

SPECIAL BOARD MEETING  
FEBRUARY 9, 2010  
MOUNTAIN HOME JUNIOR HIGH SCHOOL

TRUSTEES PRESENT: Chairman Alexander, Trustee House, Trustee Rodney, Trustee Murray, Trustee Reynolds  
(Trustee Reynolds arrived at 7:34 p.m.)

OTHERS PRESENT: Tim McMurtrey, James Gilbert, Cliff Ogborn, Sharon Whitman, Mary Workman, Kim Wing, Jamie Sloan, Penny Black, Nikki Crusier, Brian Hershey, Bill Cook, Michele Dawson, Lavonne Corder, Tim Corder, Rosemary Ash, Jerry Ash, Bill Magnusson, Brandie Garlitz, Ernie Elliott, Shelly Rose, Len Jackson, Erika Smith, Angela Fish, illegible signature, Kayleen Airhart, Chan Airhart, Raegan Sugden, Tammie Robins, Ken Robins, Eric Hendrick, Melissa ?, illegible signature, Melissa Casey, Sue Frampton, Elise Hawkins, Stephanie Viola, Nancy Brletic, Judy Mayne, Shauna Williams, Kathy Holland, Rick Checketts, Barb Checketts, Marsha Baker, Suzanne Burnett, Gayle Henderson, Lynnette Caraway, Judy Lehto, Jorge Sanchez, Rita Olson, Charles Olson, Jason Tindall, Toni Hill, Anita Straw, Anne Bowlden, Polly Sanders, Bid Sanders, Brian English, Donna English, Angela ?, Julie Vogl and two sons, Connie Donahue, Robbie Belk, Kristin Riley, Bill Riley, Sharon Morrison, Amy Downey, John Neely, B. Matson, James Clark, Michele Hoye, Pete Nielsen, Mona Jackson, Erin Acarregui, Terri Manduca, Jackie Harper, Chris Schetzle, illegible signature, Connie Crusier, Connley Crusier, Nancy Maloney, Steve and Cathy Guldseth, Sylvia Aguirre, Lynn Wilson, Tyler Merryman, Sid Wing, Judy Blanchard, Nicole Blanchard, Jennifer Link, Cindy Villa Lander, Karen Kohring, Judy Case, Peg Root, Doug Root, Katherine Hudson, Michael Curtis, Carole Curtis, Janet Nesbitt, Sandie Jett, Phil Raney, illegible signature, Rusty Earl, Pam Chiarella, Hilaree Stephens, Curtis Viall, Katie Gibbons

A special meeting of the Board of Trustees of Mountain Home School District No. 193, for the purpose of holding a public meeting to receive public input concerning financial problems and possible solutions, was convened at 7:30 p.m., on February 9, 2010, at Mountain Home Junior High School, 1600 East 6<sup>th</sup> south, Mountain Home, Idaho, in said district, pursuant to authority provided by Title 33-510, 33-522, and Title 67-2340 through 67-2347, Idaho Code, and pursuant to affirmation by the Clerk that notice of the special meeting had been given to each trustee and had been announced by written and posted public notice as required by law. A copy of the Notice of a Special Meeting of School Trustees so posted follows:

**REVISED AS OF JANUARY 29, 2010**  
**NOTICE OF SPECIAL MEETING OF THE BOARD OF TRUSTEES**  
**MOUNTAIN HOME SCHOOL DISTRICT NO. 193**  
**Mountain Home, Elmore County, Idaho**

NOTICE IS HEREBY GIVEN, that a special meeting of the Board of Trustees of Mountain Home School District No. 193 will be held on Tuesday, February 9, 2010, at 7:30 p.m., at the Mountain Home Junior High School Commons located at 1600 East 6<sup>th</sup> South, Mountain Home, Idaho, in said District, during which the following business will be conducted:

- I. Public Hearing – Receive input concerning financial problems and possible solutions
- II. Adjourn

This Special Meeting of the Board of Trustees of Mountain Home School District No. 193 is called pursuant to Title 33 Chapter 5, Title 33-510, 33-522, and Title 67-2340 through 67-2346, Idaho Code.

