School Board Agenda
Oregon City School District, January 14, 2019

The Board of Education will meet in Work Session, beginning at 6:00 p.m., in Room 115 at the Jackson Building, 1306 12th Street, Oregon City.

Work Session Agenda:

- School Board Vacancy Appointment Process
- Bond Development
- Policy Development

The Board of Education will meet in Regular Session beginning at 7:00 p.m., in the District Board Room at the Jackson Building, 1306 12th Street, Oregon City.

Please silence all electronic devices before the meeting begins.

Regular Meeting Agenda:

1. CALL TO ORDER

2. SPECIAL PRESENTATION
   Clackamas Educational Service District Local Service Plan

3. FOCUS ON LEARNING
   Meeting the Needs of Students with Dyslexia – Sara Deboy

4. RECOGNITION AND GOOD NEWS ABOUT OREGON CITY SCHOOLS
   Messages of Love: A Suicide Prevention Effort – Laura Jeffrey

5. PATRON INPUT
   Visitors who have not previously arranged with the Superintendent to appear before the Board may be heard by signing in on the form found beside the agenda packets near the door.

6. REPORTS
   Division 22 State Standards Compliance Report – Kyle Laier
   Spanish Bilingual Program: Todos Unidos – April Albers
   Financial Report – Susan Dodd

7. BOARD COMMUNICATION
   Board Appreciation Month – Larry Didway
   School Board Vacancy – Connie Curteman
   Ex Officio Members: OCHS, OCEA and OSEA representatives

8. DISCUSSION
   2019-21 Calendar Development – John Ogden
   Policy Development – Mary Larson
9. ACTION ITEMS

A. CONSENT AGENDA
   1. Approve minutes: December 10, 2018 Regular Session
   2. 1819-105 Approve Added Duty Appointments
B. 1819-414 Approve 2018-2019 Clackamas ESD Local Service Plan
C. 1819-415 Proclaim February African-American History Month
D. 1819-416 Adopt Oregon City School Board Investment of Funds Procedure DFA-AR
E. 1819-229 A Resolution of Oregon City School District No. 62, Clackamas County, Oregon Authorizing the Execution and Delivery of One or More Lease Purchase, Loan or Similar Financing Agreements.
F. 1819-230 Approve Purchase of School Buses for the 2019-20 School Year with Funds from the Transportation Equipment Replacement Fund
G. 1819-231 Approve Purchase Order B to Day CPM Services for Continued Construction Management Services Related to the 2018 Bond Program
H. 1819-417 Pledge Support for “Oregonians for Student Success” to Prioritize Investments and Improve Educational Outcomes

10. Other items requiring action by the Board (addendum)

11. ADJOURNMENT

NEXT MEETING:
   6:00 p.m., January 28, 2019 – Work Session, Conference Room, District Office
   6:00 p.m., February 11, 2019 – Work Session, Room 115, Jackson Campus
   7:00 p.m., February 11, 2019 – Regular Session, Board Room, Jackson Campus
   6:00 p.m., February 25, 2019 – Work Session, Conference Room, District Office
Effective Reading Instruction for Students with Dyslexia

The most difficult problem for students with dyslexia is learning to read. Unfortunately, popularly employed reading approaches, such as Guided Reading or Balanced Literacy, are not effective for struggling readers. These approaches are especially ineffective for students with dyslexia because they do not focus on the decoding skills these students need to succeed in reading.

What does work is Structured Literacy, which prepares students to decode words in an explicit and systematic manner. This approach not only helps students with dyslexia, but there is substantial evidence that it is more effective for all readers.

Structured literacy instruction is marked by several elements.

Phonology. Phonology is the study of sound structure of spoken words and is a critical element of Structured Language instruction. Phonological awareness includes rhyming, counting words in spoken sentence, and clapping syllables in spoken words. An important aspect of phonological awareness is phonemic awareness or the ability to segment words into their component sounds, which are called phonemes. A phoneme is the smallest unit of sound in a given language that can be recognized as being distinct from other sounds in the language. For example, the word cap has three phonemes (/k/, /æ/, /p/), and the word clasp has five phonemes (/k/, /ʌ/, /æ/, /s/, /p/).

Sound-Symbol Association. Once students have developed the awareness of phonemes of spoken language, they must learn how to map the phonemes to symbols or printed letters. Sound-symbol association must be taught and mastered in two directions: visual to auditory (reading) and auditory to visual (spelling). Additionally, students must master the blending of sounds and letters into words as well as the segmenting of whole words into the individual sounds. The instruction of sound-symbol associations is often referred to as phonics. Although phonics is a component of Structured Literacy, it is embedded within a rich and deep language context.

Syllable Instruction. A syllable is a unit of oral or written language with one vowel sound. Instruction includes teaching of the six basic syllable types in the English language: closed, vowel-consonant-e, open, consonant-le, r-controlled, and vowel pair. Knowledge of syllable types is an important organizing idea. By knowing the syllable type, the reader can better determine the sound of the vowel in the syllable. Syllable division rules heighten the reader’s awareness of where a long, unfamiliar word may be divided for great accuracy in reading the word.

Morphology. A morpheme is the smallest unit of meaning in the language. The Structured Literacy curriculum includes the study of base words, roots, prefixes, and suffixes. The word instructor, for example, is contains the root struct, which means to build, the prefix in, which means in or into, and the suffix or, which means one who. An instructor is one who builds knowledge in his or her students.

