

MINUTES OF MEETING

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION SCHOOL BOARD

October 8, 2013 – 6:30 p.m.

A regular meeting of the Board of School Trustees of the Mooresville Consolidated School Corporation was held in the Education Center Auditorium, 11 W. Carlisle Street, on Tuesday, October 8, 2013, 6:30 p.m. The Chairman after calling the meeting to order noted the presence of the following: Dr. Bill Roberson, Mr. Perry King, Mr. Dave Oberle, Mr. Mark Meadows and Mr. Randy Davis. The Chairman noting the presence of a quorum declared the meeting duly constituted.

Dr. Roberson led the audience in the Pledge of Allegiance.

The first item on the agenda was the Consent Agenda.

CONSENT AGENDA

Approval of Board Minutes of September 10, 2013

Personnel

Approval of Personnel Report # 10-13 (Attached)

- Certified
- Support Staff
- ECA

Claims

Payroll – September 13, 2013 & September 27, 2013

Claim Nos: 19 – (32023) – 20 (32055)

Warrant Nos: 100761-100776 DD# 101481-102033
100777-100788 DD# 102034-102592

Vendors – October 8, 2013

Claim Nos: 31948-32058

Warrant Nos: 12611-12680

Donation

- \$1,000.00 from Meijer for Neil Armstrong Explorers

Facility Use Request

- Sunday, October 27, 2013 for Paul Hadley Middle School

Mr. King made a motion to approve the consent agenda as presented, seconded by Mr. Davis. Motion carried 5-0.

The consensus of the board was to move the introduction of new personnel and the presentation on the Japan trip up on the agenda. Dr. Moore stated the Technology Department had two key departures during the summer which were the Director of Technology and the Networking Specialist. He stated the remaining four people of the Tech Department stepped up and carried us through to keep technology going corporation wide and appreciated their hard work. He then introduced Trent Nees, Networking Specialist and Steve Jacobi, Technology Director both who are part of the technology team.

Mr. Kern recognized TOA who had given us the opportunity to send three teachers to go to Japan once again. He thanked TOA for the opportunity not only for the teachers but also for the experience the teachers are able to take back to the classroom. Jason Freeman, Paul Hadley Middle School; Charlene Bische, Paul Hadley Middle School; and Angela Pugh, North Madison Elementary shared the following highlights from the trip:

- The teachers tried all the food they were served.
- They were surprised to see very little technology in the schools.
 - One teacher had a projector hooked up to the computer.
- Computers were in the classrooms that were designed for computers, there were a lot of textbooks, and a lot of lectures.
- Conversation with the Superintendent revealed that Japan is not for retaining students.
 - They have enrichment classes to push them on and before and after-school programs to help.
- Inclusion students are starting to be included in buildings.
 - Prior to this, inclusion students used to be housed in their own building.

- Japan only mandates school for grades 1-9.
 - Students have to apply to get into high school.
 - Grades have to be maintained and the students must keep up in order to qualify to get into high school.
- Technology was in the high school but there was none in the lower grades.
- Very detailed oriented, handwriting was immaculate.
- Parents hire tutors in the evenings.
- English is taught three days a week at the high school level and Saturday classes are more in-depth.
- The school's sister city is Lafayette and Indiana was incorporated into Japan's lesson plans before their trip.
- Junior/Senior High is a new concept for them.
- They have enrichment on the weekends and Saturday classes are up to the parents.
- We have accelerated, Peak, enrichment classes and they focus on remediation.
- They have no cafeteria at lunch.
- They have no bus service – students take public transportation.
- They have no custodians.
- The students had lunch in homeroom with the teacher.
 - The students were unsupervised but knew exactly what they were to do.
 - Classical music plays during lunch.
 - Everyone brushes their teeth after lunch.
 - Another song began playing which was the cleaning song, they had to clean before they went to recess.
 - There was no adult supervision, but the students knew what they were supposed to do and what was expected.
- High school level had a 20-minute period they could do what they wanted.

