

November 14, 2016

The regular meeting of the Board of School Trustees was called to order at 6:30 p.m. by Mrs. Shuey. Mrs. Shuey led the Board and audience in the Pledge of Allegiance. All Board members were present. Also present were Mr. Watkins, Mr. Hanson, Mr. Hall, Mrs. Minard, Mr. Frye, Mr. Badry, Mr. Downs, Mr. Schumaker, Mrs. Mongosa, several students, parents, teachers, patrons, and a local news media representative.

On motion by Mr. Stanton, seconded by Mr. Wagner, the Board approved the public agenda, the memorandum of October 17, and the personnel report with three changes unanimously.

PERSONNEL

A. RESIGNATIONS/RETIREMENTS/TERMINATIONS

1. Temkai Clark - resignation, PHS Spanish teacher, effective date to be determined (November 28, 2016)
2. Diana Garner - resignation as full time bus monitor, continue to sub, effective September 30, 2016

B. LEAVES

1. Alyssa McDowell - PJHS teacher, leave from February 17 - April 30, 2017
2. Tim Conner - PHS teacher, leave November 15, 2016 for 25 school days
3. Mary Brown - PHS para pro, leave December 23, 2016 - April 3, 2017

C. RECOMMENDATION FOR CERTIFIED POSITIONS

1. Mary Whitcomb - Spanish teacher, effective date to be determined (December 5, 2016)

D. RECOMMENDATION FOR CLASSIFIED POSITIONS

1. Derek Rushforth - SRO substitute
2. - deleted -
3. Jessica Berglan - PHS CDC secretary, effective October 31, 2016
4. Permission to post maintenance position

E. RECOMMENDATION FOR EXTRA-CURRICULAR POSITIONS

1. Gayle Raber - 7th grade girls' head basketball (lay) coach
2. Kristin Unger - 7th gr. girls' assistant basketball coach
3. Emily Cyphers - 8th gr. girls' assistant basketball (lay) coach
4. Greg Mullett - 5th gr. boys' travel basketball (lay) coach
5. Luke Hoefler - PHS drama volunteer

F. REQUEST FOR CONFERENCE - no business.

G. DONATIONS

1. \$650 - PJHS girls' basketball uniforms from the Peru Bengal Backers

I. PUBLIC COMMENT - no comments.

- II. RECOGNITIONS and BLACK AND GOLD AWARDS - Mr. Watkins stated Mr. Frye nominated two students. Mr. Frye explained the 2nd grade went on a field trip to the reservoir. Due to physical disabilities, one of the students could not go on the hike. Chloe Burdine offered to stay with her, giving up her chance to hike to stay and play with her friend. Mr. Frye also honored Layla Friend. He explained Elmwood offers a prize cart students can "purchase" items from with their green tickets they earn for doing positive things such as behavior, responsibility, and safety. Layla and her grandmother made book marks using her own supplies for students to "purchase" with their tickets. Mr. Watkins also thanked Jaclyn Caplinger, Chloe's mother, and Heather and Adam Warner, Layla's parents.

Mr. Watkins also shared that Mr. Frye nominated Mrs. Katie Sims, music teacher at Elmwood, for a Tiger Pride award. Mr. Frye explained he nominated Mrs. Sims because she is wonderful around

the building. She is in charge of the PBIS program which is tremendous. He stated Elmwood has a wonderful climate with students and staff. Mrs. Sims is a big factor of that. She is an excellent teacher. He noted he has encouraged her to get her Master's in administration so she could take over in a few years for him. Mr. Watkins stated Peru is working hard to keep art and music in our schools. Many schools in our area do not have these fine art programs. He said it is an honor to have our teachers.

Mr. Watkins stated three student athletes were nominated by Coach Saine through the Indiana High School Tennis Coaches Association three seniors were named Honorable Mention All State - Ben Van Baalen and Sean Smith were named as All Doubles Honorable Mention and Carson Ray was named All State Academic.