Syntax. Syntax is the set of principles that dictate the sequence and function of words in a sentence in order to convey meaning. This includes grammar, sentence variation, and the mechanics of language.

Semantics. Semantics is that aspect of language concerned with meaning. The curriculum (from the beginning) must include instruction in the comprehension of written language.
Structured Literacy is distinctive in the principles that guide how critical elements are taught.

Systematic and Cumulative. Structured Literacy instruction is systematic and cumulative. Systematic means that the organization of material follows the logical order of the language. The sequence must begin with the easiest and most basic concepts and elements and progress methodically to more difficult concepts and elements. Cumulative means each step must be based on concepts previously learned.

Explicit Instruction. Structured Literacy instruction requires the deliberate teaching of all concepts with continuous student-teacher interaction. It is not assumed that students will naturally deduce these concepts on their own.

Diagnostic Teaching. The teacher must be adept at individualized instruction. That is instruction that meets a student’s needs. The instruction is based on careful and continuous assessment, both informally (for example, observation) and formally (for example, with standardized measures. The content presented must be mastered to the degree of automaticity. Automaticity is critical to freeing all the student’s attention and cognitive resources for comprehension and expression.

References


Oregon City School District  
School Board Meeting  
Consent Agenda

Approve Minutes of December 10, 2018

The Board of Education of Oregon City Schools met in regular session on December 10, 2018, beginning at 7:00pm. Members present were: Director Gwozdz, Director Curteman, Director White, Director Storey, Director Tekorus and Director Spiers. Director Seward was absent. Present from Administration: Larry Didway, Superintendent, John Ogden, Director of Human Resources, Kyle Laier, Assistant Superintendent Director of Teaching and Learning, Wes Rogers, Director of Operations, Cyndi Panko, Director of Special Services and Susan Dodd, Chief Financial Officer. Also present were exofficio members Brenda Roland and Kathleen O’Brien. Others:14.

Director Curteman called the meeting to order, and then led the meeting attendees in the flag salute.

FOCUS ON LEARNING:
District & School At-a-Glance Profiles – Kyle Laier shared with the Board that the previous Oregon Department of Education State Report Card has been redesigned. The new report is called District & School At-a-Glance profile. Mr. Laier reported the three themes of the new profile: show that schools create a welcoming, safe and inclusive environment for all, simple to read and understand and emphasizes progress through relevant and accountable, school-specific date. Mr. Laier then presented and discussed information on the new profile.

A discussion was held on math scores.

GOOD NEWS:
Beavercreek K-Kids - Cori Waufile, Beavercreek principal, introduced Jennifer Weaver, 5th grade teacher at Beavercreek who leads K-Kids which affiliated with the OC Kiwanis. Ms. Weaver shared that K-Kids focus on service, fundraising and advocacy and meeting the needs of the school community and raises money for national organizations like UNICEF. The K-Kids are now raising money for the Toy & Joy/Compassion in Action in Clackamas County. Several Beavercreek K-Kids were in attendance and shared their likes about being involved with K-Kids.

Director Curteman thanked the presenters and acknowledged how proud the Board is of them.

PATRON INPUT:
None.

REPORTS:
Bond Implementation: Wes Rogers shared with the Board information on how the middle school design process is in the beginning stage and that regular progress reports will be shared with the Board.

Larry shared that there will be two middle school design teams, one for Ogden and one for Gardiner. Time commitment from those applying to the team will be needed.

Mr. Rogers shared that the Citizen Oversight Committee has is being formed and will have the first meeting in January 2019. A schedule of meetings will be available in January. Mr. Rogers also said that the district is looking at Summer of 2019 for some of the smaller bond projects to begin. More information will be shared at a future meeting.
Wes Rogers also shared information on the bond sale, that a bond team is being assembled and will include DayCPM & Bric Architect and the District will be working on communication to stay connected to citizens.

We will also be doing a precinct analysis will be done to know where we need to do better communication to stay connected to all citizens.

Susan Dodd thanked the Board for their help in getting the POS information together. Mrs. Dodd then shared that Tuesday, December 11, 2018 is Bond Sale Day and will be eight high school students attending the bond sale at Piper Jaffray.

Director Curteman thanked Susan Dodd for her work on the bond sale.

Budget Development: Larry Didway shared a quick overview of the 2019-21 Budget Development process. Mr. Didway included a calendar of work sessions, the 2019 Legislative Session, and Budget Committee. A slide presentation was shared with information on the Governor’s Proposed Budget.

BOARD COMMUNICATION:
Gabi Escamilla, OCHS Student Council Representative, was not in attendance but Larry Didway shared her recap of events happening at OCHS. Events included college application week in which student college visitations, and students received help with applications and financial aid forms. A successful blood drive was held and finals are over.

Kathleen O’Brien, OSEA Representative, shared that there will be an OSEA Chapter meeting tomorrow, hardship community donation forms are going out members and Relay for Life raised $1024 and will be having a sip and paint on Friday, December 14th and also said the Chapter will be having a Christmas Party on 12/17 - check email for details.

Brenda Roland, OCEA Representative, thanked Susan for inviting honor students to the Bond Sale and shared that kids may need coat during the cooler weather. Mrs. Roland also thanked all for their collaboration in the 4 months she has been association president.

DISCUSSION:
Wes Rogers gave a policy development update to the Board. Mr. Rogers said that updates are taking longer than expected. OSBA policy department has been reorganized which has caused delay; all the policies have been rewritten by District, presented to OSBA and will come back to the Board for review.

