

LINCOLN COUNTY SCHOOL DISTRICT
Board of Directors- Regular Session
Tuesday, December 21, 2010- 7:00 p.m.
Newport High School
Newport, Oregon

Minutes

PRESIDING: Ron Beck, Chairman

Present: Ron Beck, Chairman; Jean Turner, Vice Chairman; Brenda Brown, Karen Bondley, Liz Martin, Directors

Also Present: Tom Rinearson, Superintendent; Laurie Urquhart, Secretary; approximately 20 members of the staff, media and patrons

Call to Order- Establishment of a Quorum

Chairman Ron Beck called the session to order and convened the meeting at 7:00 p.m. with a quorum of all five board members present.

Communications

Chairman Beck reported the Board received word of state school Superintendent Susan Castillo's approval of Superintendent Rinearson's request for a waiver pursuant to the small schools funding at Waldport High. (Waldport High currently receives funding from the state of Oregon for meeting the criteria of "small school." This funding is site based; staff wanted to be sure this funding would continue if a new high school was built. The waiver allows the funding to continue, even if the school is relocated to the proposed site, next to Crestview Heights School.)

Tracey Taylor, representing the Taft Booster club, addressed the Board regarding the artificial turf field in Lincoln City. He noted the field is used by many different groups in addition to students, and said athletics help some students stay in school.

Toledo track coach Janet Johnson reported the track program has grown substantially over the past several years, and said she teaches life lessons through track. She said the track there is in "dire need" of replacement. "It is a gorgeous facility, but needs a new track," said Johnson.

Newport Booster President Rob Thompson said 50-75 people gather in Newport each Friday morning to support students. He noted extra-curricular activities provide critical support to students' ability to navigate the school system and life. "We can't upgrade classrooms and not the athletic fields," said Thompson. He encouraged the Board to include new fields in the bond measure as "it is a natural fit."

Waldport Booster President Eric Clark noted Waldport High's location in the tsunami zone and said the effects of a tsunami have been seen around the world. He noted the existing football field did not have

lights this year, and the school does not have a home track. He urged the Board to “do the right thing for the kids in Waldport and all over the county.”

Jim Chambers, representing the Toledo Booster club, said that group encourages the Board to consider carefully the proposed artificial turf fields. He reported Toledo built a new grass field a few years ago that regularly floods. “We are in a wet climate here. The kids need something to do; I encourage you to include the fields in the bond,” said Chambers. He also said developing low maintenance fields would “allow those employees to do other things.”

Board Reports

Director Liz Martin reported she recently had the pleasure of distributing “math facts” certificates to Taft Elementary students who learned their multiplication tables. She also visited Taft 7-12.

Director Martin said the Newport choir/band concert was outstanding, and recognized teacher John Bringetto for his “passion for music.” Chairman Beck echoed this.

Draft Audit Report

Kenny Allen of Pauly, Rogers and Co., P.C. presented a draft audit report for the fiscal year ended June 30, 2010. The report is in draft form as LCSD has not yet received audit reports from the charter schools in Siletz.

Mr. Allen said the District’s audit has been complete for a few weeks, and said the firm would be issuing an unqualified opinion, the highest level attainable. “We tested more programs because of the federal ARRA money,” said Allen. He noted there are more compliance requirements from the Governmental Accounting Standards Board (GASB); one of these recommendations is to adopt a fund balance policy. He commended the accounting staff for their good work and professionalism.

Mr. Allen noted the audit would be completed quickly once the missing documents are received. Pauly, Rogers is working with Siletz schools on their audit.

Financial Reports

Business Manager Julie Baldwin presented final 09/10 general fund and special revenue fund reports as well as financial reports as of November 30, 2010. She reported local assessed property valuation increased.

Ms. Baldwin noted district enrollment increased in the month of November, which is unusual and a positive sign. Administrators are being cautious in spending.

Director Brown asked if the building maintenance fund is replenished using revenue from the sale of property; Ms. Baldwin replied in the affirmative.

