

CLAIMS:

The following vendor claims were presented to the Board for approval and approved by a unanimous vote in a motion by Mr. Deck, seconded by Mrs. Peters.

Prewritten Claims: #46437 - #46442, and #46443 - #46467

OLD BUSINESS:

After reviewing the 3-year CenturyLink Contract for Internet and Ethernet Services, Board Attorney, Matthew Hocker, reported that in his opinion, the contract slanted strongly towards CenturyLink in the event of a decision to break the contract. He said a contract with a large company such as this is going to be very one-sided. He said under the current terms, if the Corporation decided, after one month, to cancel the contract with CenturyLink, the Corporation would owe them \$120,000 for nothing. Mr. Hocker wanted to make the Board aware of this significant penalty. He feels the State Board of Accounts would take objection to this kind of penalty being in the contract. He has been in contact with the company to see if the Corporation could get out of the contract. They came back with a couple of options. They would agree to the 1385 model for \$2,300 a month to be able to end the contract after a year for convenience. The Corporation can also end the contract if we prove we are not funded, and could argue that the amount does not have to be paid back, because it is not legal. Mr. Hocker suggested it would not be wise to rely on that argument. His main goal was to make sure the Board members know of the penalty so they could make an informed decision. Mrs. Swango reported that she spoke with Charity Hawkins, who takes care of the E-rate, which is federally funded money which typically reimburses the Corporation at a rate of 80% for these types of things. The difference between the two contracts would affect the Corporation at a rate of 20%. Ms. Hawkins reported to Mrs. Swango that what she saw in the CenturyLink contract was typical of all of the contracts she has seen from a lot of different companies. She did note that it was federally regulated, so with the Corporation being a government entity, the contract would be subject to more rigid review than if the company were dealing with individual customers. Her concern was the same as that expressed by Mr. Sieglitz and Carson Trotter, that this needs to get underway immediately, as it will take 120 days to get this in place. It needs to be in place prior to going with one to one devices. Mrs. Swango said the first option is to go with the contract that was previously approved pending Matt's review. According to her calculations, option two has the Corporation paying \$11,664 versus \$6,927 before the e-rate discount of 80%. Mr. Hocker wanted to also mention that the company has been a good contractor for phone services, and no problems are anticipated. Mr. Sieglitz said the company has provided phone services in 5-year contracts for the last twenty years with no problems. Mrs. Swango explained that the Corporation has gone through a previous audit with a 50% penalty contract, which was not observed by the State Board of Accounts. Mr. Daugherty asked for an example of why would want to get out of the contract early. Mrs. Swango gave an example that the Corporation might want out of a contract due to a company not completing a task they were asked to perform in a certain time period, and

to which the company agreed to do. The Corporation might find this to be non-compliance on their part, which would legally allow it to get out of the contract early. If the company disagreed that their actions, or lack of, constituted non-compliance, then there could be litigation. Mr. Truitt felt the situation was no different than an individual having to pay a penalty if they want out of a two-year cell phone contract because they don't like the phone or the service. Mr. Daugherty moved to approve the three-year contract with CenturyLink as presented. Mr. Deck seconded. The Board's vote was unanimous.

NEW BUSINESS:

Mrs. Peters made a motion to approve a Resolution Opposing Business Personal Property Tax Proposal. Mr. Daugherty seconded the motion. Mrs. Peters commented that this is something that is supported by the Indiana School Board Association and felt the Board also needed to support it to keep the funding from going away. The Board voted unanimously to approve the Resolution as follows:

WHEREAS, Governor Mike Pence has proposed eliminating the Business Personal Property Tax as the top priority of his 2014 legislative agenda; and

WHEREAS, the Indiana House (HB 1001) and Senate (SB 1) have proposed legislation as a potential first steps towards complete elimination of Indiana's Business Personal Property Tax; and

WHEREAS, eliminating Business Personal Property from the assessed valuation will cause a shift to real property tax for any properties below the circuit breakers and could lead to increased personal income taxes, and

