

The Board of School Trustees of Madison Consolidated Schools conducted a Special Meeting on Wednesday, June 1, 2016, at the Administration Building, 2421 Wilson Avenue, Madison, Indiana, at 6:00 p.m.

The following members of the Board of School Trustees were present:

- Mrs. Joyce Imel, President
- Mr. Carl Glesing, Vice-President
- Mrs. Lee Ann Imel, Secretary
- Mr. Rob Kring, Member
- Mrs. Linda laCour, Member

The following Central Office Administrators were present:

- Dr. Ginger Studebaker-Bolinger, Superintendent
- Mr. Mike Frazier, Director of Systems, Operations, and Auxiliary Services
- Mrs. Bonnie Hensler, Director of Finance and Human Resources

ICE MILLER PRESENTATION – PETITION REMONSTRANCE – MRS. JANE HERNDON

Mrs. J. Imel introduced Mrs. Jane Herndon, Ice Miller who presented the following to the Board:

Financing of Projects –
 The Process and Options

Methods of Financing School Construction

- | | |
|----------------------------|-----------------------|
| Cash | Capital Projects Fund |
| Borrowing | Capital Projects Fund |
| • Energy Savings Loan | Capital Projects Fund |
| • General Obligation Bonds | Debt Service Fund |
| • Lease Rental Bonds | Debt Service Fund |
| • Common School Fund Loan | Debt Service Fund |

Indiana Referendum Results

| | <u>Total Number of Referenda</u> | <u>Total Referenda Passed</u> | <u>Percentage Passed</u> | <u>Total Referenda Failed</u> | <u>Percentage Failed</u> |
|-------------------------------|--------------------------------------|---------------------------------------|------------------------------|---------------------------------------|------------------------------|
| All Referenda | 138 | 76 | 55.1% | 62 | 44.9% |
| General Fund Referenda | 77 | 46 | 59.7% | 31 | 40.3% |
| Construction Referenda | 60 | 29 | 48.3% | 31 | 51.7% |
| Debt Refinancing Referenda | 1 | 1 | 100% | 0 | 0.0% |

Indiana Referendum Average Tax Rates

| | <u>Average Tax Rate Increase Requested</u> | <u>Passed-Average Tax Rate Increase</u> | <u>Failed – Average Tax Rate Increase</u> |
|------------------------------------|--|---|---|
| All Referenda | \$0.2922 | \$0.2746 | \$0.3135 |
| General Fund Referenda | \$0.2665 | \$0.2566 | \$0.2812 |
| Construction Referenda | \$0.3251 | \$0.3031 | \$0.3457 |
| Statewide – Construction Referenda | | Loss – 52% | Win – 48% |
| Statewide – General Fund Referenda | | Loss – 40% | Win – 60% |

Mr. Kring asked about a special election? Mrs. Herndon said chances are better if a special election is held as people come to vote on your question. She said the Board would have to pay to hold a special election. Mr. Glesing asked if a special election had to be held on a specific date? Mrs. Herndon said the law had changed and special elections must be held on the May or November typical election date. Mrs. Herndon said the cost of a special election varies. Dr. Stuebaker-Bolinger said a special election would cost approximately \$35,000.

Upcoming Elections

2017 – May 2017 & November 2017 – none

2018 – May 2018 – Primary – State Auditor & Treasurer & US State Reps and Senators
 November 2018 – General - State Auditor & Treasurer & US State Reps and Senators

2019 – May 2019 – Primary – Municipal Elections – check with your Clerk
 November 2019 – General - Municipal Elections – check with your Clerk

2020 – May 2020 - Primary – Governor, US & State Reps & Senators & County Officials
 November 2020 – General - Governor, US & State Reps & Senators & County Officials

The Project

The Right Project
 At the Right Time
 With the Right Process
 Promoted by the Right People

School Corporation
 Outline of Procedures

Total Project Costs - \$2,000,000 or less

Potential Opposition – None – No formal taxpayer or voter opposition available

Structure – May be a General Obligation Bond if there is debt capacity (but could be a lease); School Corporation is the issuer of the Bonds; 3-4 months of steps to borrow dollars.

Effect on Circuit Breaker Tax Caps – Not exempt from tax caps; if structured so that there is no increase in tax rate, will not make tax cap loss worse

Total Project Costs - \$2,000,001 - \$10,000,000 (for project which is an academic facility)

Potential Opposition – Subject to Petition Remonstrance Race, if voter/taxpayer application filed ONLY then race applies, otherwise move forward without race

Structure – More likely a Lease financing; Building Corporation is the Issuer of the bonds and School makes lease payments which are used to repay the bonds; 4-7 months of steps to borrow dollars

Effect on Circuit Breaker Tax Caps – Not exempt from tax caps; If structured so that there is no increase in tax rate, then will not make tax cap loss worse

Total Project Costs - \$1,000,001 or more

Potential Opposition – Subject to Referendum; if voter/taxpayer application petition filed ONLY then election applies, otherwise move forward without referendum

Structure – Lease financing; Building Corporation is the Issuer of the bonds and School makes lease payments which are used to repay the bonds; 4-10 months of steps to borrow dollars depending on timing of election, if triggered

Effect on Circuit Breaker Tax Caps – If approved by voters on the ballot, outside the tax caps; If structured so that there is no increase in rate, then will not make tax cap loss worse;
Just opening the possibility of an application petition for referendum does not get debt outside of tax caps

Mrs. Herndon explained how a referendum affects taxpayers.

