

SWITZERLAND COUNTY SCHOOL CORPORATION
Minutes of the October 05, 2009
EXECUTIVE SESSION BOARD MEETING
6:30 P.M.
SPECIAL SCHOOL BOARD MEETING (BUDGET APPROVAL)
7:00 P.M.

The School Board of Trustees met before the regular public meeting for an Executive Session beginning at 6:30 at the Switzerland County Middle School regarding I.C.5-14-1.5-6.1(b)(9).

The board members present were Mr. Phipps, Mr. Roberts, Mr. Daugherty, Mr. McKay, Mrs. Moore, Mr. Truitt and Mr. Waltz. Dr. Elizabeth T. Jones, Superintendent, and Ron Hocker and Matt Hocker were also in attendance.

The board discussed no subject matter in the Executive Session other than the subject matter specified in the public notice.

CALL TO ORDER AND PLEDGE TO THE FLAG:

Mr. Phipps called the meeting to order and led the group in the pledge to the flag.

ATTENDANCE:

Board members in attendance were Mr. Phipps, Mr. Daugherty, Mr. Roberts, Mr. Mckay, Mrs. Moore, Mr. Truitt and Mr. Waltz.

Others in attendance were Dr. Elizabeth T. Jones, Wilma Swango, Mona Crabtree, Ronald Hocker, Matthew Hocker, Thomas Patterson, Colette-Irwin-Knott, Sharon Earls, Anna Mary Earls, Chastity Scudder, Charlie Jester, Darrell Mahoney, Dave Ziegler, Rhonda Pennington, and John Sieglitz.

ADOPTION OF AGENDA:

Mr. Daugherty made a motion to approve the agenda to include items H2-H5 under New Business regarding bond issues. Mrs. Moore seconded the motion. The vote was unanimous.

APPROVAL OF MINUTES:

The board voted unanimously to approve the minutes of the regular school board meeting of September 21, 2009. Mr. McKay made the motion to approve the minutes. Mr. Truitt seconded.

FUND REPORT: None

CLAIMS:

Vendor Claims #38234 through #38321 and an additional claim for Covington Towing and Payroll Claims for September 18, 2009 and October 02, 2009 were presented for approval in a motion by Mr. Daugherty and seconded by Mr. Roberts. There being no further questions, the board voted unanimously to approve the claims as submitted.

2010 BUDGET ADOPTION:

Mrs. Swango gave an overview of the 2010 budget that was previously presented at the August 21st hearing. The General Fund is calculated to be \$11,757,904; Debt Service is \$452,604; Capital Projects is \$2,132,267; Transportation Operating Fund is \$1,483,125; School Bus Replacement Fund is \$91,000. The total for these appropriations is \$15,916,900. The proposed tax rates that accompany that will be as follows: Debt Service - .0971; Capital Projects - .3.3925; Transportation Operating Fund - .2513; School Bus Replacement Fund - .0286. Mrs. Swango said that these will most likely go down because when the assessed valuation is advertised, last year's budget figures are used.

Mr. Truitt moved to approve the adoption of the Resolution of 2010 Appropriations as presented to the board. Mr. Waltz seconded the motion. The board's vote was unanimous.

Mrs. Moore made a motion to approve the adoption of the Resolution of 2010 Tax Rates as presented to the board. Mr. Waltz seconded and the board's vote was unanimous.

The board's vote was unanimous to approve the adoption of the 2010 Capital Projects Fund Plan as presented to the board in a motion by Mr. Truitt and seconded by Mr. Daugherty.

Mrs. Moore made a motion to approve the Resolution for Capital Projects Fund 2010 Interest Deposits as presented. Mr. Waltz seconded the motion. The main objective of the resolution is to take the interest and deposit into the General Fund.

The board voted unanimously to approve a resolution to adopt the 2010 Bus Replacement Plan in a motion by Mr. Waltz, seconded by Mr. Daugherty. Mr. Daugherty asked about what we knew about the replacement of the bus involved in the recent accident. Mrs. Swango said that they are expecting insurance to cover the value of the bus. The bus is a 2008 model, but it was actually purchased in 2007. She said that research is being done by a representative of the vendor from whom the bus was purchased to determine what the school corporation thinks the replacement value should be. Mrs. Swango said that she had decided to get the vendor involved when the insurance company valued the bus at \$20,000 less than the purchase price.

OLD BUSINESS:

Mr. Phipps, President of the board, called for a break in the regular meeting in order to hold a 1028 Hearing and an Additional Appropriations Hearing.

Dr. Jones introduced legal representative, Thomas Peterson, of IceMiller, who explained how the Qualified Zone Academy Bond program works. He said that the Permanent Financing of the Jefferson Craig Project has been awarded through the QZAB. He said that the Federal Program, administered by the State, will allow the corporation to issue the bonds at an interest rate that is significantly lower than the standard market rate. He said that the interest rate changes with the market, but that right now, the interest savings will be almost half, which provides an opportunity to save the tax payers additional funds. Mr. Peterson explained that the purpose of this public hearing is to explain the project and the anticipated sources of repayment for that project. He said that also, since the bond issue does not show up in the corporation's original budget, additional funds must be appropriated for the project.