III. PROGRAM

- A. MUSIC DEPARTMENT PRESENTATION - Mr. Frye introduced Mrs. Sims and welcomed students from Mrs. Snyder and Ms. Schwenk's kindergarten classes. The students sang two songs they will be singing at their Christmas program: "Red and Green" and "Santa Claus Rocks." Mr. Frye stated the Christmas program will be December 14 and 15 in the auditorium. He said it is so well attended Mrs. Sims has to have two nights so everyone can attend.
- B. BOARD PARTICIPATION REPORT - Mr. Watkins reviewed the third quarter Board participation report noting the Board spent 258 hours in various meetings or at events. He noted we have excellent Board members. Mr. Watkins commended the Board on their excellent member presentation. A copy of the report is in Supplementary Minute Book #14, page 52.
- C. JAG PARTNERSHIP COMMITMENT - Mr. Watkins stated Jobs for America's Graduates has been a part of the PHS curriculum for several years. He requested permission to sign the service agreement for the Partnership Commitment between Region 4 Workforce Development Board and PCS. On motion by Mr. Comerford, seconded by Mr. Stanton, the Board unanimously approved the agreement. A copy of the agreement is in the Supplementary Minute book #14, page 53.
- D. NEOLA POLICIES FIRST READING - Mr. Watkins briefly reviewed eight NEOLA policies for a first reading. He stated these are all administrative except for one support staff policy. He noted these do not have to be reviewed by the PCEA prior to Board approval.
 - pol214 - Administration Staff Gifts
 - pol220 - Employment of the Superintendent
 - pol240 - Evaluation of the Superintendent
 - pol241 - Non-Reemployment of the Superintendent
 - pol530 - Procedure for Evaluating the Effectiveness of Administrators
 - pol537 - Military Service
 - pol543 - Non-renewal of Administrative Contracts
 - po4214 - Support Staff Gifts

IV. BUDGET

- A. CLAIMS - Mr. Hall presented and reviewed claims. Mr. Stanton moved to approve the claims as presented, seconded by Ms. Rice. Mr. Hall stated he also supplied a breakdown of the corporation credit card. Mr. Wolfe stated he did not approve the use of the corporation credit card for meals. Dr. Quin asked how many mowers we have and maintain. Mr. Hall replied two which are used for areas not covered under Black's contract. Mr. Comerford asked about Blacks caring for the football field and the additional fees charged. Mr. Hall stated he would look into that. Mr. Comerford asked Mr. Hanson about the time period for the connectivity charges. Mr. Hanson explained the charges and the rebate cycles and percentages. The claims were approved by a 5-2-0 vote (Dr. Quin and Mr. Wolfe opposed).

GENERAL FUND	264,765.24
DEBT SERVICE	1,224.00

CAPITAL PROJECTS	103,166.89
TRANSPORTATION OPERATING FUND	560.60
TRANSPORTATION BUS REPLACEMENT	86,098.00
POST-RETIREMENT/SEVERANCE FUND12	9,866.66
SCHOOL LUNCH FUND	70,697.83
TEXTBOOK RENTAL FUND	199.82
INSURANCE WELLNESS CLINIC	2,909.96
PBIS	1,926.32
AT&T GRANT-MERRICK 2012	1,208.00
STATE CONNECTIVITY FUND	25,400.46
PARENT NURTURING PROGRAM	820.37
TITLE I 2016-17	2,867.13
TITLE I 2015-16	36,764.41
TITLE II-A	686.02
RURAL AND LOW INCOME 2015-16	360.00
GROUP INSURANCE	349.68
ANNUITIES	45.46
RETIREEES-TERM LIFE INSURANCE	568.10
FRINGE BENEFITS	<u>450,783.92</u>
TOTAL	\$ 1,061,268.87