ACTION ITEM:
Director Tekorius moved, Director Gwozdz seconded to approve the consent agenda. Motion was approved

Director Storey moved, Director Spiers seconded to approve 1819-403 Adopt Oregon City School Board Policy Section IKE Promotion, Acceleration, and Retention of Students. IIAB Use of Feature Films/Video was set aside with no vote taken. Motion was approved

Director Storey moved, Director Gwozdz seconded to approve 1819-228 Appoint Budget Committee Members. Motion was approved

Director Curteman shared the next Board meeting dates.

Meeting was adjourned at 8:11pm.
Oregon City School District
School Board Meeting
Consent Agenda Continued

1819-105 APPROVE ADDED DUTY APPOINTMENTS FOR 2018-19

Contact: John Ogden

Discussion:
The following are recommended for approval to fill added duty positions in the District for the 2018-19 school year.

Recommendation:
Approve.

1819-105 APPROVE ADDED DUTY APPOINTMENTS FOR 2018-19
BE IT RESOLVED that the following added duty appointments be approved for the 2018-19 school year:

<table>
<thead>
<tr>
<th>Activity</th>
<th>School</th>
<th>Name</th>
<th>No. of Stipends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall Afterschool</td>
<td>Gardiner</td>
<td>Megan McCormick</td>
<td>1.00</td>
</tr>
<tr>
<td>Fall Afterschool</td>
<td>Gardiner</td>
<td>Allen Kinast</td>
<td>1.00</td>
</tr>
<tr>
<td>Winter Afterschool</td>
<td>Gardiner</td>
<td>Dee McNamara</td>
<td>1.00</td>
</tr>
<tr>
<td>Wrestling</td>
<td>Ogden</td>
<td>Chris Barrett</td>
<td>0.80</td>
</tr>
<tr>
<td>Wrestling</td>
<td>Ogden</td>
<td>Kyle Lee</td>
<td>0.80</td>
</tr>
<tr>
<td>Dance Team</td>
<td>Ogden</td>
<td>Emily Armstrong</td>
<td>0.80</td>
</tr>
<tr>
<td>Dance Team</td>
<td>Ogden</td>
<td>Natalie Spilman</td>
<td>0.80</td>
</tr>
<tr>
<td>School Nurse</td>
<td>Special Services</td>
<td>Tina Moore</td>
<td>1.00</td>
</tr>
<tr>
<td>School Nurse</td>
<td>Special Services</td>
<td>Cheryl Sharkey</td>
<td>0.50</td>
</tr>
<tr>
<td>School Nurse</td>
<td>Special Services</td>
<td>Linda Previs</td>
<td>0.60</td>
</tr>
<tr>
<td>Chess Club, Beginning</td>
<td>McLoughlin</td>
<td>David Frazier</td>
<td>1.00</td>
</tr>
<tr>
<td>Chess Club, Intermediate/Advanced</td>
<td>McLoughlin</td>
<td>David Frazier</td>
<td>1.00</td>
</tr>
<tr>
<td>Playworks Coordinator</td>
<td>McLoughlin</td>
<td>Martel Wecker</td>
<td>1.00</td>
</tr>
</tbody>
</table>
Oregon City School District  
School Board Meeting  

1819-414 Approve 2019-20 Clackamas ESD Local Service Plan  

Contact: Larry Didway  

Discussion:  
The proposed Local Service Plan is presented to each component school board during the months of January, February and March. Each board takes formal action on the plan. The criteria for full approval is that two thirds of the component districts representing at least 50 percent of the students enrolled in Clackamas County school districts must vote in favor of the plan (ORS 334.175 (5) (a) (b)).  

Oregon ESDs are required to expend at least 90 percent of funds received from the State School Support Fund and Local Property Taxes as defined in ORS 327.019 for services approved by component school districts.  

CESD Memorandum No. 1773 from Jada Rupley, Superintendent of Clackamas Educational Service District, follows.  

Recommendation:  
Approve.  

1819-414 APPROVE 2019-2020 CLACKAMAS ESD LOCAL SERVICE PLAN  
BE IT RESOLVED that the 2019-2020 Clackamas ESD Local Service Plan be adopted as presented.
Memorandum No. 1773
January 9, 2019

TO: Oregon City School District Board of Directors
FROM: Jada Rupley
RE: 2019-2020 LOCAL SERVICE PLAN RECOMMENDATIONS

The leadership and staff of Clackamas ESD are so grateful for the partnerships with our districts. Under the direction of the CESD Board, we are committed to continually reinventing and refining our work based on your needs, and in support of our Strategic Compass.

In an enhanced effort toward transparency and accountability and in conjunction with our continuous feedback cycle of performance measures which include informal discussions, measurable metrics, and compliance with state and federal regulations and requirements; in 2018 CESD added an agency-wide consumer satisfaction survey and in 2019 will undergo an audit of our Special Education Program.

We have continued our regular monthly advisory meetings, and have engaged in several Cabinet to Cabinet meetings in our districts and have convened equity teams, job-alikes, and task forces for professional learning and to share best practices from across the county and region. We have appreciated the opportunity to host board members for the OSBA Fall Regional and participate with you in state and regional conferences. We are eager to continue these traditions and seek new opportunities to partner with you into 2019 and beyond as this is important work in progress.

