

**MINUTES OF THE SPECIAL PUBLIC HEARING MEETING OF THE
CARSON CITY SCHOOL DISTRICT
BOARD OF TRUSTEES**

Wednesday, May 20, 2009

5:15 p.m.

CALL TO ORDER

The Special Public Hearing Meeting of the Carson City School District Board of Trustees was called to order at 5:15 p.m. by President Barbara Howe at the Board Room, Carson City School District Office, 1402 West King Street, Carson City, Nevada.

ROLL CALL: Members Present
 Barbara Howe, President
 Joanna Wilson, Clerk
 Jim Lemaire, Member
 Steve Reynolds, Member
 Lynnette Conrad, Member
 Joe Enge, Member
 Richard Stokes, Superintendent
 Mike Pavlakis, Legal Counsel

Members Absent
 Norm Scoggin, Vice President

ACTION TO ADOPT THE AGENDA

It was moved by Mrs. Joanna Wilson, seconded by Mr. Jim Lemaire **that the Carson City School District Board of Trustees adopt the agenda as submitted.** Motion carried unanimously.

SUPERINTENDENT'S REPORT

There will be no school on Monday, May 25, 2009 in observance of Memorial Day. The next regular School Board Meeting will be held on Tuesday, May 26, 2009 with a closed labor session at 6:30 p.m.

BOARD REPORTS

There were no board reports.

ASSOCIATION REPORTS

There were no association reports.

PUBLIC COMMENT

There was no public comment.

BUDGET PREPARATION TIMELINE AND INTRODUCTION OF THE TOPICS FOR THE PUBLIC HEARING INCLUDING BRIEF DISCUSSION

Mr. Bob Anderson provided a brief power point presentation to the Board and reviewed the budget timeline:

- April 15th the Tentative Budget was prepared and submitted
- May 11th notification was complete
- May 20th Budget Hearing, with a second public hearing

- May 26th Approve Final Budget with Resolution and Transmittal Letter
- June 8th Final Budget Deadline

Mr. Anderson reported on the difficulty of forecasting student enrollment numbers. Enrollment has been declining since 2003, with an actual count of 8827 vs. 7706 projected for 2010. Mr. Anderson reviewed some of the variables:

- Local Revenue Projection on Property Tax
- Government Service Tax, projected to decline 36%
- Unemployment Rate in Carson City is over 14%
- New Home Construction has declined
- Foreclosure Rate is increasing
- Interest Rates cannot afford an increase - Open Market Committee
- Property Tax Delinquency is 3 times higher than a year ago
- Gasoline and Diesel Prices are on the rise
- Electricity and Natural Gas Prices are increasing
- Count Day Student Enrollment

The budget is based on weighted enrollment; preschool and kindergarten are 60% vs. 100% for 1st – 12th. Our weighted enrollment in 2003 was 8,551.8; weighted enrollment projected for 2009, 7,746.8. The estimated support from the Distributive School Account (DSA) per pupil for 2010 is \$5,846; total basic support, \$45,287,793.

Mr. Anderson reviewed the strategic plan with regards to the budget for the District.

- Staffing standard was implemented in 2004 as a guideline; 9:1, with 19 students to each CORE classroom teacher
- The total Full Time Equivalent (FTE) reserved positions for 2010 are 856 employees at 9:1 students per FTE; DSA support per employee \$52,906
- Total wages and salaries for 2010, \$43 million and \$16 million for benefits and taxes

DISCUSSION AND ACTION ON THE NUTRITION SERVICES PROGRAM APPLICATION SUBMISSION TO THE DEPARTMENT OF EDUCATION FOR SCHOOL YEAR 2009-10

Mr. Bob Anderson introduced Mrs. Bonnie Eastwood, Director of Nutrition Services. The program receives resources from the following:

- Estimated Cash Sales - \$620,000
- Federal Program Reimbursement for Free/Reduced Meals - \$1,135,000
- Commodity Foods - \$126,000; reduced by Federal Government to \$107,000 due to the decline in enrollment
- Transfer-In from the General Fund - \$700,000
- Approximate Carry Forward - \$81,305
- Revenue Year to Year; FY2009 - \$2,687,683, FY2010 - \$2,664,385; estimating the number of meals served will drop

In 2007 a price increase was put in place. The prices will remain the same for 2009-2010.

