

BOARD WORK SESSION
NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION

April 1, 2019

Vol. 2019 No. 8

Mary Pankey, President

Bernard Knies, Vice-President

Kelly Knies, Secretary

John Siebert, Member

Brennan Schepers, Member

NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION

Board Work Session of the Board of Trustees in the Dubois Middle School Multi-Purpose Room:
Northeast Dubois County School Corporation

This meeting is a meeting of the School Board in public for the purpose of conducting the School Corporation's business and not to be considered a public community meeting. There will be time for public participation at the end.

CALL TO ORDER: The meeting was called to order at 6:30 pm by President, Mrs. Mary Pankey.

ROLL CALL:	Mrs. Mary Pankey, President	Present
	Mr. Bernard Knies, Vice-President	Present
	Mr. Kelly Knies, Secretary	Present
	Mr. John Siebert, Member	Present
	Mr. Brennan Schepers, Member	Present
	Mr. William Hochgesang, Superintendent	Present

OFFICIAL GUESTS:	Mr. Arthur Nordhoff, Jr., Attorney	Absent
	Mrs. DeAnn Meyer, Treasurer	Present
	Mrs. Gretchen Brinkman, Deputy Treasurer	Absent
	Mrs. Tina Fawks, Principal	Present
	Mr. Ryan Case, Principal	Absent
	Mrs. Brenda Ferguson, Principal	Present

NEWS MEDIA:	<u>NEWSPAPER</u>	
	Daily Herald, Leann Burke	Present
	<u>RADIO</u>	
	WITZ, WQKZ,	Absent
	<u>TV</u>	
	WJTS -TV,	Absent

UNOFFICIAL GUESTS: Shawn Dooley, Denise Schroering, Andrea Rickelman, Glenda Reckelhoff, Chris Hasenour, Jennifer Ashby, Brian Dodd, Judy Haase, Kim Miley, Ryan Wineinger, Chris Buechler and Ashley Seger

BOARD PUBLIC WORK SESSION
April 1, 2019

BOARD DISCUSSION

Introduction of Jim Elizondo, Investment Banker with Stifel Public Finance. He provided a PowerPoint Presentation to the Board with the information he discussed. He said \$4,500,000 is the threshold without a remonstrance process. Our current debt service pays off by 2023. All assumptions tonight based on 0% increased growth in assessed value. If assessed value does grow, it continues to give you more flexibility by lowering your rate or by allowing more projects to be considered. 1% added because we are not yet ready to start the project.

5 Options:

Option #1: \$3.5 million over 15 year repayment

What we could fund with no debt service tax rate increase- Includes a drop in 2024 that would allow potential future projects, a shorter repayment, or a lower rate at the end of the 15 year period.

Option #2: \$4.5 million bond issue in 2019; \$4.5 million bond issue in 2020; Estimated tax increase in first four years of 6.82 cents. Then a smaller increase of about 2 cents (from current rates) for the remaining 16 years. Leaves flexibility in 4 years for other needs.

Option #3: \$4.5 million bond issue in 2019; \$4.5 million bond issue in 2021; Estimated tax increase by 6 cents over 2018; Delays fulfilling our needs. Inflation risks.

Option #4: \$4.5 million bond issue in 2019; \$4.5 million bond issue in 2022; Estimated tax increase of 5 cents over current rates.

Option #5: 4.5 million bond issue in 2019; 4.5 million bond issue in 2023; If we can wait until first bond is paid off.

Summary: This gives us a feel for some options. Anything over 3.5 million equates to some tax increase in the first 4 years, flexibility to fill needs, consider repayments over shorter time period. On 20 year bond life, essentially locked in for 7-8 years until call date. After that time, can refinance if rates are lower or could be paid off if the corporation had a financial windfall. 20 year term -- average of 3.3% interest rate. Need to have the resolution that the intent is to sell bonds. Next, get bids in hand, then sell the bonds. With bids in hand, can make best decision about amortization schedules.

There were no public questions regarding financing.