Staff is working with Sodexo (custodial services) to revise their contract to reflect the reduction of school days.

Chairman Beck asked if there is an audit penalty for the late audit from Siletz. Ms. Baldwin replied when charters do not submit their audits on time, they lose 5% of their funding for the month. If the district's audit is not submitted by December 31, the state has the ability to withhold State School Funding payments to the District. Superintendent Rinearson said this will be an interesting topic when one of the Siletz charters seeks a renewed charter agreement with LCSD.

Director Brown asked if the boiler at Toledo Jr./Sr. High is repaired. Mr. Belloni stated it is, and the hope is for it to last two to three years.

Ms. Baldwin noted a slight dip in interest rates.

“It’s Time to Reinvest in Education”

Business Manager Julie Baldwin shared information prepared by the Confederation of Oregon School Administrators and other education partners detailing the state of Oregon’s funding of education over the last four bienniums. She reported education has received a declining percentage of the state’s total revenue each year since 2003. That year, education comprised 58.7% of Oregon’s state budget. The percentage in the current biennium is 50.8%. “Oregon’s disinvestment in education is threatening our future,” said Baldwin.

Superintendent Rinearson noted state expenditures have increased 34% since 2003, but education expenditures have only increased 16%. “When other state departments come to the legislature, they ask for what they need to fully fund their department. For education, we never talk about that,” said Rinearson. The hope is to return to the percentage of state funding in place at the beginning of the 2002/03 year. Currently education is funded at 73% of the “Quality Education Model.”

If K-12 education is funded at the proposed 58.7% of state revenue as proposed, revenue statewide would go from \$5.7 billion for the current biennium to \$8.7 billion in 2015-17.

Class sizes have increased, school employee positions have decreased by about 10% across the state, and many districts have reduced school days.

Mr. Rinearson said this information is being shared across the state.

Superintendent’s Report

Superintendent Rinearson recognized the Lincoln City branch of the Lincoln County Board of Realtors for their donation of \$2,850 to Lincoln City schools. The funds were raised to benefit the “Realtors for Kids” clothing fund.

Mr. Rinearson gave kudos to Safety Coordinator Sue Graves, who was invited by the U.S. Department of Education to present (all expenses paid) at the Readiness and Emergency Management for Schools meeting in Santa Monica, California. She presented to over 100 new grant recipients on “Developing an Emergency Plan- Start to Finish.”

The Superintendent recognized Newport Intermediate sixth grade teachers Jana Osterlund and Jo Train, recipients of a week-long artist-in-residency sponsored by the Oregon Coast Council for the Arts, U.S.

Bank and the Nye Beach Merchants Association. Students participated in the “Washed Ashore Project,” an artistic endeavor turning plastic washed up on beaches into art. Students visited the Visual Arts Center to see the exhibit, did a beach clean-up, toured the Dahl Disposal recycling center, created masks and wrote stories about them, and created a display in a school hallway.

Superintendent Rinearson congratulated Crestview Heights School, attendance flag winners for November. He wished school board member Liz Martin “Happy Birthday,” and said all LCSD schools are closed for winter break. Schools will re-open January 3rd or 4th, depending upon the area.

Approval of the Consent Calendar

Motion 2010/11-22

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

- Minutes, 11/9/10 Work Session;
- Minutes, 11/16/10 Regular Session;
- Policy JBAA, Section 504- Students;
- Cooperative Agreement, Toledo Swimmer to Newport;
- Regular Personnel Items and Addendum;
- Resolution 2010/11-6, Declaration of Board Vacancies.

Board Priorities for 2011/12 Budget

Motion 2010/11-23

On motion of Director Turner, seconded by Director Martin, the Board unanimously approved its priorities for development of the 2011/12 budget. Board members reaffirmed District Priorities approved earlier this school year, and said they would like to keep as much money in the classroom as possible.

Director Brown encouraged staff to consider sustainability of programs and to look at saving “nickels and dimes” wherever possible, including utility costs, credit card expenses, travel, etc.