- | | | |
|-----------------|--------------------|----------------|
| • Elementary | Breakfast - \$1.50 | Lunch - \$2.25 |
| • Middle School | Breakfast - \$1.50 | Lunch - \$2.50 |
| • High School | Breakfast - \$2.75 | Lunch - \$2.75 |
| • Adults | Breakfast - \$3.75 | Lunch - \$3.75 |

Mrs. Eastwood reviewed the percentage of free/reduced students per school; Empire Elementary School and Bordewich Bray Elementary School have the highest percentages. The federal applications for free/reduced meals are sent home with students at the beginning of the school. They are also available throughout the year and help is available if needed. If families are receiving Temporary Aid for Needy Families (TANF) or Food Stamps, they automatically qualify for free/reduced meals.

It was moved by Mr. Jim Lemaire, seconded by Mrs. Joanna Wilson **that the Carson City School District Board of Trustees approve the Nutrition Services Program Application as submitted.** Motion carried unanimously.

DISCUSSION AND ACTION OF THE CAPITAL IMPROVEMENT PLAN FOR FISCAL YEAR 2010, INCLUDING THE OPENING BALANCE IN FUND 41; CAPITAL PROJECTS

Mr. Bob Anderson explained the purpose of the Capital Project Funds; it's designed for maintenance efforts of facilities, buildings and purchases of equipment over \$5,000. The amount of \$36,751 will be carried forward from FY2009 which will help cover the five year Capital Improvement Projects from 2010 – 2014.

2009 General Fund Contingency:

- \$2,210,459 was designated for reversion to the state for the Governor's Budget Reduction Liability
- Governor created "Hawaii Plan" and brought \$139 million of stabilization money to fill in for 2009. This allows the release of contingency funds to transfer to the Capital Projects.

The debt management policy has to be completed and filed each year. The District has a current bond rating of A1. Mr. Anderson recommended that the amount freed up in the Contingency Fund be placed in the Capital Improvement Project Fund.

Mr. Anderson reviewed and highlighted some of the first year projects of a five year plan:

- Total available is \$5,527,495, there will be no money rolled over
- Budget \$5,527,495, utilize all available resources
- Designated Ending Fund Balance at the end of FY2010 is \$0

Mr. Korinek, Manager of Operation Services, reviewed projects to be completed with 2006 Bond Funds under the management of Miles Construction:

- Completion of the Press Box at Carson High School to include additional storage
- Twin Tower Project at Carson Middle School for a new electrical transformer for more efficient power to the District Office
- Gymnasium Project at Carson Middle School to enhance energy with an evaporative cooler

Mr. Enge asked about prevailing vs. non-prevailing wages. Mr. Korinek explained that prevailing wages begin at \$100,000 and different bidding requirements need to be met. Mr. Korinek outlined the Notice to Bid for the Carson High School Press Box.

Capital Improvement Plan 2010:

- Medium Term Obligation Application; Mr. Anderson explained the medium term financing mortgage over 9 years; a no interest loan with principal payments being \$444,444 from 2010 to 2014.

A Capital Improvement Committee was formed with representatives from each site. The site representatives presented projects for consideration. Mr. Korinek reviewed the projects, including the ones to be completed with stimulus money. (A copy is included in the permanent record).

Mr. Anderson spoke about leverage and rebates with Nevada State Bank. Members of Nevada State Bank are working on energy projects. The District has submitted a list to the State Office of Energy for consideration on energy projects. At this time, no determination has been made on the stimulus projects.

Mr. Anderson commented on the Alternative Energy Plant at Eagle Valley Middle School. Mr. Anderson recognized members of the Development Team Partnership (DTP). Mr. Anderson introduced Mrs. Karen Abowd, DTP Member. Mrs. Abowd, Board Member of the Arts and Culture Commission updated the Board on a Greenhouse Project that will interface at Eagle Valley Middle School.

