



River Valley Board of Education
River Valley School District
15480 Three Oaks Road, Three Oaks, Michigan 49128
www.RiverValleySchools.org

**Work Session: 7:30 PM, Monday, October 15, 2007
River Valley Middle/High School Library**

1.0 Call To Order

President Farhat called the work session to order at 7:30 p.m.

Members present: Michael Ehlert, William Farhat, J.C. German, Steve Graziano, Fred Knutel and Vickie Wagner.

Member absent: Ronald Petro.

Superintendent Robert Schroeder and Finance Coordinator Cheryl Capiak were in attendance.

2.0 Pledge of Allegiance

President Farhat led the Pledge of Allegiance.

3.0 Finance

3.1 Presentation of 2006-2007 District Audit Report

Mike Layher of Schaffer & Layher, Certified Public Accountants, presented the June 30, 2007 River Valley School District Financial Statement. The accounting firm issued their report on September 14, 2007. The District received an unqualified opinion, the Auditor's highest opinion of the financial statement, given without any reservations. The District revenue for FY 2007 was \$7,504,023 with expenditures of \$7,495,552, resulting in a balance of \$1,296,176. This balance is equal to approximately two months of expenditures; the recommended balance is 3 to 5 months of operating costs. River Valley School District received 66.69% of its funds from local taxes, primarily non-homestead tax dollars, and 26.17% of its revenues from the State of Michigan. Layher reported 63.8% of the District's funds were used for instruction and 33.8% of revenues were used for support services. Layer noted 85% to 87% of expenditures are set once contractual services are established (salary, retirement, taxes, health insurance and other related costs) and that the Board has control of approximately 13% to 14% of the budget.

Layher expressed his appreciation to Superintendent Robert Schroeder, Finance Coordinator Cheryl Capiak and the Finance Committee for having materials ready for him. President Farhat and Capiak thanked Layher for his report.

3.2 First Quarterly Budget Update for FY 2008

Cheryl Capiak, Finance Coordinator, provided the first quarterly budget update for Fiscal Year 2008. Capiak reported the following as a recap of the proposed adjustments to the 2007-2008 General Fund operating budget. Since the District's original budget, projected Revenues will increase by \$290,993, the projected Net Expenditures will increase by \$223,451 and Revenues less Net Expenditures will increase by \$67,542. Capiak reported Proposed Revenue and Expenditure adjustments as follows:

REVENUES

LOCAL REVENUE increased by \$22,580 to reflect increased revenue from incoming tuition students and miscellaneous income.

STATE REVENUE increased by \$231,274 to reflect an increase in state aid; actual student count was over the projected numbers, i.e., River Valley School District enrolled 42 students above projections.

FEDERAL REVENUE increased by \$37,139, which reflects increased revenue for Title II, Part A grant carryover.

EXPENDITURES

INSTRUCTION increased by \$216,893 due to recalling teaching staff at the elementary and middle/high school.

SUPPORT SERVICES increased by \$8,287 due to adding a Special Education Teaching Assistant.

TRANSFER EXPENSES decreased by \$1,729 due to changes in athletic coaching staff.

REVENUES LESS EXPENDITURES: Revenues increased by \$290,993 and expenditures increased by \$223,451. This resulted in a net increase of revenues minus expenses that totaled \$67,542. This had a positive effect on the current budget. The audited fund equity increased by \$442,991 and the 1st Quarter update increased the fund equity by an additional \$67,542; therefore, the projected fund equity for June 30, 2008 is \$1,065,321.

President Farhat thanked Capiak for her report.