We are grateful for the tremendous demonstration of unity and commitment by our component districts to the children and families we serve throughout the county having received no letters of intent to opt-out this year.

On behalf of the Clackamas ESD Board, it is my pleasure to present the CESD Local Service Plan for 2019-20 and 2017-18 Annual Report. The LSP was developed in partnership with our component district stakeholders. In November and December K-12 superintendents received overviews of the resolution services as well as grant and contract programs and financial aspects of the proposed 2019-2020 Local Service Plan. On December 12, the superintendents and the CESD Board each acted to unanimously approve the 2019-2020 Local Service Plan. During the months of January and February each of our local school district boards will be asked to review and take action to approve the new plan.
Oregon City School District
School Board Meeting

1819-415 Proclaim February African-American History Month

Contact: Larry Didway

Discussion:
This resolution proclaims the month of February as African-American History Month and invites school and community participation.

 Recommendation: Approve.

1819-415 PROCLAIM FEBRUARY AFRICAN-AMERICAN HISTORY MONTH

WHEREAS, the month of February has been designated as African-American History Month; and

WHEREAS, it is impossible to separate the history of America from the history of African-American people; and

WHEREAS, the life of every American and lives of people all over the world have been touched and enriched by the contributions and struggles of African-American people; and

WHEREAS, American language, science, music, industry, religion, agriculture, literature, government, athletics, law and philosophy have all been profoundly influenced by the intellect, labor and spirituality of the African-American community; and

WHEREAS, African-American history is ongoing and continues to shape and enhance our nation and our world.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors for the Oregon City School District recognizes, supports and celebrates the designation of February 2019 as African-American History Month and encourages all schools and our community to celebrate the accomplishments of African-American people in the face of centuries of exploitation and oppression.
Oregon City School District
School Board Meeting

1819-416 ADOPT OREGON CITY SCHOOL BOARD INVESTMENT OF FUNDS
PROCEDURE DFA-AR

Contact: Susan Dodd

Discussion:
In November of 2018, our community passed a general obligation bond measure for the District. The District received over $168,000,000 in bond proceeds from the bond sale in December. The District has not had this level of funding on hand for several years, and because of limited operational funds, has not invested in other funding outside of the State of Oregon’s Local Government Investment Pool (LGIP). Currently the District is only allowed to invest in short-term investments under eighteen months per Oregon Revised Statutes.

In order to expand investments for the bond proceeds in both type and time to maturity, the District is required to have a current adopted investment policy/procedure that has been reviewed by the Oregon Short Term Fund Board (OSTFB). The District provided the draft of the District’s procedure that the Board reviewed in its October 22, 2018 Work Session to the OSTFB. The OSTFB review took place on January 10, 2019 in the OSTFB executive offices in Tigard. The OSTFB recommended that the District follow their template “Oregon Short Term Fund Board Sample Policy for Local Governments”, and that the District follow their guidance in their policy for rigorous internal controls. The draft that the District provided already included the OSTFB’s template’s elements relevant to the District and legally required elements; however, it was not in the same format as their Sample Policy. Their suggestion for the use of their template has been incorporated into this proposed policy, and the internal controls section of this proposed policy was expanded. The District expects no major modifications to this revision from the OSTFB’s formal final recommendation; however, the OSTFB will not issue their final recommendation for three weeks to a month. The proposed procedure allows for changes to an adopted procedure by the School Board subsequent to this date.

As there is an opportunity for higher return on investment for money that is set aside for longer periods of time for bond construction proceeds and future debt payments, this policy would allow the District to make investments of this type upon adoption. The District recommends this proposed procedure for adoption.

Recommendation:
Approve

1819-416 ADOPT OREGON CITY SCHOOL BOARD INVESTMENT OF FUNDS
PROCEDURE DFA-AR
AS FOLLOWS:
Investment of Funds

I. Purpose
This Investment Policy defines the parameters within which funds are to be invested by Oregon City School District (District). The District is a special-purpose municipal corporation whose purpose is to provide public education. This policy also formalizes the framework, pursuant to ORS 294.135, for the District’s investment activities to ensure effective and judicious management of funds within the scope of this policy.

These guidelines are intended to be broad enough to allow designated investment staff to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

II. Governing Authority
Oregon City School District’s investment program shall be operated in conformance with Oregon Revised Statutes and applicable federal law. Specifically, this investment policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145; and 294.810. All funds within the scope of this policy are subject to laws established by the state of Oregon. Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

III. Scope
This policy applies to activities of the District with regard to investing the financial assets of operating funds, capital funds, and bond proceeds. Funds managed by the District that are governed by other investment policies are excluded from this policy; however, all funds are subject to Oregon Law. The amount of funds falling within the scope of this policy over the next three years is expected to range between $30 million and $160 million.

IV. General Objectives
The primary objectives, in priority order, of investment activities shall be:

1. Preservation of Invested Capital
   Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal is to mitigate credit risk and interest rate risk.

2. Liquidity
   The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements. Furthermore, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in the Oregon Short Term Fund which offers next-day liquidity. Where possible and prudent, the District’s portfolio will be structured so that investments mature concurrent with anticipated demands.

3. Return
   The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio. Although return consists of both principal return (gains and losses due to market value fluctuations) and income return (yield), this policy discourages active trading and turnover of investments. Investments will generally be held to maturity.
V. Standards of Care

1. Prudence
   The standard of prudence to be used by investment officials in the District shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion as defined in this policy.