Referendum Process

The Election

- Publish Notice of Hearing
- Preliminary Determination Hearing – Maximum Financing Terms established
- Publish Notice of Adoption of Preliminary Determination (begins 30 day application period in which voters/taxpayers may file an application petition – the lesser of i) 500 or ii) 5% of registered voters)
- If application petition is filed – Election must occur in order to move forward
- The Election
- Whichever side gets the most valid votes wins
- If school loses that project defeated for one year

Petition-Remonstrance Process

The Race

- Publish Notice of Hearing
- Preliminary Determination Hearing – Maximum Financing Terms established
- Publish Notice of Adoption of Preliminary Determination (begins 30 day application period in which voters/taxpayers may file an application petition)
- If application petition filed – Petition-Remonstrance race applies in order to move forward
- Notice of Petition/remonstrance Race
- The Race = 30 day period in which petitions circulated in favor and remonstrances circulated against
- Whichever side gets the most valid signatures wins
- If school loses that project defeated for one year

Petition/Remonstrance Race vs. Referendum

Petition-Remonstrance:

- Vote is public
- Divisive

- Opposition has to get signatures too
- Not outside tax caps
- Chance of winning ?

Referendum:

- Vote is private
- Fewer community scars
- Less effort for opposition
- Outside tax caps (therefore more equitable?)

Rules and Restrictions

Applies to both Referendum and Petition/Remonstrance Processes

Can't PROMOTE using:

- Employees on the clock
- School Facilities (or systems)
- School Money

NOTE: Superintendent, Assistant Superintendent, Business Manager and School Board Members can promote any time (as long as they don't use school dollars)

Other Party Restrictions:

- Person/Organization that has a contract or agreement "to provide goods and services" cannot spend money to promote
- Attorney, architect, construction manager or financial advisor for services provided may not spend money to promote

Mrs. Herndon said everyone can see how people vote during a application race. She said voters can sign as an individual and also as a trust. She said people seeing the vote is significant. Mrs. Herndon said the other side must also get signatures.

Mrs. Herndon said if there is no application a project can proceed. She said to try not to increase tax rates.

Mrs. J. Imel said all signatures must be verified. Mrs. Herndon said we will know if someone picks up a petition. We need to make people aware our plan is for taxpayers not to pay more.

Mr. Kring asked who votes? Mrs. Herndon said taxpayers in our corporation or eligible voters. Mrs. Herndon said it doesn't matter how much land someone owns. Mr. Kring said if someone pays rent and has children in the corporation but is not registered to vote they can't vote. Mrs. Herndon said it used to be taxpayers only.

Mr. Glesing said petitions can't be shared to get signatures. Mrs. Herndon said when the signature page is turned in the paperwork must swear under oath each signature was witnessed.

Dr. Stuebaker-Bolinger thanked Mrs. Herndon for attending the meeting.

Mrs. Herndon said she would send a Petition Remonstrance timetable to Dr. Stuebaker-Bolinger. Mrs. Herndon distributed a proposed timetable for a 2017 Referendum.

Mr. Glesing asked what was the waiting time if the project failed? Mrs. Herndon said a substantial similar project is one year.

CONSENT AGENDA

Upon the recommendation of Dr. Studebaker-Bolinger and a motion by Mr. Glesing, seconded by Mrs. laCour, the Board voted, 5-0, and the motion carried to approve the Consent Agenda.

APPROVAL OF AGENDA – JUNE 1, 2016, SPECIAL MEETING

APPROVAL OF PERSONNEL REPORT

Employment(s)

Administration

David Gibson – Seasonal Grounds & Maintenance – effective May 9, 2016 – July 29, 2016

Deputy Elementary School

Camille Crim – Summer School Teacher – effective June 6, 2016

E.O. Muncie Elementary School

Kim Rumsey – Cafeteria Cook – effective August 1, 2016

Madison Consolidated High School

Matthew Flessner – Academic Science Coach – effective August 1, 2016

Bryan DeWitt – Co-Academic Competition Director – effective August 1, 2016

Bryan DeWitt – Super Bowl Coach – Science – effective August 1, 2016

PUBLIC COMMENTS

There were no public comments.

ACTION

APPROVAL OF FACILITIES IMPROVEMENTS

BOARD MEMBER COMMENTS

Mrs. J. Imel thanked Mr. Frazier for the savings for the high school project. She said locks, light bulbs, fire equipment, ceiling tiles and lockers have been removed for reuse. Mr. Frazier said they were also removing plumbing fixtures, and old windows. Mrs. J. Imel said she was very pleased.

Mrs. J. Imel discussed a timeline for the June meetings:

June 8, Regular meeting (no facilities discussion at this meeting).

June 15, Special meeting, visit from two Superintendents to discuss 5th-8th configuration.

June 22, no meeting

June 29, Special meeting – decision on 5th grade move fall of 2017, Petition Remonstrance or Referendum on one or two projects.

Mrs. J. Imel said she would like the Board to have a Work Session in July and would be scheduling individual meetings with the board members. She said she would like to work on the board members handbook.

Mrs. laCour explained two Superintendents from local corporations would be reporting to the board regarding 5th-8th configurations. She said they are doing this as a favor to our corporation. Dr. Studebaker-Bolinger said the recommendations came from the Board.

ADJOURNMENT

Mrs. laCour moved the meeting be adjourned, seconded by Mr. Glesing, the Board voted, 5-0, and the Special Meeting was adjourned.

BY: ps

ATTEST:

