

**MINUTES OF MEETING
BOARD OF EDUCATION
SCOTTSBLUFF PUBLIC SCHOOLS**

PUBLIC HEARING

A Public Hearing, Budget Hearing, and Regular Meeting of the Board of Education, in the School District of Scottsbluff, in the County of Scotts Bluff, in the State of Nebraska, at 7:30 p.m., 8:00 p.m., 8:30 p.m., on Thursday, September 13, 2007, with the following members present: Bob Kinsey, Mark Lang, Kim Magana, Michael Shedd. Absent: Megan Massey and one Vacancy. Notice of the meeting was given by publication of the time and place thereof in the Star-Herald on September 4, 2007 and September 7, 2007.

President Kinsey called the meeting to order at 7:30 p.m.

Motion to excuse Megan Massey from this meeting passed with a motion by Michael Shedd and a second by Kim Magana. Yes: Shedd, Magana, Kinsey, Lang; No: None: Absent: Massey; One Vacancy; Motion carried.

Motion to adopt the Consent Agenda, as presented, passed with a motion by Kim Magana and a second by Michael Shedd. Yes: Magana, Shedd, Lang, Kinsey; No: None: Absent: Massey; One Vacancy; Motion carried.

President Kinsey read the following: PUBLIC HEARING is for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to exceeding the Basic Allowable Growth Rate of 2.5% and accessing the Applicable Allowable Growth Rate of an additional allowable 1% growth. The total could be up to 3.5%.

Mr. Knapper, Director of Business Services, reported lids on governmental budgets are a fact of life in Nebraska and noted the legislature have always felt that local entities were profligate in their spending therefore has always been a lid on how much a public entity could grow their budget. In the case of school districts there is a lid placed on them of 2.5% and can grow the district budget 2.5% without any special action on the part of the Board. The legislature has granted a 2.5% growth factor to school districts which is called the basic allowable growth rate (BAGR). They also have an applicable allowable growth rate (AAGR) which is a growth rate that would be between 2.5% and 4.5% and where school district fall within that range would depend on the school districts spending compared to other school districts. The more a school district is at the norm of spending for similar school districts you could be closer to 2.5% and the more you are spending with less than expected of similar school districts you could be closer to 4.5%. Scottsbluff Schools is at the norms so the District would have a 2.5% allowable growth factor and the allowable growth factor is both the basic allowable growth factor and the applicable allowable growth factor. There is no additional percentage growth permitted over and above the 2.5% as far as looking at the applicable allowable growth rate. There is on top

of any growth that might be available over and above the 2.5% another 1% that the Board could add in the growth factor.

Mr. Knapper reviewed the numbers as it translates into actual dollar amounts for the District #32 budget. He noted the General Fund for 2006-2007 was \$25,335,000 and noted the budget last year could have been higher but the District chose to not budget to the maximum and could have had a budget of \$109,057 (unused budget authority) more for a total budget authority for 2006-2007 could have been \$25,444,057. To run the calculations under this lid you subtract from the 2006-2007 budget item that are not controlled by percentage growth factor which include: Special Grant Funds of \$1,995,000 including gifts from Foundation and federal funds; Special Education Budget of Disbursements of \$3,003,448; and General Fund Lid Exclusions of \$647,657 (participation in a Cooperative venture with other school districts which in our case would be the VALTS program as well as the NASB Alicap Insurance program. Also, last school year there was a general fund lid exclusion for a bump up that occurred in the retirement rate because the retirement fund for education was not performing very well on its investments and need more money in the fund so the legislature raised the retirement rate but the districts could have an exclusion to the lid since they need to raise these dollars and get them into retirement fund. If you take the three totals and subtract them from the budget authority of 2006-07 you come up with \$19,797,952. In the case of authority from dissolved districts doesn't apply to Scottsbluff going forward but was a factor in building the 2006-2007 budget so the total adjusted was \$19,797,952. The basic allowable growth rate of 2.5% times the 19,797,952 would allow the budget to grow \$494,949 and if you add the additional 1% would be \$197,980 for the total possible growth budget growth for District #32 budget would be \$692,928.

