District policy directs that 10% of contributions in excess of $10,000 made to schools to fund additional staffing be reserved as “equity funds”. These funds are allocated by the superintendent on projects to improve equity throughout the district. While equity funds were collected in 2009-10, because the ending fund balance was less than projected, there was no excess 2010-11 beginning fund balance to appropriate for this purpose. As a consequence, an amount equal to these collections is requested as a re-appropriation of Contingency funds.

f. **Negotiation Costs - $8,300**
Funds are reappropriated to support contract negotiations with the Oregon School Employees Association. Costs include facilitation in the interest-based bargaining process, a portion of the meals provided during all-day negotiation sessions, consultant fees and supplies.

**CAPITAL EQUIPMENT FUND (FUND 200)**

**Transfer from Capital Equipment Fund - $316,922**
As described above, a change in state law permits these funds to be used to support General Fund expenditures, beginning July 2010. This transaction re-appropriates spending authority to increase transfers to the general fund for the items listed in 3.a.

**CAPITAL PROJECTS FUND (FUND 450)**

**Transfer from Sale of Surplus Properties Fund - $156,000**
The Interfund Transfers Appropriation in the Sale of Surplus Properties Fund is increased to support school closures and consolidations costs in the General Fund associated with the closure of Coburg, Crest, Meadowlark and Parker Elementary Schools. 

**4. Board and Superintendent Goals:**
This recommendation addresses the board goal of providing prudent stewardship of district resources to best support student success, educational equity and choice.

**Recommendation:**
The superintendent recommends that the board approve Supplemental Budget #2, recognizing and appropriating revenue not expected at the time the budget was adopted and re-appropriating Contingency funds to support district operations.
4. **Approve Resolution Designating Depositories for School Funds** (Staff: Mary Nickelson-Hill)

**Action Proposed:**
Approve a resolution designating depositories for school funds for the 2011-12 fiscal year.

**Discussion:**

1. **Rationale:**
Annually, board approval is required to designate depositories for the fiscal year.

2. **Options and Alternatives:**
Should the board elect to not approve this resolution, the district would not have the authority to deposit funds with the depositories.

3. **Budget/Resource Implication:**
Closing and reopening accounts would have an impact on staff time. There is no direct financial implication to the District.

4. **Board and Superintendent Goals:**
The proposal supports the Board Goal to provide prudent stewardship of district resources.

**Recommendation:**

5. **Approve Student Requests for Individual Graduation Plans** (Staff: Brad New)

The Oregon Minimum Standards allow local school boards to approve alternative graduation plans for individual students. A memo from Brad New, Secondary Services Administrator, describing requests for individual graduation plans is included in your board packet. If you would like to review the plans, Brad New can make them available to you.

The superintendent recommends approval of the individualized graduation plans, as requested.

6. **Award Construction Contract for Multisite Roofing and Seismic 2011** (Staff: Ben Brantley)

The District received bids on May 17, 2011 for re-roofing and seismic upgrades at North Eugene High School, Spring Creek Elementary School and Coburg Elementary School. The solicitation allowed for up to five base bids, with three additive alternates.

Base Bid "A" is for roofing and seismic upgrades at NEHS.
Base Bid "B" is for roofing and seismic upgrades at Spring Creek.
Base Bid "C" is for roofing and seismic upgrades at Coburg.
Base Bid "D" is for combined NEHS & Coburg
Base Bid "E" is for combined NEHS & Coburg & Spring Creek
Alternate No. 1 is the additional cost to roof and seismically upgrade at raised roof locations (penthouses) at NEHS.
Alternate No. 2 is the additional cost to roof and seismically upgrade the gym/cafeteria at Spring Creek.
Alternate No. 3 is the additional cost to roof and seismically upgrade the sloped classroom wing at Coburg.

Three bids were received, with pricing as follows:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Base Bid</th>
<th>Base Bid</th>
<th>Base Bid</th>
<th>Base Bid</th>
<th>Base Bid</th>
<th>Alternate</th>
<th>Alternate</th>
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<tr>
<td></td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Umpqua Roofing</td>
<td>$464,207</td>
<td>$304,451</td>
<td>$85,236</td>
<td>$549,443</td>
<td>$853,894</td>
<td>$88,577</td>
<td>$131,263</td>
<td>$38,438</td>
</tr>
<tr>
<td>2G Construction</td>
<td>$495,800</td>
<td>$210,000</td>
<td>$92,800</td>
<td>$585,800</td>
<td>$793,340</td>
<td>$100,500</td>
<td>$71,800</td>
<td>$32,000</td>
</tr>
<tr>
<td>John Hyland Construction</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td><strong>$736,906</strong></td>
<td><strong>$69,654</strong></td>
<td><strong>$66,671</strong></td>
<td><strong>$31,031</strong></td>
</tr>
</tbody>
</table>

All of the paperwork submitted at the time of bid was in order.