The Clerk of the Board of Trustees shall cause Notice of Special Hearing to be posted for at least 10-days prior to the date of said public hearing in at least three public places within the district, one of which shall be at or near the main door of the Administrative Office of said district in Mountain Home, Elmore County, Idaho.

The Clerk shall also cause the Notice of Public Hearing to be published at least once a week for two consecutive weeks, prior to the date set for the public hearing in the Mountain Home News, a newspaper published in Mountain Home, Idaho, and of general circulation in said school district.

First Publication: January 27, 2010  
Last Publication: February 3, 2010

#### **PUBLIC INPUT CONCERNING FINANCIAL PROBLEMS AND POSSIBLE SOLUTIONS:**

Persons wishing to address the Board regarding these matters must adhere to the following procedures:

1. Sign up on the appropriate form provided at the beginning of the meeting.
2. When your name is called, approach the Board and give oral presentation.
3. Individuals will be allowed a maximum of three (3) minutes to make such oral presentations. Those representing a group will be allowed a maximum of five (5) minutes to make oral presentation.
4. When notified by the Clerk that time has expired, please stop at that time.
5. The Board of Trustees will receive written comments regarding the subject of this meeting until the close of business on February 19, 2010. Such material should be delivered, or mailed to the Sharon M. Whitman, Clerk of the Board of Trustees, at the school district administration office located at 470 North 3<sup>rd</sup> East, P.O. Box 1390, Mountain Home, Idaho, 83647.
6. The purpose of this hearing is to hear oral comments and to receive information.
7. The Board of Trustees will adjourn this hearing after oral comments have been received or within a reasonable amount of time as determined by the board chair. No decision will be made at this time.

By order of the Board of Trustees on this 19<sup>th</sup> day of January 2010.

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Sharon M. Whitman, Clerk  
Board of Trustees  
Mountain Home School District No. 193

At 7:30 p.m., Chairman Alexander called the special meeting of the Board of Trustees of Mountain Home School District No. 193 to order. He welcomed the patrons and explained that this hearing was to receive input from the public regarding the school district's financial status and to receive possible solutions from the public. Chairman Alexander then reviewed the hearing procedures and rules aloud before patrons were called to give testimony. He stated that public input would be limited solely relating to the financial circumstances for the District and possible solutions and that patrons must submit the Public Input Form to the Clerk of the Board in order to give input to the Board of Trustees. Chairman Alexander went on to say complaints about personnel or individual students will only be heard in an executive session during another board meeting. He confirmed to the community that this is not a subject taken lightly by the Board or something that they truly wished to do. Chairman Alexander advised those present that there are certain state and federal mandates, including the expenditures of particularly designated sums of money for which the District Board and Administration have no discretion. He also mentioned there would be no action taken at this time and for patrons to contact the district office with additional questions or comments.

Chairman Alexander briefed the audience on the order of activities for the meeting. He then asked Administration to present a report to the Board as to the projected budgetary status for the 2010-2011 school year, including assumptions as to revenues and expenses.

Superintendent McMurtrey reiterated this is not a subject the Board of Trustees takes lightly nor something as a Board we truly wish to do, but due to financial circumstances, we have little option and would like to obtain input of others to assist in our decision making process. He also stated due to State and Federal mandates we have little or no

discretion on how to spend the money in certain budgets in the areas of Special Education, Title I, LEP/Migrant, and Plant Facility funds. Superintendent McMurtrey said in the past patrons have been very good to the district and have approved and supported the Plant Facility Levies. He reminded the audience that Plant Facility Funds could only be used on facilities and not on salaries. Superintendent McMurtrey then called upon Mr. Cliff Ogborn to present the District Budget Report.