Dr. Shedd questioned if there was an exception if the population increases by a certain amount and where the District was with this and if it was pertinent at this point. Mr. Knapper noted there was a student growth factor and noted this was a difficult number to work with because you need to have a certain threshold of students but the difficult thing about this is if you don't get the student growth by the end of the year then a district can lose the budget authority the next year. In Scottsbluff's case it looks like we can be up approximately up 35 students which happen to be over the threshold so we could count but would be hesitant to bank on those dollars. In the case of using those calculating or utilizing the student growth there would be another \$245,000 that would be available to the district which is another growth factor that could take however by the end of the year it may disappear.

Mr. Lang questioned the General fund comparative and noted he understands the big hit on the state aid but the line items of Special Education, Special Education transportation, and Title 1 carry over are taking a big hit. Mr. Knapper noted this was a page he would be review later during the budget hearing which were pertinent.

Mr. Knapper did point out the budget growth increase would only be 2.9% and noted the District doesn't necessarily need the additional 1% but it was his recommendation to vote on the additional 1% and bank the dollars for the future and hopefully there will be better days down the road and the Board would have the budget authority to utilize if there was a need and if there was the actual cash to spend and is not a case that we would necessarily would use it in the future because you will also need to have the cash to spend. The additional 1% is not needed for this particular budget but he recommends the Board adopt the 1% and bank the budget authority for the future.

President Kinsey noted the District doesn't see the dollars for the additional students until next year budget. Mr. Knapper noted there were two concepts working on the budget for the current year but the state aid is calculated for the following year based on the certified number of students.

Lonnie O'Bryan, patron, stated he was in favor of adding the 1% or whatever the District can legally do because as you build funds and if you are conservative in spending those funds can always go toward maintenance of buildings in the future and know that we have that to do maintenance of the buildings and obtain whatever legal means the District can do to increase the treasury but questioned out of the budget being proposed at this time what does the District foresee as building funds for the next year which are not already earmarked. President Kinsey noted this information will be discussed during the budget hearing and noted that when the District has used the additional 1% authority, in the past, this is how the District built up the building and depreciation funds over the years.

Dr. Shedd questioned if the allowable growth was completely different from the levy and noted the District could grow the budget and the levy could actually decrease depending on the valuation of the District and are pretty much separate issues and the growth could go down and yet the levy could go up if the valuation went down but in Scottsbluff's case the valuation went up 3.6%. So if the valuation went up 3.6% and the budget goes up 3.5% the levy will probably not change that much assuming that state aid remains the same. Mr. Knapper stated the allowable growth and levy are completely different issues and the state aid went up and it was a mediocre year for valuation. Mr. Knapper stated Dr. Shedd bring up a good point and noted he started the discussion in the hearing about how lids are fact of life for school districts and other political subdivisions in the State of Nebraska and we have lived with lids for decades and since the 2000's that there have been levy limits so there is a double lid with budget and levy. There are school districts that can have spending authority but they can't raise enough money off the levy to spend the dollar and are district who have wealth that they can not tap into at a \$1.05 because their budget is so constraint and there isn't a rationality and the legislature chooses to keep a lid on things and a pretty unusual situation to be double lidded. Roger Holsinger questioned the school levy. Mr. Knapper noted he would be covering this information during the budget hearing but stated the school levy is \$1.10 and within the budget there are exclusions to the levy for 2006-2007 school year.

Motion to adjourn the Public Hearing at 7:50 p.m., passed with a motion by Mark Lang and a second by Michael Shedd. Yes: Lang, Shedd, Magana, Kinsey; No: None; Absent: Massey; One Vacancy; Motion carried.

BUDGET HEARING

The Board reconvened into the Budget Hearing at 8:00 p.m.

