

GRAND COUNTY BOARD OF EDUCATION

SPECIAL MEETING

SEPTEMBER 30, 2009

Kaaron Jorgen called the meeting to order at 5:03 pm with Board members Kaaron Jorgen, Bryon Walston, Jim Webster, and Ron Olsen – by telephone, present, along with Superintendent Margaret Hopkin, Robert Farnsworth Temporary Business Administrator, Richard Clark, District Financial Advisor and Secretary Becky McCormick. Also present were Peggy Harty, Mary McElhaney, Konnie Pacheco, Arlajean Paskett, Buffy Camps, Sarah Hamingson, Cindy Hirschfeld, Johnna Denny, Belinda McKinnon, Debbie Davis, Bryan L. Sprague USEA, Kathryn Jackson, Linda Grawet, Clarke Abbey, Lisa Paterson, Bob Phillips, Nancy Wermuth, Robert Wermuth, Tom Warren, Mike Arehart, Brandy Shumway, Lisa Sweeten, Rob Sweeten, Joanne Savoie, Lynn Koon, Flo Saggboy, Carrie McKay, Lisa Talbot, Lance LeVar, Kristi Nichol, Doug Garrett, Bernie and Paula Radcliffe, Jeff Richards and Taryn Kay.

Kaaron Jorgen led in the Pledge of Allegiance.

Kaaron Jorgen introduced Richard Clark, the District Financial Advisor, Robert Farnsworth, Temporary Business Administrator and Brandy Shumway, Principal at Helen M. Knight Intermediate School.

Kaaron Jorgen explained to the audience the procedures for delegations. To address the Board the person must fill out a Request to Address the Board Card and turn it into the Board President. When they are invited to address the Board they should identify themselves

, and then they will have 3 minutes to address the Board.

AGENDA ITEMS

1. Clarification of potentially misleading information regarding the unfolding District financial situation.

Margaret Hopkin stated that she was made aware of the serious finding of the District's financial situation on September 17, 2009 and that the Board was made aware of the findings on September 18, 2009; and it is now under investigation. Superintendent Hopkin is concerned about some misleading information reported by KSL. Misleading Information Item #1: The current financial situation is a result of the current recession. Misleading Information Item #2: It was reported by the media that 'a recent audit' shows Grand County has a 2 million dollar deficit. (Please see attached Agenda).

2. Request for out of state trips – Native American Club. Cora Shonie, District title VVVII Coordinator request permission to take 7 students to Shlprock New Mexico on Saturday, October 3, 2009, using District vehicles. Robert Farnsworth reported that he contacted Risk Management and it was their recommendation that the Native American Club use public transportation. If District vehicles were used

and there were an accident out of state, it is very likely it would deplete all Risk Management's funds; and would raise our premiums. Lance LeVar, High School Associate Principal said Blackhawk Bus Company could take them from Blanding to Shiprock and back for \$580. Discussion followed about monies in the Native American Club account. This item was moved to Action Items.

DELEGATIONS

Peggy Harty: Co-president GEA read a letter to the Board stating their position on the District's financial situation (letter attached).

Bob Phillips: Mosquito Abatement District Manager encouraged the Board to wait a month on any decisions to cut salaries. He suggested waiting until the audit was complete.

Kathryn Jackson: She concurred with Peggy Harty's letter.

Lisa Sweeten: Parent of 4 children in the district. Lisa Sweeten said she appreciates teachers and administration and thanked the Board for being forthcoming. She does not support the 2 more days of furlough. She suggests fundraising for student trips.

Rob Sweeten: Feels like the Board is moving too fast on cut back decisions. He does not know how you will find \$100,000 to cut on sports programs.

Cindy Hirschfeld: Asked if the auditors were bonded. Cindy asked if the State was loaning the District money; referring to the Board petitioning the State for Financially Distressed District.

5. Recommendation to approve cutback strategies to meet 1.45 million dollar deficit.

Superintendent Margaret Hopkin asked the District's Financial Advisor, Richard Clark if the 1.45 million dollar deficit could change. Richard Clark responded that it changes every day, but he doesn't see it changing either way over \$100,000. It is a work in progress. The financial report that will define the deficit is due on October 8, 2009.

Comments from the audiences were: could we consider a 4 day school week. Superintendent Hopkin said we are required to attend 180 days; except for this year the state has allowed up to 5 furlough days. Look at a cafeteria plan for insurance. Could the enrollment date for insurance be extended? Robert Farnsworth talked with PEHP representatives. The enrollment deadline was September 30, 2009. They extended the deadline to October 8, 2009.

Robert Farnsworth has calculated the percentage of salary cutbacks. It depends on the staff member's salary. With the state cutting the quality teacher days, the 4% cutback, the 5 furlough days and the insurance co-pay deduction is reducing salaries from 7% to 13%.

Lisa Paterson, teacher at Red Rock Elementary, reminded the Board cutbacks would be higher if we included step and lane.

Rob Sweeten stated that because fall sports were well underway, the student activities cutbacks would affect winter and spring sports more than the fall sports. Some of the activities cutbacks could come from Beacon. It was estimated that approximately \$400,000 is spent on student activities.

