

HUMBOLDT COUNTY SCHOOL DISTRICT
310 East Fourth Street
WINNEMUCCA, NEVADA 89445

The regular meeting of the Humboldt County Board of School Trustees was held April 28, 2009 at 4:30 p.m. in the District Office Boardroom.

Board members present were: President-Shelly Noble, Clerk-Kris Stewart, John Seeliger, Ann Miller, John Hill, Boyd Betteridge, and Andrew Hillyer.

Others in attendance were: Superintendent Mike Bumgartner, Asst. Superintendent Dave Jensen, Attorney John Doyle, Mary Keith-HCEA President, Heather Gula-Humboldt Sun, Ted and Leah Rookstool, Linda Felton, Sylvia Covarrubias, Lynette Whalen, Miranda Santos, Kelly, Shane and Carly Bell, Deena Moddrell, Audra Young, Kitty Norcutt, Ladell and Nicholas Schott, Carolyn Dufurrena, Frankie Peterson, Jim Billingsley, Dixie Southwick, Brant and Heather Corak, Christy Bell, Dorene Kitras, Larry Storm, Debbie Watts, Teresa Lovato, Dee Holzel, Susan Gavica, René Maestrejuan, Celeste Bennett, Tim Conners, Nicole Maher, Jan Morris, Maria Huante, Bob Pace, Patty Melanovich, Marty Echevarria, Mike Dennis, Janet Kennedy, Vince, Joyce and Chelsea Mendiola, Jhona Bell, Martha Lopez, Juanita Kennedy, Camma Marvel, Valerie Barr, Cletus Paradise, Jeff Davis, Ken, Maureen and Sarah Smith, Cheryl Hall, Jean Coulter, Mrs. Hernandez, Wendy Coulter, other interested persons and Secretary Paula Wright.

President Noble opened the meeting with the Pledge of Allegiance.

Correspondence: A series of petitions presented to the Board from Kings River community member, Ted Rookstool, was read into the record by Clerk, Kris Stewart. "Closing our rural schools should not be considered because it would cause a devastating blow to all rural people. Rural children already receiving less school services than city children and should not base further discrimination". Approximately eight pages of signatures accompanied the letter.

Minutes: Attorney, John Doyle, asked that a word be corrected under the Superintendent's report. Under the report regarding the stimulus package: "Any state that applies for the stimulus funds must refund levels back.....", should read "Any state that applies for the stimulus funds must fund levels back....."

Mr. Hillyer moved to approve the April 9, 2009 minutes as written with the suggested wording change. Mrs. Stewart seconded, motion carried.

Public Comment:

Kelly Bell: Mrs. Bell asked that no deeper cuts be made to Paradise Valley School. She asked the Board not to cut a teacher and to not transport the 7/8th grade students to Winnemucca Jr. High and to maintain the transportation to the Paradise Valley School for those students in the outlying attendance area. She also suggested expanding and applying, universally, the current transportation radius of 1 ¼ miles to five miles.

Jhona Bell: Mrs. Bell spoke of the importance of the rurals schools to each community. She asked the Board to consider going to a four day school week district wide.

Carly Bell: Miss Bell, a student at Paradise Valley School, expressed her love of the Paradise Valley School and asked the Board to consider keeping the school open.

Wendy Coulter: Mrs. Coulter spoke in support of keeping the Paradise Valley School open. She asked the Board to consider cutting sports programs at the junior high school.

Shane Bell: Mr. Bell, a sophomore at Lowry High School and former Paradise Valley School student, asked the Board to keep the Paradise Valley School open. He reported that he received an excellent education at Paradise Valley School and that the school is an integral part of the community.

Martha Lopez: Mrs. Lopez spoke in support of the Kings River School and asked the Board to keep the school open.

Juanita Kennedy: Mrs. Kennedy spoke in support of keeping the Paradise Valley School open.

Mary Keith, HCEA President: Mrs. Keith asked the Board to consider lowering the district's current ending fund balance of 5% to 3%. Mrs. Keith reported that, in talking to other districts, they feel a healthy ending fund balance is 3%. Clark County maintains an ending fund balance of 1%. "If the Board allows the ending fund balance to become 3% instead of 5%, you have just saved the \$500,000 for the Tier II reductions". Mr. Jensen noted that NRS requires school districts to keep a 4% ending fund balance, anything below that requires submission of a waiver to the state.