Mr. Anderson outlined the projects at Eagle Valley Middle School:

- Maintenance and Cabinet Shop Facility – 7,200 square feet
- Bus Barn Substructure for Solar Panel System
 - Hybrid, Plug-in School Bus Pilot Project including a Recharging Station
 - Lease-rental arrangement with JAC Bus Program
 - Secondary and Secured Parking area for District Vehicles
- WindSpire® Turbine Power Generating Station with Adapted Fence Pillars
 - Renewable Generators “Wind Alley Subcomponent” Research
 - Mariah Power Independent Testing Facility – Wireless Monitoring
- Carson City Greenhouse Project – Homeless Program Advocate Office
 - Western Nevada College (WNC) and Eagle Valley Middle School Career and Technical Education (CTE Unit)
- Secured, One-Way two lane access to Eagle Valley Middle School

Mr. Anderson highlighted the educational benefits of the WindSpire® Wind Project:

- CTE Credits
- Enhancements to Science and Math Classes

Mr. Reynolds asked about the \$125,000 carryover for the coming years and proceeding with the planned projects. Mr. Anderson explained that a \$4 million mortgage was going to be established in FY2010. A portion of the amount will be paid back by using revenue from the Government Service Tax; medium term financing. Mr. Anderson believes the Strategic Advisory Committee will provide recommendations regarding capital projects.

Mr. Lemaire asked about the possibility of some of the projects being done with 2010 Bond Money. Mr. Anderson commented that 2010 Bond Information was left out of the presentation. The project list was comprised from suggestions of the Capital Improvement Committee.

Mrs. Howe asked if someone would be paid to manage the projects and has the money been budgeted. Mr. Anderson explained the establishment of Construction Management for use with renewable energy and Capital Projects Management and Consulting.

Mr. Anderson reminded Board Members, if there are adjustments, the figures will rollover into the final budget and be presented at the regular Board Meeting on Tuesday, May 26, 2009. A copy of the presentation is included in the permanent record.

Mrs. Howe called for a 5 minute recess at 7:15 p.m. The meeting reconvened at 7:20 p.m.

PUBLIC HEARING OF THE FISCAL YEAR 2009-10 CARSON CITY SCHOOL DISTRICT FINAL BUDGET INCLUDING ADJUSTMENTS TO THE TENTATIVE BUDGET

Mr. Bob Anderson reviewed the concepts for balancing the budget along with the budget assumptions. A copy of the presentation is included in the permanent record.

- Weighted enrollment of 7746.8 vs. 7458.0
 - 1 year hold harmless provision difference is 288.8
- Per-pupil basic support at FY2009 count
 - \$5,846 per pupil for \$45,287,794 guarantee
 - \$372,900 embedded in \$50 fenced-off money
 - State Distributive School Account (DSA) percentage is 57.38%
- 21.50% PERS contribution rate is up by 1%; .5% reduction in salary schedule
- 856 benefitted positions at a 9:1 ratio
- NO New Hire Bonuses – Eliminated in the Legislative Session
- NO Contingency Money for the Wellness Program; it would cost approximately \$75,000 to re-establish the program.

There was discussion amongst Board Members and the Administrative Team to budget for New Hire Bonuses. Mr. Stokes reminded the Trustees that the budget currently reflects a \$500.00 contractual signing bonuses.

It was moved by Mr. Jim Lemaire, seconded by Mr. Joe Enge **that the Carson City School District Board of Trustees have \$10,000 added to the budget, to be used at the discretion of the Administrative Staff for hard to fill positions, contingent upon the approval of the Ormsby County Educators Association (OCEA).** Motion carried unanimously.

There was discussion amongst Board Members and the Administrative Team on the Wellness Program. Mrs. Howe provided information and highlighted the Wellness Program used by Washoe County School District. Mr. Anderson suggested an allocation be established in FY2009, rollover in FY2010 with the funds available, in the event the Benefits Committee makes a request. Mr. Enge was opposed to keeping the Wellness Program at this time. Mrs. Wilson expressed her opinion and the importance of keeping the Wellness Program. Mr. Reynolds believes the Wellness Program should be sacrificed at this time. Mrs. Conrad believes the Wellness Program is important to keep staff healthy and in the classroom. Mr. Lemaire commented on the possibility of the Associations groups negotiating for the Wellness Program.

It was moved by Mrs. Lynnette Conrad, seconded by Mrs. Joanna Wilson **that the Carson City School District Board of Trustees augment the current budget by the amount of \$100,000 to be used for the Wellness Program and rolled over to the next budget year.** The vote was a tie, motion did not pass.

Mr. Enge was opposed to the suggestion of bringing back the Wellness Program and believes the funds should be used to save employee positions. Mr. Lemaire believes that if the benefit is important to the employee, it should be negotiated for.

