

FEBRUARY 27, 2013 – NOTES OF ACTION TAKEN BY THE SEVIER SCHOOL DISTRICT BOARD OF EDUCATION AT A MEETING HELD ON FEBRUARY 27, 2013, AT 3:00 PM IN THE SEVIER SCHOOL DISTRICT OFFICE.

In attendance were President Clint Johnson, Vice President Jack Hansen, members Tom Hales, Don Naser, and Richard Orr, as were Superintendent Myron Mickelsen, Assistant Superintendent Gail Albrecht, Business Administrator Patrick D. Wilson, and Executive Secretary Patricia Sanchez.

Also in attendance were secretary Mavanee Loftus, Student Learning Director Cade Douglas, student Faith Johnson, teacher Gaylene Dobish, CTE Director Don Yates, KMA Architect Kevin Madson, Maintenance Director Larry Morwood, and Principal Randy Madsen, Ten-Year Building Committee members Mary Okerlund, Rusty Bastian, Braden Gardner, and Rick Robinson.

President Johnson welcomed everyone to the meeting.

Patti Sanchez offered the reverence and led the group in the Pledge of Allegiance.

ITEM #2. – FY 2013 BUDGET REVISION. Business Administrator Patrick Wilson presented the FY 2013 Budget Revision. He explained that Accountant Kari Carter wasn't able to make the presentation due to a death in the family. He expressed appreciation for her work on the budget revision.

Mr. Wilson began with revisions to the maintenance and operation budget and explained that some of the things in the revision would relate back to the audit. There was an increase of \$598,000 in local revenues, which is mostly a collection of property taxes. The auditors had written the District up because of the timing recognition of property taxes. The reason that this exists is because the USOE has a collection window of April 1 to March 31; this is what is used for equalization. So whatever the District collects during that window is offset by the board and voted leeway guarantee and the K-12 WPU, and therefore, reduced. The actual collection period goes from July 1 to June 30, and the tax year goes from January 1 to December 31, with the collection due date being November 30. There are three different collection windows. The county has gone to monthly distributions instead of quarterly. When it was quarterly, the District didn't receive taxes until after the April check, so it went into the next fiscal year. It was then easy to make the recognition of that revenue belonging to the future year after July 1 and the other belonging to the year prior to; however, it didn't belong to the state equalization. There are three different property tax calculations, but there may be four because of the January 1 levy date, which then makes all the taxes accruable as a receivable and a deferral. In working with the auditors, there was discussion about changing the timing of the property taxes that were collected during the April, May, and June window. Now that the county pays taxes monthly, the District actually receives them prior to year-end. He explained that they would see a one-time adjustment in the budget, which would transfer into carryover or additional expenditures, and the change in the timing of the property tax. The actual money collected is no different today than it was a year ago but it's the timing of when the revenue collected is recognized.

Mr. Wilson also explained that there was a small increase in the interest income and the e-rate. Restricted programs that did not spend their funds, were not entitled to recognize that revenue until it was spent in an appropriate manner such as, vocational ed., special ed., K-3

reading, voted leeway, etc.; all those funds that come from the state. There was also a small increase in growth and the NESS funds, which allowed the District to retain the counselors in the middle schools and hire additional staff at KES. The increased percentage of NESS funds is paying for the counselors in the North and South Sevier High Schools. Mr. Wilson reviewed revisions made to the budgets in the student activity fund, non K-12, debt service, capital outlay, and school food service.

ITEM #3. – OPEN MEETING TRAINING ROLL CALL. The Board is required to receive Open Meeting annual training, which was provided in the work session prior to the regular Board meeting. A roll call for the completing and passing the training went as follows: yes, Clint Johnson, Jack Hansen, Richard Orr, Don Naser, Myron Mickelsen, Gail Albrecht, and Pat Wilson. Mr. Hales indicated that he needed to retake the training and test.

ITEM #4. – CONSENT AGENDA. President Johnson called for a motion to table consent agenda Item #4.G. Human Sexuality Instruction Instructional Assurances until the March meeting.