Past School Board President Mike Arehart was asked to address the Board. Mike stated that in 1987 the District faced similar financial circumstances. The District went to a 4 day school week and closed Helen M. Knight Elementary. The voted leeway was turned down 3 times. The District was also not considered for a District in Distress.

ACTION ITEMS

1. Bryon Walston made a motion to approve the Native American Club to travel out of state with the following Risk Management's stipulations for out of state travel and not using District funds. Discussion: Ron Olsen agreed with Bryon Walston that the Club should not use District funding for the trip. Lance LeVar asked for clarification – could parents take students using personal cars? Superintendent Hopkin said that would be a liability issue. Kaaron Jorgen cannot support the students traveling out of state. In favor of the motion was Bryon Walston and Ron Olsen. Not in favor of the motion were Jim Webster and Kaaron Jorgen. The motion did not pass.

2. Motion Regarding addition of 2 instruction furlough days to the 2009-2010 school year. Bryon Walston made a motion to defer decision until further studies. Motion failed due to lack of a second. Jim Webster made a motion to add 2 more furlough days to the 2009-2010 school calendar. Kaaron Jorgen seconded the motion. Discussion: Bryon Walston said during the open forms at the High School on October 29th and 30th, he felt he needed to listen to staff members opinions, and not to cut the 2 days. Jim Webster agreed there were problems doing any salary cuts and not fully paying insurance premiums and that our employees are not paid enough as it is. The 2 day furlough shows local effort when petitioning the State Board for Distress District Status, as well as the 4% cut back on salaries and the cut to insurance premiums. Ron Olsen and Kaaron Jorgen agreed with Jim Webster. In favor of the motion were Kaaron Jorgen, Bryon Walston, Ron Olsen and Jim Webster. The motion passed.

3. Motion regarding recommended cutback strategies. Jim Webster made a motion that the District will pay all employees' insurance in full for single bronze coverage. The District will also pay 75% of the coverage for those desiring additional dependency coverage. The employee will pay 100% of the additional cost for silver, gold and platinum levels. Ron Olsen seconded the motion. Discussion: Bryon Walston commented that across the county insurance cutbacks are necessary, although it is terrible timing. In favor of the motion were Kaaron Jorgen, Bryon Walston, Ron Olsen and Jim Webster. The motion passed.

\$262,408 – 4% salary cutbacks: Bryon Walston made a motion to defer the 4% cutbacks until November 2009. Jim Webster seconded the motion. Discussion: Bryon Walston said we need teachers and community behind us. This is life altering and too quick. Ron Olsen said we need to balance the budget. The District will have a better chance being approved for Distressed District Status if we show local support. We need to be able to move the fund balances. Bryon Walston took his motion off the floor. Jim Webster wondered if the \$262,408 could be made up in a different way. Jim Webster made a

motion to reduce salaries by \$262,408 for the 2009-2010 school year or reduce the budget by other methods to be implemented by November 1, 2009. Bryon Walston seconded the motion. Discussion: Margaret Hopkin talked to Denese Markland, Payroll Clerk and she will need 2 to 3 days to prepare payroll for salary changes. In favor of the motion were Kaaron Jorgen, Bryon Walston, Ron Olsen and Jim Webster. The motion passed.

Bryon Walston made a motion to defer decision to cut student activated \$100,000 until November 1, 2009 for further research by a committee. Jim Webster seconded the motion. Discussion: Lance LeVar stated he believed this would weaken the petition to the State for Distress District Status. Margaret Hopkin said Athletic Director, Ron Dolphin stated that winter sports and being scheduled now. Cindy Hirschfeld asked about fund raisers. The Title IX ruling was discussed. Bryon Walston said we need to see figures on how much is spent for activities. In favor of the motion was Bryon Walston. Not in favor were Kaaron Jorgen and Jim Webster. The motion fails. Jim Webster made a motion to cut back student activities in the amount of \$100,000 in areas, to be determined. Kaaron Jorgen seconded the motion. In favor of the motion were Jim Webster and Kaaron Jorgen. Not in favor of the motion was Bryon Walston. The motion dies. Bryon Walston made a motion to cut a total of \$100,000 from any of the following student activities, but not limited to: athletics, extracurricular, co-curricular, field trips. Jim Webster seconded the motion. In favor of the motion were Kaaron Jorgen, Bryon Walston, Ron Olsen and Jim Webster. The motion passed.

Jim Webster made a motion to Petition of Utah State Board of Education for Financially Distressed District Status enabling one-time interfund transfer. Bryon Walston seconded the motion. In favor of the motion were Kaaron Jorgen, Bryon Walston, Ron Olsen and Jim Webster. The motion passed.

Kaaron Jorgen thanked all in audience for their attendance and comments. Superintendent Hopkin said last week staff cutbacks looked like 15 percent. Monday, October 28 when the USOE staff came to the District cutbacks looked like 10 to 12 percent. As of Wednesday, October 30, 2009 it was 4 percent cutbacks. Margaret Hopkin thanked all who participated in the 2 open meeting this week. Meetings will be scheduled the first week of October 2009 for coming up with \$262,408 in other areas than salaries.

The meeting was adjourned at 7:42 pm.