Mr. Knapper reviewed the 2007-2008 proposed budget book. Budget of receipts compared from 2006-2007 and 2007-2008 shows local district taxes, because of a valuation increase and other losses of funding; the District will need to look at the property tax request which goes up. Other significant items to review were negative \$724,905 to state aid, down largely attributive to a loss of students and in the state aid calculation they show a loss of student count of approximately 119 students. Mr. Knapper noted the enrollment for Scottsbluff is not down 119 students, these are students who have been

weighted for the grade levels so the District didn't lose 119 students but some factor of less than that because the students are weighted. Scottsbluff District #32 did not lose a large number of students, itself, but we did lose the count of students that were attending Haig School during the 2005-2006 enrollment which was the basis for the 2006-2007 state aid. When the state calculated the state aid for 2007-2008 those students from the Haig School were considered students of Gering because even though Scottsbluff received 77% of the valuation, the way LB 126 worked the school, teachers, students, textbooks, revenue went to Gering School District; therefore the Haig students counted to Scottsbluff for the 2006-2007 school year because it was based on the 77% of 70 students for the 2005-2006 enrollment year and went away because the students last year were not part of this district and those were the numbers used for the 2007-2008 state aid; therefore the loss is largely based on loss of student count and student count loss is largely based on the loss of the Haig students and the rule of law of LB 126.

Special Education is down \$465,000 and Special Education Transportation is down \$9,600; Pre-School Special Ed is down \$210,000 and Pre-School Transportation is down \$26,000 but what is coming in to play with these two funds is a new federal Special Ed financing arrangement for IDEA Base Allocation goes from zero to \$248,000 and IDEA Poverty/Enrollment Allocation goes zero to \$396,000. Mr. Knapper noted there was a concern with the Special Education even though it went down and there is other funding coming into play, the legislature has not maintained the pace of funding that matches the expenditure growth in Special Education across the state and the State Department of Education is advising districts that last year we could expect 64% reimbursement on the dollars and this upcoming year we are looking at 61%. Title 1 carry-over goes from \$121,000 to zero but actually the District is rolling the dollars into the line item Title 1 current year. Title 1 overall when combined goes up approximately \$50,000. The other significant number, with the loss of state aid the line item of cash reserve, the District will go to cash on hand and draw \$786,302 to underwrite the 2007-2008 budget; therefore will be a deficit funded budget and whereas the District likes to keep about two months cash reserve on hand but will not see this in the 2007-2008 budget. Mr. Knapper noted the revenue side of the budget shows what some of the issues the District will be dealing with and also shows the budget goes up 2.9%.

Mr. Knapper reviewed the expenditures side of the budget. Analysis of program budgets including regular instruction, special education, gifted education, vocational education and noted 2110, Attendance goes down \$20,653 or approximately 13%, with the change of ISS teacher to an ISS paraeducator; guidance is up 16.41% which reflects the addition of a third counselor at the Middle School; health services is up 58.18% which reflects a third nurse; office of the principal is down 2.79% which reflects a decrease of a principal; and noted the non-federal programs went up 2.85% and federal program sent up 3.48%. President Kinsey requested Mr. Knapper to review the maintenance decrease since Mr. O'Bryan an interest in the maintenance budget. Mr. Knapper stated it was unfortunate with the restraint of loss of funding the District has had to go to maintenance of plant and the fund that we would budget for building improvement has been cut by \$359,000; therefore the loss of state aid has had a significant impact on the general fund. Mr. Knapper noted these are dollars that we would draw against during the school year as needed and then at the end of the year from funds that is left over we would sweep into the depreciation fund and set aside for roof repairs, HVAC, windows, tuckpointing, etc. or any of the issues surrounding the maintenance of buildings. Mr. Knapper noted this was the other balancing factor within the budget besides dipping into cash reserve to cut the maintenance of plant is significant.

Mr. Knapper reviewed the analysis of types of expenditures including salaries, supplies, electricity, water, etc. and noted the line item activity driver goes from \$21,000 to zero, noting he was reclassifying dollars down into custodian/maintenance/bus salary. Temporary salaries doubles based on a reclassification moving dollars out of custodian/maintenance/bus salary to have in their own line item for summer help for maintenance staff. Non-instruction aides show a 14% increase which represents the paraeducator in the ISS room versus a certified teacher. Retirement reflect a decrease of 3.24% due to the rate cut. Property insurance decreases 22.76% due to nationally and probably world-wide we are entering a soft market for property casualty liability insurance and the budget requirement goes down. Mileage paid to parents decreases 87.18% because with the District was an affiliated system and Lake Alice, Lake Minatare, and Highland were their own K-8 districts and when the students became into Scottsbluff High School the District had to pay mileage since it wasn't feasible to transport the students and now as one district we do have a couple of buses that pickup students and is overall more feasible so the mileage to parents drops significantly. Building and building improvements decreases 87.51% to cover leaks, hot water heaters, pipes, replace broken and windows. Furniture and equipment decreases by 16.90%.

