

**MINUTES OF THE MEETING OF THE
CARSON CITY SCHOOL DISTRICT
BOARD OF TRUSTEES**

Wednesday, October 17, 2012

7:00 p.m.

CALL TO ORDER

The Board Workshop meeting of the Carson City School District Board of Trustees was called to order at 7:01 p.m. by President, Steve Reynolds in the Gymnasium, Eagle Valley Middle School, 4151 E. Fifth Street, Carson City, Nevada.

ROLL CALL: Members Present
Steve Reynolds, President
Stacie Wilke-McCulloch, Clerk
Joanna Wilson, Member
Barbara Myers, Member
Ron Swirczek, Member
Jim Lemaire, Member
Richard Stokes, Superintendent
Mike Pavlakis, Legal Counsel

Members Absent
Lynnette Conrad, Vice President

Board Member, Jim Lemaire led the Pledge of Allegiance.

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. (Mrs. Conrad was not present for the vote.)

PUBLIC COMMENT

There was no public comment.

INTRODUCTION ON THE PURPOSE OF THE WORKSHOP; TO DISCUSS POSSIBLE COST SAVINGS MEASURES FOR FISCAL YEAR 2013-2014

Mr. Stokes welcomed everyone to the meeting and introduced Mr. Lee Plemel, Planning Director, Carson City Planning Department and Mr. Danny Campos, Vice President, Business Development, Northern Nevada Development Authority (NNDA). Mr. Stokes explained that notecards were available for public suggestions.

Mr. Stokes presented a power point presentation and information from the budget survey. (A copy is included in the permanent record.) Mr. Stokes commented on having the budget survey available in Spanish for our Hispanic families.

Mr. Stokes presented the general fund analysis for fiscal year 2013-2014 budget and percentages:

- Salaries and Benefits - \$43.59 million or 83.5%
- Professional/Purchased Services - \$3.36 million or 6.4%
- Utilities - \$1.54 million or 3%
- Insurance - \$476,000 or .9%
- Other Supplies - \$3 million or 5.8%
- Capital and other - \$185,500 or .4%
- Operating Expenditures Subtotal - \$52.2 million

- Transfers - \$7.24 million
- Total Expenditures - \$59.4 million

There have been national, state and local economic conditions that have negatively impacted the district; loss of revenue from the State, reduced student enrollment and increased costs associated with contractual obligations and general operating expenses. The district is in a situation where the reserve funds can no longer cover the deficit. At the October 9, 2012 School Board meeting, Mr. Stokes reported that in order to balance the budget for fiscal year 2013-2014, the district needed to reduce the operational costs by \$3.78 million. Mr. Stokes is looking to establish the general fund ending fund balance, which is equal to 8.3% of the previous year's expenditures. This also helps maintain a good bond rating.

Mr. Stokes presented the following timeline:

- Two board workshops held on the following days:
 - Thursday, October 11, 2012, 7:00 p.m. at Carson Middle School
 - Wednesday, October 17, 2012, 7:00 p.m. at Eagle Valley Middle School
- Board Meetings
 - November 13, 2012 – present initial budget plan
 - November 27, 2012 – present revised budget plan
 - December 11, 2012 – present final budget plan
- February 4, 2013 – Nevada Legislative begins 77th Session
- April 15, 2013 – Tentative budget is due to the Nevada Department of Taxation
- May 1, 2013 – Notify teachers of lay-off, etc., Letters of Intent are due to certified staff
- May 15, 2013 – Final budget hearing

Mr. Stokes presented items of importance, expectations, etc., that have always been important in the district:

