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Ione School Board concerned over MCSD suggestion

The Ione School District, at their regular meeting Monday night at the Ione School cafeteria, heard from Board Chair Joe McElligott who voiced concern over the MCSD Board's suggestion at the MCSD's last meeting that they "revisit" their decision to allow all students who had attended school in the Ione attendance area during the 2002-03 school year to continue to attend Ione Schools.

MCSD's suggestion was triggered by a recommendation by Judge Frank Yraguen that MCSD pay ISD over \$100,000 in a settlement over the division into two school districts. Judge Yraguen was hired to assist in resolving the dispute between MCSD and ISD over the division of assets and liabilities. MCSD estimates that they could lose around \$100,000 a year as a result of their action to allow those students to attend Ione Schools.

"While the settlement has a very positive impact on Ione, we are concerned that it could create some long-term issues regarding the Lexington/Pine City students," said McElligott in a written statement. "With that in mind, last week we asked Judge Yraguen to delay the final resolution in hopes that we could visit the issue one final time and discuss a good faith solution that would work in their best interests. We were advised that MCSD did not wish to engage in any further discussion of the settlement."

McElligott pointed out that students living in the Lexington/Pine City area have been provided with the option of attending either Heppner or Ione schools and that the "historic agreement" was upheld by MCSD when they voted to allow those students to continue attending Ione Schools. In return, he said, Ione would honor the wishes of students choosing to attend Heppner Schools.

"I am troubled by the prospect that the Morrow County School Board may revisit this long-standing agreement in response to Judge Yraguen's recommendations," continued McElligott. "The purpose of the final settlement was to permit all of us living in this end of the county to put our differences aside and, as Judge Yraguen noted, to focus our energies on our primary mission, that of educating our children. Whatever differences and disagreements we may have as adults, we should not hold any students hostage nor should we disrupt their educational process as we seek final resolution."

Also at the Monday night meeting, the ISD Board adopted a revised policy on the inter-district transfer of resident students.

According to the policy, all children who reside in the old Lexington/Pine City attendance areas are "eligible and welcome to apply to attend school in the Ione district if they:

-make a formal written request of release from the Morrow County School District; apply for admission to the Ione School District superintendent;

-and are in good standing in the prior school year to receive Ione School District approval for admission.

According to the policy, ISD reserves the right to accept or reject students based upon the availability of space, resources, personnel, appropriate programs and "a positive review of the student's educational records." The policy was amended to include: "Students who attended Ione Schools during 2002-03 have been released through MCSD Board action are automatically provided admission to the Ione School District and shall be offered transportation to and from the Ione Schools." The board also added the provision that students who attended school outside of the Ione School District in 2002-03 may continue to attend school outside the ISD boundaries without board approval, but other transfer requests will be subject to review and approval.

In other business the board:

-heard from Superintendent George Murdock that the district is in a good financial position, with their balanced budget based on a conservative \$4.788 billion state education budget. An increase from that amount has been approved by the state, but that additional amount, along with a possible state transportation grant, a school facility grant and a small schools grant, have not yet been included in the ISD budget. The budget can be amended to include those additional funds at a later date, said Murdock.

Preliminary budget data is as follows: \$1,542,334 in the general fund with \$436,727 in revenue received to date and \$28,702 in expenditures; \$25,470 in the textbook fund, with \$24,313 received; \$49,571 in the food service fund, with \$6,678 received; \$40,422 in the pool fund with \$17,565 received and \$8,072 expended; \$106,316 in the extracurricular fund with \$9,425 received; \$70,000 in the student body fund; \$6,081 in the vehicle/technology fund with \$60,081 received; \$7,716 in the capital project fund, with \$5,009 in expenditures; \$17,600 in the housing fund with \$14,201 received and \$109 in expenditures; and \$618 in the Star PSI fund with \$617.84 received; for a total of \$1,866,128 with \$515,600 received and \$41,893 in expenditures. The report also

shows \$218,584 in the bank at Bank of Eastern Oregon and \$259,288 in the government investment pool.