Camma Marvel: Mrs. Marvel spoke in support of keeping the rural schools open.

Valerie Barr: Mrs. Barr spoke in support of keeping the rural schools open and providing transportation to those students. She asked the Board to consider expanding the transportation radius, in Winnemucca, to five miles and to implement the four day school week district-wide.

Cletus Paradise: Mr. Paradise feels the rural schools are taking the brunt of the budget cuts and that Winnemucca schools should share in the cuts.

Jeff Davis: Mr. Davis spoke in support of keeping the rural schools open. He asked the Board to reconsider moving forward with the Tier II reductions.

Sarah Smith: Miss Smith, a Paradise Valley School student, read letters from classmates in support of keeping the Paradise Valley School open and to allow the 7/8th grade students to remain at Paradise Valley School.

Cheryl Hall: Mrs. Hall spoke in support of the rural schools and keeping all certified staff at Paradise Valley School. She asked the Board to consider "pay-to-play" sports (accessing a fee to participate in a sport and/or a fee for transportation of teams).

Ken Smith: Mr. Smith spoke in support of the rural schools and asked the board to consider keeping the lunch program and charging more for meals.

Maureen Smith: Mrs. Smith spoke in support of keeping the rural schools open.

Jean Coulter: Mrs. Coulter expressed the importance of the rural schools to their respective communities and to the students.

Mrs. Hernandez: Mrs. Hernandez spoke in support of keeping the Kings River School open.

Superintendent's Report

Mr. Bumgartner thanked everyone for coming. He stated he understands the dynamics of rural schools and how they impact communities.

- Received an email regarding an emergency meeting of superintendents and legislators on Thursday, April 30th to discuss the budget

Activity Report

- Evaluations conferences with principals
- Working with Mr. Jensen on budget reduction and Tier II plans
- Working on coverage for the athletic director duties
- Posted the Grass Valley Elementary principal position: closed door interviews will be held May 4th
- Administrator's meeting, Friday, April 24th
- Leadership Team meeting April 20th
- Proposal for a retirement incentive plan
- Personnel investigations
- All day planning session with administrators-planning for upcoming school year
- Leadership Team meeting May 11th

- Principal evaluations May 11-15th
- Staff surveys (feedback) on the performance of principals, directors, assistant superintendent and superintendent
- Public Hearing on the FY10 budget will be held May 20th

Discussion and Possible Action – Approval of the Lowry Academic Challenge Team’s Trip to the National Championship in Chicago, May 29-31, 2009 – Larry Storm

Mr. Storm asked the Board’s permission for the Lowry Academic Challenge Team to take a trip to the National Championship in Chicago, May 29-31, 2009. The group will consist of six students and one chaperone. Mr. Storm asked the Board for the total cost of the trip of \$3302.68. Mr. Jensen noted that he was looking into the possibility of funding the trip through Title V grant funds, however, the state contact person was unavailable. Mrs. Stewart, in light of the budget climate, was willing to grant the group a loan, with the expectation of repayment this summer.

Mr. Seeliger moved to approve the Academic Challenge Team’s trip to Chicago. Mrs. Stewart and Mr. Betteridge seconded, motion carried.

Mrs. Stewart moved to offer Mr. Storm and his group a loan of the total amount, with the expectation that they fundraise to pay back as much as possible. Mr. Hillyer seconded, motion carried.

Discussion and Possible Action – Approval of Sonoma Heights Fire Suppression System Bid – Rick Norcutt

Postponed

Discussion and Possible Action – Approval of Warrants

Mr. Seeliger moved to approve the warrants as presented. Mr. Hillyer seconded, motion carried.

Discussion and Possible Action – Plan to Further Reduce the FY09-10 Budget through a Tier II Plan – Mike Bumgartner, Dave Jensen

At the April 9th meeting, the Board originally requested District administration to implement a Tier II reduction at an additional 4% or approximately \$1 million dollars. After the meeting on April 9th, the District received some positive information and a special meeting was called on April 21st. At that meeting, the Board directed District administration to implement a Tier II reduction proposal at \$500,000 rather than the \$1 million originally requested.

On April 24th the District was given tentative funding figures, for the upcoming school year, for Net Proceeds of Minerals (NPM). When the Tentative Budget was initially prepared the figure given for NPM was \$1.25 million. Figures given on the 24th increased to \$1.78 million, which represents an increase of \$640,000. However, the District is cautious awaiting the final impact under the Nevada Plan.

