

CHURCHILL COUNTY BOARD OF SCHOOL TRUSTEES

Fallon, Nevada

REGULAR MEETING

February 19, 2015

CALL TO ORDER

Vice President Hendrix called to order the regular meeting of the Churchill County School District Board of Trustees at 7:00 p.m. at the Churchill County School District Administration Office, 690 South Maine Street, Fallon, Nevada.

PLEDGE OF ALLEGIANCE / CHARACTER COUNTS BI-MONTHLY WORD: FAIRNESS

Desiree Rhone and Blake Coolbaugh, 5th grade students from E.C. Best, led the pledge of allegiance and said a few words about the character counts word "Fairness."

VERIFICATION OF POSTING OF AGENDA

Vice President Hendrix confirmed the posting of the agenda.

ROLL CALL

Trustees Present

Vice President Clay Hendrix
Trustee Greg Koenig
Trustee Matt Hyde
Trustee Rich Gent
Trustee Carmen Schank

Others Present

Dr. Sandra Sheldon
Phyllis Dowd, Director of Business Services
Sharla Hales, Legal Counsel

Trustees Absent

President Ron Evans
Trustee Steve Nunn

Debra Shyne, Secretary
(Interested Staff/Community Members per Attached List)

REVIEW AND ADOPTION OF AGENDA

The agenda was adopted under unanimous consensus.

PUBLIC COMMENT

Tom Fleming, Churchill County High School teacher, expressed gratitude for the new sound system in the high school auditorium.

Patty Fleming expressed gratitude for the use of the Pit for the Northern Nevada Literacy Conference on January 24th, which had over 100 Nevada educators in attendance. Ms. Fleming thanked Dr. Sheldon and staff for their assistance with the conference.

Mr. Don Mello apologized to Trustee Nunn for not speaking out at the February 17th Board meeting and stated that he has attended more than 250 school board meetings and that he has never seen such a display of harassment, bullying and intimidation. Mr. Mello suggested Board members review Policy 4139 and NRS 338.121-129, and he provided Board members with a copy of Policy 4139.

Trustee Schank stated that she wanted it known by the public that on November 13th she requested discussion as to how the District would inform the public on budget cuts that will be made, on December 11th she asked for a community outreach/town hall meeting regarding budget, and she asked for local calls to be made, and none of them were addressed.

Merry Kay Kennedy, Counselor at Lahontan, voiced concern with removing a counselor at the grade level. Vice President Hendrix stated that this should be brought up in the budget discussion later in the meeting.

Deby Smotherman apologized to Trustee Nunn for not standing up for him as well, and stated that Trustee Nunn has always been supportive and fair.

CCSD STUDENT REPRESENTATIVE REPORT

Paola Duenas reported on events at the Churchill County High School.

SUPERINTENDENT'S UPDATE

A. Update regarding District related matters.

Dr. Sheldon reported that she met with the staff at the high school today regarding budget issues, will meet with the staff at the middle school on March 4th, and that she intends to schedule meetings with maintenance, food services and other classified staff.

Dr. Sheldon stated that the second Nevada Educator Performance Framework (NEPF) training for principals occurred today, funded by RPDP at no cost to the District. At the first training they reviewed the standards and indicators on the performance evaluation. The three subsequent trainings involve inter-rater reliability. Dr. Sheldon stated that each principal performed a self-evaluation using the NEPF tool. Dr. Sheldon has met with each principal to review the tool and discuss their strengths, weaknesses and goals.

Dr. Sheldon reported that she will be attending the AASA Conference on February 24-27, and that she has been selected to be on the governance board of AASA.

Dr. Sheldon stated that she recently had lunch with the Commanding Officer of the Naval Air Station (NAS) and reported that NAS was looking forward to having students attend their CO of the Day event. They discussed services available on the base for military students and families, and they would like to make available those services to students in schools (examples: grief counseling, settling into a new environment, and domestic violence). Dr. Sheldon reported that Kimberly Arthur, Military Liaison, has been doing an amazing job.

B. Kelli Kelly will update the Board regarding the Career and Technical Education / Churchill Economic Development partnership – Work Internship Grant.