-approved the budget as presented.

-heard reports of a well-attended barbecue in celebration of the new Ione School District, sponsored by the Bank of Eastern Oregon.

-heard a report from Principal Dick Allen that school opened successfully despite the formation of the new district and new construction. "The staff has just done a tremendous job," said Allen.

-approved the hiring of Sarah Carlson as the middle school/high school science teacher and Becky Wiggers as the middle school volleyball coach.

-approved a revised school calendar which corresponds to the MCSD calendar with the exception of conference days in November.

-heard a report that the proposed plaza will be in place this fall except for installation of the commemorative bricks which are to be sold as a fundraiser. It is anticipated that the plaza could incorporate up to 700 bricks. The plaza plans include a display for an historic school bell.

-granted the principal and superintendent discretion about declaring surplus items and donating the items to the Ione Foundation which could, in turn, use those items as fundraisers for the school.

-heard a report on free and reduced lunch sign up. Murdock told the board that families are encouraged to sign up for the program. The more families that qualify would bring additional monies into the district.

-heard that three requests for boundary changes have been received-one from a family living in Lexington and two from families in the Liberty School area.

-heard from Murdock that future board meetings will include a work session from 6-7 p.m., with the regular board meeting beginning at 7 p.m.

-learned the house owned by the district, which formerly housed the Ione Schools principal, has not been rented, but is available for rent.

-heard the following announcements: OSBA fall regional meeting, Oct. 21, ESD Office; OSBA convention, Nov. 14-16, Portland; next board meeting, Monday, Oct. 20.

Homecoming nearing for Heppner and Ione schools

It is that time of year again, when football games are in full swing and schools come out to celebrate Homecoming.

Friday, Sept. 26 marks Heppner High School's Homecoming events. The varsity football team will be playing against Pilot Rock, with the game beginning at 7 p.m., in Heppner.

Friday, Oct. 17 marks Ione High School's Homecoming events. The varsity football team will be playing against Echo, with the game starting at 7 p.m., in Ione.

HES to hold Open House

Heppner Elementary School will be hosting an Open House for the community on Tuesday, Sept. 23. The Open House will be from 6:30-7:30 p.m.

HEPPNER

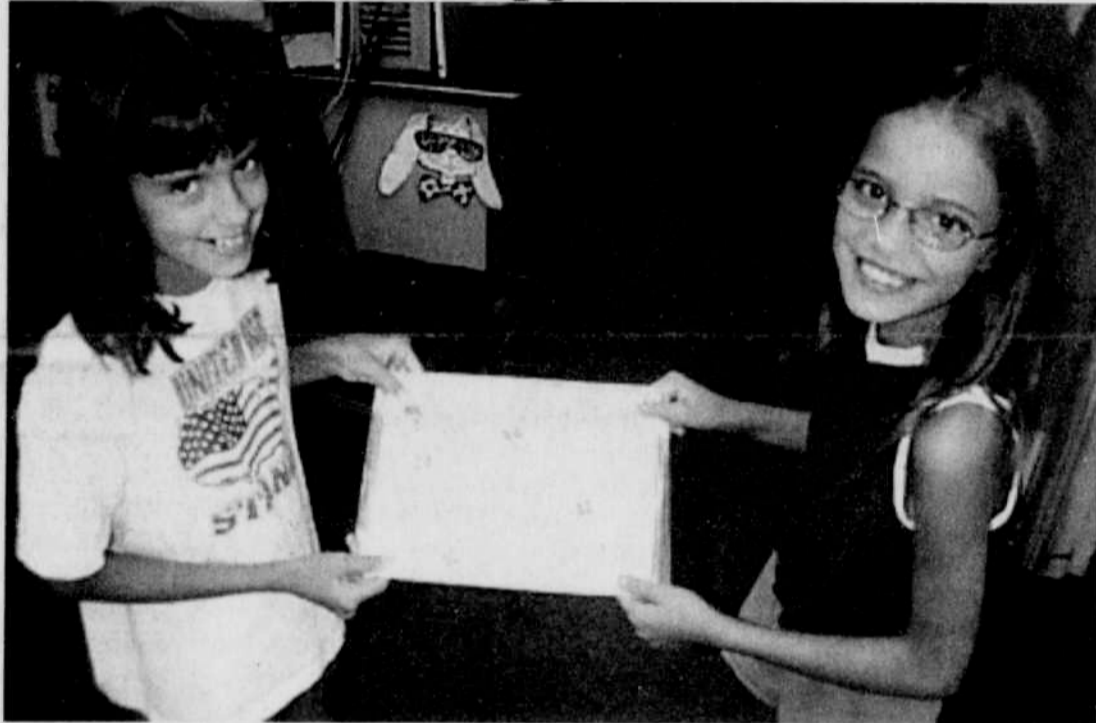
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Gazette Times