- B. FUND MONITORING REPORT - Mr. Hall reviewed the fund monitoring report for the month of October. He stated our enrollment in September was about 30 less than he estimated. Our funding through the first half of the year was based on that estimate, therefore, our tuition assistance will be reduced by \$150,000 to make up for the additional money we received in July through October. He said he can project a \$14.3 million for the year receipts \$360,000 less in receipts. We are trending over budget by \$375,000 going back to February. He stated he was estimating an \$800,000 deficit for the calendar year and will be requesting an additional appropriation in December. He noted the food lunch deficit in operation has improved quite a bit, but we still have a lag on receiving claims timely. Mr. Comerford clarified the deficit spending. Mr. Hall stated half of the cause of the deficit is on the receipt side and half on the disbursement side of the general fund. Mr. Comerford moved to approve the fund monitoring report, seconded by Mr. Stanton, unanimously approved.
- C. PRELIMINARY BOND RESOLUTION - Mr. Watkins stated PCS has some needs. He started with the 21-acre athletic project. He stated we are currently funded to finish the pitch, the auxiliary football field, the fencing, and mesh parking. The land has a footprint for a softball field and an auxiliary practice field, and more parking that will be needed. Lighting and restrooms will also be needed. To finish the project we will need approximately \$900,000. We currently do not have a softball field. We also have needs with the PJHS plumbing which runs under the flooring and needs a total update. He stated it is estimated it would take \$300,000 to move the 1959 plumbing from under the flooring to above. He noted there are also projects at PHS that have not been updated with past projects: music department facility and locker rooms under Tiger Den. He stated we also need music instruments for our students at Blair Pointe, PJHS, and PHS. The PJHS girls' locker room also needs updated. The boys' locker room was updated a couple years ago. He noted it will take approximately \$300,000 a piece. He stated we also need STEM (Science, Technology, Engineering, and Math) classrooms at Blair Pointe plus equipment which will cost approximately \$100,000. This cannot be done with just CPF because we are significantly hurt by the circuit breaker. Mr. Watkins stated we are severely cut by 35% in Capital Projects. He noted other corporations our size do not have this issue. He pointed out half of CPF goes to pay utilities. He added schools like us are passing referendums to keep up with their projects. That is an option as well as the general obligation bond. He stated we are in need for a \$2,000,000 general obligation bond to keep our buildings maintained and up to date. He stated another option which he is strongly against is to use our Rainy Day fund.

Michael Schumaker, Financial Advisor with City Securities, shared a presentation of the funding and taxpayer impact of a \$2,000,000 general obligation bond. He shared a 10-year history of municipal interest rates which remain near historic lows. He noted although the rates have slightly increased to 1.94%, they are still lower than any bond issue we have done in the past 10 years. He explained a \$2,000,000 bond at an interest rate of 2.66% minus the costs of issuance (legal, trustee, rating, and financial advisor) would put the hard costs at \$194,000. The estimated tax increase would be two cents. He explained the corporation's current outstanding debt and estimated tax rates noting our current debt would be totally paid out in 2027. He noted that is very favorably compared to many schools he sees. He explained how the new bond would be layered into our current debt. Mr. Schumaker stated we have a lot of capacity moving forward to do projects as needed. He then explained the four taxing units making up Peru Schools and the tax caps already in place. He stated Erie Township has the lowest tax rate and would see the most impact with this bond. In terms of dollars, the tax impact for homes in Erie would be anywhere from \$2 to \$10 additional per year. A \$100,000 rental property or business would pay an additional \$20 per year. A 100-acre farm would pay just under \$40 per year. In Peru Township homes under \$107,000 would pay the same amounts. Homes over \$107,000, rental properties, and farms would not pay anything. Businesses would pay \$20 per year. In the city, the only homes paying are those under \$56,000 which would pay \$2 per year. He also shared a comparison of debt load versus other schools within the surrounding counties. Mr. Comerford asked if it was a fairly common practice to maintain a certain level of debt with current circumstance with property tax funding. Mr. Schumaker replied yes, that no one wants to lose the levy they have in place as once they lose it, it is much harder to get it back. A 2-cent increase would be insignificant to most schools. Mr. Schumaker stated the majority of the schools utilize debt to operate. Mr. Hall asked Mr. Schumaker to differentiate a GOB with what we have done in the past with the leases. Mr. Schumaker stated at the end of the day they are not much different. Under the Constitution, we are only allowed to issue General Obligation debt one-third of 2% of your net assessed value which ends up being a very small dollar amount for most schools. To get around that, schools can do a lease financing with a Building Corporation. He noted there are less steps and paperwork with a GOB. Mr. Watkins asked why issue a GOB now versus January? Mr. Schumaker stated based on current law if the circuit breaker is high enough you are able to spread your circuit breaker loss over all your property tax funds, which we do. The new law states if you issue bonds in 2017 or 2018 and your tax rate is higher than it was in 2016 you can no longer do that. The circuit breaker loss can only be spread over the non-debt service funds which would be another 40% loss for Peru. Mr. Hall stated we couldn't transport the majority of our students if we took that kind of a loss off the top of our levy. We have an exemption from that because we are above 10% called a protective tax waiver. To keep that waiver, 2016 will be the baseline moving forward. Mr. Comerford asked how would that loss look in 2017 or subsequent years. Mr. Hall stated assuming it is not changed, we are between 9% and 15% in every fund instead of 35%-44% in just CPF, transportation and bus replacement. Dr. Quin asked if we have ever had a higher debt load than we currently have. Mr. Hall responded not in terms of levy to his knowledge in the nine years he has been here. Mr. Watkins stated schools have needs. If \$300,000 was taken out of CPF to do the PJHS plumbing project than we either don't maintain our buildings or we crowd something out of the general fund or we don't have software or utilities. Mr. Watkins stated if it comes from the general fund, then personnel and class sizes will become pinched. Mr. Schumaker stated it would be costly to do a bond issue in 2017 and 2018. Mr. Watkins said our students need athletic facilities; our buildings' infrastructures need to be maintained/updated. He said he knows this is a tough decision