For the 1028 Hearing, Dr. Jones explained the Jefferson-Craig project and what prompted the funding with the Qualified Zone Academy Bonds. Dr. Jones said that she saw three different areas that need improvement, which was the renovation of the interior of Jefferson Craig at \$997,537; the technology area which was roughly \$101,554; and thirdly, the replacement of playground equipment, at \$464,07. Dr. Jones said that an agreement was entered into with Energy Savings Group to do building renovations that included window improvements, lighting upgrades, controls, electrical upgrades, classroom ceiling projectors, power wiring and installment, refurbishment of bathroom plumbing, replacement of suspended ceilings, replacement of classroom doors, provide security at the front entrance, add a bathroom in the special needs classroom, and provide upgrades to the clock and intercom system. For the technology area, monies were needed for cabling, presentation laptops for students and administration, presentation screens, mobile carts, 12 additional computers, keyless entries for two entrances, and mounted projection screens with cabling. In the area of the playground equipment, all of the old equipment needed to be removed, relocated at a different area, and replaced with new equipment which was selected by a committee. Some of the playground items were basketball courts, playground structures, heavy duty sea-saws, and a rock climbing wall, and other items. Dr. Jones said that the total comes to one million, four hundred thousand dollars.

Mr. Peterson mentioned that the entire project had been approved by the state for this designation.

Mr. Phipps then opened the 1028 Hearing for public comments. Hearing none, he asked Mr. Peterson to continue with the next part of the hearing.

Mr. Peterson explained that now, the corporation needed to hold an Additional Appropriations Hearing to explain what the financial impact would be for paying back the financing of the project.

Mrs. Collette Irwin-Knott, of the Financial Consulting Firm of Umbaugh, explained that by using a formula, (2% of tax base, divided by three), with a 2009 net assessed valuation being approximately 466 million dollars, the general obligation maximum would be three point three million dollars; and because of the project presented here tonight, there would be an anticipation of a borrowing of 1.4 million dollars, which fits well into the debt capacity that the corporation has. She went on to say that the 1.4 million dollar bond issue would be repaid over approximately 14 years. Mrs. Irwin-Knott said that at this time, they were assuming an interest rate of 1 & ½ percent, which is really much lower than the traditional tax exempt interest rates today. Mrs. Irwin-Knott said that she would certainly say that this is the most economical means available for school corporations to borrow money. She went on to say that if looking at the worst case scenario, with no Endowment payments, the tax payer impact from property taxes would be approximately 2.22 cents.

Mr. Phipps, President of the Board, opened up the Additional Appropriations Hearing for public comments. After hearing no comments, Mr. Phipps closed the hearings and resumed the regular meeting.

Mr. Truitt made a motion to approve the adoption of a 1028 Resolution as presented. Mr. McKay seconded. Mr. Daugherty asked if the amount listed for the playground equipment at Jefferson Craig included everything. Dr. Jones said that it included the removal of the old equipment and the installation of new equipment in a different area. She said that the equipment was old and was in great need of being replaced. Discussion followed among the board members regarding the placement of the playground and the future transportation plans at the rear of the buildings. Mr. Peterson explained that even though the total of the bond proceeds for the project would be approved in this resolution, the individual expenditures would be brought before the board for its approval and the bond funds did not need to be expended for three years, giving time to make final decisions on these types of issues. The vote to approve the resolution was unanimous.

The board approved the adoption of an Additional Appropriations Resolution. The motion to approve the resolution was made by Mr. Truitt and seconded by Mr. Daugherty.

Mrs. Moore made a motion to approve the adoption of a Preliminary Bond Resolution as presented to the board. Mr. Truitt seconded. Mr. Phipps asked how the advertising of the bonds worked. Mr. Peterson said that there were a couple of options, the first one being the advertising and collecting of bids for a certain date, to see who has the best interest rate, usually with local banks, which is the most favorable way to do the financing. If the banks are not able to purchase it, another option would be the Indiana Bond Bank, which would buy our bond and combine it with those schools with the designation of this type of bond issue and selling the larger bond issue, which might interest a larger investor. The vote to approve the resolution was unanimous.

Mr. McKay moved to approve the adoption of the Reimbursement Resolution as presented. Mr. Daugherty seconded the motion. The resolution provides an option for

situations involving the need for funds to be used before the bond proceeds have been received. In this event, the corporation could use its own funds, and then reimburse itself when the proceeds were actually received. The board voted unanimously to approve the resolution.

Mr. Peterson thanked the board for their patience in the proceedings of the evening. He then congratulated the board and administration for working through and finding this advantageous avenue for financing and receiving the below market interest rate which will allow them to tell tax payers that they have been able to pay less than what was anticipated, thus saving them money.

