

**LINCOLN COUNTY SCHOOL DISTRICT**  
**Board of Directors- Regular Session**  
**Tuesday, December 15, 2009 - 7:00 p.m.**  
**Newport High School**  
**Newport, Oregon**

**Minutes**

**PRESIDING:** Jana Cowan, Chairman

**Present:** Jana Cowan, Chairman; Ron Beck, Vice-Chairman; Jean Turner, Brenda Brown, Karen Bondley, Directors

**Also Present:** Tom Rinearson, Superintendent; Laurie Urquhart, Secretary; approx. 20 members of the staff, media and interested patrons

**Call to Order- Establishment of a Quorum**

Chairman Cowan convened the meeting and called the session to order at 7:04 p.m. with a quorum of all five board members present.

**Budget Committee Interviews/Appointments**

Board members briefly interviewed two applicants to the District's Budget Committee, then appointed them to three-year terms, through June 30, 2012. The first budget committee meeting is May 20, 2010.

**Appointment of John Miller to Zone 2**

**Motion 09/10-28**

On motion of Director Brown, seconded by Director Turner, the Board unanimously approved the appointment of John Miller as the Zone 2 Budget Committee member. Mr. Miller resides in Siletz. He stated his family members are long-time Siletz residents, and said he served on the district's local school committee and Budget Committee in the past.

**Appointment of Lill Hockema to Zone 3**

**Motion 09/10-29**

On motion of Director Beck, seconded by Director Turner, the Board unanimously approved the appointment of Lill Hockema as the Zone 3 Budget Committee member. Ms. Hockema resides in Newport and has a young son and a teenaged daughter currently attending school in LCSD. She worked for the Seattle school district's budget office in the past.

**Financial Forecast, Part I**

Business Manager Julie Baldwin presented information related to the economic outlook for LCSD in preparation for remarks by State Rep. Jean Cowan. Ms. Baldwin reported though the recession is technically over according to the state economist, the recovery and job growth in Oregon is expected to be slow. Though the "all funds" state budget was increased by 9.2%, the "essential budget" level was

down by \$4 billion. The State School Fund (SSF) appropriation saw a 7.2% decrease from the 07/09 biennium level. If not for federal stimulus dollars, SSF funding would have been down by 11.4%.

She described the tax measures to go before voters in the January 26<sup>th</sup> election and effects of their passage or failure on LCSD. The revenue package means state revenue of \$733 million, included in the current biennium's budget. If the measures fail, LCSD will have to make reductions of \$2.8 million next year.

Measure 66 affects personal income tax rates for households earning over \$250,000 (\$125,000 for individuals). This would affect approximately 28,000 income tax filers statewide.

Measure 67 affects corporate taxes. For S-Corps and LLCs, the minimum filing tax increases from \$10 to \$150. For C-Corporations reporting no Oregon profits, the tax is increased from \$10 to \$150 for those having less than \$500,000 in Oregon sales. For those with sales above \$500,000, the minimum tax is increased from \$10 to approximately 1/10 of 1% of Oregon sales (e.g., a corporation with \$1 million in Oregon sales will pay \$1,000).

For C Corporations reporting Oregon profits, the tax rate is 7.9% (from the current rate of 6.6%) for all corporate income above \$250,000. The rate decreases to 7.6% in 2011 and 2012, and in 2013 and beyond, the income threshold increases from \$250,000 to \$10 million. Note: information on the ballot measures was gathered from the Confederation of Oregon School Administrators (COSA) and the State Legislative Office.

### **Update- Rep. Jean Cowan**

State Representative Jean Cowan noted the state legislature has demonstrated its commitment to K-12 education. She expressed how "excruciatingly difficult" it is to balance the state budget during these trying financial times. "We are required to present a balanced budget. If the ballot measures fail, the cuts that will occur will be much larger than \$733 million as we are partway through the biennium," said Cowan. Though federal stimulus dollars have helped, the state must employ individuals to administer the federal monies thus reducing their impact.

Rep. Cowan stated the "size of the pie" (state resources) is inadequate, and that Oregon's dependence on the income tax is particularly vulnerable to downturns in the economy. She also said LCSD's falling student numbers contribute to the lack of resources here.

Ms. Cowan reviewed areas of concern to LCSD, including the passage of legislation affecting modified diplomas. Requirements for this type of diploma were changed and will affect several students expecting to graduate this year. She also addressed HB 2867, the bill dealing with contracted services. "This bill was not designed for school districts. We may be able to adjust the law," said Cowan. Director Jean Turner asked if Ms. Cowan was aware of the potential negative impact the law could have on LCSD; the representative responded she is aware and said she supports a modification to the law to exempt school districts. "It is a classic example of unintended consequences," said Cowan.

The Representative also mentioned HB 3401 dealing with PERS side accounts, and asked if this legislation was helpful. Superintendent Rinearson responded that it is helpful, but is now awaiting a ruling by the Internal Revenue Service. He explained the District bonded PERS debt several years ago.