and the Board does not take these decisions lightly. Mr. Comerford commented since issuing our last bonds, we have paid off over \$5,000,000 in debt and interest. We will still be under where we were three years ago. Mr. Hall agreed.

Mr. Downs, School Board attorney, stated the Board is presented with two resolutions. The first is a Preliminary Bond Resolution (Exhibit A), the second is a Declaration of Official Intent to Reimburse Expenditures (Exhibit B). He stated these are preliminary and action will be requested at the December 5 Board meeting. He pointed out the Board's approval will be needed for a preliminary bond resolution to establish the need and the maximum amount to be borrowed. The resolution itself proposes the Board issue general obligation bonds in 2016 in a principal amount not to exceed \$2,000,000. It also fixes the maximum interest rate to be payable on the bonds at 5% per annum. It also sets the maximum maturity date. The resolution provides for interest to be payable starting January 1 and July 1 of each year beginning July 1, 2017, with the bonds to be fully paid either maturing serially later on or starting no later than January 1, 2023 and concluding no later than January 1, 2029. Mr. Downs stated notice will also need to be published or a public hearing at the December 5 meeting. He stated Exhibit B declares the Board official intent to reimburse expenditures required by the IRS. If we pay any preliminary costs related to the project in advance of receiving the bond process, we want to reserve the ability to be reimbursed from bond proceeds after the closing. Mr. Downs stated at the December 5 meeting a project hearing will be held offering the public a chance to comment on whether they believe the bond should be issued. He stated there is also a hearing on additional appropriations, and also consideration of adoption of a project resolution which is the official resolution to proceed with the projects, and then adoption of the final bond resolution. Assuming that is passed, he said the bond sale is intended to close or at least being offered to sell on December 13. The bond sale will close no later than December 29, 2016, so it will be completed by the end of the year. Mr. Stanton moved to approve the Preliminary Bond Resolution and the Declaration of Official Intent to Reimburse Expenditures, seconded by Ms. Rice. Mr. Wolfe stated he is for the fine arts and locker room renovations, but we have already spent hundreds and thousands of dollars to develop the ball fields without much being shown for it. He did not want half of this bond resolution going toward that when the Board was originally told it would not be that much. He stated he did not blame Mr. Watkins as he didn't start this project. He added the PJHS plumbing was supposed to be in the most recent Capital Projects Plan for a three-year plan at \$100,000 each year. The Board voted 5-2 (Dr. Quin and Mr. Wolfe opposed) to approve the motion. A copy of the Resolution and Declaration are in the Supplementary Minute book #14, page 54.

V. OPERATIONS AND TECHNOLOGY

A. REQUESTS TO USE FACILITIES

1. Blair Pointe café - Fantastic 4-Her's monthly 4-H meetings on the second Tuesday of the month from 6:00 - 7:00 p.m. Chelsea Stover, Blair Pointe art teacher, is the 4-H leader.

On motion by Ms. Rice, seconded by Mr. Wagner, the Board unanimously approved the request with a waiver of the facility rental charge.

- ##### B. UTILITIES EASEMENT
- Mr. Hall reminded the Board we had a 33' strip of land on the north side of Crossroads Bank that their drive was on. They were nice enough to purchase that from us. Our utilities were run through part of our property and part of their property. He requested the Board approve a utilities easement for our electricity supply from Peru Utilities for our athletic fields. He noted Peru Utilities wrote the easement giving them the right to service the utilities and

restricts us from putting a structure on the land which we did not have plans for anyway. He stated Mr. Downs has reviewed the easement. Dr. Quin asked if we could develop the easement otherwise. Mr. Hall replied we could put some concrete on it for a bus turnaround off of Broadway. Mr. Comerford moved to approve the easement, seconded by Mr. Wagner, approved by a 6-0-1 vote (Dr. Quin abstained). A copy of the easement is in the Supplementary Minute book #14, page 55.