Kelli Kelly, part of the Career and Technical Education Advisory Board, reported on the new relationship between the CTE Department at the high school and the Churchill Economic Development Association (CEDA). Ms. Kelly stated that she recently provided a 45 minute presentation at the CEDA Breakfast and stated that she would be happy to provide an abbreviated presentation to the Board at a future meeting. Ms. Kelly reported that CEDA, Western Nevada College and the Churchill County High School CTE Advisory Committee are collaborating on a new event on March 13th (8:30-1:00 at the Fallon Convention Center and WNC) – the first CCHS Employability Fair. Business leaders will respond to questions written by students, students can participate in four workshops and participate in a series of round-

robin interviews. Approximately 100 students have signed up. Vice President Hendrix thanked Ms. Kelly for her report and her efforts.

BUSINESS SERVICES UPDATE

- A. Bond Fund Report (written report provided).
- B. Board Budget Report (written report provided).
- C. Budget to Actual Report (written report provided).
- D. Travel Report (written report provided).

EDUCATIONAL SERVICES UPDATE

- A. The latest Student Enrollment Data will be provided to the Board of Trustees (written report provided).

UPCOMING BOARD EVENTS

- A. March 21-23, Sunday-Tuesday, National School Boards Association Annual Conference, Nashville, TN.
- B. April 10-11, Friday-Saturday, Nevada Association of School Boards School Board Member Orientation, Part II, Hyatt Place Hotel, Reno.

CONSENT AGENDA

- A. Approval of Recommended Personnel Action (Attachment A).
- B. Approval of Vouchers.
- C. Approval of Student 15-04 Exemption from receiving immunizations based on religious reasons (NRS 392.435).
- D. Approval of Student 15-05 to enter the General Educational Development (GED) program.
- E. Approval of Student 15-06 to enter the General Education Development (GED) program.
- F. Approval to surplus modulars at E.C. Best.

Trustee Gent made a motion, seconded by Trustee Hyde, ***to approve Items A-F as provided.***
The motion passed unanimously; Trustees Evans and Nunn were not present.

REPORTS BY BOARD MEMBERS

Trustee Gent complimented the NJROTC for passing their regional inspection. Trustee Schank stated that she attended Dr. Sheldon's meeting at the Transportation Department and afterwards toured the shop, saw the brand new bus lifts, and met with the head mechanic. Trustee Koenig attended the middle school and high school honors choir concerts and congratulated Mr. Fleming as one out of every three members were wearing Greenwave green. The sound and lighting was top notch.

Vice President Hendrix stated that he was asked to move the Workers' Compensation agenda item to the first item under New Business.

NEW BUSINESS

A. For Discussion and Possible Action: Presentation regarding P4811 Early Retirement Incentive program and review and possible approval of applications for retirement.

[The Board took a break from 9:21 to 9:30.]

Phyllis Dowd provided background regarding the retirement buyout applications (page 76 of BoardBook). Ms. Dowd stated that seven employees represent 1.5% of the current PERS membership, rounded to 7. Of the seven, the Account Technician in the Business Office and the Occupational Teacher at the high school would have to be rehired.

Trustee Koenig made a motion, seconded by Trustee Schank, ***to accept the buyouts for the bottom seven in green: Joan Hiibel, Louie Mori, Colleen Meihack, Scott Meihack, Sandra Granger, Karen Lawson and Phil Pinder***.

Phyllis Dowd clarified that Joan Hiibel would get one year plus sick time to 1.2 years; Louie Mori would get 2 years; Colleen Meihack would get to the 30 year mark or .3 of a year; Scott Meihack would be one year plus sick which would be 2 years; Sandra Granger would be 1.4 years to get her to the 30 year mark; Karen Lawson would be 1.1 years and she would be slightly less than 30 years, but she has agreed to pick up the 4/10ths of a year; and Phil Pinder would get one year of sick leave.

Public Comment:

Mrs. Joan Hiibel stated that she turned in a letter in December and explained that she felt that she fell under section "A-1-f" of the policy, but there is a difference in interpretation of what the word "purchase." Mrs. Hiibel further explained her position.

Ms. Dowd stated that she confirmed with PERS what they consider a purchase of service. When they repaid they consider that a payment, not a purchase of service. The policy states that the District follows PERS regulations at the time of purchase.

Mrs. Deby Smotherman, NSCEA President, commented that if the cost to purchase Mrs. Hiibel an additional year would be \$16,000 to \$17,000, it would be recouped the first year.

The motion passed unanimously; Trustees Evans and Nunn were not present.

Mrs. Dowd stated that Mrs. Kent indicated she would not accept unless she received two and a half years; though she did not withdraw her application.