Mr. Ogborn gave a generalized budget review and explained the general fund to the patrons. He asked the audience to refer to the handouts. Mr. Ogborn explained the handout reflects the revenue and expenditures sources. He started by reviewing the audited financials of FY2008 and FY2009 and compared the numbers to the FY2010 budget. Mr. Ogborn told the audience a fund balance could be considered as a type of savings account. The beginning balance of FY08 was \$557, 286. We generate revenues from local tax revenues, other local revenues, state revenues, federal revenues, earnings, and transfers in. Our expenditures are salaries, benefits, purchased services, materials and supplies, capital outlay, debt retirement, insurance and judgments, and transfers. At the end of FY08, the fund balance was \$199,066. This means we had expenses exceeding revenues of \$358,220. FY09 showed an ending fund balance of -\$152,134, which means we “overdrew” on our “savings” account for a total loss of \$351,200.

Mr. Ogborn stated to put a budget together, he must start the process in March and April, months before the September audit, and he assumes that the beginning budgeted fund balance will be the ending audited fund balance for the previous year to start the new fiscal year beginning budgeted fund balance.

He explained the budget by starting with FY10 beginning fund balance was assumed to be slightly less than FY09. Local tax revenue, the money received by local residents for Maintenance & Operations to the school district, was \$73,600, down \$32, 612 from FY09. Other local revenue was \$14,000, an increase of almost \$10,000, but state revenue of \$18,770,100 was down \$795,608 from FY09 due to declining enrollment and decline in funding from state resources. Federal revenue (Impact Aid) went from \$4,298,396 in FY08 to \$2,746,981 in FY09, a decrease of \$1,551,415, so Mr. Ogborn calculated halfway between the two past fiscal years figures for FY10 as \$3,500,000. Earnings were budgeted at \$162,500, but considering today’s interest rates, that number is optimistic. Transfers in from other funds were budgeted at \$23,600, a drop of \$1,278,347. FY08 general funds picked up a portion of the high school gym roof that had to be replaced. FY08 part of the expense per capital outlay was \$425,898, because we were in such dire straits last year, we transferred in \$370,000 of plant facility funds to general funds to reimburse the general funds the cost of the high school gym roof replacement. The rest of the transfer in was from Federal Forest funds. Federal Forest funds were accumulated from logging timber from Elmore County, which no longer exists. The transfers in explain the figure of \$1,251,947 in FY09.

Mr. Ogborn went on to explain expenditures. Salaries were \$15,050,108 in FY09 and budgeted \$14,155,600 in FY10. Benefits were \$5,052,251 in FY09 and a budgeted \$4,567,250 in FY10. Purchased Services increased to \$3,401,700 in FY10 from \$3,190,666 in FY09. Materials and Supplies dropped from \$569,419 in FY09 to \$566,650 in FY10. Capital Outlay went from \$25,727 in FY09 to \$20,000 in FY10. Nothing was budgeted for Debt Retirement in both FY09 and FY10. Insurance and Judgments increased from \$174,229 in FY09 to \$195,000 in FY10. Transfers were about the same with FY09 budgeted for \$56,747 and FY10 budgeted for \$55,000. Taking the beginning balance of \$199,000 and adding in all the revenue, then deducting all of the expenditures, then ending balance for FY10 is -\$218,400.

He stated the media has reported a decrease of 1.6% decrease that legislature proposed to implement this year. The 1.6% is equivalent to \$300,000. Latest rumors have been anyway from 1.6% to 2.3% cutbacks possibly amounting to \$425,000 decrease in revenue. He said the total revenue minus expenditures, plus the projected loss, and minus the \$300,000 cutbacks, we’re looking at \$870,000 deficit by the end of this year.

Mr. Ogborn presented a pie chart to show the percentage of the different revenue sources. He then went on to present a chart depicting what the school district pays versus what the state pays. The state pays \$10,403,695 in salaries, a shortage of \$3,751,905. The state pays \$1,876,826 in benefits, a shortage of \$2,690,424. The state pays \$1,100,000 for transportation in which the total transportation cost is \$1,389,500; the shortage is \$289,500. All other reimbursements from the state are an overage of \$2,540,729, leaving a total funding shortage of \$4,191,100.