   The "prudent person" standard states:

   "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

2. Ethics and Conflicts of Interest
   Officers and employees of the District involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the Oregon City School Board (School Board) any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

3. Delegation of Authority and Responsibilities
   i. Governing Body
      The School Board will retain ultimate fiduciary responsibility for invested funds.

   ii. Delegation of Authority
      Authority to manage investments within the scope of this policy and operate the investment program in accordance with established written procedures and internal controls is granted to the Chief Financial Officer, hereinafter referred to as Investment Officer and derived from the following: ORS 294.035, 294.125 to 294.145, and 294.810.

      No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

      All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.
iii. Investment Advisor

The District has hired a part-time consultant with school district treasury and banking experience to assist the investment officer with investment guidance, tracking of the District's portfolio, monitoring of investment compliance and the preparation of investment reporting.

VI. Transaction Counterparties and Depositories

1. Broker/Dealers

The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives.

The following minimum criteria must be met prior to authorizing investment transactions. The Investment Officer may impose more stringent criteria.

i. Broker/Dealer firms must meet the following minimum criteria:
   A. Be registered with the Securities and Exchange Commission (SEC)
   B. Be registered with the Financial Industry Regulatory Authority (FINRA)
   C. Provide most recent audited financials
   D. Provide FINRA Focus Report filings

ii. Approved broker/dealer employees who execute transactions with must meet the following minimum criteria:
   A. Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
   B. Be licensed by the state of Oregon;
   C. Provide certification (in writing) of having read; understood; and agreed to comply with the most current version of this investment policy.

iii. Periodic (at least annual) review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by the Investment Officer. Factors that will be considered are and are not limited to:
   A. Pending investigation by securities regulators
   B. Significant changes in net capital
   C. Pending customer arbitration cases
   D. Regulatory enforcement actions

2. Direct Issuers

Obligations that are permitted for purchase by this policy may be purchased directly from the issuer.

3. Depositories

All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.

VII. Administration and Operations
1. **Delivery vs. Payment**  
All trades of marketable securities will be executed (cleared and settled) by delivery vs. payment (DVP) to ensure that securities are deposited in the Oregon City School District’s safekeeping institution prior to the release of funds.

2. **Third-Party Safekeeping**  
Securities will be held by an independent third-party safekeeping institution selected by the Oregon City School District. All securities will be evidenced by safekeeping receipts in the District name. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

3. **Internal Controls**  
The investment officer and the Oregon City School Board are jointly responsible for establishing and maintaining an adequate internal control structure designed to reasonably assure that invested funds are invested within the parameters of this Investment policy and, protected from loss, theft or misuse. Specifics for the internal controls shall be documented in writing. The established control structure shall be reviewed and updated periodically by the School Board.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points at a minimum:

i. Compliance with Investment Policy  
ii. Control of collusion  
iii. Separation of transaction authority from accounting and record keeping  
iv. Custodial safekeeping  
v. Avoidance of physical delivery of securities whenever possible and address control requirements for physical delivery where necessary  
vi. Clear delegation of authority to subordinate staff members  
vii. Confirmation of transactions for investments and wire transfers in written or digitally verifiable electronic form  
viii. Dual authorizations of wire and automated clearing house (ACH) transfers  
ix. Staff training  
x. Review, maintenance and monitoring of security procedures both manual and automated

4. The District’s external auditor shall provide an annual independent review to assure compliance with Oregon state law and Oregon City School Board policies and procedures.

**VIII. Suitable and Authorized Investments**

1. **Permitted Investments**  
The following investments detailed in the table below are permitted pursuant to ORS 294.035, 294.040, and ORS 294.810.

2. **Approval of Permitted Investments**  
If additional types of securities are considered for investment, per Oregon state statute they will not be eligible for investment until this Procedure has been amended and the amended version is adopted by the School Board.
3. **Demand Deposits and Time Deposits**  
   i. All demand deposits and time deposits (Examples of time deposits are: certificates of deposit and savings accounts) shall be held in qualified Oregon depositories in accordance with ORS Chapter 295.
   
   ii. Demand deposits in qualified depository institutions are considered cash vehicles and not investments and are therefore outside the scope and restrictions of this policy. Pursuant to ORS 294.035(3)(d), time deposits, certificates of deposit and savings accounts are considered investments and within the scope of this policy.

IX. **Investment Parameters**

1. **Credit Risk**  
   Credit risk the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. Credit risk will be mitigated by the following guidelines:

   i. **Diversification**  
      It is the policy of the District to diversify its investments. Where appropriate, exposures will be limited by security type; maturity; issuance, issuer, and security type. Allowed security types and investment exposure limitations are detailed in the table below. The District will diversify investments in order not to incur unreasonable risks that are inherent to over-investing in a specific instrument. The investments will be diversified as follows:

      A. Limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities)
      B. Investing in securities that have high credit quality
      C. Limiting investments in high interest rate risk, such as variable rate securities
      D. Investing in securities with varying maturities
      E. Continuously investing a portion of the portfolio in readily available funds such as the LGIP

   ii. **Recognized Credit Ratings**  
      Investments must have a rating from at least one of the following nationally recognized statistical ratings organizations (NRSRO): Moody’s Investors Service; Standard & Poor’s; and Fitch Ratings Service. Ratings used to apply the guidelines below should be investment level ratings and not issuer level ratings.

The maximum percentages for direct investments of surplus cash are shown in the chart below. The Maximum % of Total Portfolio is the total percentage of surplus cash that can be invested in the corresponding security at a given time.