At a recent State Department meeting, directors were informed that Title I and Special Education stimulus funds, American Recovery and Reinvestment Act (ARRA), have been received by the State Department. The funding amount for Title I is \$186,251 and \$586,833 for Special Education. The District hopes to use the monies to fund higher cost positions and bring lower cost positions back into the general fund. Preliminary analysis reflects a cost savings of \$94,000 to the general fund.

A meeting was held with site administrators regarding feedback on possible areas to reduce at their respective sites.

Upon the Board's direction from the April 21st meeting, Mr. Jensen provided the following scenario's to reduce the budget an additional \$500,000.

Scenario 1: This scenario is the preference of Mr. Jensen

- Increased NPM allocation and savings through ARRA application
 - Net Proceeds of Minerals (NPM)-amount to be determined
 - \$94,000 American Recovery and Reinvestment Act (ARRA) savings
- No further reductions are implemented

Scenario 2:

- ARRA savings-\$94,000
- Split the 1% PERS increase with employees - \$125,000
- Eliminate bus routes in Kings River, Orovada, and Paradise Valley - \$84,000
- Reduce 610-supplies and 640-books by an additional 10% - \$80,000
- Eliminate all professional development through the general fund - \$20,000
- Additional reduction of \$20,000 in extra duty pay
- Total: \$430,000

Scenario 3:

- Closure of Kings River, with students being rezoned to Orovada - \$150,000
- Increase bus routes in Winnemucca to a five mile radius - \$251,832 (this will reduce bus routes in town from twelve to six routes)
- ARRA savings - \$94,000
- Total: \$495,832

Scenario 4:

- Reduce one certified position at Paradise Valley School - \$45,000
- ARRA savings - \$94,000
- Four day school week in town - \$250,000
- Reduce 610-supplies and 640-books by 10% - \$80,000
- Increase transportation radius in town to three miles - \$125,916 (this will reduce bus routes by three routes)
- Total: \$594,916

Scenario 5:

- Combination of any factors to equate to a 2% reduction (\$500,000)

Other possible options

- Negotiations: Work with both associations to consider a salary reduction based on further reductions beyond the initial 8%. This would be a negotiated item, which cannot be applied to the Tier II reduction. Each 1% in reduction would equal \$250,000 (\$200,000 salary, \$50,000 benefits).

The Board also directed District administration to provide a positions recall list. After meeting with principals, the recall list is; Lowry English, 1st grade at Grass Valley, Exploratory class at French Ford, Counselor, Literacy Specialists, Alternative Ed at Winnemucca Jr. High and TAG.

Mr. Jensen noted some other areas, not included in the scenarios for budget reduction consideration include; board stipends, Nevada Association of School Board dues and Nevada Association of Superintendents dues.

Mr. Jensen opened the discussion to the Board. Some of the items discussed were; moving all food service to preferred meals, the District PR position, PERS increase, moving bus transportation radius to five miles, reducing 610-supplies and 640-books and board stipends.

Several scenarios to meet the additional \$500,000 reduction to the budget were discussed.

Mr. Jensen stated his concern, regarding the community relations position, saying "There is no better time to try and improve our relations with our community than in a time of budget cuts". Mr. Bumgartner agreed.

Mr. Jensen also stated he had a significant concern regarding moving the bus transportation radius, in town, to five miles. He believes that the District would see an impact or difficulty, especially in the district's lower socio-economic areas, in meeting the federally mandated 90% attendance rate. It has been evident, in cases where a student has been suspended from riding the bus; such student simply does not come to school. Mr. Bumgartner agreed.

Mr. Jensen expressed his concern regarding the four day work week for in-town schools. He believes it may be a viable option down the road if revenues continue to decline. He stated he believes that more time is needed (it's almost May 1st) to plan for a four day school week in town to be adequately prepared before the upcoming school year.

Mr. Seeliger asked if a four day school week was really in the best interest of students. There is no firm data to support if it is worthwhile or not, the concept is still too new.

Mr. Bumgartner believes the four day school week is working in the rural schools. He noted life is very different in the rural areas than in Winnemucca.