- Sustain services associated with classrooms
- Maintain contractual obligations; benefits associated with collective bargaining, step/column increases or annual pay raises, etc.
- Staffing standards – teachers
 - 1st grade – 18:1, 2nd grade – 19:1, 3rd grade – 21:1, 4th to 12th grade – 25:1
- Staffing standards – administrators; 2.5% lower costs vs. State average
- Maintain curriculum and programs
- Maintain the level of support staff and services
- District supported student activities; sports, clubs, CTE competitions, field trips*
 - *field trips have been limited over the last three years to one per grade level classroom
- Special Education
- Nutrition Services; program managed by ARAMARK, staffing costs maintained by the district
- Transportation
 - 1 mile walk zone for elementary students
 - 2 mile walk zone for secondary students

Assumptions for fiscal year 2013-2014:

- Focus on student needs
- Substantial changes must be expected
- Desire of the district to minimize loss of jobs
- Consider existing contractual obligations until any changes are made
- Strategic Plan will assist to drive decisions
- Some services must be reduced
- Economic conditions WILL change

Mr. Stokes explained that the budget process is a work in progress and input from the public is desired. Scenarios presented in the future will be provided in greater detail. Two scenarios were presented:

- Impacts to staffing only; 10% across the district for an approximate savings of \$5.5 million
 - 1 Executive - \$122,000, 3 Administrators - \$366.00, 50 Teachers - \$3.6 million, 10 classified (twelve month) - \$450.00, 22 classified (ten/eleven month) - \$616.00, 1 nurse - \$35,000, professional and purchased services - \$336,200
- Impacts include a combination of reductions to staff and services, programs, etc.
 - Reorganization of Special Education; examine caseloads and staffing. Mrs. Jan Albertson, Director of Special Education is collaborating with the district to review areas for potential cost savings.
 - Pay to Play/Participate; \$25.00 per student, per event as source of revenue i.e., 1000 students x \$25.00 = \$25,000

Mr. Stokes encouraged everyone to take a brief survey, which is available on the district website; www.carsoncityschools.com .

Mr. Stokes presented preliminary results from the “Budget 2014” survey, which approximately 440 people thus far have responded:

- 53% are parents, 53.7% are district employees, .7% students and 3.7% community members
- Grade level of student(s) in the district
 - 37.9% high school age
 - 30.3% middle school age
 - 28.9% elementary school age
 - 29.7% N/A
- Transportation (lowest average are most desirable)
 - Eliminate transportation entirely – 4.10
 - Increase walk zones for all students – 2.57
 - Increase walk zones for elementary students – 3.59
 - Increase walk zones for middle and high school students – 2.50
 - Increase walk zones for high school students – 2.24
- Preferred start time range for elementary students
 - 8:00 a.m. – 9:00 a.m. – 60.3%
 - 7:00 a.m. – 8:00 a.m. – 31.6%
 - 9:00 – 10:00 a.m. – 8.1%
- Preferred start time range for middle school students
 - 7:00 a.m. – 8:00 a.m. – 49.2%
 - 8:00 a.m. – 9:00 a.m. – 44.6%
 - 9:00 a.m. – 10:00 a.m. – 6.2%
- Preferred start time range for high school students
 - 7:00 a.m. – 8:00 a.m. – 58%
 - 8:00 a.m. – 9:00 a.m. – 22.8%
 - 9:00 a.m. – 10:00 a.m. – 19.3%
- In addition to core curriculum (Math, Science, Social Studies, English Language Arts), which other programs, services, activities, etc. should be maintained as a high priority: (lowest average is most desired by respondents)
 - Music (band, choir) – 4.62
 - Clubs/Extracurricular Activities – 9.14
 - Middle School P.E. – 6.76
 - Elementary School P.E. – 6.55
 - Art – 7.51
 - Drama – 9.66
 - Foreign Language – 6.77
 - Library Services – 6.21
 - Elementary Technology – 7.13
 - Middle School Technology – 6.44
 - CTE Programs (Welding, Auto, Culinary Arts, Health Occupations, Construction, Agriculture) – 4.86
 - Middle School Athletics – 8.43
 - High School Athletics – 6.87