- Charter School Students DSA Offset will be \$410,000, it was \$181,367 in 2006
- Budget for all General Fund Programs and Departments were reset to FY2008 levels of operating costs
- Modified school location budget methodology; allocations were reduced by \$1.7 million
- The textbook adoption was postponed
- General Fund Transfer \$6,565,506; a preliminary amount, subjected to change 25%
- General Fund Reserve \$4,611,000; is 8.3% of current operating budget in the General Fund; Capital Preservation for FY2012

Significant 2010 Budget Component Parts:

- Special Education Budget (4 in 1); Fund 10, 58, IDEA and Early Childhood
- Maintenance of Effort Calculation; Educating others on properly combining General Fund Contributions with Stimulus Money and regular Grant Money (IDEA, Early Childhood and Support Service)
 - Pending FY2009 Actual Results – Stimulus Money
 - No Ending Fund Balance for FY2010
- Alternative Compensation Plan; Pending Negotiation, Balance of \$1,371,558 available
- Class Size Reduction Salary; DSA Allocation Pending - \$2,902,333
- Unemployment Insurance will show \$50,000; subject to change by proposals from Mr. Anderson
- \$1,500,000 Retiree Subsidy in FY2010

Mr. Anderson highlighted the following for FY2011:

- General Fund for FY2011 available; \$4,708,652
- Fully funded Special Pay Plan; compensating balances to pay employees for their personal leave, annual leave and sick leave
- Fixed Assets & Capital are preserved
- Avert Layoffs by use of "Z" money

- Develop Alliances with the City

Compulsory Education:

- NRS 392.040 defined by the Law; school districts must supply education for children ages 7 through 18 and Special Education IEP students
- The nature of kindergarten in Nevada is not considered any grade in public education, except when established by the Board of Trustees. However, there is legislative intent for class sizes. Intended ratio goal is 15:1

Mr. Anderson highlighted a Full-Day/Year Round Kindergarten Pilot Program:

- A feasibility study was complete
- Resource Material at \$65 per week; hours 7:30 – 5:30 p.m.
- Special Certified Contract(s)
- 123 Day Semester from 8:00 a.m. – 5:00 p.m.; two kindergarten aids; 7:30 a.m. – 1:30 p.m. and 11:30 a.m. – 5:30 p.m. with a two hour rest period
- Two 123 Day Contracts for 246 days; semi-annual salary \$61,900
- Pilot Program Implementation in 1 classroom with 16 students in the class beginning February 26, 2010
- DSA would provide 60%, \$1,638.00 per student would be allocated, and the weekly tuition would be \$65.00. This would allow \$786.00 of student allocation for the teacher.
- Require a special Certified Contract

Mrs. Keema explained that the Full Day Year-Round pilot will be done at Bordewich Bray Elementary School. Information has been made available to parents and some applications have been received.

Mr. Anderson summarized the meeting:

- New Hire revision of \$10,000
- No Wellness Program
- Direction to complete budget transfers to Human Resources to pay the hard to fill new hire bonuses
- No changes to the Tentative Budget; transfer between programs and functions

Mr. Anderson reviewed the requirements needed for the School Board Meeting on May 26, 2009:

- Sign a Transmittal Letter
- Budget Resolution
- Creation of a New Fund to cover Full Day Year-Round Kindergarten
- Medium Term Obligation Application to submit to the Department of Taxation

After some discussion, there were no additional suggestions made for the tentative budget. The final budget will be presented for approval at the May 26, 2009 Board Meeting.

APPROVAL OF CONSENT AGENDA

It was moved by Mrs. Joanna Wilson, seconded by Mr. Jim Lemaire **that the Carson City School District Board of Trustees approve the consent agenda as submitted.** Motion carried unanimously.

REQUEST FOR FUTURE AGENDA TOPICS

There were no future agenda items at this time. Present agenda items to Mr. Richard Stokes or President Barbara Howe.

ANNOUNCEMENT OF MEETINGS

The next regular meeting of the Carson City School District Board of Trustees will be on Tuesday, May 26, 2009.

ADJOURNMENT

There will be no further business to come before the members of the Board in public meeting; President Barbara Howe declared the meeting adjourned at 8:35 p.m.

Joanna Wilson, Clerk

Date