

September 30, 2015

A special meeting of the Board of School Trustees was held at the Administrative Center at 4:02 p.m. All Board members were present except Dr. Quin. Also present were Mr. Watkins, Mr. Hanson, Mr. Hall, Mrs. Minard, Mrs. Mongosa, and a news media representative.

Mrs. Shuey led the Board and audience in the Pledge of Allegiance. On motion by Mr. Stanton, seconded by Mr. Wolfe, the Board unanimously approved the agenda.

- I. RATIFICATION OF MASTER CONTRACT - Mr. Watkins stated we started meeting in late July. The two groups met five times during the collaborative process. He stated it was a very collaborative process noting he had been through some in previous years that were confrontational. He stated he appreciates this was a very mutual process worked out for both sides.

Mr. Hall reviewed where we have been. He stated in 2010 we went through some painful downsizing, reducing some salaries and a number of personnel. At that time the PCEA was told when we had money, they would get it. He stated there was also a year the Board was only able to give a quarter of a percent pay increase. He stated that was painful but we have to live within our means. He noted before the crash of 2009 we had a salary schedule and the teachers on the Bachelor's lane got a 3% raise year over year up to year 15. If they had a Master's degree, they got a 4% raise out to about year 25 increment. Looking at an average salary increase of 4%, we are basically getting back to where we were in 2008. He stated we are on par where we were in the good old days. He explained the difference between this year and past years where we have only been able to offer 2% raises. In 2009 we started getting significantly more money per student than the prior year. He noted that is tempered a little bit with our ADM, Average Daily Membership, which is still flat, not growing, and actually decreasing a little bit. He stated we lost roughly 300 students in the last eight years. He stated we are getting about \$300,000 more in the general fund next year than this year. He said it may not sound like much but it is positive versus negative. He stated month over month we have been looking at the fund monitoring report and we see that expenditures are trending below budget. He stated we have \$300,000 to \$500,000 of budget space to give raises. Putting that into perspective, he stated we are putting \$200,000 into the new salary matrix and \$80,000 into benefits. He stated roughly one fourth of that will fall into calendar year 2015. That is \$70,000 and typically the same kinds of increases go to classified and administrators. He noted they are about half of what the teachers are. He stated therefore we are looking at \$110,000 impact to this year's budget and we have space within the budget to do this kind of raise. The 4% is the total dollars going toward base salaries, going to \$6,195,000 for the 2015-16 school year versus \$5,945,00. He stated that is actually 4.02%. He stated when you get to individual teachers, keep in mind we put in a plan that a teacher can get to \$41,000 salary after four years of evaluations with two years being effective or highly effective. He stated we have about 13 teachers doing that this year with some of those receiving a 16% increase. The teachers at the top of the scale making \$63,000 will get 3.17%. That averages into the 4%.

Mr. Hanson added this all falls into our merit pay schedule. The \$200,000 is going to be divided by the total number of units our staff earns through the evaluation process. Every unit will be given a dollar amount. Last year that was \$214. This year the unit will be \$285. Four of the units are based solely on the evaluation with RISE. There is a unit for educational and a unit for experience. There are two other units that do not go towards their base. That all plays into their raise. He said we are sitting here today with the understanding the state is not finalizing the individual school building grades until March which means we cannot issue this money until the school grades are finalized. The DOE is supposed to be releasing guidelines on how we can finalize this process ideally before the end of the calendar year. He said this will be a lot of retro payment back

to August 6 when the contract starts.

Mr. Hall said on the benefit side, medical and dental saw a 7% rate increase last year and a 6.5% increase this year effective October 1. He noted we have not put that kind of money into benefits to offset the rate increases. Out of pocket expenses are going up while take home pay is going down. He stated putting \$80,000 back into the teachers' portion of the medical brings their average percentage that the Board pays from 48% to 58% for family and dependents coverage. He said this is not sustainable in the long term and in a few years we will be doing something different. We cannot continue to increase benefits at that rate. He said there are a couple things coming in the future from the state in changing the requirements of the A-F model. That is going to require more teachers having licensing for dual credit and advanced placement. A tool to get us there is we will pay up to \$500 per credit hour for teachers to get those kind of licenses and certifications. He stated we are also giving a \$500 per credit hour stipend for teaching those classes. Mr. Hanson stated a teacher teaching those classes is also certified by IVY Tech so there is additional grading to record for the students in their program as well as our plus additional meetings those teachers must attend. In past years the teachers have not been compensated for this additional time. Mr. Hall referred to our strategic plan noting we will be regionally competitive for salaries and benefits. This kind of change for dual credit and advanced placement helps retain teachers who have this special training. It also helps to recruit new teachers to teach these classes.