ROUND TABLE DISCUSSION AMONGST BOARD MEMBERS AND PRESENTATION BY STAFF OUTLINING THOUGHTS AND IDEAS ON ANY COST SAVING MEASURES TO THE DISTRICT FOR FISCAL YEAR 2013-2014. THE PUBLIC IS INVITED TO OFFER IDEAS OR SUGGESTIONS ON COST SAVING MEASURES FOR THE CARSON CITY SCHOOL DISTRICT. AT THE END OF THE DISCUSSION, THERE WILL BE AN OPEN QUESTION AND ANSWER SESSION AMONG BOARD MEMBERS. ANY QUESTIONS TO AND FROM THE SUPERINTENDENT WILL BE INCLUDED DURING THIS DISCUSSION.

Mr. Reynolds opened the meeting to Board members for questions and/or comments. He also encouraged members of the public to express their ideas, thoughts, concerns, etc. Mr. Reynolds reiterated that there is no plan currently in place.

Mr. Swirczek asked that time be given to Mr. Plemel and Mr. Campos to provide information on the growth in Carson City over the next several years.

Mr. Plemel works with the Carson City Permit Center; residential and commercial permits are submitted, review building permits and interacts with the Planning Commission. Mr. Swirczek asked if the City is involved in attracting new businesses to the area, as it could impact how the district may proceed in planning the budget for fiscal year 2013-2014. Mr. Plemel explained that the active outreach is primarily in cooperation with NNDA. However, the City Manager and Public Works Director are involved in outreach efforts. Mr. Plemel reviewed several economic indicators; sales tax revenue is increasing, basically no new residential construction, likely that no new residential recordings will happen in the next several years. However, the overall assessment of a building has seen a slight increase. Carson City peaked in population in 2006-2007. The overall increase in the census numbers between 2000 and 2010 was 3,000 in population or 5%. In comparing the population between 2000 and 2010, Mr. Plemel believes Carson City has room to grow both economically and residentially. In comparing the population by age category between 2000 and 2010, there were more kids age 5 to 14 in 2000 than in 2010 and fewer people in the age group of 30 to 44. Mr. Plemel believes that as the economy improves with more jobs, we are likely to see an increase in school age children.

Mr. Reynolds commented on how the City typically looks at the number of households, etc. to determine service levels within the City and asked if any changes were expected in the next several of years. Mr. Plemel explained that according to historical data, the City is projecting the growth level, as it pertains to the Planning Department, to be flat over the next several years. The demographer is also predicting a reduction in population over the next four years. Mr. Plemel commented on how the number of employed Carson City residents is starting to increase slightly.

Mr. Campos explained that the NNDA works on the development of the economic future for the Sierra region of Nevada, which includes Carson City, Douglas County, Lyon County, Storey County and Churchill County. The NNDA works in cooperation with the City and their officials.

Mr. Swirczek commented on the information provided being based on a regional perspective and the function of attracting businesses to the area. Mr. Swirczek commented on the possibility of the district eliminating approximately 50 positions and asked how this might affect the potential marketing of this area. Mr. Campos explained that to most clients outside Nevada, education is one of their top three concerns; primarily statewide averages. On behalf of clients, NNDA works incorporation with the District, to gather information in comparison to other districts.

NNDA currently sees the future growth targeted for Carson City, Douglas County and Dayton; most inquiries have been made in this area. Specifically in Carson City, over the last three months, 5 companies have agreed to move to Carson City, which will bring an estimated 350 jobs, which in turn brings families to the area. At the end of each closing, an analysis is completed to determine the possible number of school age children each district might gain. Mr. Campos is forecasting a positive future; however, due to the upcoming elections, several businesses are waiting to make final determinations.

Mr. Swirczek asked if NNDA was working with the Governor's office on any possible temporary revenue sources during the upcoming legislative session. Mr. Campos explained that NNDA typically does not get involved with the political aspect; however, others do and there are plans to move forward in the area of economic development. Staff members from NNDA have met with many Legislatures.