Trustee Koenig made a motion, seconded by Trustee Hyde, ***to approve Beach, Hesper, Kent and Morgan. It was clarified that Mrs. Kent would be offered the number of years based on policy.*** Mrs. Dowd stated that for Brenda Beach it would be 1.9 years, Gary Hesper 1.6 years, Lisa Kent 1.9 years and David Morgan would be 2 years. There were no public comments. **The motion passed unanimously; Trustees Evans and Nunn were not present.**

B. For Discussion and Possible Action: The Board will discuss all aspects of the 2015-2015 Budget and set budget priorities in an effort to provide direction to the Budget Committee and staff so that items to be reduced can be explored and quantified. Staff will provide information to the Board for review. Any and every line item in the budget may be discussed and acted on for possible reduction.

Vice President Hendrix stated that at the last board meeting the Board voted to move forward with the process of reorganizing grade-level schools, which saves the District \$1.1

million. The other area that might be the next largest reduction in the budget is a 4-day week. Vice President Hendrix stated that he has received emails and telephone calls that indicate that it probably has 50/50 support. Vice President Hendrix stated he was concerned for parents and special needs students, with another concern being bargaining agreements with unions. The Board will also consider buyouts tonight.

Trustee Hyde stated that the District is still in the infancy of budget cuts. While four-day weeks work for his family, he's not sure it works for all families or for the classified staff.

Trustee Gent stated it was a huge step heading toward Option 2, but he was also interested in public input commenting that 85-87 percent of the District's budget is personnel.

Trustee Schank was not inclined to support the four-day week as children might not be supervised.

Trustee Koenig felt there was not a need to do both grade level and four-day. Unless bargaining units negotiate a pay cut, there will not be much of a savings, except for classified. It would be totally on the back of one group and not enough savings.

Dr. Sheldon stated that there are some negotiated options for cost sharing with employees: \$330,000 if employees pay 10% of their medical insurance (\$74.00 per person), \$227,000 if employees pay 1.125% of PERS. The PERS cost sharing has a greater effect on classified staff than licensed, as their average wage is lower.

Principal Lords reported on high school enrollment reductions. The high school is losing quite a few students with jump start and the charter school. Principal Lords stated that the high school worked hard last week and have identified eight licensed positions that they feel they could reduce: one science, three math, one English, one P.E., one health and one counseling position. With these eight positions, Principal Lords did not include the athletic trainer and the dean of students. Principal Lords stated that he might be able to reduce a couple of more positions, but he needs more time to look into it.

Dr. Sheldon stated that she received those positions yesterday from Mr. Lords and staff will quantifying those numbers. Also on the spreadsheet are an 8th grade teacher and two 6th grade positions from the middle school.

Public Comment:

Mrs. Becky Dodd, President of CCEA, stated that she is not leaning towards four-day week, because teachers already gave up 1.5 hours of time with students for collaboration. With a four-day week teachers would lose more time with students.

Merry Kay Kennedy, Counselor at Lahontan, requests the elementary counselor position not be eliminated and requested the schools not be reorganized to grade-level.

Brad Whitaker, Kindergarten Teacher at Northside, preferred Northside to remain as is, but understand the budget priorities. Mr. Whitaker supports the four-day work week and explained the benefits that he has seen at Northside and the potential effect on licensed and classified personnel.

Deby Smotherman, NCSEA President, asked if it would be less expensive to hire another vice principal, as the Teacher on Special Assignment currently makes more money than a vice principal. Ms. Smotherman also stated that classified staff would be cut 20% in wages, which is a huge cut.

Wilma Mora, licensed teacher, voiced support for Merry Kay Kennedy regarding not removing a counselor from first grade.

Joy Lacow-Swett, bus driver and lunch room worker at the middle school, commented that it takes two jobs for her to get 6.25 hours a day. A four-day week would mean a 20% loss in pay for bus drivers and food service workers, who range from 2.5 to 6 hours in food service and from 3 to 4 or 5 hours as bus drivers. Ms. Lacow-Swett commented that not everyone is lucky enough to have two jobs like her, and with a four-day week, she would also lose benefits.

Laura Malkovich, 1st grade teacher at E.C. Best, stated that if students get out of school next year at 2:20 because they no longer have specials, removing a 40 minute lunch and 15 minute recess, the students would be taught 24 hours and 45 minutes each week. With a four-day week, if students stayed in school until 3:00, with prep before or after the school day, students would be taught 23 hours and 40 minutes. The difference would be one hour and five minutes between a five day and a four-day week. Mrs. Malkovich further stated that Northside hasn't had a counselor since the day the Early Learning Center opened.

