

Board Bulletin

School Board Meeting
Oak Harbor School District, No. 201
Board Room; 350 S. Oak Harbor St.
June 28, 2010; 6:30 p.m.

1. **Opening:**

1.01 Call to Order

1.02 Pledge of Allegiance

Peter Hunt, Board President, will conduct this activity.

1.03 Roll Call of Members

Peter Hunt will note the presence or absence of any members. If any member is absent, it should be entered into the minutes whether the absence is excused or unexcused.

2. **Consent Agenda**

As per Board Policy 1440, routine business matters are conducted through a consent agenda. A single motion grants approval to those items designated. In the event a board member or the Superintendent request the removal of an item from the consent agenda, the item shall be removed from the list and acted upon as a separate item of business. In the event that a citizen attending a board meeting wishes to have an item removed from the consent agenda, the board president has the option to consider it as a separate item of business.

If a board member wishes to comment on a consent item, or ask a question before the vote, this may be done without removing the item from the consent agenda. If a board member wishes extended discussion of a consent item, or wants to vote against a particular item, it should be removed from the consent agenda.

3. **Communication; Special Recognition**

4. **Recognition and Agenda Placement of Visitors**

5. **Superintendent's Report**

5.01 Presidential Award for Excellence in Mathematics Teaching

I received a letter from the National Science Foundation informing me that Nicola Wethall has been selected to receive this Presidential Award. The award includes a citation signed and presented by President Obama and a \$10,000 award.

6. **Business Items – Student Achievement – “Assure continuous improvement in student achievement in reading, writing, math, and science leading to on-time graduation.”**

6.01 STAR Progress Report

This year we began testing students in grades 3 to 8 with a computer-adaptive math and reading test three times per year. The purpose of the test is to give teachers information they can use to modify instruction for an entire class or for smaller groups of students. Dr. Gibbon will share summary results from the different administrations of the test this year. As is often the case, results can be broken down into many different subgroups, and can be analyzed via charts and graphs from many points of view. Since the purpose of these tests is to give teachers information that can be useful in the classroom, principals and teachers look at these test results in much more detail, down to the individual student.

Note that the scores reported here are "percentile" scores (not "percent"). These represent the proportion of students scoring below our students at any given point in time. If our students score at the 50th percentile, then 50 percent of students nationally score below our students (and 49 percent above our students). If our students score at the 50th percentile in September, January, and May, this would mean that our students are making progress at the same rate as other students. That is, all students gain across testing times, and our students gain at the same rate. So a "constant" score of 50 percentile represents

increasing learning, at the same rate as other students. But if our students score at the 40th, 50th, and then 60th percentiles over the three test periods, this means they have learned more than the average students nationally.

Dr. Gibbon will have additional observations to make on the meaning of the scores and how they are being used in schools and classrooms.

7. Business Items – Facilities – “Maintain and build high quality facilities to support student learning and protect the public investment.”

7.01 Capital Projects Monthly Report

Mitch Romero will highlight work completed in June and projected for July. We are currently expecting substantial completion by August 23. I have recently toured the work in A wing, and I can attest to the excellence of the natural lighting, wide hallways, and special spaces such as the library, counseling center, special ed rooms, and culinary arts lab.

Mitch will also give information on fixes under way for tile problems in several areas. The use of environmentally friendly, less toxic adhesives has resulted in adhesives which easily interact with moisture and other chemicals, at times leading to poor adhesion. In the auditorium area, after examining several options for the floor areas where the weight and movement of the wheels that carry the seating tear up tile, we have a solution we believe will work. We will remove all the tile from this area of the floor and burnish the concrete floor to a fine finish. The seating wheels will then roll directly on the concrete, and we believe this will be the best long-term solution to the damage caused by these wheels to tile floors. Principal Lundstrom has been consulted, and we all believe we can produce an attractive, pleasing floor finish using the burnished concrete.

7.02 Change Order #13 for OHHS Bid Package 2.

At the request of Bill Armbrust, we have upgraded the irrigation system, including the pump and pumphouse, to more adequately serve the new playing fields.

Recommendation:

The superintendent recommends that the Board of Directors

Approve Change Order No. 13, Upgrade of Irrigation System.

7.03 Change Order #14 for OHHS Bid Package 2..

We have had multiple opportunities to discuss the tennis court project at OHHS, due to conflicting input from various user groups and due to our rejection of all bids. For the board's benefit, I will briefly summarize the key sequence of the tennis court design and construction process.