He explained how the state calculates our ADA (Average Daily Attendance) to determine our support units. Using a state formula, which numerous variables are used for the calculations such as students' grade level, age, etc., the state determines our entitlement. The state then determines how many administrators, teachers, and classified personnel we are allowed to have on staff and they only pay for the allowable amount of staff. The state only reimburses our district for some of the PERSI and FICA and not any other benefits. Transportation is only reimbursed for a minimal amount.

Mr. Ogborn went over the percentages paid out by the district with salaries being the highest. Benefits are a close second with the district paying for employees' medical, dental, and vision, and some FICA and PERSI expenses because the state doesn't reimburse the district for 100% of the FICA and PERSI benefits. Purchased Services and Materials and Supplies make up the third largest expense to the district with the district paying First Student \$1,239,500 to bus students from home to school. Staff Salary Allocations are \$9,974,774 for certified staff, \$2,423,248 for classified staff, \$1,076,537 for administrative staff, \$283,041 for coaches, and \$398,000 for substitute and temporary staff. Purchased Services include transportation, utilities, maintenance, speech/occupational/physical therapy contracts, copier leases, and other contracted services. Materials and Supplies include transportation fuel for the busses to transport the students to school, custodial supplies, copier paper, academic supplies, etc.

He finished by stating for anyone who had questions or suggestions to visit with him after the hearing or contact him at the district office.

Superintendent McMurtrey discussed the cuts the district has already made over the last few years. Administrative position cuts included cutting one Assistant Superintendent-Curriculum Position in 2005, cut Superintendent's salary in 2006, froze Administrator's base salaries since 2007, cut one Director, and combined Federal Programs with LEP/Migrant in 2009, leaving the district at the level funded by the State. Certified position cuts included School Nurse in 1999, cut Athletic Trainer in 2004, cut three elementary Counselors in 2004, cut AR Coordinators at the buildings in 2009, cut nine Certified Teaching Positions through retirements (2009-2010), thus no one lost their job, we did not fill one School Psychologist position in 2009 and will not fill position in 2010-2011, leaving the district at the level funded by the State. Classified position cuts included cutting 17 positions in 2009-2010, which including Library Aides at the elementary schools and Hacker, cutting staff at Maintenance, and reducing Classroom Aides, leaving the district over the state allotment for funding by 10 positions.

He continued to present other cuts and savings made including cutting all Board Travel since 2008 including going back to Washington, D.C., to attend the NAFIS conference that is a lobby group to help us receive Impact Aid, cutting building budgets by 20%, dropped Grandview/Rimrock Special Education Consortium, there hasn't been any new Textbooks Adoptions (replacements only), the district is paying for the MHJHS Counselor out of a Safe and Drug Free Grant in which Mr. Luna's budget shows him taking some of the Safe and Drug Free money jeopardizing the junior high counselors position next year, and closing Base Intermediate and Stephensen Middle School. Superintendent McMurtrey stated the rumor going around about closing Base Primary is wrong! Some other cuts included cutting Insurance liability coverage by 26%, healthcare coverage reduced 13%, we refinanced existing bonds and reduced the interest rate, we replaced an obsolete phone system saving the district \$43,000 per year, we cut the Kindergarten Readiness Fair for 2010, we've replaced inefficient fluorescent lights with energy efficient bulbs starting in 1997 (on-going), and we upgraded to energy efficient ballasts. We have installed set back thermostats, installed energy efficient double panes windows, installed energy control systems, installed motion sensors to turn on and off lights, conducted energy audits to reduce utility consumption, reduced student transportation reimbursement from Pine. We dropped dues and memberships to Treasure Valley Reading Foundation, Idaho School Boards Association, and Military Impacted Schools Association totaling \$5,000 for each membership.