The Maximum Maturity is measured from the settlement date of the investment transaction. The table below shows the maximum maturity for all funds.
<table>
<thead>
<tr>
<th>SECURITY</th>
<th>MAXIMUM % OF TOTAL PORTFOLIO</th>
<th>MAXIMUM MATURITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Treasury Bills, Notes and Bonds, and Obligations Secured by the US</td>
<td>100%</td>
<td>18 months- Operating Funds, 3 years for Capital Projects Funds, Bond Funds</td>
</tr>
<tr>
<td>Treasury</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Government Agency Securities and Instrumentalities of Government-Sponsored Corporations.</td>
<td>100%</td>
<td>18 months- Operating Funds, 3 years for Capital Projects Funds, Bond Funds</td>
</tr>
<tr>
<td>Bankers' Acceptances</td>
<td>25%</td>
<td>18 months</td>
</tr>
<tr>
<td>Corporate Indebtedness (Commercial Paper and Bonds)</td>
<td>35%</td>
<td>18 months</td>
</tr>
<tr>
<td>Deposit Open Accounts - Commercial Banks and Credit Unions</td>
<td>25%</td>
<td>N/A</td>
</tr>
<tr>
<td>Repurchase Agreement</td>
<td>25%</td>
<td>90 days</td>
</tr>
<tr>
<td>State and Local Government Securities (Oregon, Washington, Idaho, California)</td>
<td>25%</td>
<td>18 months- Operating Funds, 3 years for Capital Projects Funds, Bond Funds</td>
</tr>
<tr>
<td>Time Deposits, Certificates of Deposits, or Savings Account – Commercial Banks and Credit Unions</td>
<td>25%</td>
<td>18 months</td>
</tr>
<tr>
<td>LGIP</td>
<td>Statutory Limit</td>
<td>N/A</td>
</tr>
</tbody>
</table>

2. Liquidity Risk

Liquidity risk is the risk that an investment may not be easily marketable or redeemable. Investment maturities for Operating Funds (short-term) shall be scheduled to coincide with projected cash flow needs. The following maturity limits are designed to ensure liquidity in the portfolio:

<table>
<thead>
<tr>
<th>Length of Maturity</th>
<th>Minimum % of Total Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 90 days</td>
<td>35%</td>
</tr>
<tr>
<td>Under 270 days</td>
<td>50%</td>
</tr>
<tr>
<td>Under 1 year</td>
<td>85%</td>
</tr>
<tr>
<td>Under 18 months</td>
<td>100%</td>
</tr>
</tbody>
</table>

3. Interest Rate Risk

Longer-term investments have the potential to achieve higher returns but are also likely to exhibit higher market value volatility due to the changes in the general level of interest rates over the life of the investment(s). Interest rate risk will be mitigated by providing adequate liquidity for short term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes. Certain types of securities, including variable rate securities, securities with principal pay-downs prior to maturity, and securities with embedded options, will affect the interest rate risk profile of the portfolio differently in
different interest rate environments. The following strategies will be employed to control and mitigate adverse changes in the market value of the portfolio due to changes in interest rates:

i. Where feasible and prudent, investment maturities should be matched with expected cash outflows to mitigate market risk.

ii. To the extent feasible, investment maturities not matched with cash outflows, including liquidity investments under one year, should be staggered to mitigate reinvestment risk.

iii. No commitments to buy or sell securities may be made more than 14 days prior to the anticipated settlement date, or receive a fee other than interest for future deliveries.

iv. The maximum stated final maturity of individual securities in the portfolio shall be three years.

X. Investment of Proceeds from Debt Issuance

1. Investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. Bond proceeds shall be invested in accordance with the parameters of this policy and the applicable bond covenants and tax laws.

2. Funds from bond proceeds and amounts held in a bond payment reserve or proceeds fund may be invested pursuant to ORS 294.052. Investments of bond proceeds are typically not invested for resale and are maturity matched with outflows. Consequently, funds within the scope of ORS 294.052 are not subject to this policy’s liquidity risk constraints within section IX (2) for operating funds.

XI. Reporting and Disclosure

Designated Fiscal Services staff will prepare at a minimum, monthly investment reports and more frequently if requested that provide an analysis of the status of the current investment portfolio and transactions made over the previous month. The reports will be reviewed by the Investment Officer to ascertain whether investment activities during the reporting period have conformed to the investment policy. The Investment Officer will prepare at minimum, a quarterly report to the School Board which includes data on investment instruments being held and any narrative necessary for clarification. Upon request, the Board may review reports at any time period requested. In addition, the Investment Officer shall establish an annual process of independent review by the external auditor to assure compliance with internal controls. Such audit will include tests deemed appropriate by the auditor.

