

SPECIAL BOARD MEETING
OCTOBER 29, 2013
SCHOOL ADMINISTRATION OFFICE

TRUSTEES PRESENT: Chairman Alexander, Trustee House, Trustee Donahue

OTHERS PRESENT: Tim McMurtrey, Cliff Ogborn, Sharon Whitman, Kevin Smith

A special meeting of the Board of Trustees of Mountain Home School District No. 193 was convened at 9:30 a.m., October 29, 2013, at the District Administration Office, 470 North 3rd East, Mountain Home, Idaho, in said district, pursuant to authority provided by Title 33, Sections 33-506(2), 33-510, 33-512, 33-601, 33-701 and Title 67-2341 through 67-2345, Idaho Code, and pursuant to affirmation by the Clerk that notice of the special meeting had been given to each trustee and had been announced by written and posted public notice as required by law. A copy of the Notice of a Special Meeting of School Trustees so posted follows:

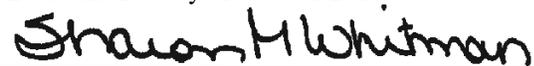
**NOTICE OF SPECIAL MEETING OF THE BOARD OF TRUSTEES
MOUNTAIN HOME SCHOOL DISTRICT NO. 193
Mountain Home, Elmore County, Idaho**

NOTICE IS HEREBY GIVEN, that a special meeting of the Board of Trustees of Mountain Home School District No. 193 will be held on Tuesday, October 29, 2013, 9:30 a.m., in said District, during which the following business will be conducted:

- I. **Annual Audit** - 2013 Eide Bailly - Cliff Ogborn/Kevin Smith
- II. **Authorization to Sell Real Property** - Atlanta, Featherville, & Simco Road Plot – Tim McMurtrey
- III. **Adjournment** - End of School Buildings Tour

This Special Meeting of the Board of Trustees of Mountain Home School District No. 193 is called pursuant to Title 33, Sections 33-506(2), 33-510, 33-512, 33-601, 33-701, and Title 67, Sections 67-2341 thru 67-2345, Idaho Code.

Dated the 25th day of October 2013.



Sharon M. Whitman
Clerk, School District No. 193
Mountain Home, Elmore, Idaho

Chairman Alexander called the special meeting of the Board of Trustees of Mountain Home School District No. 193 to order, at 9:30 a.m.

- I. **ANNUAL AUDIT** – FY 2013 Eide Bailly - Cliff Ogborn/Kevin Smith. Mr. Ogborn informed the Board that the audit went well and he then introduced Kevin Smith from Eide Bailly.

Mr. Smith reviewed the audit results ending fiscal year June 30, 2013. He said that Eide Bailly issued an unmodified opinion, which is good. He said there was one comment regarding federal funds in that the testing of the school lunch program, there were two students who were receiving free or reduced lunch, in the amount of \$4.78, and should not have been according to the eligibility requirements, which have since been corrected.

Mr. Smith explained that LEAs, institutions, and sponsors determine eligibility by comparing the data

reported by the child's household to published income eligibility guidelines. The two applicants noted are military personnel who in addition to base pay receive housing and food allowance, special duty pay, and clothing allowance, and per USDA guidelines, all of the above noted items are included as income. He stated that staff members in charge of entering the applicant's information weren't aware of the additional income criteria, therefore, the proper income amount wasn't entered into the system, which led to the false classification and receipt of free and reduced meals. Mr. Smith said that Mealtime on-line has since been implemented, which should help alleviate these problems. He also said they consider this a significant deficiency rather than materials weakness, significant deficiency is not considered severe, whereas materials weakness is considered the most severe.

Mr. Smith explained some of the GASB changes for the upcoming year.

Mr. Smith informed the Board that the lack of receiving Impact Aid is significant and the Sequestration is significant and now it's a wait and see as to whether the government continues to pay Impact Aid.

Mr. Smith notified the Board that there were no audit adjustments, which means the books are in good order and accurate.

Mr. Smith mentioned that the district needs a fund balance. He reviewed some of the line items of the line items.

Chairman Alexander discussed Impact Aid, how sporadic it is, and how Congress plans to do away with Impact Aid. He said that with privatization, we've been told that base housing might be taxed, but those taxes would go into the state pool and not to Elmore County. Chairman Alexander said that like most of the other school districts statewide, we have to hold another supplemental levy election in the spring. He said that the trend in our government and the trend in our state is to push everything down to the local level and let the local school district handle it all, thus leaving school districts with no choice but to run and live off of supplemental levies. Discussion continued.

Superintendent McMurtrey asked if other than the Nampa school district and MHSD, are there any other school districts with a negative fund balance. Mr. Smith replied no, but the trend is that fund balances are definitely being reduced. He said that our student enrollment hasn't decreased that much, in fact student enrollment has increased, but you are having to educate the same number of students on less funding. Chairman Alexander agreed and added that even with salary cuts, funding is still declining. He said everyone took a 6% reduction in pay about 4-years ago, and we have never progressed from there. Discussion continued.

Trustee Donahue made a motion to accept the annual audit for FY 2013 as presented by the firm of Eide Bailly, with a second from Trustee House. Motion passed. (A full and complete copy of the District's audit may be reviewed at the District Office.)

II. AUTHORIZATION TO SELL REAL PROPERTY - Atlanta, Featherville, & Simco Road Plot – Tim McMurtrey. Mr. McMurtrey opened the discussion about selling the school properties in Atlanta, Featherville, and Simco Road.

Chairman Alexander stated that we've had many discussions about selling school property, there is no real money to be made from selling the properties.

Superintendent McMurtrey informed the Board that the school district has a little plot of land at Atlanta that housed the old Atlanta School, a little plot of land at Featherville that currently houses the Church of the Wildwood, although there are questions as to the legality of ownership of the well, and a small plot of land off of Simco Road. He said that he doesn't believe the properties are worth much money and that Atlanta and Featherville are viable communities. He also reminded the Board that numerous amounts patrons sent letters and signed petitions asking the district not to sell the property at Featherville,

and the Atlanta Historical Society has been using that property to house the Historical Society and museum and they would like to continue to do so. The Simco property was donated to the school district and is basically a little plot of land surrounded by private property with no water or water rights.

The Board engaged in an extensive discussion of the pros and cons of selling the properties, the easement legalities, the cost of appraising the properties versus the worth of property, etc. The Board agreed that selling the properties could have a negative impact on the Atlanta and Featherville communities and the cost of selling the properties outweighed the worth of the properties. No action taken.

- III. ADJOURNMENT** – All business of the Board having been completed, Chairman Alexander called for a motion to adjourn. A motion from Trustee Donahue to adjourn was seconded by Trustee House. Motion approved. The meeting adjourned at 10:45 a.m.

Chairman Alexander

Clerk Whitman