Mr. Knapper reviewed the revenue, program, and expenditure analysis in a different format based on percentages and cents on the dollar. Local funds in total equal about 51.56% on every dollar. Dr. Shedd questioned the information provide is on the general fund and noted the Board has previously agreed to obtain specifications for bids for a lot of the repairs that has been talked about and a lot of the maintenance of plant issues are taking a lot of the reserve that has been built up and the intent is to do a lot of the plant of maintenance but not fund out of the general fund. Mr. Knapper noted everything that has been covered to this point is on the general fund, including the different looks at looking at the dollars and is basically the maintenance of plant budget items in the general fund is a maintenance budget to keep things operational and will not cover roof replacements, boiler replacements, or Lincoln Heights window replacements. Obviously, there will be decisions to make going forward and is there a way to reduce expenditures within the General Fund so that we can get back to the point of setting aside funds for the big ticket items such as roofs, window replacements, etc. but based on the master facility plan the District has adopted we will have a lot of the issues taken care of on to the foreseeable future the District will in a sense be able to go a year or two go without making deposits to the Depreciation Fund but can't continue forever and in his opinion can't continue for a five or six year period. Even though the District replaces items throughout the District there will be other items to degrade such as parking lots, roofs, etc. then the ones that were identified that need to be addressed.

Mr. Knapper reviewed the Building Fund multi-year history and noted the fund with the balance carried forward the District will have some funds that are on hand at the County Treasurer and interest on investments to have a budget of approximately \$6,028,552.00. This would be the primary source of funding for the Master Facility Plan that addresses the elementary schools.

Mr. Knapper reviewed the Depreciation Fund multi-year history and noted there will no transfer budget from the General Fund for the 2007-2008 school year. If the District has a good year with a mild winter, teachers stay healthy and save money on the substitute budget, the District may have some money at the end of the year that can be swept into the Depreciation Fund. It's only source of revenue is the cash carry forward and

investment interest of \$150,000.00. This fund would also be a fund to underwrite the task that was outlined in the Master Facility Plan adopted on August 20th by the Board where they looked at roof replacements, asphalt playgrounds, and adopted a scenario of several upgrades to the elementary buildings.

The Qualified Capital Purpose Undertaking Fund is a fund for building and site improvements is anticipated in the amount of \$424,815.00 and bond and interest payments of \$379,285.00. The bond and interest payments the District has to make and the dollars for these payments will be raised from property tax in the amount of \$379,285.00 which is the same amount for the bond and interest payment. The building and site improvements of \$424,815.00 can be used toward the elementary HVAC improvements that address fresh air requirements under current code. So if the District does touch the HVAC equipment in the elementary buildings they will need to be brought up to code and bring those up to code is going to involve bring in fresh air and is a purpose that the dollars budgeted would qualify for use to address indoor air quality. Mr. Knapper noted there are certain purposes that can do with this fund, ADA, hazardous/material abatement, lead, asbestos, and indoor air quality. President Kinsey questioned if the District uses the maximum allowable taxable authority for this fund the District could generate another \$424,850? Mr. Knapper stated the bond and interest payments will come off a property tax, the \$424,000 is made available by cash carry forward and interest earnings. Once the \$424,000 is spent it would be gone. President Kinsey questioned if the \$424,000 would be available if we applied it towards the renovation of Middle School and the HVAC at any of the schools.

Mr. Knapper noted the funds looked at General Fund and Qualified Capital Purpose Undertaking Fund are the only funds that the District will levy taxes for next year. The Building Fund could levy property tax but because the tax dollars are needed within the General Fund there will be no tax levy going into the Building Fund for next year. Also, the Depreciation Fund is not a taxing fund but it receives its money from the General Fund which is a taxing fund. What the District has done thus far in the Budget Hearing is to look at the funds that have an impact on taxes.

