

SCHOOL BOARD MEETING
JUNE 20, 2006
SCHOOL ADMINISTRATION OFFICE

TRUSTEES PRESENT: Chairman Alexander, Trustee Gridley, Trustee House, Trustee Rodney, Trustee Reynolds

OTHERS PRESENT: Tim McMurtrey, Doug Johnson, Cliff Ogborn, Connie Donahue, Sharon Whitman, Phil Raney, Joyce Wright, Judy Blanchard, Kathy LeFevre, Ernest Elliott, Jose Lopez, Sam Fields, James Gilbert, Jeff Johnson, Paul Shrum, Nikki Cruser

At 7:33 p.m., Chairperson Alexander convened the regular meeting of the Board of Trustees and called for the first item of business.

- I. **APPROVE THE MINUTES OF THE REGULAR MEETING OF MAY 16, 2006, AND THE SPECIAL BOARD MEETING OF MAY 23, 2006, AND THE BUDGET WORKSHOP SPECIAL BOARD MEETING OF JUNE 7, 2006.** Chairman Alexander called for a motion to approve the minutes of the regular meeting of May 16, 2006, and the special board meeting of May 23, 2006, and the budget workshop special board meeting of June 7, 2006. There being no comment, Trustee Gridley moved to approve the minutes of the regular meeting of May 16, 2006, and the special board meeting of May 23, 2006, and the budget workshop special board meeting of June 7, 2006, with a second by Trustee Rodney. Motion approved.
- II. **FINANCIAL REPORTS -** Cliff Ogborn. Mr. Ogborn reported on the financial statements for May 2006. The statements for May reflected a balance of \$425,654.00. Unobligated cash and investments are net \$3,060,134.00 of interfund payables. The Income Statement reflected revenue through May is 93% of the budgeted revenue. Expenses show salaries are at 93% of original budget, and benefits are at 89.2% through the first 11 months of the fiscal year. Total expenses are at 91.8% of budget. As of May 31, we have a net margin of expenses in excess of revenues of \$1,112,409.00. Trustee Rodney moved to approve the financial report as presented by Mr. Ogborn. Motion seconded by Trustee House. Motion passed.
- III. **CONSIDERATION OF BILLS -** Cliff Ogborn. Mr. Ogborn presented the district bills for approval. Trustee Reynolds had inquiries about a couple of checks. Mr. Ogborn will make copies of the receipts and submit them to her. Trustee Gridley moved to authorize payment of the district's bills as presented, with a second from Trustee Rodney. Motion carried. *(A full and complete listing of the District's bills may be reviewed at the District Office, Accounts Payable.)*

STAFF/STUDENT RECOGNITION – None
- IV. **DELEGATION –** MHEA – Allen Weygint. Mr. Weygint was unable to attend.
- V. **PUBLIC INPUT – None**
- VI. **REPORTS –**
 - A. **MOUNTAIN HOME AFB UPDATE -** Colonel Tom Laffey. Col. Laffey wasn't able to attend.
 - B. **STATE FACILITIES SAFETY INSPECTION REPORT –** Phil Raney. Mr. Raney reported on the State Facilities Safety Inspection report and explained some of the minor write-ups. All corrective actions have been completed to the States satisfaction. Discussion ensued regarding some of the write-ups, safety issues, and priority project issues. The aluminum bleachers are a repeat write-up, because we don't have them anchored, but it isn't practical for the district to put them on a pad or to anchor them. The Board will discuss the bleacher issues in the next year or so regarding what to do about the

aluminum bleachers. Trustee House commended Mr. Raney and the entire maintenance and custodial staff on a job well done. Mr. Raney also took the opportunity to update the Board on the progress of some of the summer projects. Summer projects were late getting started, because the district waited for the Plant Facility Election to pass for funding issues. East Elementary HVAC and re-roof project should be completed by 19 August 2006. HMS re-pave project will go for bid 13 July 2006.

- C. FEDERAL PROGRAM REVIEW** – Kathy LeFevre/Jose Lopez. Mrs. LeFevre reported to the Board the findings of the Federal Programs review that was completed in March 2006. This review occurs every five years. Mountain Home School District was in compliance with most of the required guidelines. The MHSD was also commended for their professional development program with SIOP. There were a few discrepancies, which have since been resolved to the satisfaction of the State Department of Education.

VII. UNFINISHED BUSINESS –

- A. POLICY ADOPTION** – 3rd and Final Reading – Doug Johnson. Mr. Johnson presented the third and final reading of the Mountain Home School District No. 193 policy adoption Investment Policy for approval. This policy is required by the Government Accounting Standards Board (GASB) to control how school districts will govern investment objectives and the parameters for the management of public funds of school districts. Trustee Rodney moved to approve the third and final reading of the adoption of the Investment Policy as presented by Mr. Johnson. Trustee Reynolds seconded it. Motion approved.