3.3 Review Accounts Payable & Treasurer's Report

Finance Coordinator Capiak reviewed accounts payable and gave the treasurer's report:

Accounts Payable for October, 2007

General Fund \$71,013.49
General Fund Prepaid \$209,522.44
General Fund Payroll \$234,893.55
Athletic Fund \$1,810.37
Athletic Fund Prepaid \$5,000.41
Athletic Payroll \$1,931.00
School Lunch Fund \$10,723.81
School Lunch Fund Prepaid \$3,874.47
School Lunch Payroll \$6,185.28
Total Accounts Payable \$544,954.82

Treasurer's Report for September, 2007

General Fund \$1,701,563.40
Combined School Service Fund \$29,135.81
Activity Fund \$279,814.77, including scholarship dollars and donated funds

Knutel questioned the line item expenses for Thrun and Capiak reported the District had to call the firm for legal advice. Knutel also questioned the line item for Schaffer & Layer. Capiak explained the expense. Farhat asked about football gate receipts and Capiak reported the District was "on track" for the year's goal. President Farhat thanked Capiak for her report.

3.4 Discuss Headlee Rollback

Superintendent Schroeder and Finance Coordinator Cheryl Capiak reported that due to the increase in property values, the District's non-homestead millage would be rolled back below 18 mills. The extra millage that was voted in to offset the rollback would be "eaten up" very soon. Capiak reported on the financial impact of this rollback. Schroeder said it was important that everyone understood this would not increase anyone's taxes; rather by voting for this millage, taxes would remain the

same. Schroeder stated that the District needs to collect 18 mills to restore funding or it will not receive full state aid. Capiak confirmed the District would lose approximately \$62,144 in state aid if the non-homestead millage was rolled back below 18 mills. She stated this affected second homeowners and a few local businesses, however, the ballot proposal must say "increase." As the District needs this proposal on the January 2008 ballot, the county requires the language by the end of October. Schroeder said he would ask for a resolution at the next Board meeting.

President Farhat stated this was very important to the District, especially to have adequate budget forecasting, and that he looked forward to the day River Valley School District funds itself. He thanked Capiak for her report.

4.0 Personnel

4.1 Review Recommendation to Hire Special Education Van Driver

Superintendent Schroeder advised the Board that the administration would support the hiring of Mr. Neil Carter, effective October 10, 2007, for the Special Education Van Driver position. Knutel asked if this was the only applicant, which Schroeder confirmed. Schroeder reported Carter has been a substitute driver for the District and a very good one, and that the cost of this Special Education route was now being shared with Galien Township Schools that have a student requiring transportation to the same Niles destination.

4.2 Review Recommendation to Hire Physical Education Staff Assistant

Superintendent Schroeder advised the Board that the administration would support the hiring of Joni Rochman as the Physical Education Staff Assistant effective October 4, 2007. She is employed for several hours a day with the transportation department and could assist with this last hour class period.

4.3 Review Head Coaching Recommendations for 2008 Spring Sports Season

Superintendent Schroeder reported Athletic Director Vera gave him three coaching recommendations and is evaluating a fourth. The administration supports the continued employment of the three head coaches. The head girls' varsity soccer position is currently being posted.

4.4 Hear Update on High School Scheduling

Superintendent Schroeder reported the District has posted part-time positions for Social Studies, English, Science and Math, and work continues on the high school schedule.

4.5 Resignation of Head Football Coach

Superintendent Schroeder advised the Board that the administration supports accepting the resignation of Head Varsity Football Coach, Dave Loebach. Loebach was appointed as principal for St. Joseph Catholic School in Watervliet and cannot devote the time required for coaching duties. German asked if and when the position would be posted. Schroeder explained the District must report to the Berrien County Intermediate School District how the school has attempted to share services. The District will discuss with neighboring school districts if shared services are possible and if there are any economic advantages to do so. Graziano commented that the only way to "survive," in his opinion, is to share services and look at all options.

Knutel asked Schroeder for a list of how many students started the season, how many remain in the sport, and the grade listing for 9 through 12. Ehlert suggested the list include the junior high as well. German asked where we "draw the line," such as success with the team versus success with the numbers. Graziano suggested the District look at how many juniors and seniors are dressing, and that a feeder program in junior high is needed. German commented that many perceive a lack of success on the numbers, but that other schools that beat River Valley actually had fewer numbers of students. Farhat commented that River Valley could field a full team, but "depth" was important. German noted recruiting and conditioning were important and that the process did not "drag out." Schroeder said he would ask Vera to meet with two other schools to look at possibilities of shared services and make a recommendation to the Superintendent.