Mrs. Teri Cantley, President, Carson Education Support Association commented on preliminary budget projections for the general fund for fiscal year 2014 and 2015. The projected budget cut for 2014 is approximately \$5.5 million; does an additional \$9.5 million need to be cut for fiscal year 2015? Mr. Anthony Turley, Director of Fiscal Services explained that the total of \$9.58 million is cumulative; approximately \$4 million for fiscal year 2015. Mrs. Cantley commented on outsourcing custodial, buildings & grounds; receive lowest projected costs the first year, followed by price increases. Mrs. Cantley asked if there were any guarantees that price increases would not take place, if the district decided to proceed with outsourcing. Mr. Stokes explained that the district receives multiple invitations from private companies regarding outsourcing services; saving approximately 30%. Mrs. Cantley asked if any cost savings have been identified from the suggestions made during the October 11, 2012 workshop regarding; eliminating professional development for teachers and executive staff. Mr. Stokes reiterated that an exact dollar has not been identified with each suggestion. The district budgets for substitute costs each year; look at the average of how many sick days and annual leave days are used and the costs associated with professional development. Mr. Stokes explained that for business associated with his position, he has not traveled any further than Las Vegas. In addition, Mr. Stokes expects travel to be reduced; however, some travel is made available through grants. Mr. Stokes highlighted several professional development items to complete for the remainder of this year; High Quality Sheltered Instruction (HQSI) and Common Core Standards. Mr. Stokes noted that he plans to look at professional development to identify what can be done in this area. Mrs. Cantley commented on personnel reductions and the possible effects it has to provide meaningful programs to students. Mr. Stokes expressed the importance of coming together to identify items of importance, areas of increasing efficiency and continue to provide important opportunities to students.

Mr. Jeff Greb, Ormsby County Education Association (OCEA) and Language Arts Department Chairperson, Carson High School asked for additional information regarding staffing standards; are student/teacher ratios as defined by the contract. Mr. Stokes explained that the district has tried to follow the Class Size Reduction numbers, provided by recent Legislation. In comparison to previous years, the numbers have increased over the last two years; 18:1 for 1st grade, 19:1 for 2nd grade and 21:1 for 3rd grade, which are district averages. The district has tried to staff teachers based on projected and actual student counts. Mr. Stokes reported that most 4th and 5th grade classes are higher than 25:1, more likely 28:1. The ratios for 6th through 12th grade; Carson Middle School, close to 28:1 and 25:1 at Eagle Valley Middle School. Carson High School does not have uniform size classrooms; therefore, the district has tried to assure that enough student desks are in the classrooms. Mr. Greb asked if school psychologists, counselors, etc. are included in the "1". Mr. Stokes reiterated that the "1" is classroom teachers; others would be a support position. Mr. Greb commented on the administrative costs being 2.5% below the State average; in comparison, what is the percentage for teachers. Mrs. Susan Keema, Associate Superintendent of Educational Services explained that the State average is 66.1% vs. the district average of 64.5% for instruction, slightly below the State average. Instructional support; counselors, speech pathologists, etc., the State average is 11.1% vs. 14.2% for the district. Mr. Greb inquired as to the meaning of "reorganize"; does it also mean reducing staff; i.e. reorganize library services. Mr. Stokes stated, "Yes". Mr. Greb commented in the difference in the numbers presented in "Scenario One" vs. "Scenario Two". In anticipation of the audit being complete, Mr. Greb asked for information regarding the actual ending fund balance vs. what was budgeted for fiscal year 2012. Mr. Turley explained that it is slightly higher than the estimated amount. However, Mr. Turley did not release the actual number, as he has not reviewed the information or presented it to the Board for consideration. Mr. Greb commented on the ending fund balance for fiscal year 2013. Mr. Turley explained that for fiscal year 2014, the projected ending balance; available resources, is identified in the 2014 column. In addition, the district is projecting to maintain 8.3% of the ending fund balance. Mr. Greb clarified the amount of the budget projection for fiscal year 2013, which starts fiscal year 2014.