A motion was made by Richard Orr and seconded by Jack Hansen to table the Human Sexuality Instruction Instructional Assurances until the March meeting. Motion passed unanimously.

President Johnson called for objections on the consent agenda. Since there were no objections, the consent agenda received Board approval.

ITEM #4.A. – APPROVAL OF MINUTES. Minutes from the January 16, 2013, Board Meeting and Closed Meeting were approved.

ITEM #4.B. – APPROVAL OF 2013 BUDGET REVISION. The 2013 Budget Revision received approval as presented.

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ITEM #4.C. – APPROVAL OF EMPLOYEES. The following individuals were approved for employment: **Sharie Bigelow** as the attendance secretary at South Sevier High; **Angela Chappell** as the CTE secretary at South Sevier High; **Paul Foster** as the boys and girls soccer coach at Richfield High School for the *remainder the 2012-13 school year*, and **Shawnee Anderson** and **Dawn Worley** as special needs non-location instructional assistants

ITEM #4.D. – STUDENT RECOGNITION. Students were recognized and congratulated on their achievements. A letter of congratulations will be sent to each student.

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ITEM #4.E. – 2013-14 SCHOOL YEAR CALENDAR – SECOND READING. The proposed calendar was amended and received seconded reading approval.

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ITEM #4.F. – 2013-14 BOARD MEETING CALENDAR – FIRST READING. The proposed 2013-14 Board Meeting Calendar received first reading approval.

ITEM #4.G. – HUMAN SEXUALITY INSTRUCTION INSTRUCTIONAL ASSURANCES.

This item was pulled and tabled until the March 20, 2013, Board meeting.

ITEM #4.H.1. – REVISION – POLICY #2003, DRUG AND ALCOHOL FREE WORKPLACE – FIRST READING. Revisions to the policy received first reading approval.

ITEM #4.H.2. – REVISION – POLICY #3210, WELLNESS POLICY – FIRST READING. Revisions to the policy received first reading approval.

ITEM #4.I. – FINANCIAL SUMMARY. The financial summary for the period ending January 31, 2013, was approved as well as the list of checks issued in January 2013.

ITEM #5. – PATRON DIALOGUE. Richfield High School student Faith Johnson inquired about the proposed orchestra program and asked if it would be offered in the schools next school year. Mrs. Albrecht explained that orchestra is an elective class and that it was a school-based decision as to whether it was offered. Also, principals had been given the results of the survey that was prepared by the parent group.

ITEM #6.A. – DISCUSSION – ITEMS FROM THE BOARD. The following items were discussed:

- USBA Board President Workshop – Saturday, March 16: No one planned on attending the workshop.
- USBA Regional Meeting – Wednesday, April 3, 6:00 p.m. A count for the meeting will be taken at the March Board meeting.
- NSBA Convention travel arrangements were discussed.

ITEM 6.B. – DISCUSSION – ITEMS FROM ADMINISTRATION. The following items were discussed:

Items from Superintendent Mickelsen

• Legislative update: Superintendent Mickelsen commented on HB 55, Amendments Related to Education Funding, which is being sponsored by Representative Briscoe to establish a set tax rate for the minimum basic funding. It would be to have a fixed rate as opposed to a floating rate. Mr. Wilson explained that the basic levy was allowed to float down through inflation, where it has actually dropped 75-80 percent. There would have been approximately \$500 million in revenue had they left the taxes at the same levy. Overall, taxes have gone down and it changes the dependency deduction, which will actually increase a little bit of the educational funding because it won't be indexed by the federal, which has an inflationary indexing to it. Senator Osmond's SB 81, School Property Tax Funding, also wants to freeze the basic rate, subtract the two differences, and then either take away or redistribute the taxes around the state based on rich and poor districts. It hasn't received a lot of support. If passed, it would basically give Sevier District \$2,100.

Superintendent Mickelsen explained that the Joint Legislative Committee of superintendents, board members, and business administrators oppose Senator Osmond's bill but are supportive of Representative Briscoe's bill. Mr. Wilson commented on a bill a few years ago that consolidated all the levies where districts could be at .0018 or at .0025, which caused a

discriminatory issue between districts. Senator Osmond's bill takes all districts to the .0025, which is supported by Sevier District.

