

# Board of School Trustees Meeting

**Mt. Vernon Board of School Trustees**  
Mt. Vernon Administrative Service Center  
Monday, April 13, 2020  
7:00pm - 8:00pm

**Present:** Mr. Greg Rollo, Director of Technology; Mrs. Gwen Scrogam, Board Secretary; Mrs. Kellie Freeman, Board President; Mr. Tony May, Board Member; Mr. Mike McCarty, Board Member; Dr. Jack Parker, Superintendent; Mr. Chris Smedley, Assistant Superintendent; Mr. Scott Shipley, Director of Curriculum; Mrs. Beth Smith, Board Member; Mrs. Shannon Walls, Board Member; Mr. Greg Elkins, Chief Financial Officer

**Absent:** Mrs. Maria Bond, Communications Director; Mrs. Laura Durig, SpEd Director; Mr. Derek Shelton, Director of Operations; Lisa Heitman, Finance Dept

## 1 Pledge of Allegiance (7:00 P.M.)

Mrs. Kellie Freeman, Board President

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### **Minutes:**

Mrs. Freeman began the meeting with the Pledge of Allegiance.

## 2 Call to Order

Mrs. Kellie Freeman, Board President

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### **Minutes:**

The Board of Trustees of the Mt. Vernon Community School Corporation held a special meeting at 7:00 p.m. in the Administrative Service Center.

Dr. Parker announced that due to the circumstances of the COVID-19 virus, the meeting would be streaming live on YouTube, Zoom and some participants are live in the boardroom. Board members are allowed to vote on items if one board member is present in the boardroom. Tonight that board member is President, Kellie Freeman.

Dr. Parker read the following statement: "Indiana's Public Access Counselor has allowed us to hold virtual meetings for the purpose of essential business. Tonight, the board agenda contains only a few items that are deemed essential. For public comment opportunities, we invite you to comment using the directions on your screen."

Those who wish to participate by providing public comment were advised to e-mail Dr. Parker. A five minute pause will occur to allow public comments.

## 3 Adoption of Agenda

Mrs. Kellie Freeman, Board President

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### **Minutes:**

Mrs. Walls made a motion to adopt the agenda as presented. Mr. May seconded, and the motion carried 5-0.

## 4 Public Comments Regarding Agenda Items

Mrs. Kellie Freeman, Board President

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0167.3 - Public Participation at Board Meetings

May only address items listed in the agenda

Must be recognized by presiding officer

Must provide name, address and group affiliation, if and when appropriate

Limited to 3 minutes duration

All statements shall be directed to the presiding officer; no person may address or question Board Members individually

### **Minutes:**

Mrs. Freeman paused the meeting for five minutes to allow public comments regarding agenda items. Dr. Parker did not receive any comments via e-mail.

## 5 Public Hearing: Controlled Project for MEP, HVAC, and Roofing District-Wide

Mr. Greg Elkins, Chief Financial Officer

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### **Minutes:**

The Public Hearing was opened at 7:12 p.m. for the purpose of discussing the proposed renovation project. The hearing was publicized in the Greenfield Daily Report on April 2, 2020 as required. Mr. Elkins stated that as required by Indiana Code, a school corporation must hold two public hearings and adopt a resolution to preliminarily determine to issue bonds or enter a lease or project which has a total project cost in excess of a non-controlled project. The public hearings and adoption of resolutions is the beginning of the legal process. The resolutions will establish the maximum financial terms for the proposed project. Mr Elkins spoke on the need for the project and impact on the community.

Mr. Elkins began his presentation by thanking the advisors who contributed to the development of this projected proposal. Tonight's hearing focuses on Project 1: \$16,052,850 for mechanical, electrical, plumbing, HVAC and roofing improvements district-wide with minimal reference to Project 2: \$5,350,950 for additional square footage and renovation of Mt. Vernon Middle School art, choir, band and cafeteria spaces, as they are both related to the future Debt Service Plan. Project 1 looking for maximum financing (\$16,052,850) which is the upper threshold for a controlled project subject to petition or remonstrance. Any amount over that would be subject to referendum. That amount was determined after a feasibility study of building systems district-wide was conducted in 2019. From those findings, a prioritized list of needs was created with the help of building administrators, cabinet members, operations team and a community advisory group. It was determined that those items listed in Project 1 were highest priority and needed to be addressed as soon as possible.

