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MINUTES

**Shelley Joint School District No. 60
Regular Meeting of the Board of Trustees
District Service Center – 6:00 p.m.
185 W. Center Street
Shelley, ID 83274
Thursday, October 18, 2018**

Board Chair Cole Clinger called the meeting to order at 6:08 p.m. In Attendance were Brian Osterman, Rich Brown, Superintendent Bryan Jolley, and Lisa Marlow. Scott Fredrickson was absent.

Agenda:

Moved by Rich Brown, seconded by Lisa Marlow that the board approve the agenda. Voting was 4 - 0 in the affirmative.

Executive Session:

Moved by Brian Osterman, seconded by Lisa Marlow that the board go into Executive Session at this time to discuss personnel as allowed by Section 74-206 (1) (a) and (b) of the Idaho Code. Voting was as follows: Rich Brown – yea, Cole Clinger – yea, Scott Fredrickson – absent, Lisa Marlow – yea, Brian Osterman – yea. Time: 6:09 p.m.

Public Session:

Mr. Clinger called the meeting back to order at 6:57 p.m.

Pledge of Allegiance:

Mrs. Marlow led.

Motions from Executive Session:

Moved by Rich Brown, seconded by Brian Osterman that the board deny the appeal to allow credits for Student A. Voting was 4 - 0 in the affirmative.

Consent Calendar:

Moved by Brian Osterman, seconded by Rich Brown, that the board approve the consent calendar items which include the following: Minutes of the September 19, 2018 regular Board Meeting; ratification of the September bills; New Hires: David Crain - High School Speech & Debate Coach, Kyriahna Witt - FT High School Custodian, Erin Williams - PT P.E. Aide Riverview & Stuart Elementary; Substitutes:; Cody Edrington, Steven Best, Ashley Tomchak, Tandi Martinez - Foodservice, and Lani Thurgood - Foodservice; Resignations: Thomas Brinkley - High School PSR Worker; Policies: 3345 Use of Restraint, Seclusion and Aversive Techniques for Students. Voting was 4 - 0 in the affirmative.

Patron Input:

None

Budget Report/Treasurer Statement:

Business Manager, Lanell Farmer reported that the overall budget should be about 25% spent as of the end of Sept. 2018. There are a few funds over spent, those would be for annual payments that are due at the beginning of the fiscal year as well as big summer projects that were planned. We are looking good overall.

During our audit, we noticed that the high school has been cashing out CD's to help defray some costs of athletics. After a closer look, it appears that we are not charging enough for Pay to Play or family passes, to name a few. At the auditor's suggestion, we have moved the high school accounts onto the same financial software that the district uses. During the process, it was discovered that the high school financial secretary manipulated the beginning balances of the high school funds to match the bank statement balance. There is an actual shortage in the high school accounts in the amount of \$44,245.31.

Options:

- They still have 1 CD in the amount of \$10,000. When that CD matures, it could be cashed out and deposited to shrink that overage.
- The board could approve to take the balance of the shortfall from the fund balance.
- The budget for 2018-19 has an allocation in the amount of \$61,000 to the high school for supplies. There is a balance of \$40,000.

District Reports:

None.

District Recognition:

High School Principal, Eric Lords, and Superintendent Dr. Jolley presented Stephanie Jones who is the secretary in the counselors' office at the High School who went above and beyond with online registration this fall. Also presented was a High School student who is a BPA (Business Professionals of America) student. This student took 1st place in the Regionals and State BPA Competition and then went onto Nationals last year. This is the first student from Shelley High School to win.

Academic Achievement Update:

SBAK (ISAT 2.0) - Dr. Jolley shared results imported from the State data into Milepost which is the software we use in our district. Dr. Jolley went over each school and grades compared to the state average.

