

MINUTES OF REGULAR SCHOOL BOARD MEETING
MANCHESTER COMMUNITY SCHOOLS
January 12, 2016

The Manchester Community Schools' Board of Trustees met at Manchester Community Schools Administration Offices on January 12, 2016 at 5:30 p.m.

Board Members were present or absent as follows:

PRESENT: Mr. Byron Brunn, Mr. Brady Burgess, Mr. Steve Flack, Mrs. Sally Krouse, Mr. Tim McLaughlin, Mr. Brian Schilling, and Dr. Nate Trump.

Also in Attendance: Dr. Bill Reichhart, Superintendent; Mr. Scott Bumgardner, MCS Business Manager; Al Schlitt, School Attorney; and Makenzi Holland, *Wabash Plain Dealer*.

CALL TO ORDER

Mr. Fleck, School Board President, called the meeting of the Manchester Community Schools' Board of Trustees to order at 5:30 p.m. Dr. Reichhart led those in attendance in reciting the Pledge of Allegiance.

CONSIDERATION OF AGENDA ADDITIONS OR DELETIONS

Dr. Reichhart requested that a field trip request for FFA Leadership Conference on February 5-7 be added at IV. New Business, as Item #K.

PUBLIC COMMENT (AGENDA ITEMS ONLY)

No comments.

PRESENTATION -- MES MUSIC DEPARTMENT

Mr. Rodgers commented that the school-wide Christmas Fantasy program at the high school last month was phenomenal. He went on to introduce Mrs. Huber, Music Teacher at MES, for her presentation on MES' participation in the Christmas Fantasy program with the third graders.

Mrs. Huber loves working with the young students at MES. This is Mrs. Huber's second year at MCS and working with the 3rd and 4th grade choir. Mr. Jeff Huber and Mrs. Marilyn Mason are the music teachers at MIS and band and choir teachers at MJSHS, and they work with Mrs. Huber to conduct the 3rd and 4th grade choir activity after school. The choir is a free, after-school activity which introduces the students to choir for the first time as a precursor to possible future music classes. Parent volunteers bring snacks after each rehearsal. The highlight of the class is the culmination into the Christmas Fantasy show performed with the high school band and choir. Rehearsals are on Wednesday afternoons 3:30-4:00 for six weeks starting in November through December. Students are shuttled from the elementary schools to the high school choir room via the bus hub. Attendance ratings were excellent. Out of 75 total students, there were never more than five students missing per rehearsal. This year's choir consisted of 43 third grade students, about 33% of the total 3rd grade class, and 32 fourth grade students, about 25% of the total 4th grade class. Overall, there has been an increase from 50 to 75 students compared to last year's participation. That number has increased because the students who participated the year before like it so much, they came back. Mrs. Huber also shared several pictures of the stage set and decorations, including 13 donated Christmas trees and lights strung on the catwalk. Mrs. Huber then played a video of the 3rd and 4th grade choir singing "No Time to Diet". Mrs. Huber concluded by stating that she and Mr. Huber and Mrs. Mason will be attending the Indiana Music Educator Association conference this week in Fort Wayne. Also, the 3rd & 4th grade choir will do another performance in May.

SCHOOL BOARD REORGANIZATION

A. Conflict of Interest Disclosure Statement

Attorney Schlitt submitted to the Board two Conflict of Interest Disclosure Statements signed by Mr. Brunn, whose spouse is employed by Manchester Community Schools, and Mr. Burgess, who has a business relationship with Manchester Community Schools. Attorney Schlitt will file the Statements as required with the Clerk of Wabash County and the State of Indiana.

*B. Election of Officers

1. President

Dr. Trump nominated Steve Flack for President. Mr. Schilling seconded. No other nominations were offered. With a 7:0 vote, Mr. Flack was appointed President.

MANCHESTER COMMUNITY SCHOOLS
BOARD APPROVED

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2. Vice President

Mr. Brunn nominated Mrs. Krouse for Vice President. Dr. Trump seconded. No other nominations were offered. With a vote of 7:0, Mrs. Krouse was appointed Vice President.

3. Secretary

Mrs. Krouse nominated Dr. Trump for Secretary, and Mr. McLaughlin seconded. No other nominations were offered. On a vote of 7:0, Dr. Trump was appointed Secretary.