Architect George Link presented:

Focus on high school renovations to add gr 7 & 8, Middle School wing, labs; Total Cost = just shy of \$7,000,000

With \$4,500,000 budget in mind: Renovate science labs, middle school wing, CTE areas
Special ed areas, part of locker room renovations; Includes 10% contingency; Does not include touching the entire building; this is only the highlighted areas on the floor plan.

What if we only wanted to spend 3,500,000; New science lab, renovate other labs

Almost \$7,000,000 to do all project.

Timeline to open by Fall 2020; Go down to PK-2, 3-6, 7-12 structure

Allows the board flexibility for 2 years to make decisions of elementary and middle school bldgs. Also does not spend money on any property that may potentially be unneeded in the future. Any impact on taxes is really felt only in the first four years.

Mary Pankey: Does not want us to panic over 1 year of kdg low class size. She likes a little more time to make decision to move to two buildings.

Bernard Knies: Timeline is 2020-2021 if can be working while classes are in session. Would have to find ways to move students out of certain areas to allow construction during the school year. If it requires two summers, we are looking at another year.

Brennan Schepers: Does the \$3.5 include small group rooms and lockers moved (probably will be physically hard to make happen).

Kelly Knies: Any numbers for MS building needs?

George Link: No numbers have been figured into the plan.

William Hochgesang: Based on last work session, had George focus on getting gr 7 & 8 to the HS with \$4.5m budget.

George Link: My gut feeling is that there will be fewer needs for the MS building because of decreased enrollment. If Board moves forward, wants to meet with HS teachers before summer break. In August, students will be moved around as construction takes place.

Mary Pankey: Does not want the Media Center messed with.

Bernard Knies: If grades 4, 5, and 6 went to 2 sections, could fit; PreK-6 in middle school without touching the media center; media center could be flagged as potential future renovation if there is growth in the corporation.

George Link: Will go back and put together a budget for current MS to eventually be a PK-6 building.

Bernard Knies: We have to talk about bigger plan by this fall.

Mary Pankey: We need more info so we can look at the bigger plan. We want to know what it will take.

Brennan Schepers: If enrollment stays steady, would we look to consolidate to 2 buildings; response was yes from Kelly Knies, Bernard Knies and John Siebert

Bernard Knies: Fastest we could get into two buildings would be utilizing option 2; 19-20 to begin work on high school, 20-21 to finish high school and do work at middle school; could move to 2 buildings in 21-22 school year.

All board members agree to work toward 2 buildings. The quicker we get down to two buildings, the quicker DES could be put on the market.

The Board would like numbers on MS and a timeline.

George Link will present at April School Board Meeting. Board will vote on plan at that time.

COMMENTS FROM THE PUBLIC

Ryan Wineinger: Will plans be made available?

William Hochgesang: They will be posted on the website homepage.

Ashley Seger: Would CES remain open until 2021?

Mary Pankey: No decision yet, but for sure not 2019-2020

William Hochgesang: No decision yet whether 4 buildings to 2 or 4 buildings to 3.

Chris Hasenour: Was he talking about \$3.2m and then \$4.5m on top of that?

William Hochgesang: No; \$3.5m would equal no change to tax rate; \$4.5m is the max in year one to not require remonstrance; \$4.5m additional as soon as the following year; \$4.5 max to borrow this year and can borrow an additional \$4.5 the following year.

Andrea Rickelman: Clarify on the potential cost savings that involves the science labs

George Link: If the board decides to go with \$3.5m we would add the third and wait until phase 2 to update the current 2; If we go with \$4.5m we do all 3 full chemistry labs.

Ryan Wineinger: What money is set aside for parking lot?

George Link: None at this time. Do gym addition and parking lot as part of phase 2.

William Hochgesang: New parking lot before tennis courts as we enter.

2019---56 **ADJOURNMENT**

It was recommended that the meeting be adjourned at 8:08p.m.

Motion by	Kelly Knies
Seconded by	Brennan Schepers
Vote	5-0

The Board will meet in Executive Session following the regular meeting. I.C. 5-14-1.5-6.1 (b) (2(A), 3 & 9) relating to: collective bargaining, school safety, and job performance evaluations.

1. Call to Order
2. Review & Discuss
3. Adjournment