73 **Superintendent Report:**

74 Dr. Jolley announced his retirement for June 30, 2019. He said that being the Superintendent in the Shelley School
75 District for the past 14 years has been an exceptional experience. Dr. Jolley publicly thanked all of the Administrators, Teachers,
76 Staff, School Board Members and many other talented people that are too numerous to list individually. He closed his remarks
77 stating that "It is my greatest hope that the legacy I leave in the Shelley School District is a stronger organization than when I
78 arrived. Thank you to everyone for the guidance and support given to me during my tenure as the Superintendent in Shelley".
79

80 **Old Business:**

81 Ongoing Maintenance Update - Don Wilde reported that his crew had a very productive harvest. The contractor hired for
82 installing a new fence around Hobbs has completed that. Also done was swapping out the camera server over to a new system at
83 Sunrise. At Riverview they also worked out some old glitches on the security camera system and will be watching to test that system
84 out over the next two weeks before fully replacing it. Fall preparation on playground equipment took place. Gymnasium lights were
85 replaced in most of buildings. Last, steam valves were put in that they had previously been fighting, and they did get a lock and
86 covered up so it looks nice.
87

88 Set Facility Committee - Cole Clinger talked about the Facility Committee and discussed who would be on this committee
89 as far as Faculty & Staff Members, Administrators, Patrons and Board Members.
90

91 **New Business:**

92 Superintendent Search - Cole Clinger proposed to the board members that the district now moves forward with setting up
93 a superintendent search since Dr. Jolley has officially announced his retirement. Discussed were different sources of help that the
94 board could enlist. The district will soon start to accept applications through mid-December. The board decided to hold a work
95 session for this topic on November, 8, 2018 at 4:00 p.m. A starting date to accept applications for a future superintendent will be
96 determined at this meeting.
97

98 Medicaid Audit - Lanell Farmer & Mike Messick - In June we had a walk in audit for Medicaid. They reviewed 718 school
99 based services for 7 students. (We currently service 77 students). The school district billed behavioral intervention services for 6
100 students and behavioral consultation services for 1 student without proper documentation to support eligibility. This resulted in an
101 over payment from Medicaid to the school district in the amount of \$32,825.32. We were also assessed a penalty of \$6,565.05. This
102 is not uncommon across the state. From 2013 – 2018 the state had conducted 58 audits with 40 of those audits resulting in over
103 payments in the amount of \$788,878.
104

105 We have a couple of options for repayment.

- 106 • If we pay the lump sum within 60 days, the state will give us 30% of the over payment back in the Medicaid Match Trust
107 Account (\$9,847.60)
- 108 • They can withhold a percentage of what they will reimburse to us for each billing, but any balance not paid within 60 days
109 will accrue interest at over 7%.
- 110 • We can take up to 2 years to repay, but would have to get special permission if we go longer than 1 year.

111 Mrs. Farmer's recommendation would be to pull from the fund balance or the contingency reserve and pay it within the 60 days to
112 avoid excess cost of interest.
113

114 **Fiscal Year 2018 Audit Report:**

115 Judy Brower of Wipfli LLP reported to the board that she along with another associate previously met with Scott
116 Fredrickson, Lanell Farmer, and Dr. Jolley to go over the audit in detail. She went over the audit findings with the board members. In
117 doing this some of the key financial highlights for 2018 are as follows:
118

119 In total, net position increased \$654,781 which represents a 15.73 percent increase from 2017-restated. This was largely due to the
120 change in the pension liability.
121

122 General revenues accounted for \$12,871,621 in revenue, or 77.9 percent of all revenues. Program specific revenues in the form of
123 charges for services, operating grants and contributions, and capital grants and contributions accounted for \$3,644,403 or 22.1
124 percent of total revenues of \$16,516,024.
125

126 Total assets of governmental activities decreased by \$427,395 as cash and cash equivalents increased by \$568,852, receivables
127 increased by \$41,277, and capital assets decreased by \$1,037,524.
128

129 The District had \$15,861,243 in expenses; only \$3,644,403 of these expenses was offset by program specific charges for services,
130 grants, or contributions. These expenses were decreased by \$366,891 from the pension adjustment. General revenues (primarily
131 taxes and state aid) of \$12,871,621 were adequate to provide for these programs.
132

133 Among major funds, the General Fund had \$12,516,754 in revenues and \$12,169,472 in expenditures. The General Fund's balance
134 increased \$230,918 from 2017. State support in the General Fund is broken down as follows: Base Support - \$9,502,242, state
135 salary and benefits apportionment of \$1,246,951 and Transportation of \$406,024; and Revenue in Lieu of Taxes of \$39,428 from
136 agricultural replacement and personal property tax replacement. There was also Bond Levy Equalization money received from the
137 state in the Debt Service Fund of \$225,515 during the fiscal year.
138

139 Moved by Rich Brown, seconded by Lisa Marlow that the board approves to accept the fiscal year 2018 audit. Voting was 4 - 0 in
140 the affirmative.