Mr. Knapper reviewed what the taxes will look like for next school year. Before the District can do a tax calculation we need to know the valuation to work with. The valuation report for 2005-2006 shows Scottsbluff and the Affiliated Schools as a Affiliated System for a total of \$948,028,971; 2006-2007 the District became one school district for a total of \$986,345,185; the difference between those two years was \$38,316,214 or 4.04% increase in valuation from 2005-2006 to 2006-2007 fiscal year; the valuation for 2007-2008, as one school district will be \$1,021,838,514, an increase of \$35,493,329 or 3.6%.

Mr. Knapper reported on the tax levy calculations and noted these are a set of numbers that must be published, and will when the budget is adopted and confirmed, in the paper showing last years tax request, valuation and levy and also need to report if the District asked the same taxes that we asked for in 2006-2007 what the levy would be if we had unchanged tax requests and we had the new valuation, actual costs for next year, actual valuation, and levy by fund for next year. The total property tax request for the General Fund is 11,001,930 (including the 1% county treasurer's collection fee) but if the total request is 11,001,930 and the valuation is \$1,021,838,514 the levy for the general fund would be \$1.07668. For the Building Fund there is no tax request because the dollars were needed in the General Fund but last year the District levied \$124,937 and will levy nothing for 2007-2008 so there is no levy calculation or not request. Hazardous

Material/ADA Fund the District needs \$383,078.00 to service the debt and pay the 1% county treasurer collection fee and on a valuation of \$1,021,838,514.00 the levy required would be .03749 for a total levy of \$1.11417. Mr. Knapper noted there is a levy limit of \$1.05 but noted there are certain exclusions. President Kinsey reported the \$383,078.00 is what is paying for the heating and air conditioning system at the High School for the geothermal system to pay off the bond obligations.

Mr. Knapper noted the \$1.11417 will be the total levy required and as mentioned earlier there is a \$1.05 maximum levy but there are certain exclusions to the levy calculations. The net levy shows the difference from the full levy shows the General Fund of \$11,001,903 minus \$273,402.96 for a total of \$10,728,527.04 which is the number used to determining if the District will be at or below the \$1.05 maximum levy. The difference of \$273,402.96 the District would have received in state aid if the state would have fully funded the state aid formula and they say to school districts since we chose not to fully fund the state aid formula the District is welcome to go and get it from the property taxpayer and doesn't count against the \$1.05; therefore why the \$11,001,903 is reduced to \$10,728,527.04. The Board will actually have to vote to take this exclusion and have done this since the state started under funding the state aid formula. Also, there are no dollars shown for the Hazardous Material/ADA Fund to calculate a levy because of the nature of that project, the geothermal bonds, is exempt because the code and health issue when fresh air was brought into the high school building but before that it was a closed system and did not have fresh air brought in according to current code. So if you add \$1.04992 and no levy for Building Fund and Hazardous Material/ADA Fund the total levy \$1.04992 is under the \$1.05 maximum levy which would require the Board to approve the state aid levy exclusion with a supermajority vote.

Mr. Knapper pointed out for the Board to review the Cafeteria Fund, Activities Fund, Interlocal Agreement Cooperative VALTS Fund, Employee Benefit Fund, Student Fee Fund are funds that do not have a tax impact but are required to budget for them and simply need to budget enough dollars so we do not over expend the amount budgeted. The actual amounts that need to be approved is provided in a motion for the Board to consider on Monday, September 17th to set the taxes and set budget totals for all of the funds for the District.

Dr. Shedd stated from the reduction of state aid and the maximum allowable levy from \$1.10 to \$1.05 what has been the hit to the District for those two. Mr. Knapper stated the state aid loss is \$725,000 and the levy goes up largely from a \$1.103 to \$1.11417. Mr. Knapper noted he didn't calculate the net levy for the old year. Dr. Shedd noted the substantial fraction of the budget is teacher salaries with the last contract negotiations the Board gave them a fairly generous pay increases but there have also been a number of retirements and hiring of new teachers and questioned if the budget includes the fact that a lot of the new teachers are coming in at a lower end of the pay scale compared to the people who are retiring. Mr. Knapper noted this was largely why the budget is calculated in the last half of July and August because he is working with actual numbers and has pondered that going forward the District needs to look at how to deal with a large cash draw down, a cut in facility dollars, and we need to start working on the budget before this but the problem in this scenario the District is working with real unknowns because the cut-off for resignations is March 16th and essentially should start working on the budget in February since there are large issues looming and the District is working with imprecise numbers and as Dr. Shedd pointed out the bulk of the budget ends in faculty salaries. Mr. Knapper stated the District should see a slow down in the percentage of staff that are

being turning over since the District has had a few years we've turned over a lot of teachers and the District may not see the turn over of teachers in the future. Mr. Knapper noted there were 29 new teachers this school year or a 15% of the staff. The budget does take into affect the District roll over of senior staff and brought in a lot of junior staff.