The money is in a "side account" drawing interest. PERS initially said entities would have access to that money, but has since changed that stance due to IRS regulations. The legislation engages a conversation about the side accounts. If it is ultimately upheld, LCSD would have access to another revenue stream.

### **Introductions- Student Representative**

Newport High student representative Dallas Kay updated the Board on activities at that school, including: •school spirit is great this year, with lots of participation in Homecoming activities; •sophomore Jake Robison raised approximately \$1500 for Doernbecher Children's Hospital in the Mr. NHS contest; •fall sports went well; •students are involved in a variety of extra-curricular and co-curricular activities, including the dance team, Robotics Club, Junior Optimists, and the new "Friday lunch jam" where students read poetry or play music.

### **Audit Report**

Kenny Allen of Pauly, Rogers and Co., P.C. presented the audit report for the fiscal year ended June 30, 2009, reporting the District earned a "clean, unqualified" audit, the highest attainable. He reported no issues of non-compliance, and no difficulties or disagreements with management. He noted the books were in good condition for audit.

**Note:** Chairman Cowan announced that item 9.e. had been removed from the agenda for this evening.

### **Communications**

Lori Miller addressed the Board regarding the Corrective Reading program and how it fits with Individual Education Plans (IEPs).

### **Written Communications**

Vice Chairman Ron Beck reported the receipt of a letter from the Department of Environmental Quality regarding their testing of air quality at Toledo Elementary. The letter states that tests so far show concentrations well below levels of concern. The monitoring will continue to determine possible long-term health concerns until they have results from the 60-day monitoring period.

Superintendent Rinearson reported receipt of a letter from Gov. Kulongoski regarding "Race to the Top," a federal grant competition. "We are looking at moving forward on this," said Rinearson.

Mr. Rinearson also reported receipt of a letter from Mark Camara regarding concerns about student athlete concussions. Operations Administrator Joe Novello reported coaches are certified by the American Sport Education Program and are trained in responding to concussions. Also, helmets are certified every year. LCSD exceeds required standards said Novello.

### **Board Reports**

Chairman Cowan reported Chris McKenney at Sam Case and Sarah Ball at Toledo Elementary are offering a free ten-week classical guitar course at those respective schools. Forty students total may participate.

Director Jean Turner reported she will be distributing "Math Facts" certificates to students at Crestview Heights who have mastered "times tables" to 12, and asked how the other board members' areas are doing in this regard.

## **West Area Report**

Newport High Principal Jon Zagel reported staff have moved on from the merger of west area schools to focusing on student achievement. Though the school met Adequate Yearly Progress standards, the goal is to markedly increase the percentage of students meeting or exceeding state standards in reading, math and writing to "80-80-80" respectively (currently at 67/57/47). To help students needing assistance with writing skills, 118 students received six hours of individual writing instruction. Future plans for the west area include becoming an International Baccalaureate K-12 program.

Mr. Zagel noted all four areas of the District have seen improvement in student achievement, and thanked the Board for their foresight in hiring Superintendent Rinearson. "He is an amazing part of this improvement. The addition of Sara Johnson is also great," said Zagel.

Newport Intermediate/Isaac Newton Magnet School Principal Kristen Becker noted her students must reach even higher goals while at the intermediate school level in order to reach milestones set at the high school level. She reported the primary focus at the intermediate school is math.

Sam Case Primary Principal Marsha Eckelman said the focus at that school is on reading and math. She said it is exciting to see her young students "rising to the occasion" in several areas.

Board member Ron Beck thanked all west area principals for their consistent and timely responses to patrons' concerns. "I get the initial calls. They are always able to talk to the principals to correct the problems," said Beck.

Ms. Becker reported she will be on maternity leave beginning some time in February, and said Taft 7-12 Assistant Principal Majalisse Tolan will take the reins at Newport Intermediate/INMS until mid-May. Ben Hensley and Mychal Williams at Taft 7-12 will help fill in at that school.

## **Financial Report**

Business Manager Julie Baldwin presented financial reports as of November 30, 2009. Property taxes arrived in November as expected; interest rates remain low.

Chairman Cowan asked about the increase to purchased services; Ms. Baldwin will look into it and respond. Director Beck asked if the District would be responsible for extended unemployment benefits. Ms. Baldwin replied she has been advised the District will not be responsible but will research the issue to be sure.

Ms. Baldwin also directed the Board's attention to the art work on the cover of the audit report, done by 2<sup>nd</sup> and 3<sup>rd</sup> grade district students.

## **Financial Forecast Update (Part II)**

Ms. Baldwin continued her financial forecast, noting LCSD's revenue is dependent upon state dollars. For the 2009-11 biennium, the state allocated \$6 billion for K-12 education. \$200 million of that has been set aside in the event state cash reserves go below \$300 million as noted in the May, 2010 state revenue forecast. LCSD will not know its share of this allocation until after May, 2010 (well into development of next year's budget).