Mr. Freeman thanked the selection committee for selecting him for the trip and thanked TOA USA. He stated it was once in a lifetime experience. He also stated they took good care of them. Mr. Freeman stated they met Chiharu Iizuka's (former Mooresville student) mother and Chiharu met them at the airport. When they arrived at TOA, an American flag was flying and a welcome flag. Mr. Kern stated TOA will be presented a certificate and he would make sure they received it. Dr. Moore stated it sounded like Mr. Freeman, Mrs. Bischo, and Mrs. Pugh represented Mooresville Schools well and thanked them for that and appreciates TOA providing the opportunity.

Dr. Moore stated Form 3 for the 2014 Budget, 2014-15-16 CPF Plan, 2014-2025 School Bus Replacement Plan had been advertised on August 21 and August 28 in the local paper and it had been announced at the last board meeting that the budget would be adopted tonight. Dr. Moore thanked Mike Turner for preparing the budget and the board for allowing Mr. Turner to be our Financial Consultant. He stated approval includes the following resolutions: Tax Neutrality, Pension Bonds Levy Reduction; Adoption of the 2014-2015-2016 CPF Plan, Adoption of the 2014-2025 Bus Replacement Plan, Reduction to lines 1 & 2 if needed at DLGF hearing, Transfer CPF Interest to the General Fund, and permission to advertise the CPF Notice of Adoption on Wednesday, October 9, 2013. He asked the board for approval. Dr. Roberson made a motion to approve all resolutions for the 2014 Budget, 2014-15-16 CPF Plan, 2014-2025 School Bus Replacement Plan and advertisement of the CPF Plan, seconded by Mr. King. Dr. Roberson stated the board is not raising taxes again this year for the fourth year in a row and all schools in Morgan County are fiscally solvent. Motion carried 5-0. After approval, the corporation has two days to upload the budget on Gateway for IDOE.

The next item on the agenda was the \$2,000,000.00 QZAB projects for the high school and middle school. Mr. Harris stated any project over \$1,000,000.00 must have a public hearing. He stated the work and financing would be explained and the tax impact on the projects. He also stated these are interest-free loans. Mr. Harris stated after the presentation, questions would be answered. Dr. Roberson stated we have had \$14,000,000.00 worth of loans at 0% interest - \$4,000,000.00 were QSCB's from the stimulus money. He stated in order to apply for QZAB's, you must have 35% of free and reduced lunch students. The state average is over 50% in Indiana for free and reduced lunch students. You also must have 10% match of in-kind services or donations. Our community stepped up with \$2,900,000.00 for in-kind services acquired by Susan Haynes. Dr. Roberson stated our financial advisor was asked what if these projects were not interest free and was told the projects have saved us \$7,975,643.00 in interest that the taxpayers did not have to pay and have helped us to keep the tax rate from going up. The high school project will take place next summer and will include replacing the remaining brick and windows on the north building. Dr. Roberson stated in the \$20,000,000.00 project, we were not able to complete all of it and the \$2,000,000.00 QZAB for next summer will help us finish the rest of the brick, address HVAC in the administration area, remodel the band room, more technology, upgrade further electrical wiring, purchase PLTW equipment and replace furniture. He also stated that when the \$20,000,000.00 in bonds were sold, the bonds were not at 0% interest. Dr. Roberson stated a Bid-Spec Project would take approximately 2 ½ years to complete the project and would require more money. He stated we chose a Design Build Project which will be done in August of next year – less than 16 months for the entire project. With the Design Build Project, we were able to get \$18,900,000.00 in construction costs with \$1,100,000.00 in soft costs which is 5.5% of the project opposed to 20-25% of a Bid-Spec Project. Dr. Roberson stated a meeting is held every two weeks with the design team to go through the project and stated we are designing as we go along, making sure everything will be done on time, on schedule,