The current source of funding is from the Sale of Surplus Property Fund (F450), with a budget allocation of $1,050,000. With the passage of the new bond measure, the expenditures will be transferred into the new bond, thereby preserving capital reserves.

The construction budget for the project is approximately $852,000. The budget also has a Project Contingency in the amount of $42,000, which is sufficient to supplement the construction budget and award the contract.

The superintendent recommends that the board award Base Bid E, and Alternates 1 and 2, to John Hyland Construction, for a total award of $873,231. Alternate 3 will be deferred to a later time.

**IX. ITEMS FOR ACTION AT A FUTURE MEETING**

1. **Approve Proposed Superintendent Employment Contract for 2011-2014** (Staff: Celia Feres-Johnson

   Board Chair Craig Smith recommends approval of the employment contract with Dr. Sheldon Berman as superintendent from July 1, 2011 through June 30, 2014.

   The proposed employment contract between the superintendent and the District outlines the term and duties of the superintendent, compensation and fringe benefits, longevity increment, leave benefits, professional growth, contract days/outside activities, professional liability, evaluation process, and termination procedures. In summary, for the 2011-12 school year the superintendent will receive an annual salary of $180,000 and for each successive year the base salary shall be changed by the same salary Cost of Living Increase (COLA), including any compensation and/or benefit concessions applied to Administrators and District Directors. The District
also will provide a tax-sheltered annuity of $1,016.67 per month for the contract year of 2011-12 and thereafter at the rate of $600 per month for the balance of the Superintendent's employment, professional development allowance of $1750, moving allowance of $15,000, and an auto allowance of $550. Other benefits will be as provided to District Directors, except that in lieu of District-paid health premiums such amount will be added to the Tax Sheltered Annuity (TSA) and the superintendent will pay his PERS employee contribution. The superintendent will be provided a computer, cell phone and internet service to allow work at home, and the District will pay cost of membership dues and subscription costs to AASA, COSA, ASCD and AERA.

A copy the proposed contract will be included in the red folder at the board meeting.

2. **Approve a request to postpone the math adoption for Grades 9-12**  
   Approve a request to postpone the science adoption for Grades 6-12  
   Approve an independent science adoption for Grades K-5 (Staff: Janis Swan and Carl Hermanns)

**Background**

Oregon's instructional materials adoption schedule runs on a seven-year cycle and a six-year contract. Mathematics K-12 and Science K-12 instructional materials were scheduled to be adopted by school districts in 2009 and in classrooms by September 2010. Due to our school district's financial situation, the K-8 Math adoption was postponed one year and approved by the board for classroom implementation in fall of 2010. This put our other adoptions on hold.

School districts have the option under OAR 581-22-1650 to postpone instructional material purchases for up to two years. This will allow our school district more time to implement our K-8 math adoption and to determine next steps in selecting and purchasing, or independently adopting, for math (grades 9-12) and science (grades 6-12) by September 2012.

**Science**

Our last 4j K-12 science adoption was in 2002. At the elementary level, we readopted Science Technology and Children (STC) kits developed by the National Science Resource Center and produced by Carolina Biological as well as a smaller number of kits from Full Option Science System (FOSS) developed at the Lawrence Hall of Science and produced by Delta Education. STC is not on the new 2009 state adoption list, FOSS is. The materials are in fairly good shape; broken or worn out materials are replaced during the restocking process. Our existing K-5 Science kits meet the legal requirements of aligning to Oregon's Content Standards, equity criteria and National Instructional Materials Accessibility Standard (NIMAS). Therefore we are requesting board approval for an independent science adoption K-5.