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Policies:

- i. ISBA Policy 1200 Annual Organization Meeting - 2nd Reading

Moved by Lisa Marlow, seconded by Brian Osterman that the board approves the adoption of the ISBA's Policy 1200 and moves this policy to the November 2018 Consent Calendar. Voting was 4 - 0 in the affirmative.

- ii. 204.10 Board Meetings - 2nd Reading

Moved by Rich Brown, seconded by Brian Osterman that the board approves the change to remove letter E. in the Shelley District's Policy 204.10 and moves this policy to the November 2018 Consent Calendar. Voting was 4 - 0 in the affirmative.

- iii. ISBA Policy 1500P Board Meeting Procedure - 2nd Reading

- iv. 204.90 Board Meeting Agenda - 2nd Reading

Moved by Brian Osterman, seconded by Lisa Marlow that the board approves the changes to the ISBA's Policy 1500P and adopts this policy to replace the Shelley District's Policy 204.90. Moved to the November 2018 Consent Calendar. Voting was 4 - 0 in the affirmative.

- v. ISBA Policy 2435 Advanced Opportunities -2nd Reading

- vi. 605.34 Advanced Opportunities - 2nd Reading

Moved by Brian Osterman, seconded by Rich Brown that the board approves the changes in re-wording to the ISBA's Policy 2435 and adopts this policy to replace the Shelley District's Policy 605.34. Moved to the November 2018 Consent Calendar. Voting was 4 - 0 in the affirmative.

- vii. ISBA Policy 5290 Political Activity - Staff Participation - 2nd Reading

Moved by Lisa Marlow, seconded by Rich Brown that the board approves the adoption of ISBA's Policy 5290 and moves to the November 2018 Consent Calendar. Voting was 4 - 0 in the affirmative.

- viii. ISBA Policy 5295 Professional Employee Representation for Purposes of Negotiations - 2nd Reading

Moved by Brian Osterman, seconded by Rich Brown that the board approve the adoption of ISBA's Policy 5295 and move to the November 2018 Consent Calendar. Voting was 4 - 0 in the affirmative.

- ix. ISBA Policy 7440 District Credit Cards -2nd Reading

Moved by Brian Osterman, seconded by Rich Brown that the board approves the changes to the ISBA's Policy 2435 and adopts this policy. Moved to the November 2018 Consent Calendar. Voting was 4 - 0 in the affirmative.

- x. ISBA Policy 8600 Records Management - 2nd Reading

Moved by Lisa Marlow, seconded by Brian Osterman that the board approves changes to ISBA's Policy 8600 and adopts this policy. Moved to the November 2018 Consent Calendar. Voting was 4 - 0 in the affirmative.

- xi. ISBA Policy 8605 Retention of District Records - 2nd Reading

- xii. 801.10 Retention of District Records - 2nd Reading

Moved by Brian Osterman, seconded by Lisa Marlow the board approves the adoption of ISBA's Policy 8605 to replace Shelley District's Policy 801.10, and move to the November 2018 Consent Calendar. Voting was 4 - 0 in the affirmative.

Action Item Recap:

1. Board Work session November 8, 2018 at 4:00 p.m.
2. Address Medicaid Audit at November 8, 2018 Board Meeting.

Moved by Brian Osterman, Seconded by Lisa Marlow that the meeting adjourn. Voting was 4 - 0 in the affirmative. Time 9:11 p.m.

Stephanie Harker, Board Clerk

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Executive Session Minutes
October 18, 2018
6:11 p.m. - 6:55 p.m.

Present: Rich Brown, Brian Osterman, Lisa Marlow, Cole Clinger, and Superintendent Bryan Jolley. Scott Fredrickson was absent.

1. Personnel Issues
2. Student Matters



204 _____, Board Member