If Measures 66 and 67 on the January 26<sup>th</sup> ballot fail, LCSD will see a revenue shortfall of \$2.8 million for the coming year. Therefore, if the ballot measures fail and the state does not distribute any of the \$200 million set aside, LCSD will see a decline in revenue next year of at least \$5 million.

Ms. Baldwin reported PERS went from being funded at 98% to 71% thus increasing contribution rates. The rates may be "smoothed" over several years but that is not known at this time.

She reported staff offering to freeze their salaries for this year (Confidential employees and most administrators) resulted in approximately \$66,500 in savings. She presented a series of slides showing revenue if the ballot measures are approved and the \$200 million from the state is "triggered," then if each ballot measure is defeated, then if both measures are defeated and the \$200 million is not distributed. In this worst case event, the District would see a decline in revenue next year of at least \$5 million if the state legislature takes no further action.

Superintendent Rinearson demonstrated the "decision making matrix," a tool used to determine required items and value added items (those having a direct correlation to increase student learning).

## **Superintendent's Report**

Superintendent Rinearson congratulated Taft 7-12 Assistant Principal Julie Lafayette for her award as Oregon's "Assistant Principal of the Year." The award is administered by the Confederation of Oregon School Administrators, who entered her name for consideration for the national honor.

The Superintendent reported an anonymous donor gave the District 1200 shares of stock to benefit the district's Homeless program. Staff is exploring how to best administer the gift, which is currently valued at approximately \$75,000.

Mr. Rinearson noted teachers at Oceanlake Elementary are currently using two books for professional development in improving reading instruction: *The Daily Five* and *The CAFÉ* (Comprehension/Accuracy/Fluency/Extended vocabulary).

Superintendent Rinearson thanked Newport residents Yen Nguyen and Lee Vogelmann for their donation of \$500 to the District's homeless program.

The Superintendent congratulated Newport Intermediate School for winning the November "Capture the Attendance Flag" competition.

He thanked Toledo Jr./Sr. High staff for their donation and delivery of over 70 pounds of bathroom supplies to the east area homeless cupboard at the former Arcadia School. This "cupboard" is open to

those in need of bathroom supplies, clothing and bedding every third Saturday of the month from 10 a.m. to noon.

Mr. Rinearson wished Board member Jana Cowan a belated "Happy Birthday" (December 7<sup>th</sup>) and reported the last day of school before winter break is Friday, December 18<sup>th</sup>. School resumes January 4<sup>th</sup> in the north area (Lincoln City), with the other three areas having a school improvement day then. School resumes in those areas on January 5<sup>th</sup>.

### **Approval of the Consent Calendar**

**Motion 09/10-30**

On motion of Director Beck, seconded by Director Bondley, the Board unanimously approved the Consent Calendar items, including:

- Minutes, 11/17/09 Regular Session;**
- Regular Personnel Items and Addendum.**

### **Board Priorities/Budget Planning**

Director Brown stated she would like to see a priority in keeping as many dollars as possible in the classroom. Director Turner said, due to the economic situation, it is incumbent upon the district to maintain "as many programs that are working as we possibly can. We need to take a good, hard look at what is working and what is not."

Director Beck noted the District Priorities (approved by the Board in January, 2008) may not be realities in the next few years. Chairman Cowan noted the Board discussed keeping a focus on the arts and music in prior conversations. After some discussion, Board members agreed this area could be considered among those that are working in the District.

The Board reached consensus on their priorities for the development of the coming year's budget. They would like to keep as many dollars as possible in the classroom, and to maintain programs that are working.

### **Resolution 2009/10-9, Support of Measures 66 and 67**

**Motion 09/10-31**

On motion of Director Brown, seconded by Director Bondley, the Board unanimously approved Resolution 2009/10-9 Support for Ballot Measures 66 and 67 in the January 26<sup>th</sup> election.

Director Beck noted part of the resolution encourages "parents, staff and community members to...actively support the measures." Mr. Rinearson stated staff may not take part in campaign activities during work hours.

### **Policy GCPB/ GDPB, Resignation of Staff**

A revised policy GCPB/GDPB, Resignation of Staff, was presented. The policy will return to the Board for consideration at the next meeting.

## **Property Inventory**

During a board retreat last summer, the Board raised the idea of having a property inventory completed. Director of Support Services Rich Belloni presented a portion of the inventory to determine if it met Board members' expectations. Director Brown stated her preference to include assessed values; Mr. Belloni will include them as he receives them from the assessors' office.

Mr. Belloni will complete the inventory and distribute it to the Board in the coming weeks.

## **Superintendent Evaluation- Instrument**

Last year, the Board briefly examined a new form to evaluate the Superintendent. After further review, the Board reached consensus to use the form used in years past and to revise the new, proposed form for a future evaluation.

The Board, Learning Support Team and Principals will complete the evaluation form in January.

The meeting was adjourned at 10:02 p.m.

---

Chairman

---

Superintendent