Mrs. Stewart moved to complete a Tier II budget reduction using the following: Board stipends (\$10,000), ARRA stimulus money (\$94,000), share the increased PERS burden with employees (\$125,000), eliminate the Community Relations position (\$20,000), eliminate professional development (\$20,000), expand in-town bus radius to three miles (\$126,000), reduce supplies and books and additional 10% (\$80,000) and reduce extra duty pay (\$20,000) for a total of approximately \$495,000.

Mr. Jensen noted that under our current Negotiated Agreement the District pays 100% of PERS benefits for the employee. Even though NRS specifies that any increase is paid half by the district and half by the employee, when negotiating pay increases the District has used the percentage of the increase to PERS to be applied to a reduced pay increase.

Mrs. Stewart moved to modify her original motion that, if in further research Mr. Jensen finds that the PERS contribution on the part of employees cannot be made, the District extend the bus radius to five miles to make up the additional \$125,000. Mr. Hillyer seconded.

There was more discussion.

Mrs. Stewart rescinded her motion. Mr. Hillyer seconded, motion carried.

There was more discussion regarding the scenarios.

Mr. Hillyer moved to go with Scenario 2, (ARRA savings-\$94,000, split the 1% PERS increase with employees-\$125,000, eliminate bus routes in Kings River, Orovada, and Paradise Valley-\$84,000, reduce 610-supplies and 640-books by an additional 10%-\$80,000, eliminate all professional development through the general fund-\$20,000, additional reduction in extra duty pay-\$20,000), but to replace the elimination of the bus routes in the rurals with extending the bus routes in town to a three mile radius and

if the shared PERS contribution cannot be made, then extend the bus routes in town to a five mile radius. Mrs. Stewart seconded.

Mr. Hillyer moved to amend his motion to add board stipends. Mrs. Stewart seconded.

There was more discussion amongst the Board. Mr. Doyle noted his concern regarding negotiated contracts and the item of asking employees to share in the PERS increase. He feels the April 28th board agenda was not adequately noticed to give employees notice of a reduction that will affect them and felt the Board should not take action on the shared PERS issue.

Mr. Hillyer was asked to restate his motion. Mr. Hillyer moved to accept Scenario 2, with the caveat of replacing the elimination of rural bus routes, with extension of Winnemucca bus routes to a five mile radius and eliminate the one-half percent PERS to employees and add Board stipends. Mrs. Stewart seconded.

Those in favor: Mr. Hillyer, Mrs. Stewart and Mr. Hill. Those opposed: Mrs. Miller, Mrs. Noble, Mr. Betteridge and Mr. Seeliger. Motion failed.

Mr. Seeliger moved to go with Scenario 1 (increased NPM allocation and savings through ARRA application, Net Proceeds of Minerals (NPM)-amount to be determined, \$94,000 American Recovery and Reinvestment Act (ARRA) savings and no further reductions are implemented) and to extend the in town bus routes to a three mile radius. Mrs. Miller seconded. Those in favor: Mr. Seeliger, Mrs. Miller, Mrs. Noble, and Mr. Betteridge. Those opposed: Mrs. Stewart, Mr. Hill and Mr. Hillyer. Motion passed.

Mr. Hillyer thanked everyone for attending the meeting and for their input.

6:30 p.m. Break

6:38 p.m. Back to regular session

Discussion Only – Health Plan Status Update – Dave Jensen

Mr. Jensen provided a recap of the self-insurance fund. Total disbursements for the March 2009 totaled \$268,270, with total deposits of \$240,215.03. While creating the FY10 Tentative Budget, \$450,000 was budgeted for run-out payments to abd Insurance Services. \$217,000 was released to meet all claims received for March, which includes \$21,835 which covers the separation from abd Insurance Services for a one year claims run out period.

Materials have been received for the St. Mary's Preferred Plan and are being distributed to employees, with an effective date of May 1st.

Discussion and Possible Action – Establishment of a Special Revenue Fund Entitled Safe Route to Schools Grant – Dave Jensen

Mr. Jensen approached the Board for approval to establish a special revenue fund entitled Safe Route to Schools Grant in the amount of \$99,000. The grant is to be used for concerns with parking at Lowry High School and Grass Valley Elementary School. One of the concerns was the amount of drop off space on Mary's Way at Grass Valley Elementary.

Details have been given to Mike Mitchell, the District's Clerk of the Works, to include the project with the bond projects being done this summer.

Mrs. Stewart moved to establish a special revenue fund entitled Safe Route to Schools Grant. Mr. Hill seconded, motion carried.