making sure it is getting done efficiently, and getting what we want. He stated there are no change orders on a design-build project and if problems arise, it is their problem. There has been another \$13,000.00 carved out for the south building needs that will go into the project. He also stated there will be a magazine article written on what we accomplished. Dr. Roberson stated the middle school project will be used to re-roof the whole building, exterior wall work, replace both sets of bleachers, upgrade the remaining electrical system, replace HVAC in computer rooms, replace lockers, upgrade restrooms to make them ADA compliant, and remodel the science labs. He stated these are design building projects and we will try to get all of it and everything on the list. Companies will come in to present what their proposal and will be narrowed down and is how Korte was awarded the high school project. Most of the workers are local so the tax dollars stay here. Dr. Roberson then explained the debt structure. He stated there are no athletic items in the bond issue and the project will be used all for needs that we have. Dr. Roberson stated he is proud of what we have been able to accomplish – \$36,000,000.00 worth of projects without raising taxes and we still have room to do more as needs come up. There were no questions asked about either project. Mr. Harris stated there were two meetings held with two building corporations. The high school project involved the Mooresville Consolidated School Building Corporation which included Mike Haskins, Ryan Goodwin, and Mark Allison. The middle school project involved the Mooresville School Building Corporation which included Mike Haskins, Steve Overton, Barb Romans, Gary Crews, and John Ehrhart which had to approve moving forward with both projects. Both corporations have existing leases with the corporation and this will be amending each lease to pay those off. Mr. Harris stated in summary the resolutions are approving the issuance of bonds at \$2,000,000.00 for each project with the estimated cost of issuance at approximately \$65,500.00 for each project. Both resolutions state the \$2,000,000.00 will be funded by one or more of the following: CPF Fund, Common School Fund Loan, General Obligation Bond Issue, Building Corporation Bond Issue with an anticipated impact on on the debt service fund tax rate of .0526 per \$100 assessed valuation tax rate. The net increase to the tax rate is 0 and when the debt drops off, we will begin paying this debt. Dr. Roberson made a motion to approve the following resolutions summarized by Mr. Harris: project resolution for the high school; project resolution for the middle school; resolution reapproving the building corporation for the high school project; resolution approving the building corporation for the middle school project; resolution approving the form of an amendment to lease for the high school project; and resolution approving the form of the 6th amendment for a lease to the middle school project; and resolution reapproving formation of the Building Corporation; seconded by Mr. Oberle. Mr. Harris explained that any time there is a bond issuance, we retain Ice Miller and they guide us through the process. We have followed directions from Ice Miller to get to this point. Motion carried 5-0.

Dr. Roberson asked for approval to apply to the Indiana Bond Bank for tax anticipation warrants and explained we get property taxes twice a year. He stated we always apply for this and the last three or four years, we have not borrowed because we borrow from one of our funds to another. When we do not borrow, we do not pay interest. Dr. Roberson made a motion to approve applying to the Indiana Bond Bank for tax anticipation warrants, seconded by Mr. Davis. Motion carried 5-0. Dr. Roberson stated we do have to do cash flow sheets.

Mr. Kern stated the glitches with ISTEP did not have an impact on Mooresville Schools. He stated the first time in history, Neil Armstrong was at 80% for both Language Arts and Math. He also stated all cohorts at Newby showed growth. Fifth grade math had 100% pass rate and there were two perfect scores in math in fifth grade. North Madison and Northwood both had growth in Language Arts. Waverly scores are usually at 90% but still had growth. The middle school continues to grow in math, but language arts still needs to improve. Mr. Kern stated we are well above the state average and general scores are 80% to 90% across the district. He stated the teachers are working very hard and are more data focused this year. Dr. Roberson stated good job and this is a good group of teachers.

Dr. Moore presented the board with the ADM report and stated our enrollment is fairly stable. This year our ADM was 4377.5 which was a significant increase of 44.5 students. He stated we have 243 students who are transfer students, but cannot count on this from year to year. He also stated we did add three instructional assistants to the classrooms due to numbers.