Superintendent McMurtrey reviewed some additional suggested cuts for school year 2010-2011 including cutting athletics 20% across the board, implement pay-to-play extra curricular activities, freeze all Salary Schedules for 3-years (experience and education), and implementing an across the board salary reduction. We've applied for grants

to update our kitchen equipment (denied), West Elementary roof overbuild, High School Senior Hall HVAC and roofing upgrade, and energy upgrades. Other suggestions include replacing one fulltime employee with two part-time employees, saving benefit costs. We already receive energy rebates from Idaho Power, and we use the State Re-Training personnel for Summer Over hire in which there is no cost to the district. We've requested land be donated for a district owned bus facility instead of paying First Student's rent on their building. Other suggestions include cutting Administration and Certificated Personnel Recertification money for 3-years, cutting days out of the School Calendar (PLC and Teacher Workdays), implementing a 4-day work week, eliminate all professional development opportunities in which we have already eliminated most profession development, continued freeze on textbook adoption, and no computer rotation. Mr. Luna wants to combine textbook adoption funds with technology funds reducing the amount of funds that can be used to purchase both textbooks and technology. Other suggestions include raising the deductible on Insurance Benefits, change Librarian position at MHJHS to a classified position, thus allowing us to hire another elementary teacher to reduce class size. Superintendent McMurtrey reminded the audience that the district is paid for certified positions at the state approved level, so we don't want to cut any certified position because the state would reduce our allotment.

He also went over other suggestions such as sell Atlanta and Featherville properties. Drop National Association of Federally Impacted Schools (NAFIS) Association dues. The NAFIS is our lobby group that lobbies Congress to help us continually receive Impact Aid, so we might be endangering our chance of receiving additional Impact Aid funds. The district wouldn't allow any more personal items in the classrooms such as microwaves, refrigerators, stereos, coffee pots, etc. We could eliminate student/staff hand sanitizer stations realizing a savings of \$4,000. We've already approached Xerox about renegotiating our Lease Agreements on copiers. The Block Schedule has been suggested a few times and we can look at getting rid of the Block Schedule, but we would have to reduce the amount of credits needed to graduate and this would take a couple of years to dismantle, not to mention the state is increasing the amount of credits needed to graduate. We could implement Full Day/Every Other Day Kindergarten saving on transportation costs.

Superintendent McMurtrey concluded by reviewing other suggestions are to cut two more technician positions from maintenance, cut to one A custodian at the elementary buildings, cut down watering to once or twice a week, cut amount of mowing to once a week, no top dressing the fields, and no fertilizing. This means our grounds will turn brown and will be extremely difficult to bring it back in the future without the cost increasing.

Chairman Alexander opened the public input part of the hearing. He asked the MHEA representative, Brian English, to come forward. Mr. English stated the MHEA hopes the district isn't in a rush to declare a financial emergency. He said there are many decisions yet to be made by the state superintendent in addition to suggestions from the public. The MHEA acknowledged the district has worked hard to cut costs and has included the MHEA in the process. They hope to continue to be part of the process. Chairman Alexander thanked Mr. English.

No one representing the classified staff came forward to give input.

Chairman Alexander then asked Clerk Whitman to call the next person. Clerk Whitman called the following individuals who submitted a Public Input Form: *(A list of the Public Input Forms and school website input forms are on file at the school district administration office, with the Clerk of the Board).*

#### I. TESTIMONIALS –

1. Anne Bowlden suggested outsourcing the maintenance department and replacing them with maintenance vendors. She stated she used to work for a company that outsourced their maintenance department with vendors and saved money. Chairman Alexander thanked her for her input.
2. Joey Vogl suggested converting to other energy sources to reduce utility costs. Chairman Alexander thanked him.