- 1.0 Tennis courts were included in the original educational specifications for the OHHS modernization.
- 2.0 Tennis courts were eliminated from the OHHS project when initial cost estimates for the project exceeded available budget.
- 3.0 The low bid for Phase 2 of the OHHS modernization was well below estimates and below available budget. This permitted the district to add back several items that had been deleted when it was thought necessary in order to stay within budget. The major add-backs we identified at the time of the bid award were
 - 3.1 Resurface student parking lot \$311,573 (Approved as Change Order No. 6)
 - 3.2 Ceiling panels at Field House \$260,246 (Approved as Change Order No. 5)
 - 3.3 Tennis Courts \$639,882 (Pending Change Order No. 14)

- 4.0 Tennis court design was prepared by NAC Architects with input from the Principal, Athletic Director, Tennis Coach, PE staff, and WITA.
- 5.0 During the design, Spee West, through their on-site job superintendent, verbally commented that they believed the project could be done for about \$587,000, but Spee West did not have a copy of the completed construction documents.
- 6.0 Business Director Vicki Williams recommended that the district should do a competitive bid for the tennis courts, out of an abundance of caution, and knowing that Coupeville had received a finding from the State Auditor for not bidding a much larger \$4,000,000 gym addition to a \$21,000,000 HS project.
- 7.0 The district published bids and received 6 bids. Spee West did not bid the tennis project, choosing instead to put its efforts into a bid on another, larger project outside Oak Harbor. The bids received ranged from nearly \$1,100,000 to a low of \$678,000.
- 8.0 The low bid was from Ebenal Construction, the same firm that had done the stadium and the CTE building. The district had some concerns about Ebenal's work. One concern was that the concrete floor of the CTE building had to be done over due to uneven substrate and uneven concrete. Tennis courts have very high standards for a level surface, and we were not confident that Ebenal could meet those standards, based on the CTE floor experience. At the same time, the district was considering whether or not it should disqualify Ebenal due to apparent violations of law connected to nonpayment of subcontractors. The district took no action on a disqualification at the time of this bid, but eventually the district did issue a letter advising Ebenal that it intended to do so for future bids.
- 9.0 The district consulted with its attorney who gave advice which included:
 - 9.1 The district could reject all bids and had no obligation to give a reason for this. If the district rejected all bids, it would not have to consider or decide whether or not it was justified to disqualify Ebenal as a not responsible bidder.
 - 9.2 The district could negotiate a Change Order with the OHHS contractor Spee West, who was not among the bidders for the tennis courts. The relatively small size of the tennis court project (about 1.5 percent of total construction cost) was the primary factor behind his recommendation that the tennis courts qualified as a change order. The Coupeville gym addition was much larger than this both in dollars and as a proportion of that project (19 percent).
- 10.0 The district believed it could negotiate a change order that was lower than, or as low as, the lowest bid, from a contractor in whom it has confidence. This belief was based on the early statement by Spee West that they thought they could do the project for about \$587,000, though we knew Spee West had not seen the final construction documents and had given no firm estimate.
- 11.0 The school board approved rejecting all bids for the tennis courts.
- 12.0 The district initiated negotiations with Spee West for a change order to complete the tennis court project.
- 13.0 At the urging of Whidbey Island Tennis Association and the Athletic Director, the district made some changes in the tennis court design and construction documents. One significant change was to eliminate the lights, while leaving in the conduit and access to power in case lights are desired at some future time.

- 14.0 Mitch Romero and Spee West agreed to a change order in the amount of \$639,882 – an amount lower than the Ebenal bid, but not including the lights. Spee West was given authority to proceed with the tennis court work, with the expectation that the school board would approve the change order at its next meeting.

With this change order, total change order sums to date (Approved, Pending, and Estimated) are \$4,054,112 with a total contract sum to date of \$42,658,486. We still have a projected contingency balance of \$1,018,558, in addition to a project contingency of \$1,943,377 that we have earmarked for the C & D wing conversion.

Recommendation:

The superintendent recommends that the Board of Directors

Approve Change Order No. 14 for High School Tennis Courts.

8. **Business Items – Communication** – “Establish and sustain trust through an effective two-way communication system supported by a staffed communications department.”

8.01 Network for Excellence in Washington Schools

This is the same item discussed at the last board meeting when two board members were absent. The cost of attendance at the Washington State School Directors Association (WSSDA) conference in Spokane by five board members and the superintendent is estimated at \$6,741 based on best available information from past conferences and known current prices.

Recommendation:

The superintendent recommends that the Board of Directors

Determine if they wish to contribute to the Network for Excellence in Washington Schools for the cost of the appeal of the *McCleary* decision.

9. **Business Items – Personnel** – “Attract and retain a diverse staff that is highly qualified, talented, and dedicated.”

9.01 Ratification of OHEA Contract

The board was briefed on the tentative agreement at its June 15 meeting. OHEA membership unanimously ratified the agreement. The school district expects no increase in costs as a result of the contract, but we are losing revenue previously used to pay for a Learning Improvement Day (LID) and three TRI days. The approximate lost revenue for these four days is \$420,000. The contract provides that the district will continue to pay teachers for those days.