Superintendent remarked on Senator Okerlund's bill, which protects the privacy or transparency of student achievement information, meaning performance on tests, etc. There were others that wanted to have that information wide-open, not understanding what it does to a small school or class-sizes. His bill proposes this to be taken to the school or grade level size, and then let the local administrator's determine how transparent they want to be, particularly at the classroom level. Senator McIff also has a bill, which would be to maintain the ability for capital funds to be used for maintenance and operation for the next few years. He is also moving forward on NESS to be ongoing funding.

Mr. Wilson referred to HB 173, sponsored by Representative Powell, in regards to NESS. He explained that inside of the state formula that none of the formulas have a full allocation distribution in the law. When last year's NESS bill was passed, it stated that it would be a full allocation funding. It technically was not a law but was included in a state board rule, which the legislative analyst said was illegal. So now they've had to withdraw the rule and have Representative Powell running a bill that will basically allocate everything in the NESS formula through the regression formula, and then whatever is remaining, will be allocated the following year through tax effort. The tax effort of the NESS districts, based on the overall funding, would then become the distribution. There was approximately \$800,000 allocated by tax effort; so those that have a higher tax rate receive more money and those with a lower tax rate receive less. In order to get a full distribution of the allocation, this is the direction the District needs to take.

Superintendent Mickelsen reported that he had received an email from USSA Director Patti Harrington telling districts that on the evening of February 26 there were some big wins for education, in that legislators have been listening to the problems with retirement and social security not being funded above the line but below the line. The good news was that student enrollment growth was the number one priority, and also that the restoration of a line item for retirement and social security and setting the amount for FY 2014 for \$25 million or one-percent of the WPU, and to increase the WPU by \$25 million.

Mr. Wilson provided a transportation analysis developed by SEDC, which showed that funding for transportation was below the line. The District's M&O budget has had to subsidize transportation on a to-and-from basis in the amount of \$750,000 per year. Approximately \$400,000 comes from the state transportation levy; however, it creates a deficit for the District in the amount of \$350,000 per year. Mr. Wilson will also provide a copy of the analysis to legislators.

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Items from Gail Albrecht

- Winter NWEA results: Mrs. Albrecht reviewed the winter assessment results in reading, language arts, math, and science for each attendance area, which indicated that the District was at or above the national norm. In the kindergarten, it showed 11-12 and sometimes 14 points of growth from fall testing to winter testing. She explained that the amount of growth declines as you go up the grade levels, and that in terms of the 12th grade; it indicated a decline in scores from the 11th grade to the 12th grade. She explained that the graph didn't have a norm for the nation because NWEA doesn't test 12th graders. In Sevier District, the only 12th graders that are

tested in reading, language arts, and math are students with disabilities and students in intervention programs.

President Johnson inquired about the number of students enrolled in the online program. Mrs. Albrecht stated that there are approximately 40 students in the program; however, the numbers don't seem to be increasing.

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Items from *Pat Wilson*

• Construction projects:

Warehouse: Mr. Wilson explained that the office remodel project is approximately 98 percent completed. The office area was framed, insulated, had new windows installed, and the restrooms were made ADA compliant. Since putting in the new roof, skin, and other improvements, there has been a remarkable difference with the heating system. He praised the District maintenance crew and expressed appreciation to them for doing an awesome job on the remodel and for their efforts in helping to keep the costs down by doing the electrical, computer wiring, and plumbing.

SSHS announcer's booth: This project will go to bid on March 6 and the bids are expected to come in around March 20. Hopefully, the project will get underway and completed sometime in April.

NSHS and SSHS entrances: The project is not completely finished. There still needs to be some cleanup on the rain gutters and completion of the punch list.

• Summer maintenance walk-throughs (March 5-7): Mr. Wilson, Larry Morwood, and school principals are scheduled to walk through each school building to determine needed projects for the summer months. He explained that during the Ten-Year Building Committee presentation that evening, they would see how the capital requests versus the ongoing maintenance and operations were broken out on each school building.