1. Investment Policy

MOUNTAIN HOME SCHOOL DISTRICT NO. 193 MOUNTAIN HOME, IDAHO P O L I C Y INVESTMENT POLICY

This policy is to establish investment objectives and parameters for the management of public funds of the Mountain Home School District. These objectives and parameters are designed to safeguard funds through the minimization of credit risk and investment rate risk, to assure availability of funds when needed and provide an investment return competitive with comparable funds and financial market indexes. This policy does not apply to funds related to issuance of debt where there are other indentures and covenants in effect for such funds.

The Board shall designate the District's Treasurer to manage investment funds in accordance with this policy in the priority order of safety, liquidity, and yield. The Treasurer shall refrain from personal business activity, ~~which that~~ could conflict with proper execution of the investment program. The Treasurer shall disclose to the Board any material financial interests in any qualified institutions that conduct business with the Board or the District and they shall further disclose any material personal financial investment positions that could be related to the performance of the District's investment program.

The Treasurer shall invest and manage all funds (except from debt when other indentures apply) under the direction and control of the Board with the objective to minimize risk, maintain liquidity and maximize yield. The foremost objective of this investment program is the safety of the principal of funds. The District will achieve this objective by minimizing credit risk and interest rate risk.

CREDIT RISK

The District will minimize Custodial Credit Risk, which is the risk of loss due to the failure of a security issuer or backer, by limiting investments to the types of securities listed in this investment policy, and prequalifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business.

The District will minimize Concentration of Credit Risk, which is the risk of loss attributed to the magnitude of the district's investment in a single issuer, by diversifying the investment portfolio so the impact of potential losses from any one type of security or issuer will be minimized.

INTEREST RATE RISK

The District will minimize Interest Rate Risk, which is the risk ~~that~~ that market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the portfolio so ~~that~~ the securities mature to meet cash requirements for ongoing operations; thereby avoiding the need to sell securities in the open market, and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements. The funds shall be managed such that they are available to meet reasonably anticipated cash flow requirements.

YIELD/RETURN ON INVESTMENT

Investment portfolios shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. It is understood that return on equity is of secondary importance when compared to the safety and liquidity objectives described above.

FOREIGN CURRENCY RISK

The District will not invest in investments denominated in foreign currency, and the potential risk of loss arising from changes in exchange rates.

AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

Only firms meeting the following requirements shall be eligible to serve as "Authorized Institution":

1. Primary and regional dealers ~~who that~~ qualify under the Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule), and
2. Capital of no less than \$10,000,000.00, and
3. Registered as a dealer under the Securities Exchange Act of 1934, and
4. A member of the National Association of Securities Dealers (NASD), and
5. Registered to sell securities in the State of Idaho, and
6. The firm and assigned broker have been engaged in the business of effecting transactions in U.S. Government and agency obligations for at least five consecutive years or,
7. Any Public Depository qualified in accordance with Idaho Code (I.C.) 67-1210.

All brokers, dealers, and other financial institutions deemed to be Authorized Institutions shall be provided with current copies of the investment policy, and any related procedure(s), and shall provide in return to the Board, certification of having read, understood, and agree to comply with the terms and conditions thereof.

AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION

Investments and Depositories are restricted to those complying with I.C. 67-1210. These include:

1. United States Government Securities

2. United States Government Agencies
3. Federal Instrumentalities
4. Certificates of Deposit
5. Repurchase Agreements of government securities
6. Bankers Acceptance
7. Registered Investment Companies (Money Market Mutual Funds)
8. Investment Pools composed entirely of instruments that are legal for direct investment by an intermediate school district (Idaho State Investment Pool).

A maximum of 50% of the investment portfolio can be composed of Certificates of Deposit, Bankers Acceptance, non-government money market mutual funds, or any combination thereof. No investment portfolio may contain any Commercial Paper. Short-term investments are required to be made in corporations organized in the United States with assets exceeding \$500,000,000.00, and whose obligations are rated with one of the top two classifications (AAA or AA) at the time of the purchase as rated by both S&P and Moody's. Short-term obligations must have a maturity life not to exceed 185 calendar days. Government Securities (as defined by the Government Securities Act of 1986) must be purchased from a custodial bank, **which** ~~that~~ is a member of the Federal Reserve System and authorized to conduct business in the State of Idaho. Repurchase Agreements must have a maturity not to exceed one day.

Securities shall be registered and collateralized in the District's name and held by a third party custodian. Safekeeping practices should qualify for the Governmental Accounting Standards Board Statement # 3 and Statement # 40.

The policy shall be reviewed from time to time. The District's Board of Trustees must adopt any changes to the policy.