Mr. Turley explained that as the district moves forward, there will be a minimal amount in reserve at the end of 2013, which will be depleted by the end of 2014, arriving at the 8.3% ending fund balance for each year thereafter. Mr. Greb provided several comments regarding the survey; high school teachers stopped taking the survey, as they felt it was closely related to their peers, required signature, wording of the questions, etc. In addition, Mr. Greb expressed concerns with students being able to access pertinent information from Survey Monkey. Mr. Greb commented on how the budget reductions might impact Carson High Schools recent accreditation, requirements associated with college admissions and the impact of a child's future education.

Mrs. Myers asked if Mr. Greb was referring to the University of California System or California State University system. Mr. Greb is uncertain of the requirements of the California State University system. Mr. Greb verified the requirements with a high school counselor. Mr. Greb commented on how future budget cuts could possibly have negative impacts to education in the future.

Mrs. Myers explained that to her knowledge, the district has not outsourced anything; however, ARAMARK was used for nutritional services. Mrs. Myers asked Mrs. Cantley if she knew of any other circumstances where outsourcing was done in the district. Mrs. Cantley commented on the amount of Heating, Ventilation and Air Conditioning (HVAC) that is managed by Quality Control. Mrs. Cantley believes that district employees, with the proper training and equipment could do the work; saving the district money. Mrs. Cantley also commented on the suggestion of having the cook/bakers become employees of ARAMARK. Mrs. Cantley expressed her understanding of the district selected ARAMARK; to provide the district with additional purchasing options and reduce the amount of the annual transfer to the nutrition service account. However, at the end of the first year, the district had to transfer money to the nutrition service account. Mrs. Myers expressed her understanding of selecting ARAMARK; to break even with the nutrition service program. For clarification, Mrs. Myers reiterated the meaning of outsourced employees; employees are no longer employees of the district; another way of reducing classified staff positions. Mrs. Cantley commented on the impacts associated with outsourcing transportation; replacing buses, etc.

Mrs. Myers commented on maintaining 8.3% of the ending fund balance for the bond rating; not a statutory requirement, the statutory requirement is 4%.

Mr. Turley explained that the Nevada Administrative Code (NAC) sets the recommended cash flow of 8.3%, not Nevada Revised Statute (NRS). The percentage represents less than one month's cash flow for the district. As an operating account, the district has to front the cash for many other programs; money has to be spent, followed by a request for reimbursement.

Mr. Greb confirmed the requirement of Performing or Fine Arts for admission at California State Universities and University of California System.

Mr. Gilbert Gonzalez publicly thanked Mr. Plemel for recent improvements in the community. In addition, Mr. Gonzalez commented on the number of home foreclosures in Carson City and the impact it has on revenue. Mr. Gonzalez commented on the partnership between the City and the school district; importance of vocational skills, not just English, writing, reading, etc. Mr. Gonzalez commented on the education his daughter, who has special needs, received.

Mr. Reynolds thanked Mr. Campos and Mr. Plemel for attending the meeting.

Ms. Cathy Atchian, Carson High School staff member understands that staff reductions will likely take place. However, she asked for additional information on how they might be accomplished; seniority, value of positions, etc. Mr. Stokes explained that at this point, no decisions or plan is in place. Over the years, the district has taken steps to put the right number of people in buildings to service the students. Ms. Atchian asked that when making decisions that consideration be given to productivity, does the employee still want to be there, etc. In some cases, maybe an offer can be made to some employees who might be ready to retire, etc. Mr. Stokes commented on specific requirements in the collective bargaining agreements regarding negotiated reductions, etc. As a district, Mr. Stokes believes there are some limitations associated with buyouts and he has been in contact with other area school districts regarding this topic.

Mr. Lemaire encouraged members of the public to present specific ideas or suggestions; they are just as valuable as complex suggestions.