At the secondary level, Grades 6-12, we are requesting postponement due to lack of funds and to provide more time to determine what types of science instructional materials and online materials would best meet the future needs of our Gr. 6-12 students. By September 2012 we would need to come back to the board with a recommendation to independently adopt or purchase Grades 6-12 Science. In the interim, we will continue to use the 2002 board adopted materials.
Math
Our last 4j high school math adoption was in 2002. Twenty different books from 7
different publishers with copyright dates of 1985-2004 were adopted or readopted by
the board. We are requesting postponement due to lack of funds and to provide
more time to determine what types of mathematics instructional materials and online
materials would best meet the future needs of our students. By September 2012 we
would need to come back to the board with a recommendation to independently
adopt or purchase Grades 9-12 Mathematics. In the interim, we will continue to use
the 2002 board adopted materials.

Discussion
1. Rationale: Our school district has been struggling financially with cuts to
programs, staffing, school closures, and class size increases. In addition, we
need more time to work with our teachers to analyze our instructional practices,
determine best practices in secondary science and mathematics, and research
technology resources as well as other instructional materials options in order to
best meet the needs of our students and teachers.
2. Options and Alternatives: The other option at this time would be to adopt
Science Grades K-12 and Mathematics Grades 9-12 and not postpone or
independently adopt K-5 Science.
3. Budget/Resource Implications: District staff estimates a total cost for committee
work, purchasing, professional development, and implementation at
approximately $1.0 million. Due to budget constraints the district is currently
facing, there is concern about allocating this money for curriculum rather than for
mitigating staffing, class sizes, and other reductions.
4. Board and Superintendent Goals: Postponing adoption and giving us time to
address our financial situation as well as to determine what materials would best
meet the needs of our students directly addresses the board and superintendent
goals to increase achievement for all students and close the achievement gap.
We want to be able to wisely select materials and tools for the 21st century. We
are not ready at this time to make this selection nor do we have the financial
ability.

Recommendation
The superintendent will recommend to:
• Approve a request to postpone the math adoption for Grades 9-12
• Approve a request to postpone the science adoption for Grades 6-12
• Approve an independent science adoption for Grades K-5

3. Set the School Lunch and Breakfast Prices for the 2011-2012 School
Year (Staff: Susan Fahey/Rick Sherman)

Action Proposed:
Set school lunch and breakfast prices for the 2011-12 school year.

Background:
One of the requirements of the recently passed Federal Healthy Hunger Free Kids
Act (also known as the re-authorization of the National School Lunch Program) is
that effective July 1, 2011, school nutrition programs must move towards charging
paid meal category students a price that is on average equal to the difference
between the free lunch reimbursement and paid lunch reimbursement. Schools that
charge less than this amount are required to gradually increase their prices over time until they meet the requirement. Each year the federal reimbursement rates increase by approximately 3%, so lunch prices will continue to increase in order to meet this requirement.

The 2011-12 projected reimbursement rates result in a minimum average price for paid lunch of $2.54. Current lunch prices in the district are $2.25 for Elementary, $2.50 for Middle School and $2.60 for High School for a current average price of $2.45.

**Paid Breakfast**

<table>
<thead>
<tr>
<th>Level</th>
<th>Proposed Price 2011-12</th>
<th>2010-11 Price</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>$1.20</td>
<td>$1.20</td>
<td>$0.00</td>
</tr>
<tr>
<td>Middle</td>
<td>$1.35</td>
<td>$1.35</td>
<td>$0.00</td>
</tr>
<tr>
<td>High</td>
<td>$1.55</td>
<td>$1.55</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

*In 2009-10, the National School Lunch Program eliminated the cost for reduced price breakfast. Reduced breakfast price will remain at zero for 2011-12.*

**Paid Lunch**

<table>
<thead>
<tr>
<th>Level</th>
<th>Proposed Price 2011-12</th>
<th>2010-11 Price</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>$2.25</td>
<td>$2.25</td>
<td>$0.00</td>
</tr>
<tr>
<td>Middle</td>
<td>$2.50</td>
<td>$2.50</td>
<td>$0.00</td>
</tr>
<tr>
<td>High</td>
<td>$2.75</td>
<td>$2.60</td>
<td>$0.15</td>
</tr>
</tbody>
</table>

The proposed prices result in a $2.50 average meal price which is slightly below the projected reimbursement rate differential of $2.54. Reduced price lunch would remain at $0.40, and the a la carte price for milk will remain at $0.50.