President Kinsey requested patrons of the District to address the Board on the budget. Leona Powell, patron, questioned if the budget information is available to the public. President Kinsey noted the budget information is for the public and can be accessed off the website or the Central Office would provide a hard copy.

Lonnie O'Bryan, patron, questioned if the District has school systems that they partner up with to communicate with back and forth to see how they operate or are we pretty much free standing. President Kinsey stated whenever the District looks at salaries they are compared with other districts of similar size and teacher salaries are approximately mid-point. Dr. Shedd stated Scottsbluff was at the upper half of the teacher salaries compared to school district of similar size in Nebraska and in the long term interest of the District paying the teachers well is a good way of getting good instruction in the long run and noted the District has lost a lot of teachers but have been able to replace and part of this is due to the package the District can offer them but also has a big affect on the budget. Dr. Reynolds reported the District is put in an array by the state. Mr. Knapper noted the array is not locked in but there are general guidelines that school districts look at. Dr. Shedd questioned Mr. O'Bryan if he was questioning the array with other school district or talking about sharing resources. Mr. O'Bryan questioned if the District was communication or how the District looks at different programs with different school districts and the reason he asks this questions is because he heard a report about the Denver Superintendent talk about salary system that includes what they call "ProComm" and if certain teachers for certain programs obtain training and the programs produce then they can obtain extra pay and feels this should be monitored to see how this is done because as the District goes forward in the future there is more and more technology available and in order to have the teachers skilled there needs to way to figure out to pay for some of the technology skills, etc. and should be planned and feels the District is behind in technology teaching. Mr. O'Bryan questioned if the Board had an idea what of the building fund is already earmarked or what these would come in since the District approved Schemmer & Associates to figure elevators into the elementary schools and when will we find out their thoughts and what the costs on this and wondered if there were funds already earmarked for different things. President Kinsey stated the District plans on utilizing funds out of the Building and Depreciation Fund for those projects that have been adopted in the Master Facilities Plan but have directed Schemmer & Associates to go ahead and obtain estimates but have not received any of this information and questioned if the administration had any idea of the timeframe. Dr. Reynolds noted the architect will be in the District the last week of September and we will hopefully have a better idea at that time.

Bunny Slater, patron, stated she has been attending the meetings all summer and apologized for not attending the meetings before this but was bewildered at most of the meetings because everything the Board is voting on the patrons in the audience do not have a clue about because she hasn't seen anything or she has been negligent in not looked up everything on the website but tonight she really appreciated hearing all the information with a lot of facts, details and is connecting things that she didn't understand and feels she knows a lot more now then she did when she walked into the meeting. She really appreciates what she was hearing and wants to hear more at the meetings and

noted the last meeting she finally heard about the kids, teachers talked about special things, and Sandy Porter talked about the information she's prepared on the website to encourage teachers to help their kids which was exciting to hear and that the community needs to know these things. She stated everyone needs to be more involved and again she apologized for not having been involved through the years and she is learning and talking to people and urging them to come to the meetings and again thanked the Board for what she heard tonight. President Kinsey stated if the patrons have questions about the website agendas he encouraged them to call the Central Office for an explanation. Roger Holsinger questioned the amount in the Depreciation Fund and Building Fund and if the levy was going from \$1.10 to \$1.11 and questioned the total General Fund budget amount? Mr. Knapper stated the District had 2.5 million in the Depreciation Fund and 6 million in the Building Fund, the levy was going from \$1.10 to \$1.11 and the total General Fund budget was \$26,070,000 or an increase of 2.9%.

