

MINUTES – COMMITTEE OF THE WHOLE – August 25, 2016
Central Administration Building- Board Room

Notice of the meeting was given in advance by publication and/or posting in accordance with the Board approved method for giving notice of meetings. Notice of this meeting was given in advance to all members of the Board of Education. Availability of the agenda was communicated in the publicized notice and a current copy of the agenda was maintained as stated in the publicized notice. All proceedings of the Board of Education, except as may be hereinafter noted, were taken while the convened meeting was open to attendance of the public.

1. Call to Order & Roll Call

Mr. Zimmerman, Vice-President of the Board of Education, called the meeting to order at 6:00 PM in the Central Administration Building Board Room. At the beginning of the meeting, the chairperson announced and informed the public that a current copy of the Open Meetings Act was posted on the west wall of the meeting room.

Attendance taken at 6:00 PM:

Present Board Members:

Janet Byars
Doris Martin
Andy Maschmann
Lisa Pieper
Nancy Sedlacek
Jon Zimmerman

2. Approval of the Agenda

Board of Education of District #15 approve the agenda as presented passed with a motion by Nancy Sedlacek and a second by Janet Byars.

Janet Byars	Yes
Doris Martin	Yes
Andy Maschmann	Yes
Lisa Pieper	Yes
Nancy Sedlacek	Yes
Jon Zimmerman	Yes

Motion Passed: 6 Yeas - 0 Nays

3. Policy Update

Mr. Nauroth shared that a number of policy updates were provided at the regular meeting in August. He asked if anyone had questions or comments on any of those policies. No one had comments or questions.

4. Elementary Facility Update

Mr. Nauroth started by welcoming the architect, bond writer and construction reps. He informed the Board that there is a special meeting scheduled for Monday, August 29th for the Board to make a decision on how

they will proceed with a potential elementary facility bond issue. He noted that it was about a year ago when a bond issue was run and it did not pass. He summarized the process that the Board has been through since that time.

Mr. Pat Pehlan from the DLR Group provided a handout to Board members that included approximately six primary options along with estimated project budgets for each. He noted that the program requirements for preschool have changed some (due to expansion) since the initial bond issue, but grades K-5 are all still 7 sections. Mr. Phelan noted that in the construction market things are currently very busy. He stated that there was a significant increase in the geothermal cost of the projects due to high demand of that at the current time. He added that the quality of the building has not changed either. Mr. Phelan also informed the Board that a discussion on off street improvements with the city administrator and city engineer also occurred earlier. Mr. Phelan also pointed out that capitalized interest is still included in the cost summary.

Mr. Marc Munford with Ameritas shared some very preliminary bond numbers with the Board. He noted that the estimates are conservative and with most bonds there should be opportunities to refinance over the course of the project, but cautioned that you can't count on that. Mr. Munford stated that interest rates (3.2%- 3.5%) have stayed pretty low and very steady, but you don't know where they will go. On a \$35.5 million dollar bond over 20 years, the estimated levy would be approximately 20.65 cents which result in approximately \$206.50/year on a \$100,000 property valuation. The Board does not have to determine the length (term) of the bond, but the amount would have to be confirmed in a resolution to place it on the ballot.

Representatives from Caspers-Sampsons added that construction costs can see anywhere from a 1.5-3% increase per year.

A discussion on the needs of the District in regards to the cost of building new verse renovating the existing buildings ensued. Board members then shared their preference on how to proceed with the ongoing elementary facility issue. All Board members agreed that a single site (PK-5) building was the best option for the district.

Zimmerman commented that in his mind this has already been a 5 plus year project since the Board first started discussions on the topic. Pieper added that the majority of staff that are in favor of a new single site building would prefer the option for everyone in one building. She added that she is open to increasing the length of the bond to help ease the burden on taxpayers. Sedlacek stated that a single site will allow the district to provide the students and staff with the best which is what they deserve. Martin expressed that a single site will allow the district to better utilize the human resources we have; therefore, serving the educational needs of all students, but she feels it's important to maintain enough sections for small classroom numbers. Byars added that a single site will provide more flexibility and it's virtually the same dollar amount of renovating all the buildings and then maintaining them for another 20-30 years. She added that the utilization and efficiency of staff will also be improved by having them all in a single site. Maschmann stated that he agrees with the single site option, but struggles with the timing. In looking at the current market and ag industry, it may not be the most favorable time for those families that will be largely affected, but there is no way to know when there may or will be a better time.

Mr. Phelan responded that he believes that there is definitely an increased awareness of the elementary needs for the district since this time last year. He added that there is never going to be a good time to run a bond, but there is going to be a better time; however, no one can say when that time will be.

Byars added that if the Board doesn't run a bond now then they would have to wait until May 2018 unless they wanted to spend the money on another special election, which she is not in favor of. In that meantime, the district would most definitely incur large repair/maintenance costs for some of the buildings.

Mr. Nauroth ended by confirming that the directive from the Board is to proceed with a preparation of a resolution for a bond issue for a single site (PK-5) building that would include an approximate cost of \$35.8 million. Information will be prepared and shared over 27, 28, 29, and 30 year repayment schedules.

The Board took a recess from 7:31 PM- 7:41 PM.