WHEREAS, Indiana consistently ranks in the top ten states with an attractive business tax climate, yet a community's quality of life is an increasingly greater influencer of business relocation and growth decisions; and

WHEREAS, Business Personal Property Tax collections statewide for 2013 totaled \$1.04 billion; and

WHEREAS, none of the proposals being considered by the Governor or Indiana General Assembly contemplate any replacement revenues for those revenues they are eliminating via the full or partial elimination of the Business Personal Property Tax; and

WHEREAS, due to the approximate \$800 million in annual losses to local governmental units associated with constitutional property tax caps, not even the smallest amount of revenue loss to cities, town, counties, schools or other local units can be supported without corresponding replacement revenues;

NOW, THEREFORE, be it resolved by the Switzerland County School Board of Trustees that we oppose any proposal to eliminate all or any portion of the Business Personal Property Tax without a corresponding full replacement revenue stream implemented by the State of Indiana.

This resolution shall become effective upon the date of passage.

Action Taken and Signed by the Board of School Trustees on February 24, 2014.

Mr. Roberts made a motion to approve the Project Lead the Way Agreement as submitted to the Board. Mrs. Peters seconded. There being no further questions or comments, the Board's vote to approve the agreement was unanimous.

Mrs. Peters moved to approve an Endowment Request from Mr. Combs for up to \$8,000 for a pitching machine. Mrs. Hayes seconded the motion. Mr. Combs explained that he believed this machine would greatly improve the athlete's performance by providing practice with change-ups and curveballs as experienced in a true game situation. The Board's vote to approve the Endowment Request was unanimous.

PUBLIC COMMENTS: None.

PERSONNEL:

Mr. Daugherty moved to approve the employment of Terry Scudder to fill a part-time, seasonal mowing position for the Vevay campus as presented to the Board. Mrs. Schroer seconded the motion. Mr. Scudder's recommendation for employment was made by members of the Grounds Committee based on what will best serve the needs of the Corporation. The Board's vote to approve the employment was unanimous.

ANNOUNCEMENTS AND REPORTS: (SUPERINTENDENT)

Superintendent, Michael L. Jones, made the following announcements:

- Next Endowment meeting scheduled for Tuesday, February 25, 2014 at 5:00 P.M. at the Switzerland County Elementary School
- A Special Open Working Session Board Meeting will be held Tuesday, March 4, 2014, at 1:00 P.M. at the Administration Office to discuss future facilities plans
- Next Regular Board Meeting, Monday, February 17, 2014 at the Administration Office, with an Executive Session at 4:00 P.M. and the Public Session at 5:00 P.M.
- The Superintendent Roundtable Community Meeting will be held at the Union Baptist Church in Lamb on March 13, 2014 at 6:00 P.M.

BOARD REPORT AND COMMENTS:

Mrs. Peters questioned whether the bus drivers will know how the GPS system operates. Mr. Sieglitz explained that the information will be sent back to the Administration Office. She then wanted to know who will be responsible for assimilating the information. Mr. Jones said the Transportation Secretary would be doing this.

Mr. Daugherty wanted to make it known, in regards to Capital Projects Funds, he was not happy with schools combining projects to save money when they could have taken it out of their own building funds.

He asked about the process for sealed bids. Mrs. Swango explained that any project over \$75,000 requires a sealed bid and any project over \$100,000 requires an architect to be hired.

Mr. Daugherty wants the chance to review some things being purchased from building funds before it happens. He said he would like to set a Board policy to set dollar amount thresholds which would require Board approval.

Mr. Daugherty also wanted to comment that there is a deadline for agenda items which needs to be abided by.

Mr. Truitt announced again that the Capital Projects Funds meeting to discuss future plans was being held on March 4th, and urged those in attendance to attend.

ADJOURNMENT: (5:45 P.M.)

The Board voted unanimously to adjourn the meeting in a motion made by Mr. Roberts and seconded by Mr. Daugherty. The meeting was so adjourned.

Andy Truitt, President

Nancy Peters, Vice President

Josh Deck, Secretary

Wayne Daugherty, Member

Tammy Hayes, Member

William Roberts, Member

Laura Schroer, Member