Dr. Moore stated that through discussion rather than negotiations, talks with MCTA worked very well. He stated we have a contract that runs through the calendar year. The current contract ends on December 31, 2013. He stated we are asking for approval to extend the existing contract until August 1, 2014. This will allow us to discuss in second semester this year and gives us a little more time so we can look at what has been achieved in other places. Dr. Roberson stated we will operate under the old contract and will go to a new contract in August of 2014. Dr. Roberson made a motion to extend the current teachers' contract until August 1, 2014, seconded by Mr. Meadows. Mr. Oberle asked when the contract will go into place on job performance and merit pay. Dr. Roberson stated some schools extended their contract for years. The state now recognizes fiscal year. Dr. Moore stated there are six school corporations in the same situation and stated our teachers are on board with extending the contract to move to a fiscal year and do not want to throw the contract out. There are no more increments. He stated if we do not do this now, the IEERB Board declares us in IMPASS as of October 10, 2013. Dr. Roberson stated that the contract was based on the calendar year due to how schools were being funded. The state is now operating on a fiscal year and the new law states cannot be on a calendar year. Motion carried 5-0.

Dr. Moore stated that on March 23, 2010, President Obama signed a new law called the Patient Protection Affordable Care Act (Obamacare). The US Supreme Court upheld a portion of that law on June 28, 2012. He

stated the law requires us to provide health insurance to any employee who works over 30 hours per week, and if we do not, we will pay a substantial fine. Another choice is to limit hours to under 30 hours per week. The State of Indiana and several school corporations have filed a lawsuit asking the IRS, U.S. Department of Treasury, U.S. Department of Health and Human Services to not interpret the law this way. Bose McKinney and Evans asked us to add our name to law suit which will be at no cost to the school. We would be added as plaintiff to the lawsuit along with many schools and the State of Indiana to ask that the law be interpreted in a different way so that we would not be under this requirement to provide health insurance or lower the number of hours for employees. Dr. Roberson stated we do not disagree with the portion upheld by the Supreme Court and are mandated to do that under this interpretation. If we had the money, we would leave it the way it is and provide insurance. We do not believe the taxpayers should be paying a fine. He said a lot of other schools will be joining this lawsuit which is being filed by the Attorney General. Our intent is to not pay a penalty. Dr. Roberson made a motion to adopt the resolution joining the lawsuit on the Affordable Care Act for the administrative interpretation, seconded by Mr. King. Dr. Roberson stated we are not opposed to everything in health insurance but are opposed to bankrupting the school. Motion carried 5-0. We need to forward the resolution to Bose McKinney.

Dr. Roberson stated the Redevelopment Commission is from the TIF District and when the TIF District puts in any improvement that is taxed, the money goes to the TIF District. In the last 20 years, the school has not received any pass-through money. We believe schools are a big economic development. We have a resolution asking the Redevelopment Commission to grant the school district pass-through dollars. Dr. Roberson stated he resigned due to being a non-voting person on the commission and decisions are being made without a vote for the school and does not want to be associated with this. Dr. Roberson made a motion to approve the resolution asking for pass-through dollars from the Redevelopment Commission, seconded by Mr. Meadows. Mrs. Perry stated the Redevelopment Commission will use part of the money they have to put a new gateway in. Motion carried 5-0.

Mr. Kern thanked the board for the steady leadership and for bringing Dr. Moore to us. He stated we have had a good start to school year.

Dr. Roberson reminded the board that Fall Break will be next week, October 14 – 18, 2013.

The next school board meeting will be on Tuesday, November 12, 2013 at 6:30 p.m. at the Education Center. There being no further business to come before the board and upon motion by Mr. Davis, seconded by Mr. King, the meeting was adjourned. Motion carried 5-0.

Attest:

Respectfully submitted,

President

Perry King
Secretary

Vice-President

Member

Member