5. 2016-2017 Budget Review

Mr. Brazell informed the Board that at the September meeting they will be asked to approve the budget. Mr. Brazell shared a number of handouts on the budget. He started by noting that district land and property valuations increased by 3.91% which will produce an additional \$455,595 in revenue from local taxes. State aid decreased by \$401,722. The first preschool expansion grant ended, and the second expansion grant is for half the amount (\$145,000).

Next, Mr. Brazell went through the budget by responsibility area and highlighted significant changes. Within the special education area, additional staffing resulted in most the change. The district was unable to find a full-time psychologist for the 16-17 school year which resulted in an increased cost to contract with a service provider and hire an assessment assistant. Student services funds will remain stable. The governance funds are stable with expected salary and insurance increases. The curriculum budget is nearly identical. The business department remains very stable in expected expenditures. The high school budget stayed stable as well. The building funds are allocated to the principal to divide among the programs. Item 2610 was reduced by approximately \$20,000 to coincide more with actual costs. The middle school budget remained stable. Elementary funds are also very stable. The major increase in costs are expected staff and insurance costs so some may change once insurance selections are made. The increase in the transportation budget is due to the additional preschool routes which resulted in adding 2 buses at an approximate yearly cost of \$40,000 each. There was a small increase in the safety and crisis budget to allow for contracted salary increases for the school resource officer (SRO). The technology fund is stable. The fund for operations and maintenance remains stable as there were no additions to staff. Mr. Brazell noted that a correction was made to the utility budget for bus driving costs. The contingency and special projects funds were reduced as no expenditures have been coded out of these in quite some time. The strategic plan fund was also reduced since it was increased last year when going through an update of the strategic planning process. Overall, the budget reflects an increase in expenses of 1.27% (\$288,923) resulting in being over budget by approximately \$140,000. Mr. Brazell noted that he is always conservative with these numbers, but he doesn't believe we will actually go over budget. He also informed the Board that the district looks to end the current fiscal year with about \$500,000 more in revenue than expenditures, some of which will be transferred to the depreciation fund.

Mr. Brazell shared information showing the beginning balance, expenditures, revenues, and ending balance for the building fund, lunch fund, activity fund, depreciation fund, bond fund, QCPUF fund, cooperative fund, employee benefit fund, and student fee fund. He pointed out that the lunch fund is finally back in the black and that the high school bond will be paid off in December.

Mr. Brazell noted that land valuations are up approximately 3.91% (total of \$1,175,507,275), but that is the smallest increase in the last four years. The overall total tax levy for 2017 is 1.088204. He presented a couple of tax levy options to the Board. He noted that he attempted to keep it as close to the current levy as possible. Option A is 1.081867 which would require utilizing approximately \$250,000 from cash reserves. Option B would only require about \$125,000 from cash reserves and put the levy at 1.082842. With either option, the levy will be down from 2016. Mr. Brazell informed the Board that the cash reserve is pretty good and that the district would be ok if they had to use \$200,000-\$400,000.

Maschmann asked for information on the budgeting process. Mr. Brazell responded that he looks at the budget over the last couple of years. He shares information with administrators and department heads and then works together on what is needed and the feedback they provide. It is normally a year to year process. He also noted that he uses a per student fee to determine the building fund amount. He also shares the staff information and asks for the administrators to verify/check that information to ensure accuracy.

Board members shared their initial opinions on the options presented. Zimmerman stated that he would like to see more in the building bond. Byars stated that her preference would be option B so that a lower amount from cash reserves is needed. Pieper and Maschmann agreed with Byars.

Finally, Mr. Nauroth noted that Mr. Brazell used a different method (which included narratives) to present the budget information. He asked for feedback on the new way the information was presented. Board members agreed that it was easier to follow and digest.

6. Public Comments - This is the proper time for public questions and comments on any topic. Please make sure a request form is given to the Board Vice-President before the meeting begins.

Jenny Hanshaw addressed the Board on behalf of Cedar Elementary parents and shared some of their concerns. Regardless if the Board decides to run a bond issue or not, she asked what is going to happen to Cedar- will those students be moved? She informed the Board some of the Cedar students are already beginning to talk about where they may be next year. She also noted that she is not against preschool; however, it feels like Cedar Elementary may be forced to move to accommodate the expansion of the preschool program. She urged Board members to think about the individual little students that will be affected if they are forced to move to a different building.

Board members appreciated the feedback shared and thanked Jenny for her time. Board members informed Jenny that nothing was permanent for the 17-18 school year and that they are open to re-evaluating options.

Fran Martin, a teacher from Cedar, also addressed the Board. She emphasized that Cedar teachers can move and that is not a problem, but moving the students is not their choice. She noted that Cedar staff have already made accommodations for preschool. She urged the Board to consider moving preschool students.

7. Adjournment

Board of Education of District #15 adjourn passed with a motion by Lisa Pieper and a second by Andy Maschmann.

Janet Byars	Yes
Doris Martin	Yes
Andy Maschmann	Yes
Lisa Pieper	Yes
Nancy Sedlacek	Yes
Jon Zimmerman	Yes

Motion Passed: 6 Yeas - 0 Nays

The meeting adjourned at 8:42 PM.

Board Secretary/Superintendent

Date