Information on Total Instruction Alignment

Assistant Superintendent Sara Johnson reported Total Instructional Alignment (TIA) is proceeding well. This work includes alignment of the system, including standards, curriculum/assessment, and instructional practices. The key, said Johnson, is deeper implementation. “There is a myth of linearity, where one assumes the further the initiative is developed, the higher student achievement goes.” She said this is not necessarily true, and said it is important that all teachers are involved with this work. “We have to have 90% of the people, 90% of the time, with 90% fidelity,” said Johnson.

“We are about two-thirds through unpacking the standards for which our students are responsible,” said Johnson. Plans include improving teachers’ access to this work, improving professional development, and improving assessment tools. She noted there is a need for benchmark tools, in addition to OAKS testing currently in use.

Dr. Johnson noted principals are trained in the work; they then work with their staff (“train the trainers”). She said TIA is “dynamic and alive. Our system will support student achievement, regardless of the person you put in place.”

Information on Qualified School Construction Bonds

Business Manager Julie Baldwin reported the Oregon Department of Education expects to have approximately \$60 million in unused Qualified School Construction Bonds (“QSCBs”) available. The program authorizes school districts to borrow at very low interest rates (potentially as low as 0%). An allocation, not to exceed \$15 million for any one district, can be used toward a general obligation bond authorization.

A new application period will occur January 3, 2011 through February 1, 2011. LCSD has the highest ranking, as the District has not applied before and has been planning for over a year. If the district was successful in obtaining these bonds, decided to seek general obligation (G.O.) bonds which voters approved, cost of the G.O. bonds could be substantially reduced (the rate per thousand could go to 71 cents).

Ms. Baldwin said the Board should consider how the funds will be repaid, either by full faith/credit or by general obligation bonds. Director Turner asked the Superintendent for his recommendation; Mr. Rinearson said he recommends applying it to the bonds. If the general obligation bonds were not approved by voters, the District would turn the QSCBs down.

The Board reached consensus to seek the full amount, and to apply the QSCBs to general obligation bonds.

Audit Joint Agency Request for Proposal Process

The District is required by policy to seek Requests for Proposals (RFPs) for audit services every five years (with three annual extensions allowed). LCSD is participating in a joint public agency RFP for audit services with Corvallis, Greater Albany, Lebanon, Harrisburg, Monroe and Philomath School Districts.

Proposals will be reviewed in February, with a recommendation to the Board in March.

Discussion on Results of Polling/Facilities Improvements

The District conducted a poll of voters as well as an internal online poll of employees regarding the possibility of seeking general obligation bonds for facilities improvements. The Board met in a work session December 14th, and continued the discussion at the December 21st meeting.

Conclusions indicate a majority of respondents give the school district a positive performance rating; that they believe the district spends its money wisely and that they would support a bond measure for facilities improvements.

Director Belloni presented information on the cost of maintaining grass fields versus synthetic turf. Though the initial investment in building an artificial turf field is higher, the long-term maintenance

costs are lower. In Waldport, Mr. Belloni estimated the cost of building an artificial turf field versus a sod field to be \$250,000 higher. District wide, the estimated cost to build three artificial turf fields is approximately \$750,000 more than building three new grass fields.

Synthetic fields drain quickly and may be used more often than grass fields in our rainy climate. Artificial turf fields must be maintained by being “groomed” and redistributing the rubber pellets. Superintendent Rinearson noted there is fewer man hours needed to maintain artificial turf fields, and said these fields are more sustainable. “If we are looking at nickels and dimes, this is a good example over 15 years. It looks advantageous over a 15-year period, though that is a tough sell that far out.” Taft’s water usage at the grandstand was reduced by half after the artificial turf field there was built.

Mr. Belloni then discussed ideas he had regarding selected facilities improvement projects developed by engineers to see if other approaches to them may be used. He and Superintendent Rinearson will meet with engineers in the coming weeks about the projects (heating systems, controls, etc.) to discuss different ways to accomplish them and to possibly reduce costs.