• Salina Tipperary Industrial Park: Mr. Wilson reviewed the proposed revised budget and the details for the industrial park, which encompasses approximately 92 acres; the original plan was 900 acres. Mr. Wilson and Mr. Hansen recently attended a Salina City Redevelopment Agency meeting where it was proposed to vote on the project. Mr. Wilson stated that the Sevier Board of Education had not had the opportunity to review the new budget and would need to do that before making any decisions. At the next Salina City Redevelopment Agency meeting, he and Mr. Wilson will be asked to vote on the project.

He further explained that the budget for the project would have a 20-year life span and that development would begin sometime in 2013-14. It is anticipated that there will be a tax increase to the city, county, and state. The agency would be paid 80 percent of the tax increment from the project area. All taxing entities that levy taxes on the property within the project area would continue to receive their base year taxes and 20 percent of the tax increment generated through the development.

There was further discussion about the project and the level of support needed from Sevier School District.

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- District phone systems: Mr. Wilson explained that he and the District's technology specialists have been working through bids regarding a new phone system for the District. Bids have been accepted from several vendors for voice over Internet phone and hosted systems. There are two schools (SSHS & NSMS) and the warehouse that are in pretty rough shape. The District has made a decision to put in a new phone system for SSHS, NSMS, and the warehouse, which will encompass the District Office, and to try the system for one year to see how it works. There will be a slight increase in costs in ongoing money; however, it saves the District from putting out about a \$100,000 in one-time money. It has a lesser impact on the budget and gives the District an opportunity to see how the sequestration goes in relationship to what happens with E-rate. The fire line, elevator line, and fax lines will need to be maintained in the schools. The phone numbers would remain the same.
- Update on Cove View Gardens: Mr. Wilson informed the Board that an agreement has been signed with Mr. Peterson and that everything is going in accordance with the agreement. The agreement was for the South Sevier attendance area schools. Mr. Peterson approached the District in regards to a fuel surcharge, which was never requested in the beginning. Cove View Gardens is unable to provide spinach due to the lack of daylight hours in the winter months, therefore, they lowered the price and the schools are purchasing spinach through the District.

ITEM #7. – CLOSED MEETING. The closed meeting was held during the work session prior to the regular meeting.

ITEM #8. – ACTION ITEMS. A motion was made by Don Naser and seconded by Tom Hales expressing support for the Salina City Tipperary Industrial Park project. Motion passed unanimously.

A motion was made at 4:33 p.m. by Jack Hansen and seconded by Richard Orr to take a break before commencing into the Ten-Year Building Committee presentation scheduled at 5:30 p.m. Motion passed unanimously.

The meeting reconvened at 5:30 p.m. Superintendent Mickelsen was excused.

ITEM #9. – TEN-YEAR BUILDING COMMITTEE PRESENTATION. Ten-Year Building Committee members in attendance were: Pat Wilson, Larry Morwood, Mary Okerlund, Rusty Bastian, Braden Gardner, Rick Robinson, Don Yates, and KMA Architect Kevin Madson.

Mr. Wilson provided a PowerPoint presentation indicating the high, middle, and low priorities established by the building committee.

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A motion was made by Richard Orr and seconded by Jack Hansen to accept the recommendations of the Ten-Year Building Committee and to express sincere thanks to them for serving on the committee. Motion passed unanimously.

A motion was made by Jack Hansen and seconded by Tom Hales to approve \$46 million of debt for a bond election. Motion passed unanimously.

A motion was made by Jack Hansen and seconded by Tom Hales to accept scenario three (3) as the timeline for the construction of a new Richfield High School to be evaluated and determined if it was possible. Motion passed unanimously.

A motion was made at 7:55 p.m. by Tom Hales and seconded by Jack Hansen to adjourn the meeting. Motion passed unanimously.

I certify that upon motion duly made, seconded and passed, the Board of Education of the Sevier School District approved the foregoing minutes on the 20th day of March 2013. I further certify that a quorum of the Board was present on both the day covered by these minutes and the day of approval.

Patrick Wilson, Business Administrator