Phyllis Dowd commented that a four-day week would penalize classified staff in PERS as well. Licensed staff get one year for a school year, but not classified. Over the career of a classified staff member, they would have to work 1/3rd longer to retain the same percentage benefits in PERS.

Dr. Sheldon reported that letters will be sent to parents and staff, in English and Spanish, regarding the possible reorganization of schools and of the public hearing scheduled for March 26th. A public notice will be placed in the newspaper ten days before the hearing as required by law. Christine Kuklica has supported public meetings and upcoming budget meetings, with the last one in red on the front page. Dr. Sheldon stated that staff will bring back a four-day work week, recommended positions to be RIF'ed, and other issues as identified by the budget committee on the 12th of March.

Vice President Hendrix thanked staff and members of the public for sharing their thoughts. The following items can be provided to the budget committee: the four-day week saving \$900,000, 10% health insurance negotiated issue, and PERS 1.125% negotiated issue. Next, Mr. Lords commented that he has eight positions that could be reduced and perhaps more. When the budget is over 80% salary and benefits, it is hard not to go there. The Board will also discuss buyouts.

Trustee Hyde commented that he is part of PERS where he works, and stated that he doesn't want to see people who have worked so hard for retirement have it snatched away. Essentially, with a four-day week, that would happen. For the past couple of years where he works they took a pay cut, which equates to half of the PERS increase.

Trustee Gent agreed with what everyone had said.

Trustee Schank stated she would like to look at buyouts, positions to cut due to decreased enrollment, and line items before looking at a four-day week.

These items will be sent to the budget committee for their consideration.

C. For Discussion and Possible Action: Presentation and discussion regarding moving from using an insurance company for Workers' Compensation to self insuring, including possible action to direct staff to gather and present further information, to prepare and present a plan to implement self-insurance, or to begin the first steps of self-insuring.

Ms. Dowd stated that the District's current broker will speak regard Workers Compensation and Mr. Tom Nelson will speak regarding self-insurance.

Mr. Tom Nelson, President and Owner of Nelson Davison Administrators, a third party workers' compensation claims' administration company, from Reno. Mr. Nelson stated that Ms. Dowd arrived at a loss-ratio of 50%. Mr. Nelson believes it is between 39% and 42% for the last ten years. This would represent a loss of \$1.5 to \$1.8 million. Self insurance allows the District to control that money and not give it to an insurance company. The District would have to post a security bond and the State looks at the District's last three years' losses for the bond. Mr. Nelson explained the purpose of reinsurance. Fixed fees would be around \$35,000 for reinsurance, a couple of thousand for the bond, and administration is approximately \$15,000 based on the size of the district. Mr. Nelson stated that his company services Nye, Carson, Humboldt and Lyon County school district.

The retention level is \$400,000 which means that the school district would pay up to \$400,000 for each event, whether it involves one person or more. It is the risk that the District takes on as a self-insured entity. As a third party administrator, Mr. Nelson's company would look over the claim, would talk with the school district and would pay the bills. Mr. Nelson's company would communicate with the employee and identify how the injury occurred. Mr. Jensen's staff understands the statutes and what is acceptable or not; they review Supreme Court decisions regarding workers' compensation and act as an extension of District staff. Mr. Nelson stated they do not deny the claim unless they talk with the employer first. The ultimate decision is the Districts. Claims challenged on appeal would come out of the district's retention.

Trustee Gent asked if Mr. Nelson's company offers proactive safety training. Mr. Nelson stated that they do not, but deal with companies that can work with the District regarding safety training.

Ms. Dowd stated that the District would set up a fund, controlled by the Board of Trustees, and would charge the District an insurance premium and put it in this special fund. When the District completes payroll each month, a percentage would be allocated to this fund, which would build over time. Once a balance has accumulated, the District would come back to the Board of Trustees and discuss lowering the percentage put into the fund. The District has made great strides in reducing costs: in 11-12 - 24 claims, in 12-13 - 23 claims, in 13-14 - 16 claims, and right now there are 9 claims, however, Ms. Dowd stressed that we can't predict the future. Dr. Sheldon stated that POOL PACT has a variety of training options available to the District as well: forklift training, lifting training, etc.