Superintendent Rinearson cautioned the Board about looking ahead too far (i.e. ways to implement the bond). “The bond committee will make decisions about which projects will be done or not done. It is a fluid process; that level of detail should be avoided.” Director Brown stated she likes Mr. Belloni’s involvement.

Director Martin stated we want quality projects. Mr. Rinearson commented the important point is for Mr. Belloni and an oversight committee to meet once that stage is reached. “This is the nickels and dimes piece. An oversight committee is important; it will be up to them to identify additional projects, rather than simply adding them because we may have more money.”

Julie Baldwin reported if the bonds were sold in June 2011, an interest payment would be due in December 2011, and a principal and interest payment in 2012.

Discussion on General Obligation Bonds/Ballot Resolution

Business Manager Julie Baldwin presented a draft resolution calling for a measure election to ask voters to consider issuing general obligation bonds, not to exceed \$63,010,000. The bonds would provide funds for capital assets and bond issuance costs, including: ●building a new Waldport High School to move students and teachers out of the tsunami zone; ●construct new classrooms at existing sites to replace portable classrooms; ●increase available classroom space to meet future needs of K-3; ●make improvements to bring all facilities to ADA compliance and safety standards; and ●make site improvements, athletic field improvements, and pay demolition costs. The bonds would mature in 18 years or less from the date of issuance.

If the board votes to move forward with a bond measure and voters approve it, taxpayers’ rates would not increase, but would remain close to the same. Bonds issued in 1995 will be repaid in 2012; if new general obligation bonds are issued, they would assume the same approximate rate as the existing bonds. The increased value of assessed property has an impact on the rate; Lincoln County properties saw an increase closer to 4% compared to recent trends of 2%. Interest rates at the time of sale of the bonds also impact the rate. Seattle Northwest Securities has calculated the rate to be between 76 and 79 cents; the current rate is 78 cents.

Ms. Baldwin noted there was local interest from an Edward Jones office regarding selling the bonds. She said Seattle Northwest Securities could work with a local company for local sale of a portion of the bonds.

Ms. Baldwin also said more specific details would be part of the voters' pamphlet to supplement the information provided in the ballot title, caption and summary. "We want to be descriptive, but still have latitude," said Baldwin. She said there variables beyond the district's control, and said if LCSD is successful with the QSCBs, the tax rate for the bonds could go to 71 cents per thousand dollars of assessed value. Staff will know the outcome of the QSCBs by the January board meeting.

Director Brown raised the issue of artificial turf fields and how they polled during the two surveys. "My fear is it could take the whole bond down. What would it cost for us to do two measures, one for fields and one for everything else?"

Chairman Beck said he is hearing different input from constituents. Director Bondley stated her belief the fields are a matter of educating voters. "I am hearing positive support," said Bondley. Director Turner agreed that it is a matter of voter education.

Director Martin said she has heard an artificial turf field is very important in Newport. "We have to be 100% behind whatever we put out there," said Martin.

Director Bondley said she has heard people in the north area of the county feel fortunate to have had a new school built there during the last bond, and that the same should occur for Waldport.

Chairman Beck said he is not sure the two issues should be severed, and said much education remains to be done.

Grant Application- School Based Health Centers- Facilities

Mr. Belloni updated the Board on a grant application he and Lincoln County staff have been developing over the last few months. If successful, the grant would be used to improve school based health center facilities at Toledo Jr./Sr. High and Newport Prep Academy. The grant is due January 15th.

Superintendent's Evaluation- Process and Timeline

Each year, the Board conducts an evaluation of the Superintendent. In addition to input from Board members, District administrators will complete the forms.

The evaluation forms will be distributed January 19th, and are due back February 4th. There was discussion earlier in the year about changing the form, however the existing form will be used for this evaluation.

The meeting was adjourned at 9:55 p.m.

Chairman

Superintendent