Mr. Elkins presented a spreadsheet showing roofing analysis done by Moisture Management indicating a total amount of \$7.6 million was needed to make necessary repairs with the high school being the top priority as their roofing was in immediate state of advanced deterioration. Brennen Baker, Roofing Project Manager from Moisture Management, shared that approximately \$90,960 was needed for immediate repairs on all the buildings and he was currently working with local contractors to expedite these repairs over the course of spring and summer.

Mr. Elkins presented a spreadsheet showing analysis generated by Emcor regarding the other components of Phase 1, mechanical, electrical, HVAC and plumbing. Currently the total is at \$9.5 million with the hopes to decrease that amount to approximately \$8 million. Energy savings from system upgrades will help with bringing that total down. Have already begun to address projects needed, specifically replacing water heaters at the high school with leftover funds from the 2019 GO Bond as it is energy related. Emcor was a part of that project as they are our Energy Savings Provider and currently replacing LED lighting. Mr. Elkins introduced Tim Pitts and Ron Cassidy from Emcor. Mr. Pitts added after doing full audits of the buildings, they brought Project 1 as the

biggest needs. They hope to refine the numbers to get them down to the \$8 million mark, bid everything out and fully engineer what they can do. Mrs. Freeman asked if previous roofing problems regarding warranty issues that are currently being dealt with a previous company have been settled and if not, will they affect the work on this project. Mr. Elkins said that is still an ongoing process and we will continue to report leaks as they occur per the language in the remaining warranty giving them 30 days to respond, but due to the amount of time left on the warranty, he feels we cannot continue with that process what with the poor condition of the high school roof and must move forward. Mrs. Freeman agreed that waiting on them may interrupt this project.

Mrs. Freeman stated the next part of the presentation will discuss how the project will be financed and the effect on the typical property tax payer. Mr. Elkins introduced Luke Bruggeman, Matt Shumaker and Chad Blacklock from Stifel, underwriters for this project, who discussed impact of this new debt, how to structure the new debt, impact of refinancing 2012 and 2012B Bonds (not on tonight's agenda, but will impact project), and an option to the traditional bond sale which is more financially favorable. Mr. Bruggeman stated when he first met with Mr. Elkins and his team, and came up with the list of projects, the goal was to see how they could do the project without increasing the tax rate and stabilize the debt service tax in years past. He presented an outstanding debt chart which showed beginning in 2020 the school's current debt service payments are approximately \$13.6 million which will maintain then slightly increase next year and slightly fall off thereafter leaving them at capacity for these projects. Legal parameters of proposed bond issue sets maximum for the school corporation at \$16,050,000 for Project 1, which means \$14,900,00 estimated proceeds available for hard/soft project costs. The maximum lease payment, the maximum amount the corporation would pay in one given year for this project, would be \$1,950,000 and they hope to get that down to around \$1,700,000. It is not anticipated that the debt service tax levy will increase over 2019 rate of \$1.1202. The middle school project (Project 2) of \$5,350,000, which means \$4,835.00 estimated proceeds available for hard/soft project costs. Mr. Bruggeman discussed refinancing 2012 Bond (for the purpose of refunding and restructuring the School's outstanding 2007 and 2008 bonds) and 2012B Bond (for the purpose of refunding and restructuring a portion of the School's outstanding 2005 Bond). The 2012 bonds have a call date of January 15, 2022 and the 2012B Bonds July 15, 2022. Interest rates were substantially higher in 2012 (currently 4.88% on the 2012 Bonds and 5.32% on the 2012B Bonds). If refinanced today, interest rate would be closer to 3.04% on the 2012 Bonds and 2.54% on the 2012B Bonds accounting for a total cash flow savings of \$5 million for both set of bonds. As with the stock market, there has been alot of variability in the interest rate in the last few weeks. Mr. Bruggeman presented two options on how to get more money in the project fund. Option 1 would be standard bond issue. The pro to this option is it would eliminate interest rate risk while the biggest con would be \$1.2 million less project fund dollars due to capitalized interest and just to maintain the tax rate. Option 2 is called a BAN note which is equivalent to a construction loan on a house. You borrow short term financing and borrow what you need. Pro to this option is more project fund dollars with con being take on interest rate risk by waiting until Fall 2021 to lock in long term interest rate. Mrs. Freeman asked if you choose Option 2 and the interest rate goes crazy, can you switch and do something else not to take such a risk. Mr. Bruggeman said, yes there are things that can be done.