For your information the projected 2011-12 federal subsidy amounts are below:

**Level:**  

<table>
<thead>
<tr>
<th>2011-12 Federal Subsidy (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Breakfast</strong></td>
</tr>
<tr>
<td>Free</td>
</tr>
<tr>
<td>Reduced</td>
</tr>
<tr>
<td>Paid</td>
</tr>
<tr>
<td><strong>Lunch</strong></td>
</tr>
<tr>
<td>Free</td>
</tr>
<tr>
<td>Reduced</td>
</tr>
<tr>
<td>Paid</td>
</tr>
</tbody>
</table>
Discussion:
1. **Rationale:** The rationale for the price increase is to keep in compliance with the reauthorization of the National School Lunch Program.
2. **Options and Alternatives:** The board may approve the proposed prices or amend them.
3. **Budget/Resource Implications:** Nutrition services staff projects that an additional $6,000 in revenues would be received as a result of this increase. Staff does not anticipate that participation will be adversely affected.
4. **Board/Superintendent Goals:** Setting school lunch and breakfast prices is related to the board goal to provide prudent stewardship of district resources to best support student success, educational equity and choice.

Recommendation:
The superintendent will recommend approval of the prices as proposed.

4. **Set the Tuition Rates for the 2011-2012 School Year** (Staff: Mary Nickelson-Hill/Larry Sullivan)

**Action Proposed:**
Set tuition rates for the 2011-12 school year.

**Background:**
Each year a few non-resident students pay tuition to attend our schools, and other districts contract with us to provide general and special educational services. The board sets tuition rates for students in kindergarten, elementary school, middle school, high school, and special education. The following rates are proposed:

**Rates for General Education Students**

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Rate 1</th>
<th>Rate 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kindergarten</td>
<td>$5,085</td>
<td>$565 per month (nine months)</td>
</tr>
<tr>
<td>Grades 1-5</td>
<td>$6,750</td>
<td>$750 per month (nine months)</td>
</tr>
<tr>
<td>Grades 6-8</td>
<td>$6,750</td>
<td>$750 per month (nine months)</td>
</tr>
<tr>
<td>Grades 9-12</td>
<td>$6,930</td>
<td>$770 per month (nine months)</td>
</tr>
</tbody>
</table>

These rates represent no increase for grades 9-12 and an average decrease of 5% for Kindergarten through grade 8.

**Rates for Students with Special Needs**

<table>
<thead>
<tr>
<th>Special Education Program</th>
<th>Rate 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary Learning Center</td>
<td>$9,498 plus the cost of related services</td>
</tr>
<tr>
<td>Elementary Regional LC</td>
<td>$14,807 plus the cost of related services</td>
</tr>
<tr>
<td>Middle School LC</td>
<td>$10,386 plus the cost of related services</td>
</tr>
<tr>
<td>Middle School Regional LC</td>
<td>$14,644 plus the cost of related services</td>
</tr>
<tr>
<td>High School LC</td>
<td>$11,124 plus the cost of related services</td>
</tr>
<tr>
<td>High School Regional LC</td>
<td>$15,889 plus the cost of related services</td>
</tr>
</tbody>
</table>

These rates represent no increase for elementary, middle, and high school learning centers in order to maintain current levels of services.

**Discussion:**
1. **Rationale:** The district receives no reimbursement for non-resident students from the state. General education tuition rates are calculated based on the most recent actual audited cost by level and adjusted for subsequent year budget.
changes using 2011-12 projected enrollment. Rates for students with special needs are calculated based on the December special education census and 2011-12 projected case loads, staffing allocations, and salary rates.

2. **Options and Alternatives:** The board may approve the proposed tuition rates or amend the rates.

3. **Budget/Resource Implications:** The district receives approximately $20,000 for general education tuition and $60,000 tuition for students with special needs.

4. **Board/Superintendent Goals:** Setting tuition rates is related to the board goal to provide prudent stewardship of district resources to best support student success, educational equity and choice.

**Recommendation:**
The superintendent will recommend approval of the tuition rates as proposed.

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

XI. **ADJOURN**

**Calendar for Board Members**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wednesday, June 1</td>
<td>Executive Session</td>
<td>5:00 pm</td>
</tr>
<tr>
<td></td>
<td>Board Meeting</td>
<td>7:00 pm</td>
</tr>
<tr>
<td>Wednesday, June 15</td>
<td>Board Meeting</td>
<td>7:00 pm</td>
</tr>
<tr>
<td>Wednesday, June 22</td>
<td>Special Meeting to Adopt Budget</td>
<td>7:45 pm</td>
</tr>
</tbody>
</table>