Discussion and Possible Action – Discussion of Classified Positions Impacted by Reduction in Force or Reorganization – Dave Jensen

Mr. Jensen provided the Board with recommended budget reductions for classified staff. District administration has been currently working with classified staff and the Association president regarding the reductions.

A \$130,000 reduction has been made to the food service department for the upcoming school year. Mr. Jensen met with HCSSO President, Deena Moddrell, and food service staff to finalize a reduction in hours to the majority of the food service staff. A reduction in force of four employees will also be implemented by converting to the Preferred Meals Systems in all schools. A Memorandum of Understanding was jointly agreed upon and signed by the District and HCSSO President, Deena Moddrell. Included in the Memorandum of Understanding, for one year only, was the approval to allow the separation of McDermitt and in town positions.

Reductions through attrition or vacancy include; PASS aide, grounds, an electrician, and an accounting position at the district office. Other reductions in force include a 9-month secretary at Lowry, a 9-month secretary at Winnemucca Jr. High, custodian at Lowry, custodian at McDermitt, bus driver in Winnemucca, bus driver in McDermitt, aide at Paradise Valley, aide at French Ford, two tutors at Grass Valley Elementary, playground aide at Grass Valley, lunch aide at Sonoma Heights and lunch aide at Winnemucca Jr. High. The ESL aide at French Ford, special needs bus aide and two Winnemucca Grammar School aides will be displaced because of seniority. One of the aides at Winnemucca Grammar resigned. Mr. Jensen then provided the school hour adjustments made to bus drivers in the rural school areas to reflect a four day school week.

Mrs. Stewart thanked Deena Moddrell for her openness to discuss the issues.

Mrs. Stewart moved to accept the proposed reductions in force for classified staff. Mr. Seeliger seconded, motion carried.

Discussion and Possible Action – Development of an Incentive for Early Retirement – Mike Bumgartner

Mr. Bumgartner presented a proposal for an incentive for early retirement that will be offered to certified and classified staff.

The average pay for a first year teacher is \$36,948. The average pay for the ten most senior teachers in the District is \$69,110. With the \$32,162 difference, the District could offer certified employees a, one year only, \$10,000 incentive that could be taken as a monthly bonus after retirement, or applied to health care premiums after retirement, or a combination of the two or they may take a lump sum payment to be made at the beginning of the upcoming school year. The incentive will be taken from the FY10 budget. This will allow the rehiring of some of the first year teachers who have been rified.

Classified employees will be offered 15% of their current salary with the same options and will be considered on a case by case basis. The District would not necessarily bring back any classified positions.

Eligibility requirements for both certified and classified include; not receiving a PERS purchase from the District and they must enter into the PERS system at the conclusion of the current school year. The offer will not preclude individuals that have already provided a notice of retirement, but have had no PERS

purchase from the District. If the proposal is approved by the Board, District administration will begin working with the bargaining units to draft a Memorandum of Understanding. Incentives will be offered to staff on April 30th, candidates will be identified by May 15th, and applications will be due to the District by May 22nd for approval by the Board on May 26th. The proposal must show a cost savings to the district to be implemented.

Mrs. Stewart moved to approve the development of an incentive for early retirement. Mr. Hillyer seconded, motion carried.

Board/Staff Comments:

1. Mr. Hill apologized to Board members if his statements at the April 21st meeting, regarding a centrally located school for the rurals, caused them to receive numerous calls from concerned community members. He said his statement was his opinion only and not that of the Board's.
2. Mr. Betteridge reported that, at the Music Festival competition in California, the Lowry Men's Choir received a first place and gold rating, the Combined Choir received a second place and silver rating and the Concert Band received a second place and bronze rating. Congratulations!!
3. Mr. Hillyer asked if the District's Crisis Response Plan was in place, especially with the recent pandemic of the H1N1 virus. Mr. Bumgartner said that the medical plan is in place. The school nurse, principals and health assistants have been made aware of the symptoms to be looking for. An advisory will also be sent out to the rural schools.
4. Mr. Hillyer asked if the Lowry Wrestling team could be invited to the next board meeting for special recognition. Mr. Bumgartner said that they are already on the May 12th agenda for special recognition.
5. Mr. Bumgartner thanked the Board for their professionalism in making the tough decisions that have come before them.

Adjourned 7:21 p.m.

Submitted by, Secretary Paula Wright



Clerk, Kris Stewart