Knutel asked about the transition with the new coach. Schroeder replied there were no complaints to date and that they were also looking at the wrestling program for shared services. Ehler commented that often the River Valley wrestling team lost points for not having a wrestler in each weight category.

5.0 Curriculum and Policy

5.1 Discuss Board Policy #5530: Drug Prevention

Superintendent Schroeder reported that a review of Policy # 5530 is needed. He discovered that the Berrien County Health Department (BCHD) does not provide the four counseling sessions as described in this District policy. The BCHD, however, may provide the sessions if the intake counselor determines a need for additional substance abuse counseling. Schroeder stated the policy needs to be changed to reflect this.

5.2 Discuss Guidelines for Sports Practice

Superintendent Schroeder reported that Mr. Vera received a request from a parent to review the athletic policy regarding Sunday practices. Vera will research other school athletic handbooks and Schroeder has contacted NEOLA regarding the issue. Schroeder stated he would not support practice on a Sunday except in situations such as preparation for tournaments. When asked, Graziano stated Lakeshore reviewed videos on Sundays, but Lake Michigan Catholic did not conduct any Sunday sports activities. Farhat commented that all students need a day off.

6.0 Other

6.1 Cooperative Agreement with Galien

Superintendent Schroeder reported the District needs to sign an agreement with Galien Township Schools to receive its share of state aid. By having this agreement, River Valley will receive the full student funds for any Galien high school students attending River Valley High School. This is approximately \$621.00 per student for approximate thirty (30) Galien students. The Galien Board of Education has approved and signed their part of the cooperative agreement with River Valley. Such an agreement was in place between River Valley and Galien in 2006-2007.

6.2 2006-2007 District Annual Education Report

Superintendent Schroeder briefly reviewed the District's 2007-2007 Annual Education Report and stated it was posted on the District's website (www.rivervalleyschools.org). Schroeder noted parent involvement in the elementary schools is nearly 100% and between 60% and 80% at the middle/high school. Board members questioned the high school scores and grades. German asked if this should be considered in administrative review. Wagner noted that commonly test material is a "moving target" and obviously curricula at the high school is not aligned with assessment as River Valley has excellent teachers and talented students as evidenced by the elementary test scores. Wagner suggested each subject area must determine what is being assessed and what is actually being covered in the classroom.

6.3 The Pokagon Fund, Inc.

Superintendent Schroeder reported Mary Dunbar, Executive Director of The Pokagon Fund, Inc. (TPF) would host a grant-writing session on October 18 at 4:00 p.m. in the River Valley Middle/High School Library.

6.4 National School Lunch Week

Superintendent Schroeder reported the State of Michigan State Board of Education recognized October 15 – 19, 2007 as National School Lunch Week in Michigan, that the week be devoted to the recognition of everyone who contributes to the successful operation of our school lunch food service programs and that the week is a fitting time to urge all Michigan residents to become aware and concerned about their children's and their own nutrition habits, in hope of achieving a more healthful citizenry for today and the future.

6.5 Van Purchase

Superintendent Schroeder reported the purchase of a used van from Bridges Auto in Niles. The vehicle has 67,000 miles, was in a lease program and has new tires, a crash barrier and a toolbox. The total price was \$9,605; comparing prices on the Internet, Schroeder said it was a fair deal. Local dealerships were contacted, but they had no “used/pre-owned” vehicles that would meet the District’s needs or finances. German reported he had driven the van to the Buchanan football game and that it was “very nice.”

6.6 Next Community Forum

Superintendent Schroeder stated he will host a Community Forum on October 29, 6:30 p.m. in the River Valley Middle/High School Library.

7.0 Adjournment

Motion made by German supported by Knutel, to adjourn the meeting at 8:25 p.m. All Ayes. Motion carried.

Respectfully submitted,

Vickie Wagner, Secretary