- C. AGREEMENT FOR PROVISION OF LIMITED PROFESSIONAL SERVICES - Mr. Hall informed the Board the engineer who worked on phase I of development of the 14 acres is Eric Woodmansee. He changed employers. Mr. Hall would like to continue using his expertise to finish this project. He presented an agreement with RQAW, his new employer, not to exceed \$50,000 in time and material to finish the project. Mr. Comerford asked if the scope of the services and hourly rate change. Mr. Hall replied the fee structure is similar. We will be paying him for services that have not yet been incurred. Mr. Hanson stated Eric has done a nice job for us and we would like to see him continue with the project. Mr. Comerford moved to approve the agreement, seconded by Mr. Wagner, approved by 6-1-0 vote (Mr. Wolfe opposed). A copy of the agreement is in the Supplementary Minute book #14, page 56.
- D. 3(21) ADVISER PROGRAM SERVICES AGREEMENT - Mr. Hall requested the Board approve a contract for third party fiduciary services for our 403(b) and 401(a) Plans. He stated Edward Jones as our financial advisor has selected Wilshire for this service. Wilshire screens, monitors, and recommends the investments for our plan's lineup. Investments are chosen from a select list or from Wilshire's recommended fund menu. The annual cost of this service is about \$600. He noted we have roughly \$3,000,000 invested. He added if we do not approve this Edward Jones would withdraw as being our company that we go through to invest. Mr. Comerford asked if this was an Edward Jones policy as a result in the changes of the law to give them this level of advisory in their normal procedure. Mr. Hall stated this would provide protection for them and us. Mr. Comerford asked if other advisor groups were doing this. Mr. Hall stated he did not have knowledge of that either way. Mr. Watkins asked the length of the agreement. Mr. Hall responded either party must give a 30-day notice. Mr. Wagner asked if Wilshire was friends with Edward Jones and could we find another group to do this. Mr. Hall stated we could find another group. He did not know why Edward Jones recommends Wilshire. Mr. Comerford stated a reason to use a fund group and an administrator is to lower your fiduciary liability. He stated he has nothing against Edward Jones or the local representative but feels we should periodically bid this out to be sure we are getting a competitive plan. Mr. Watkins agreed that would not be a bad idea. Dr. Quin asked about the billing of the fee. Mr. Hall responded it will be billed quarterly. Mrs. Shuey asked the Board what direction they would like to go, either vote this evening or table until December 5. Ms. Rice moved to table this until the next meeting, seconded by Mr. Comerford. Mr. Comerford asked if we are within a timeline for this agreement. Mr. Hall responded the date is February 1. Mr. Wolfe asked Mr. Hall to inquire about the relationship between Edward Jones and Wilshire and if Edward Jones will be keeping any of the \$600. The Board unanimously approved to table a decision until December 5.

VI. BOARD AND ADMINISTRATION COMMENTS

A. SUPERINTENDENT -

Mr. Watkins gave a shout out to Teresa McCain. She will be honored at the next collaboration at Blair Pointe for a grant she wrote and was awarded through Indiana Retired Teachers Association.

Mr. Watkins stated Blair Pointe's Star party was well attended and a good evening.

Mr. Watkins thanked Mr. Frye and Mrs. Sims for the wonderful program this evening.

Mr. Watkins gave a shout out to the Silent Hero play.

Mr. Watkins gave a shout out to the Veterans' program at PHS that Mr. Maxwell and Mr. Cary coordinated as well as the program at PJHS.

Mr. Watkins gave a shout out to the winter sports varsity coaches, David Weeks, Eric Thompson, Takyia McCord, and Andy Hobbs.

Mr. Watkins announced the Downtown Christmas Open House will be Wednesday, November 16, at 6:30. Our office will be open.

Mr. Hanson stated the eLearning Day at the end of October went very well. We did survey that 5%-10% of our student did not have convenient access to the internet which was lower than what he anticipated. He noted some schools have as high as 25%. Accommodations were made for those students. He hopes we do not have to use an eLearning day this winter. If we do need to, we will not be doing it the day of the weather cancellation. We will make it up a week or two later. That will be an option as we gain more experience.

B. BOARD -

Mrs. Shuey wished everyone a Happy Thanksgiving.

VII. ADJOURNMENT

With no further business to discuss, Mr. Stanton moved to adjourn the meeting at 8:21 p.m.

Secretary,

Tim Comerford

/mm