LEGAL REFERENCES: Governmental Accounting Standards Board (GASB) Statement # 3 and Statement # 40
ADOPTED:

VIII. NEW BUSINESS –

- A. **REQUEST TO NAME VARSITY BASEBALL FIELD** – Travis Devore. Mr. Devore was unable to attend.
- B. **PROPOSED 2006-2007 BUDGET** – Cliff Ogborn. Mr. Ogborn presented the proposed 2006-2007 budget to the Board for approval. There being no input from the budget hearing, Mr. Ogborn requested approval of the budget. The budget as published in the newspaper reflects an estimated revenue of \$20,923,000.00, and an estimated expenditure of \$22,004,000.00, which offsets the revenue leaving a negative fund balance of \$188,000.00. Trustee House moved to approve the proposed 2006-2007 budget as presented by Mr. Ogborn. Trustee Rodney seconded it. Motion passed.
- C. **CONTRACT RENEWAL AGREEMENT – SODEXHO-MARRIOTT** – Cliff Ogborn. Mr. Ogborn requested authorization to continue the renewal with Sodexho-Marriott Food Service contract for the upcoming year. The Board thanked Mr. Fields and his staff for a great job. Trustee Gridley moved to approve the continued renewal contract agreement with Sodexho-Marriott, as presented by Mr. Ogborn, with a second from Trustee Rodney. Motion carried.
- D. **AUTHORIZATION TO PARTICIPATE IN SCHOOL LUNCH PROGRAM** – Cliff Ogborn. Mr. Ogborn requested the Board approve the annual request for the district to participate in the National School Lunch Program. Trustee Rodney moved to approve the renewal agreement of the FY 2006-07 National School Lunch and Breakfast programs. Motion seconded by Trustee Reynolds. Motion approved.
- E. **MEMORANDUM OF UNDERSTANDING – MIGRANT PROGRAM** – Tim McMurtrey. Mr. McMurtrey requested to renew the contract between the District and State Department of Education Migrant Program allowing the district to fill a position that identifies and tracks the eligibility of

migrant children and their families. This helps fund the position. A motion was made by Trustee Gridley to approve the Migrant Program Agreement as presented by Mr. McMurtrey, with a second by Trustee Rodney. Motion passed.

F. TEXTBOOK ADOPTION – Tim McMurtrey. Mr. McMurtrey asked for the Boards' approval in the adoption of the Math and Music textbooks from the various companies.

1. Math – Grades K-6, Macmillan/McGraw-Hill; Grade 7, Prentice Hall; Grades 8-9, want to purchase technology instead of buying all new textbooks, but old and torn books will be replaced, and Grades 10-12, Glencoe and McDougal-Littell.
2. Music – Grades K-6, Silver Burdett

Trustee House asked if the technology would be readily accessible by all students via online access. She was assured that it would be, and not only that, but that all junior high students will still have textbooks. Further discussion ensued regarding the math program. Trustee Gridley motioned to approve the textbook adoption as presented by Mr. McMurtrey. Trustee Rodney seconded it, motion carried.

G. PERSONNEL – Doug Johnson. Mr. Johnson requested approval of the personnel items including the correction to Pam Zielke teaching English and not Math. Trustee House motioned to approve the administrative appointments, regular personnel appointments, retirements, and resignations as presented by Mr. Johnson, with a second from Trustee House. Motion approved.

ADMINISTRATIVE APPOINTMENTS

James Gilbert, Assistant Principal, Mountain Home High School,
Albert Longhurst, Assistant Principal, Mountain Home Junior High School

APPOINTMENTS

Crowden, Jared, Summer Overhire, Maintenance
Green, Tammy, Cook II, Hacker Middle School
Gustin, Tara, Fifth Grade Language Arts/Social Studies Teacher, Hacker Middle School
Kreutzer, Hansel A., B Custodian, Mountain Home High School
Suber, Richard J., ISAT Teacher, Mountain Home High School
Zielke, Pam, 8th and 9th Grade **English Math** Teacher, Mountain Home Junior High School

RETIREMENT

Masten, Patricia L., Keyboarding Teacher, Mountain Home Junior High School

RESIGNATIONS

Adamson, Lisa, Speech Language Pathologist, Educational Services
Anderson, LB Wade, BIC Paraeducator, Hacker Middle School
Bradley, Cathi, School Psychologist, Educational Services
Jerrett, Richard, Food Service Delivery, Food Services
Leeper, Jacqueline, Third Grade Teacher, West Elementary
Matson, Martha O., Math Teacher, Sophomore Volleyball Coach, Mountain Home Junior High School
Skow, Laraine, P.E. Teacher, Girls Basketball Coach, West Elementary
Webster, Kari K., Cook II, North Elementary

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IX. **EXECUTIVE SESSION** – The Board determined that an executive session wasn't necessary.

X. **ADJOURNMENT** - All business of the Board having been completed, the meeting adjourned at 8:00 p.m.

Chairman Alexander

Clerk Whitman