Ms. Dowd recommends a minimum balance maintained in the fund of \$1 million. It would take Board action to make a transfer. The District would need to temporarily loan this fund money for the first few months as the first payroll is not until July 20th and the insurance and bond premium would have to be paid. Ms. Dowd recommended monthly reporting to the Board regarding claims and the balance of the fund.

Chris Rogne of E.H. Hursh stated that he could not give an educated opinion based on the information that was presented. Mr. Rogne does not believe Mr. Nelson's figures are accurate. Mr. Rogne felt the loss ratio of 50% is more accurate. The \$2,200 figure on a \$400,000 bond seems low. Mr. Nelson did not state that the \$15,000 third party fee was fixed. Mr. Rogne stated that the District could be out \$400,000 per occurrence, which can be significant.

Mr. Nelson stated that the \$15,000 fee is based on the District's average claim history over the past five years. If claims drop they would renegotiate, if the claims go up, they have a two year contract and would renegotiate after the contract expires. The first two years would be \$15,000 each year. Mr. Nelson stated that he has not raised a client's fees in the last fourteen years.

Mr. Nelson answered questions from board members. Ms. Dowd will pursue both options; obtain a quote from Mr. Rogne and start the application process for reinsurance and bring the costs for both to the Board in the spring. Vice President Hendrix stated that he would like to read the contract by the third-party claims administrator. Dr. Sheldon stated that there has been no commitment of funds, and that the Board could decide to go with self-insurance or stay with the current insurance, but the application process needs to begin.

Trustee Gent requested the Board address Item B next.

D. For Discussion Only: Update regarding the progress of the auxiliary gym.

Trustee Koenig explained that the original gym plans had a second story with a weight room upstairs and some classrooms, but it was \$1.3 million over budget. The modified plans are in line with the \$6.2 budget. These plans do not include paving for parking or paving between the gyms or the awning between the two gyms. If the legislature passes the prevailing wage law, it might decrease the cost of the gym.

E. For Discussion and Possible Action: Permission to deem the Plummer's Building, currently located at 50 E. Virginia Street, as surplus property which is no longer needed for the use of the school district.

Ms. Phyllis Dowd explained that with the renovation of West End the school district no longer needs the Plummer's Building for storage, and would like to start the process to sell the building as surplus following the statutes of disposing property for the school district. The money would go back into the Capital Projects Fund.

Trustee Gent made a motion, seconded by Trustee Schank, ***to provide permission to deem the Plummer's Building, currently located at 50 E. Virginia Street, as surplus property which is no longer needed for the use of the school district.*** The motion passed unanimously; Trustees Evans and Nunn were not present.

F. For Discussion and Possible Action: Regarding moving the April 9th Board Meeting as it falls during the week of Spring Break.

Trustee Schank made a motion, seconded by Trustee Gent, ***to move the April 9th meeting to April 1st.*** The motion passed unanimously; Trustees Evans and Nunn were not present.

G. For Discussion and Possible Action: Approval of Resolution 15-01 – Resolution for 2015 Legislative Session.

Dr. Sheldon stated that she does not want to bring the resolution for passage yet, as Dotty Merrill (Nevada Association of School Boards) is working on resolution wording. This item will return at a future meeting.

PUBLIC COMMENT

Becky Dodd, CCEA President, stated that in reference to cuts teachers would take, last year 50% of teachers did not receive steps, so 50% of the teachers would lose money if the District went with a four-day week.

DISCUSSION AND POSSIBLE ACTION REGARDING FUTURE AGENDA ITEMS AS REQUESTED BY THE BOARD OF TRUSTEES AND CLARIFICATION OF REQUESTED AGENDA ITEMS

Trustee Schank requested discussion on students earning WNC credit while taking AP credits at the high school.

Trustee Schank requested discussion regarding sending an automated call prior to budget meetings.

CLOSED SESSION

A. Discussion of negotiations and strategies regarding Churchill County Administrators Association, Churchill County Education Association, and the Nevada Classified School Employees Association pursuant to NRS 288.220.

Trustee Gent made a motion, seconded by Trustee Hyde, to go into closed session pursuant to NRS

ADJOURNMENT

Trustee Koenig made a motion, seconded by Trustee Gent, to return to open session. The motion passed unanimously.

Trustee Koenig made a motion, seconded by Trustee Gent, to adjourn the meeting at approximately 10:22 p.m. The motion passed unanimously.

Carmen, Schank, Clerk of the Board

Prepared by Debra Shyne