Mr. Joe Cacioppo commented on the importance of minimizing the impact to any program that might reduce a student's abilities to get into colleges. Reductions will have some effects; however, some reductions could impact a student's continued education in the district. Mr. Cacioppo commented on possible reductions utilizing collective bargaining; reduction in benefits, salaries, etc. If collective bargaining is necessary, Mr. Cacioppo would rather see reductions in salaries/benefits vs. staff reductions. With staff reductions, comes the possibility of effecting other staff; additional work, etc. Mr. Cacioppo stressed the importance of keeping quality staff, not just tenured staff. Mr. Cacioppo asked if the savings from solar panels and other mechanical upgrades are reflected in the current budget deficit. Mr. Turley explained that they are with the exception of the photo voltaic system, as those savings are being used to pay off the five year bonds.

Mr. Reynolds is anticipating the presentation of Carson High Schools accreditation process at the October 23, 2012 School Board meeting. Mr. Reynolds commented on the importance, over the next several years of reducing the amount of student remediation at the college level.

Mr. Richard Gunkel, parent and local business owner inquired about how far out the projections were made. Mr. Gunkel stressed the importance of finding revenue sources. As a business man, Mr. Gunkel suggested that the district maximize any available assets; sell or lease any available land, look at additional ways to reduce costs in the buildings, stop paying for buildings through bonds; use long term equipment leasing. As another cost savings measure, Mr. Gunkel suggested converting school buses to liquid natural gas or other types of bio-fuels vs. paying high fuel prices.

Mr. Joe Childs, bus driver for the district expressed an interest in meeting with district staff to discuss possible cost savings measures. Mr. Childs also commented on the value the staff in transportation provides the district. Last year Mr. Childs personally drove 18,000 trips; getting each student to and from school safely.

Mrs. LeAnn Saarem, parent agreed with comments made by Mr. Cacioppo regarding salary/benefit reductions vs. staff reductions. Mrs. Saarem commented on the importance of keeping high school athletics. In addition, Mrs. Saarem believes there are ways to be more efficient regarding transportation to athletic activities; reduce the number of busses sent to athletic activities, etc. Mrs. Wilke-McCulloch asked Mrs. Saarem how she felt a \$25.00 fee to participate in athletics at Carson High School might impact families. Personally, Mrs. Saarem doesn't believe it will impact a lot of families, as it is not free to participate in any sport. Mrs. Saarem commented on other ways families can get financial support; Parent Teacher Association (PTA), scholarships, etc.

Mr. Reynolds encouraged everyone to write their suggestions on the comment cards provided at each table, as they will be collected.

Mrs. Myers commented on Mr. Gunkel's suggestions of increasing revenue; districts cannot do anything on their own, it has to be voted on. In addition, the State Legislative sessions are held every two years, making it difficult to plan ahead. Mrs. Myers expressed her appreciation to all district staff. Mrs. Myers expressed concerns with outsourcing; doesn't believe the district will receive the same level of loyalty and dedication, as current district employees provide. Mrs. Myers would rather reduce the number of staff and keep them vs. outsourcing. Mrs. Myers believes it is best for Board Members to provide suggestions on where reductions should be made and allow the schools, departments, etc., to make the necessary reductions. In addition, Mrs. Myers believes 84% of the reductions need to be made by reducing staff.

Mrs. Wilke-McCulloch clarified the information to be presented during the November 13, 2012 School Board meeting. Mr. Stokes commented on information to be presented at the November 13, 2012 Board meeting; summarize information from both workshops and the survey, identify programs and assignments for consideration, etc. In addition, any changes, etc., will be presented at the November 27, 2012 board meeting, seeking Board approval of the final proposed plan on December 11, 2012.

ADJOURNMENT

There will be no further business to come before the members of the Board in public meeting; President Steve Reynolds declared the meeting adjourned at 8:59 p.m.

Stacie Wilke-McCulloch, Clerk

Date