XII. Policy Maintenance and Considerations

This investment policy and any modifications to this policy must be approved by a resolution of the School Board. This policy must be submitted to the Oregon Short Term Fund (OSTF) Board for review if material changes have been made since the last review by the OSTF Board. Regardless of whether this policy is submitted to the OSTF Board for comment, this policy shall be adopted annually by the Oregon City School Board.
XIII. Associated Documents

Legal References:
Section 148 of the United States Internal Revenue Code
SEC Rule 15C3-1 (Uniform Net Capital Rule)
ORS Chapter 244
ORS Chapter 294
ORS Chapter 295
ORS Chapter 706
ORS Chapter 723

District References:
DFA

RECORD RETENTION TABLE:

<table>
<thead>
<tr>
<th>Identification</th>
<th>Storage</th>
<th>Retention</th>
<th>Disposition</th>
<th>Protection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank statements and records</td>
<td>Digital storage on district servers,</td>
<td>7 years or</td>
<td>Deletion of digital copy and Shredding of paper</td>
<td>Digital backups of server.</td>
</tr>
<tr>
<td></td>
<td>and hardcopies as required</td>
<td>permanent as</td>
<td>copy</td>
<td>Office locked when closed</td>
</tr>
<tr>
<td>Reports generated</td>
<td>Digital and hardcopies as required</td>
<td>7 years</td>
<td>Deletion of digital copy and Shredding of paper</td>
<td>Digital backups of server.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>copy</td>
<td>Office locked when closed</td>
</tr>
</tbody>
</table>

REVISION HISTORY:

<table>
<thead>
<tr>
<th>Date</th>
<th>Revision Ref.</th>
<th>Description</th>
</tr>
</thead>
</table>
Discussion:
The district currently has a need to purchase 120 apple laptops for use by teachers, specialists, and support staff for its computer replacement plan.

The district has a new four year lease proposal from Apple for 120 MacBook Air i5 13 inch laptops for $1,296.00 each including insurance. The total principal is $163,800.00. The District would finance this for a total cost of $169,915.96 including interest at approximately 2.5%. The annual payment is $42,478.99 per year. The financing includes a $1.00 purchase option at the end of the lease which enables District ownership of the equipment at the end of the lease. The funding source for the laptop lease-purchase is the Construction Excise Tax fund.

Recommendation:
Approve.

WHEREAS, the Board of Directors (the “Board”) of Oregon City School District No. 62, in Clackamas County, Oregon (the “District”) have deemed it necessary and advisable to finance the costs of new laptop computers and related equipment (the “Project”) and paying costs of issuance through one or more lease purchase, loan or similar financing agreements (the “Agreement”); and

WHEREAS, the District desires to enter into one or more lease purchase, loan or similar financing agreements in an aggregate principal amount not to exceed $169,915.96; and

WHEREAS, the District is authorized pursuant to the Constitution and laws of the State of Oregon, namely, Oregon Revised Statutes Section 271.390(2) to enter into such agreements to finance real and personal property projects; and

WHEREAS, the District anticipates incurring expenditures (the “Expenditures”) to finance the costs of the Project, described herein, and wishes to utilize unspent dollars from the deferral of the principal for other budget appropriations in its Adopted Budgets.

NOW, THEREFORE, BE IT RESOLVED, as follows:

Authorization. The District hereby authorizes the Chair, Superintendent or Chief Financial Officer, (each an “Authorized Representative”) on behalf of the District and without further action by the Board, to negotiate the terms of the Agreement, in an aggregate principal amount not to exceed $169,915.96, to further select and delineate the particulars of the Project, and to execute and deliver the Agreement and any related documentation necessary to carry out this Resolution to complete the financing.
Security. The District's ad valorem property taxes, subject to the limits of Article XI, Sections 11 and 11b of the Oregon Constitution, and the full faith and credit of the District, including all unobligated revenues in the District's general fund and any other funds which may be available for that purpose, are hereby irrevocably pledged to the punctual payment of principal and interest on the Agreements.

ADOPTED by the Board of Directors of Oregon City School District No. 62, Clackamas County, Oregon this 14th day of January, 2019.

OREGON CITY SCHOOL DISTRICT NO. 62
CLACKAMAS COUNTY, OREGON

By: ____________________________
Chair

ATTEST:

By: ____________________________
Clerk/Superintendent
Oregon City School District
School Board Meeting

1819-230 Approve Purchase of School Buses for the 2019-20 School Year with Funds from the Transportation Equipment Replacement Fund

Discussion:
The district is requesting approval to finance up to $600,000 (not including legal or financing fees) of buses for the 2019-20 school year. This purchase would be for new Type A and/or Type 20 mini-buses. A resolution to approve purchase will be submitted in the future. The net cost to the district for the buses using the ten year reimbursement available through ODE would be $180,000 or $18,000 per year.

The district’s fleet currently includes 54 of the 64-84 passenger buses. 3 midsize and 1 small special needs buses are new this year, 14 are in the 1-5 year group, 14 are in the 6-10 year group and 19 are in the 11-15 year group and 5 are in the 16-20 year group. 6 of the 54 have over 200,000 miles. 43 are on daily home-to-school routes, 11 are sub buses and/or reserved for field trips and activity trips. These buses are the work horses of the fleet, and are also used for field, activity and athletic trips.

The order would consist of four new 84 passenger transit buses and one new Type-A mini-buses. These would be added to a fleet of 35 “on route,” 6 “sub,” and 3 “out of service” special needs buses have been approved to recycle by the Board. Three of the 35 “on route” mini-buses are new this year. The request for five mini-buses is due primarily to the increase in continued demand for special needs, homeless, and foster child student transportation. The mini-buses typically transport 1 to 12 students which would allow no more than one student per seat. A second reason is the age of the fleet. 3 buses are over 16 years old, and 5 are 11 to 15 years old. Of these 37 buses, 4 have over 200,000 miles.

The buses would need to be ordered very soon to limit price increases that could take effect in the near future. This would ensure arrival time by summer 2019. If put in service before July 1, 2019, the buses would qualify for the 70% state reimbursement beginning in the 2018-19 school year.