NEW BUSINESS:

The school board honored the following retirees for their service to the corporation:

- Retired Teacher, Sharon Earls, was presented with a bell commemorating her 38 years as a teacher in the corporation.
- Retired Bus Driver, Charlie Jester, was presented with a plaque for his 18 years of driving a bus for the corporation

Mr. Daugherty spoke on behalf of the Long Term Grounds Planning Committee. He said they have met several times and discussed many things. He said the main thing pressing on their minds was that whenever a project is started, that would involve long term care of the grounds, then a maintenance policy should be developed to designate what needed to be done and by whom. He said that he did not want to see a good project or improvement be undermined by neglect. Mr. Daugherty said that perhaps the athletic coaches could be given an extra stipend to cover the responsibility of insuring that their particular field or area is properly maintained. He said that perhaps even hiring of a qualified grounds maintenance person might be in order. Mr. Daugherty said that the committee was not ready to make any recommendations. He said they wanted to come to the board and get their thoughts and go back and discuss the issues again. Mr. Phipps advised the committee to meet again this winter, perhaps involving the athletic department, and come back with a recommendation for the spring. Dr. Jones said that when others come to the schools for various athletic events, the corporation wants to be proud of its campuses. She said she knew this took time and knowledge. Mr. Daugherty said that he also wanted to make sure that the area between the end of the High School and the beginning of the new Administration Building was not going to end up being a field of Johnson grass. Mr. Phipps said that Mr. Carpenter was overseeing that project and asked if Mr. Daugherty could meet with him to voice his concerns. Mr. Daugherty said that he would do that. Mrs. Moore said that she wanted to mention that when she was a teacher's aide out at Switzerland County Elementary School, Head Custodian, Jack Leap, who is now deceased, kept the grounds looking absolutely beautiful. She went on to say that perhaps some of the staff members should do some team work in order to get the job done and keep it that way.

Mr. McKay gave a summary of the Internal Audit Review Committee Report for the corporation. Mr. McKay served on the committee with fellow board member, Tonya

Moore. Others who have served on the committee are Travis Martin, Wilma Swango, Melissa May, and Darin Gullion. Mr. McKay said that their basic task was to make sure that the checks and balances were in place according to the policy that was developed after the embezzlement of funds by the former treasurer. Mr. McKay noted that during this audit, several items that were missing from those originally requested were produced and they were confident that the Treasurer's department was operating as it should.

Mr. Phipps said that he appreciated Mr. McKay, Mrs. Moore, and Mr. Daugherty for their work on the committees.

PUBLIC COMMENTS:

None.

PERSONNEL:

None.

PROFESSIONAL LEAVE / FIELD TRIPS:

Professional Leave requests from John Druba and Mike Jones to attend a Fall Principals' Conference in Indianapolis on November 23 & 24, 2009 were unanimously approved as submitted in a motion by Mrs. Moore and seconded by Mr. Waltz. Mr. Waltz asked about who would cover for the principals when they were out. Dr. Jones said that Assistant Principal, Tony Spoores, will fill in for Mr. Druba, and Fred Ross will fill in for Mr. Jones.

The board's vote was unanimous to approve an FFA Field Trip to the 3-Star National Chapter Recognition, Career Show in Indianapolis on October 21-24, 2009. Mr. Waltz made the motion to approve the trip. Mrs. Moore seconded.

USE OF FACILITIES:

None.

ANNOUNCEMENTS AND REPORTS: (SUPERINTENDENT)

Superintendent Jones announced that the next Regular Board Meeting would be held on October 19, 2009 and that the next Endowment Meeting would be held on Tuesday, October 27, 2009.

Dr. Jones also announced to the board that there would be a Career Center Dinner and Tour on October 18, 2009 at 4:15p.m. Dr. Jones encouraged members to attend.

BOARD REPORT AND COMMENTS:

Mr. Phipps asked for an update on the ESG construction project from Jefferson-Craig Elementary School Principal, Rhonda Pennington. Mrs. Pennington said that they had hoped to have the front door open to visitors, but they were waiting on the reshaping of one of the panels of glass for the door that was the wrong dimension and had to be reordered. She said that they were moved back into the office area, now, and were getting things organized. Mr. Daugherty asked if all of the electrical issues had been taken care of in the classrooms. Mrs. Pennington said that there were four separate circuits for each classroom. Mr. Daugherty asked if the teachers were aware of this. She said that some of the teachers were probably not aware of this because the work done was not visible. She said that she and Mr. Sieglitz had personally gone through and made sure that all of them were done to her satisfaction.

Mr. Daugherty said that he had been approached about starting a football program at the school corporation. He said that we might discuss that at the next meeting. Mr. Daugherty said that perhaps a survey could be given out to the parents to see who might be interested. Perhaps they could invite those concerned and could get some information from other schools to look at costs, give background, and hear proposals. Mr. Daugherty said that the two largest schools in the state do not have a football team, but there are schools smaller than Switzerland County's that have teams. Mr. Waltz gave Milan as an example of a small school that started a football program forty years ago and they were still going.

ADJOURNMENT:

Mr. Roberts moved to adjourn the meeting. Mr. Waltz seconded and the vote was unanimous. The meeting was so adjourned. (8:50 p.m.)

James Phipps, President

Wayne Daugherty, Vice President

William Roberts, Secretary

Virgil Mckay, Member

Tonya Moore, Member

Andy Truitt, Member

Vernon Waltz, Member