Mr. Hall asked for questions. Mr. Wolfe asked if all this money is coming out of the future budget and not the rainy day fund. Mr. Hall responded it is all part of the approved budget. Mr. Hall thanked Mrs. Shuey and Mr. Wagner for participating in the bargaining process. Mr. Watkins stated we may have started later than last year and had a shorter time span to get things done by October 2. He stated he appreciated the Board's understanding and cooperation. He thanked PCEA and Scott Thompson, Jason Gornto, Christy McGuire, and Chris Snyder for many hours of their own time. He also thanked Mrs. Shuey and Mr. Wagner for their expertise. He thanked Mr. Hanson and Mr. Hall as well. Mr. Watkins stated this is about kids. Negotiating contracts and approving salaries is directly related to our students at PCS. We need to make sure our culture and climate are right. He stated we must be attractive to hire the best teachers, coaches, administrators, and staff. We need the best facilities and the staff to keep our buildings running. Mr. Watkins stated the Board is setting a precedent for being fiscally responsible. He added the trust between the PCEA and the administrative staff right now is at an all time high. That is a must in negotiating fairly. Mr. Hall is a big part of that. Mr. Watkins also extended a special thank you to Mrs. Minard for her assistance. Mrs. Shuey thanked Mr. Wagner and the PCEA team. She stated she was a part of the negotiations years ago when they spent nights negotiating and it wasn't on pleasant terms. She appreciated the collaborative efforts and the trust. She said it has been a long time coming. Mr. Stanton extended his thanks and appreciation.

Ms. Rice stated this did not include the support staff. She questioned if they were given any kind of raise this year. Mr. Hall responded that will be a separate recommendation in the future. He said the hard part is the dollar increase only impacts the insurance right now because we don't have the building grades to finish the evaluations and that might not come until March. He stated the staff is going to have to be patient. He said it is very difficult and frustrating. Ms. Rice asked when we will look at other staff, at the same time? Mr. Hall responded he would not recommend other raises until the teachers receive their raises. The insurance increase will begin immediately. Mr. Comerford thanked the Board representatives and administrators for their time and effort. He stated he remembered at one time we approved a two-year contract, one year just language. Mr. Hall said it has been a few years. Part of

that bargaining change in 2011 was you could not negotiate beyond the biennial. Right now we could have negotiated a two-year contract. We offered that two years ago but they were not interested. We also talked about it this year, and they were not interested. Mr. Comerford asked if we are then doing everything, language, benefits, and salary every year. Mr. Hall responded everything is on the table for bargaining each year. Mr. Comerford noted the base salary was increased to \$34,500. He asked what it was before. Mr. Hanson responded \$34,383. Mr. Hall stated that is a .34% increase for first year teachers. Mr. Comerford asked if we have had an increase in membership in the health insurance consortium? Mr. Hall responded more schools are participating now than two years ago. MSD, Wabash City, and North Miami have joined. He said when they go into the renewal meetings the trending people tell them they need an 8% to 10% increase. He said the consortium members respond they are not going to do that because we can't afford it. He said the consortium had about a \$7,000,000 surplus a few years ago. That is down to \$4,500,000. He said another thing that is happening is benefits are eroding. The deductible has increased as well as out-of-pocket expenses. The changes in the insurance including the premium as well as benefit changes were about a 25% increase on max out of pocket and deductibles.

Mr. Hanson stated we have a group of teachers who have been here in the seven to eight year range. For their first five years their take home pay went down. Last year was the first year we broke that trend. He stated it is nice to have another year with an increase. He stated he is appreciative. He noted in the next few years we are going to continue to see a teacher shortage. When he attends recruitment fairs the quality and quantity are both decreasing in potential teachers. He stated he is pleased with the outcome. It will be a positive for the moral of our staff. He stated he hopes we are able to follow that with the support staff. We have 400 employees. Only 129 are teachers. It will be nice to reward the other staff members. Ms. Rice asked if there is money set aside. Mr. Hall responded yes. He said this contract is making us very competitive. Other school corporations are going to be asking us how we can do this for our teachers.

On motion by Mr. Stanton, seconded by Mr. Wagner, the Board unanimously approved the 2015-16 Master Contract.

II. ADJOURNMENT

With no further business to discuss Mr. Stanton moved to close the meeting, unanimously approved. The special meeting was adjourned at 4:29 p.m.

Secretary,

Tim Comerford

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