This request is within our customary range to maintain an appropriate fleet average age and acceptable total mileage rate. The source of the funding would still be existing resources in the Transportation Equipment Replacement Fund which is a restricted grant fund that can only be used for replacing transportation equipment.

Recommendation:
Approve.

1819-230 APPROVE PURCHASE OF SCHOOL BUSES FOR THE 2019-20 SCHOOL YEAR WITH FUNDS FROM THE TRANSPORTATION EQUIPMENT REPLACEMENT FUND.
WHEREAS, the Board has approved a plan to replace at least five buses per year; and

WHEREAS, the district has a need to continue replacing older buses that are 14 to 19 years old with and/or high mileage buses, and to meet the increasing demand for special needs, homeless, and foster child student transportation; and

WHEREAS, the district Bus Replacement Fund balance has sufficient funds to support the cost of purchasing up to $600,000 of new buses; and

WHEREAS, the district can purchase the buses and receive 70% reimbursement from the Oregon Department of Education; therefore

BE IT RESOLVED that the purchase of up to $600,000 new school buses with funds from the Transportation Equipment Replacement Fund be approved.
Oregon City School District
School Board Meeting

1819-231 Approve Purchase Order B to Day CPM Services for Continued Construction Management Services Related to the 2018 Bond Program

Contact: Wes Rogers

Discussion:
The Board awarded the November 2016 RFP for Construction Management Services to Day CPM Services on January 30, 2017. The current pre bond and immediate post bond contract with Day CPM expires on January 14, 2019. Day CPM is currently engaged in the early stages of actual design and construction bond planning after the successful passage of our November 6, 2018 bond measure. The construction management services consultant commonly referred to as an Owner’s Representative is a key member of the Bond Steering Committee providing expert support and leadership to the District bond management staff.

District legal counsel has reviewed and approved the attached proposal. The included resource allocation analysis is the best estimate of the cost of services for the entire 2018 Bond Program in its current scope. The estimate of costs is within industry expectations for these services in a school bond program of our scope and schedule. The District will only be billed for actual hourly services and related reimbursable expenses.

The district’s administration is recommending that the current contract be extended to December 19, 2023 and the scope of service be expanded to include all construction management services related to the 2018 Bond Program.

Recommendation
Approve.

1819-231 APPROVE PURCHASE ORDER B TO DAY CPM SERVICES FOR CONTINUED CONSTRUCTION MANAGEMENT SERVICES RELATED TO THE 2018 BOND PROGRAM.

WHEREAS the District released a competitive Request for Proposal for Construction Management Services in November 2016, and

WHEREAS the District awarded the RFP to Day CPM Services, and

WHEREAS the current pre and immediate post bond agreement with Day CPM Services expires on January 14, 2019, and

WHEREAS the resource allocation analysis and total costs are within industry standards, and

WHEREAS legal counsel has reviewed and approves the proposed extension of said agreement, therefore

BE IT RESOLVED BY THE OREGON CITY SCHOOL DISTRICT No. 62: The District extend the Construction Management Services Contract with Day CPM Services to December 19, 2023 in the amount of $3,910,768.
Oregon City School District
School Board Meeting

1819-417 Pledge Support for “Oregonians for Student Success” to Prioritize Investments and Improve Educational Outcomes

Contact: Larry Didway

Discussion:
This resolution pledges to join and support the efforts of the “Oregonians for Student Success”

Recommendation: Approve.

1819-417 PLEDGE SUPPORT FOR “OREGONIANS FOR STUDENT SUCCESS” TO PRIORITIZE INVESTMENTS AND IMPROVE EDUCATION OUTCOMES

WHEREAS, since the passage of Measure 5 in 1990 this state has consistently underfunded its schools and failed to adopt a means of sustainably paying for public services; and

WHEREAS, we believe funding a strong system of public education is the best investment Oregonians can make to strengthen our economy, create thriving communities and improve the quality of life for every Oregonian; and

WHEREAS, we support a well-rounded curriculum that meets the needs of Oregon’s students, including: art, music, PE, career and technical training and co-curricular activities; and

WHEREAS, we must ensure that efforts to close the academic achievement gap and supports for students who have been historically underserved are expanded; and

WHEREAS, Oregon’s public schools have experienced a prolonged period of unstable and inadequate funding that has resulted in dire consequences: teacher and staff layoffs, program cuts, unacceptably large class sizes and one of the shortest school years in the country; and

WHEREAS, the Quality Education Model has consistently defined what a high-quality educational system should look like for Oregon students, but the Legislature has never provided the funding to meet it; and

WHEREAS, the Legislature has made progress and reinvestments in K-12, but funding momentum is fragile due to looming costs increases related to health care and PERS; and

WHEREAS, Oregon’s political leaders have embarked on an ambitious effort through the Joint Interim Committee on Student Success to define what our schools can be and find the means of sustainably paying for them; and

WHEREAS, school board members need to help shoulder the responsibility for making the case to Oregon’s voters that the Legislature needs to prioritize investing to the level of the QEM to assure educational opportunities for every student in every district in our state.

NOW THEREFORE, BE IT RESOLVED, that the Oregon City School District Board of Education pledges to join and support the efforts of “Oregonians for Student Success” campaign to ensure that Oregon’s lawmakers prioritize investments to improve the educational outcomes for Oregon's greatest natural resource: our children.