Mrs. Freeman announced they would take a five minute break for anyone viewing at home who wanted to make a comment by e-mailing Dr. Parker. There were no public responses on Dr. Parker's e-mail.

Mrs. Freeman reminded everyone that this was the first step in the legal process and no board action was legally required during this hearing, only to receive public comment. We will continue to work with our administration and the professionals to look at ways to be efficient with tax monies as well as meet the needs of our teachers and students. The second public hearing will be held April 20, 2020 at 7:00 p.m. This Public Hearing is now closed.

## 6 Action Items

Mrs. Kellie Freeman, Board President

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### 6.1 Approval to request RFP's for Construction Manager

Mr. Greg Elkins, Chief Financial Officer

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**Minutes:**

The regular meeting is called to order.

Mr. Elkins asked the board members' permission to take the first official step on the selection of a construction manager. As stated during the Public Hearing, he made mention of Project 2 because it will be a considerable project involving additional square footage and remodeling and renovation of existing square footage. It is the administration's belief that we need to engage with a construction manager in order to be efficient as possible. As there are multiple avenues to take, the preference is the CMC, construction manager as constructor or the CM "At Risk." The construction manager would be a member of our team and report directly to us and work alongside the architect with the design team. As the bids are sent and received for subcontractors, the construction manager would be responsible for holding/managing the contracts, pay applications and therefore communicating as one body to Mr. Elkins and his team. A GMP (Guaranteed Maximum Price) is negotiated between us and the potential construction manager, getting to an amount that would fit our project. Mr. Elkins feels this is the format that suits our needs the best. To go this route, there are some statutory requirements and regulations. If the board approves this request, a proposal with contract language of sorts will be drafted with expectations and requirements we expect and made available to potential construction managers who will be given an opportunity to produce a proposal. Potential managers will be assessed and selected by a committee with a pre-determined checklist of our expectations.

Mrs. Freeman asked if this is how we have always done our projects.. Mr. May responded in the past, the Assistant Superintendent acted as construction manager. Mr. Elkins added if this delivery method proves successful and we think it is beneficial, we will use this service in the future. Dr. Parker added the stewardship project that relates to the middle school is relatively small and we will be looking at larger projects once we advance our Future Growth Plan. This would be a great opportunity for us to learn the system and work with construction management in tandem with the architect as we move this system forward to bigger projects in the coming years.

Mrs. Smith made a motion to approve the request to distribute RFP's (Referrals for Proposals) for Construction Manager. Mr. May seconded, and the motion carried 5-0.

### 6.2 Updated 2019-2020 School Calendar

Dr. Jack Parker, Superintendent

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**Minutes:**

Dr. Parker asked board members for approval of an edited school calendar which reflected twenty remote learning days between April 2, 2020 and the end of the school year, per Gov. Holcomb's orders, with the rest of the days as waiver days. Dr. Parker recently surveyed teachers and the majority preferred changing to three eLearning days a week until the end of the school year, from two, in order to finish the school year by Memorial Day. By doing so, this will give us our required twenty days. If

approved, it will be posted on the website for parents to be made aware of.

Mr. May made a motion to approve the revised 2019-2020 school calendar as presented Mrs. Walls seconded. Mrs. Freeman reiterated that the only thing changing is the last day of school. The motion carried 5-0.

**Attachments:**

[Revised 2019-2020 Calendar.docx](#)

## 7 Announcements

Dr. Jack Parker, Superintendent

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**Minutes:**

Dr. Parker announced his appreciation for everyone's team work and collaboration. He made special mention of the Food Service employees who have been providing meals each week, serving 8,000 meals this week alone. He commended Doris Johnson on her leadership and an amazing job she has done coordinating, ordering food, etc. and appreciates everyone's dedication and hard work.

Mrs. Freeman thanked teachers for their hard work with eLearning. She has heard a lot of positive comments on what great things teachers are doing.

## 8 Adjournment

Mrs. Kellie Freeman, Board President

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**Minutes:**

Mrs. Walls made a motion to adjourn at 8:11 p.m. Mr. McCarty seconded, and the motion carried 5-0.