3. Benny Vogl suggested in lieu of using paper for math work in the classrooms, put the math work paper into a plastic sleeve, and have the students use dri-erase markers, thus saving on paper costs. Chairman Alexander thanked him for his input.
4. Mrs. Vogl stated she and the rest of her family support almost all the extra curricular programs and they volunteer their time to most, but she is concerned that when cuts are made the cuts will be made to the academic/music/arts activities. She went on to explain she assists with the junior high theater group and that group has never asked the district for money. Instead, the students and parents hold fundraisers, received donations, etc., and are self-supporting. Mrs. Vogl asked if there any other extra curricular activities being considered to cut that aren't self-supporting. She said these activities provide a well-rounded education to students. She asked that when deciding on programs to cut, please don't just cut academic/music/arts programs. Mrs. Vogl suggested all extra curricular programs be required to have Spirit Packs purchased as a way to save money. Chairman Alexander thanked her for her input.
5. Bid Sanders is concerned about cutting teachers salaries. He feels it isn't right that one group of people be held responsible for the budget deficit. This is a community problem. He believes everyone has an obligation to support education. He stated it would be money well spent. Mr. Sanders stated he feels it would be a shame to cut teachers salaries and if a levy is necessary then as a community, we need to get this done. The audience applauded.
6. Brandie Garlitz spoke on behalf of the North Elementary parents and said it should be noted that along with the certified staff, the classified staff are hard working professionals that have the respect of the parents and students. Parents at North are already pulling library duty and in addition, two parents come everyday, come rain or shine, to pull outside duty. The parents are also responsible getting library books to the kindergarteners weekly because of the library aide cuts from last year. She said if reading is so important to the district then why are the books placed so low on the scale of important. She asked the Board to cut bussing, or non-school days, etc. Mrs. Garlitz stated she would like to go on record that cutting personnel or salaries are not an option. Our students are being taught the bare minimum; our teachers are getting stricter curriculum and more trouble in the classrooms, an increase in special education, more and more students – enough is enough. Don't let shortfalls affect staff. She asked the Board to give them information on where they need to go or what they need to do to lobby for the district. The audience applauded.
7. Jessica Tindall, high school athlete, pleaded for the Board to reconsider cutting any athletics. She said that by cutting athletics, the Board would be cutting opportunities for students to better their future. Ms. Tindall mentioned the district would loose revenue because she and many other students would transfer to other districts that had sports. She spoke on how the crime rate in Mountain Home would drastically increase if athletics were cut. Ms. Tindall said presumably that most of the scholarships that go out are athletic scholarships and by cutting scholarships, the Board would be taking away peoples futures. She stated athletics is what keeps so many kids in school. She again stated crime rate would increase because kids have nothing to do recreationally in town. Sports are the one thing that keeps them going and motivated. She said the Board is supposed to provide them (students) with opportunities for the future, not take them away. The audience applauded.

Chairman Alexander said that nothing has been decided and that these are all suggestions and ideas. Ms. Tindall acknowledged the fact. He said at this point, we have to study all options. We have a couple of months away before deciding how to handle the crisis were in. There isn't much we can do until the Legislature makes a decision. Chairman Alexander mentioned that Representative Nielson was in the audience and asked if he would like to say something. Representative Nielson said he came to listen. Chairman Alexander told the audience that it was very important to hear from the public and if they had any more suggestions, to send them to the district office by February 19, 2010.

8. Richard Checketts said he understands what is going on and that the district has really come up with suggestions, but at the same time, he goes along with what Mr. Sanders had to say and

run the levy. Put the responsibility on the parents and grandparents versus lowering salaries or anything else. He also agreed with Ms. Tindall on the importance of sports. The audience applauded.

Chairman Alexander thanked everyone for coming and giving input and then stated the hearing was closed. He once again reminded the audience they could submit additional information or suggestions until February 19, 2010.

- II. **ADJOURN** – All business of the Board having been completed and a motion from Trustee House to adjourn, with a second from Trustee Reynolds, the meeting adjourned at 8:25 p.m.

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Chairman Alexander

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Clerk Whitman