Recommendation:

The superintendent recommends that the Board of Directors

Approve the 2010 - 2012 contract with the Oak Harbor Education Association.

9.02 Extension of Superintendent’s Contract

It is customary to extend the superintendent's contract by one year each year. This permits the board and the superintendent to be assured of continuity in the position.

The only changes to the superintendent contract are the beginning and ending dates. No changes have been made to any of the compensation language.

Recommendation:

The superintendent recommends that the Board of Directors

Approve the Superintendent's contract for 2010 - 2013.

10. Business Items – Fiscal

10.01 Capital Projects Fund and Updated Revenue and Expenditure Worksheets

The Capital Projects Fund is organized into two separate areas. One area (CPF # 2) includes everything associated with the OHHS Modernization project funded by a combination of voted bonds, state match, and investment earnings. For the 2010 - 2011 fiscal year, this shows the completion of the high school main campus modernization, the athletic field upgrades, and the conversion of C & D wings to Maintenance, IS, and Warehouse. The budget shows no remaining balance at the end of the 2010 - 2011 fiscal year, reflecting our expectation that all funds associated with the OHHS modernization will have been spent on the modernization (including C & D wings) as planned and approved. Since these budget numbers are based on estimates and include contingency amounts that won't be finalized until project completion, it is possible there will be a balance remaining to carry over into 2011 - 2012. However, we still have a list of additional staff requests that we may fund if we are able to. Right now this list includes such requests as new doors for the field house, new baskets in the locker rooms, new scoreboard in the gym, and additional emergency power circuits. Those items were deleted from prior need lists when we expected the budget would be inadequate. So if the budget permits, we will meet as many of those needs as we can.

The second area (CPF # 1) includes no voter-approved bonds or related financing sources. The only source of new money into this fund is the Department of Defense Supplemental Impact Aid (and minor investment earnings on this), which is authorized and appropriated on a year by year basis and cannot be counted on. Although we can budget to spend these funds, we can only actually spend them after we receive them. The range of possible appropriations is from zero dollars up to an extremely optimistic \$1,000,000 per year. The most likely range is between \$300,000 and \$500,000 per year. The 2010 DoD appropriation has been approved and we expect to hear this summer what amount we will receive. We expect to have this in the bank by the end of the summer. So the beginning balance for 2010 - 2011 should be fairly accurate. Budgets shown for 2011 - 2013 are for longer-term planning and are contingent on continued appropriation of these funds in these amounts.

The October 2009 Engineering and Architectural Study and Survey identified \$4.8 million in recommended facility improvements over the next 6 years. In CPF # 1 we are showing the use of the Department of Defense funds to address the identified facility needs. Our ability to continue with this will remain dependent on the availability of the DoD funds each year.

The 2009 Study and Survey also included a recommendation that the district replace Oak Harbor Elementary with a new elementary school at some time probably within the next 6 years or so. This recommendation was contingent on enrollment trends which may be either rising or falling. We also recognize the contradictory pressures from the economy – namely, on the one hand construction prices are very good so this is a good time to do school construction; but on the other hand unemployment and slow retail sales make this a difficult time to discuss taxes. I anticipate we will return to the question of the future of OHE at some time during the 2011 - 2013 period.

The Revenue and Expenditures Summaries reflect the same 4 percent Ending Fund Balance as shown by earlier versions, though some details have changed. For example:

- We eliminated the Director of Teaching and Learning.
- We eliminated 4.4 other vacant certificated positions.
- We added 100 FTE students to establish capacity in case of an enrollment increase.

- We added back capacity for 4 certificated teachers if enrollment increases.
- We added back the cost of the LID day for which State revenue was cut.
- We transferred some expenses and staff codes from one area to another without changing totals overall.
- We eliminated \$618,000 of FY 2007 Impact Aid from the Beginning Fund Balance since we no longer expect to receive it this summer.
- We added \$618,000 of FY 2007 Impact Aid to revenue in 2010-2011 since we expect to receive it during the winter months.

This budget still contains elements that represent a long-term financial challenge that we will have to face as early as 2011-2012. The ARRA (stimulus) funds for Title I and special ed will discontinue at the end of this year, reducing revenue by about \$800,000. We are still using as much as \$1,000,000 of Fund Balance to offset state and federal revenue cuts, and we will not be able to continue that. Impact Aid is at risk of further cuts. State shortfalls appear likely to continue and may further reduce our revenues.

Budget documents on the state forms will be ready before the July 26 board meeting.

11. Future Meeting Dates

July 12 (cancelled); July 26, August 9, and August 30 (regular meetings)