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Luckiest girls in Heppner



Jodessa (left) and Kolleen Chapa show off nine four-leaf clovers the two found last Thursday.

If anyone is luckier than Jodi and Kolleen Chapa they would be hard to find. The two Heppner girls found nine four-leaf clovers while playing on the lawn last Thursday.

The two say they were jumping on the trampoline in the yard when they started wrestling and ended up under the trampoline where Kolleen, 10, said she

had her face close to the grass and saw the first four-leaf clover. Later she and her sister Jodessa, 11, found eight more.

Bank of Eastern Oregon buys seven Klamath First branches

Bank of Eastern Oregon is purchasing seven branches of Klamath First Federal in northeastern Oregon. The branches being purchased are located in the towns of Burns, Condon, Fossil, Heppner, John Day, Prairie City and Moro. The sale includes deposit accounts of approximately \$66 million, which will double the size of the Bank of Eastern Oregon's six branches, and its \$78 million in total assets. The fixed assets and branch locations will also be included in the sale; however, loans will not be included.

Completion of the transaction is scheduled for Dec. 12, 2003.

In Heppner and Condon, the branches will merge and in the five other towns, the Klamath First banks will be rebranded as Bank of Eastern Oregon. With the purchase of the Klamath First branches, Bank of Eastern Oregon's base will now operate 11 branches in six counties.

Current Klamath First patrons will be able to benefit from the same or comparable products once the transaction takes place. Packets of information will be sent to Klamath First patrons 30 to 45 days prior to the Dec. 12 transaction.

Current Klamath First employees will also be offered employment by Bank of Eastern Oregon, said George Koffler, Bank of Eastern Oregon President and Chief Executive Officer.

"The Bank of Eastern Oregon is pleased to offer customers and employees of these branches the opportunity to join our great team. We were established in 1945 to meet the financial needs of rural communities in eastern Oregon, and these branch purchases will allow us to continue that tradition in markets and with customers we are very familiar with," added Koffler. Bank of Eastern Oregon currently intends to partially finance the proposed branch acquisition through the issuance of \$2

million of Trust Preferred Securities.

As previously announced, Klamath First is party to a merger agreement pursuant to which Klamath will merge into Sterling Financial Corporation (Nasdaq: STSA). Sterling was apprised of and concurred in the sale of these seven branches.

"With the recent announcement of our proposed merger with Sterling Financial Corporation, several community banks indicated an interest in many of our rural branch locations. Klamath First determined that Bank of Eastern Oregon was the best candidate to acquire its branches since Bank of Eastern Oregon shared Klamath First Federal's commitment to customers and employees. In addition, a sale at this time would ensure that Klamath First customers and employees at these branches experience only one organizational change rather than two," stated Kermit K. Houser, President and Chief Executive Officer of Klamath First Federal.

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