Donetta Petitt, patron, questioned what the Geothermal does exactly, if the District has noticed over the years if this has saved on the fuel costs. President Kinsey explained the geothermal system was the heating and air conditioning system at the High School and noted it was proposed and the Board hasn't received any reports on the exact savings. Mr. Knapper noted there was significant savings in natural gas but an increase in electrical cost due to the way the system operates with circulating pumps and air conditioning and now have three years of history and all of the numbers have been turned over to NPPD who will do an analysis of the numbers. Dr. Shedd questioned how many more years were left on the Geothermal bonds. Mr. Knapper stated 2013 was the bond payoff.

Motion to adjourn the Budget Hearing at 8:55 p.m. passed with a motion by Michael Shedd and a second by Kim Magana. Yes: Shedd, Magana, Lang, Kinsey; No: None; Absent: Massey; One Vacancy; Motion carried.

REGULAR MEETING

The Board reconvened into Regular Meeting at 8:50 p.m.

Mr. Knapper reported the proposed motion for the applicable allowable growth rate is the actual language that will be before the Board on Monday, September 17th for official action and noted the key point is that these are the dollars that would be available in the future, not necessarily needing access to the dollars this year. The state aid levy exclusion proposed motion would allow the District to replace dollars that are short in the state aid allocation because of the state has not fully funded the state aid formula and would require and both of the votes for applicable allowable growth rate and state aid levy exclusion would require a supermajority vote by the Board.

Mr. Knapper reported bids were solicited for the construction of additional classroom space at the Senior High School; the District received two bids, and recommended the award for the additional classrooms construction work to Rusch General Contracting, LLC, in the amount of \$129,213.00. The genesis of the project was last spring the administration looked at a couple of different options and the outcome was to look at a better solution and a more permanent solution was to build the classrooms in the existing

structure. The timeline is setup to match the timeline for the completion of west entrance project of December 20-21, 2007.

Mr. Lang stated he still feels this is a poor location for the classrooms and is a low cost solution for what is needed and instead of putting a modular in the grass he feels we're putting a modular in the hallway and feels there is a better place and location for these classrooms. Dr. Shedd questioned if the teachers have been assigned to these two classrooms. Dr. Reynolds noted the assigned teachers will not be necessarily be the two traveling teacher but will be assigned to someone who needs to be down in this area of the building. Dr. Shedd stated the Echoes had an article regarding these classrooms and noted it was safe to say the students were pretty thrilled to have teachers not dragging carts through the hallway. Mr. Lang stated he agrees the Senior High needs classroom space and would rather see the District add four to six more classrooms somewhere in between the Auditorium and east tower wing in the grass area. Dr. Reynolds stated it was his thought this was a reasonable expense to add two classrooms in an area that is not used for anything. President Kinsey explained to the patrons of the District the shortage of classroom space at the Senior High School and there have been two teachers who have been traveling throughout the building with their material housed on a cart so the recommendation was to take the space where the traditional entrance foyer area off of 27th street and convert it into classroom space and this is the bid the Board will act on tonight.

Motion to approve the bid from Rusch General Contracting, LLC, in the amount of \$129,213, for the Senior High Classroom addition, as presented, passed with a motion by Kim Magana and a second by Mark Lang. Yes: Magana, Shedd, Kinsey; No: Lang; Absent: Massey; One Vacancy; Motion carried.

Dr. Shedd reported as a result of Mr. Lordino resignation in August and according to state statute the Board had 45 days to select a new board member who would finish out Mr. Lordino's term of office which would be up for election in 2008. The District received three candidates that expressed an interest including: Paul Snyder, Dan Thornton, and Dr. William Bibb. The Board held interviews with the candidates prior to the meetings tonight and noted they were all excellent candidates, had experience but noted one person had experience on a variety of different boards; therefore Dr. Shedd nominated Mr. Paul Snyder to fill out Mr. Lordino's term.

Motion to appoint Paul Snyder for the remainder of Tim Lordino's term of office, passed with a motion by Michael Shedd and a second by Kim Magana. Yes: Shedd, Magana, Lang, Kinsey; No: None; Absent: Massey; One Vacancy; Motion carried.

President Kinsey read future meetings and dates.

Motion to adjourn the meeting at 9:02 p.m. passed with a motion by Michael Shedd and a second by Kim Magana. Yes: Shedd, Magana, Lang Kinsey; Absent: Massey; One Vacancy; Motion carried.