*C. Consideration of Appointments for 2016

1. Corporation Treasurer
2. Corporation Assistant Treasurer
3. Corporation Attorney
4. Legislative Liaison
5. Heartland Career Center Representative
6. North Manchester Redevelopment Commission

Mr. Bumgardner advised that during the most recent audit process it was learned that a lot of what is audited should be his responsibility, but Kendra Miller, as Corporate Treasurer, is held accountable for it, has to answer questions about it, and has to sign for it. Therefore, Mr. Bumgardner recommends nomination of himself as the Corporate Treasurer, and Kendra Miller as Assistant Treasurer. This will only be a title change. No duties or pay will change. Mr. Flack recommended appointment of Attorney Al Schlitt for Corporation Attorney. Mr. Schlitt commented that this will be his 38th year. Currently acting Legislative Liaison was previously Mrs. Krouse, and she is willing to continue. Heartland Career Center Representative was previously Mr. Flack, who is willing to continue. North Manchester Redevelopment Commission was previously Mr. Byron Brunn, who is willing to continue.

Mrs. Krouse made a motion to accept the slate of appointees as recommended and already serving as designated above, and Mr. Burgess seconded the motion. No discussion or comments. With a vote of 7:0, the Corporation appointments for 2016 as recommended above were approved.

*D. Establishment of Designated Newspaper for 2016

Dr. Reichhart recommended that *The News-Journal* continue to be the primary publication for Manchester Community Schools, and that the *Wabash Plain Dealer* continue to be the secondary.

Mr. Schilling made a motion that *The News-Journal* will continue to be the primary designated newspaper and *Wabash Plain Dealer* will continue to be the secondary designated newspaper. Mr. McLaughlin seconded the motion. No further comment or discussion. On a vote of 7:0, the designation of Newspaper for 2016 was approved as recommended.

*E. Consideration of Board Members' Compensation

Mr. Flack reviewed Policy #1040 regarding Board Member compensation and recommended continuation of Board Member compensation as currently stated.

Mr. Schilling made a motion to continue Board Member compensation as currently stated in Policy #1040. Mr. Brunn seconded the motion. With no further discussion and a vote of 7:0, the board members' compensation was approved to remain as currently stated in Policy #1040 of the Board Policy Manual.

*F. Consideration of Board Meeting Dates for 2016

Dr. Reichhart reminded the Board that in 2015 Board meeting dates were moved from the 1st Tuesday of the month to the 2nd Tuesday of the month, which seems to give more time to have financial information prepared and also avoids some holidays. Dr. Reichhart recommended continuance of Board meetings on the second Tuesday of each month.

Mr. Brunn made a motion to continue with regularly scheduled Board meetings on the second Tuesday of every month at 5:30 p.m. Mr. McLaughlin seconded the motion. Without further discussion, the Board voted 7:0 to approve the 2016 Board meetings to be the second Tuesday of every month at 5:30 p.m.

CONSENT ITEMS

- *A. Minutes
 1. Minutes of the December 8, 2015 School Board Meeting.

- *B. Claims
 1. Regular Claims dated January 12, 2016.
 2. Prepaid Claims dated December 1-31, 2015.
 3. Payroll Claims dated December 4, 2015; and December 18, 2015.

- *C. Grants - None

- *D. Donations
 1. Two donations in the total amount of \$1,000.00 in support of the Manchester Junior-Senior High School Sharing and Caring Program from Kohl's Department Stores, Inc.
 2. Donation in the amount of \$500.00 to the Manchester Junior-Senior High School Choir Program for the purchase of choir robes from an anonymous donor.
 3. Donation in the amount of \$500.00 in support of the Manchester Junior-Senior High School Swim Team from an anonymous donor.
 4. Donation in the amount of \$500.00 in support of the Manchester Junior-Senior High School Baseball Team from an anonymous donor.
 5. Donation in the amount of \$250.00 in support of the Manchester Junior-Senior High School Girls Golf Team from an anonymous donor.
 6. Donation in the amount of \$250.00 in support of the Manchester Junior-Senior High School Boys' Basketball Team from an anonymous donor.
 7. Donation in the amount of \$125.00 in support of the Manchester Junior-Senior High School Choir Program from Manchester University.
 8. Donation in the amount of \$350.00 in support of the Manchester Junior-Senior High School Drama Program from an anonymous donor.
 9. Donation in the amount of \$350.00 in support of the Manchester Junior-Senior High School Choir Program from an anonymous donor.
 10. Donation in the amount of \$500.00 in support of the Manchester Junior-Senior High School Drama/Musical Program from an anonymous donor.
 11. Donation in the amount of \$500.00 in support of the Manchester Junior-Senior High School Science Olympiad Program from an anonymous donor.
 12. Donation in the amount of \$4,300.00 in support of the Manchester Junior-Senior High School Germany Student Exchange Program from The Wabash County Community Foundation.

- *E. Personnel
 - MES
 - Leave Request
 1. Debbie Thompson (Medical leave Jan 12-21 with possible extension)
 2. Erica (McKinzie) Schipper (Personal unpaid leave Feb 18-19)
 - Retirement
 1. Kathy Hawkins (end of 2015-16)
 - MIS
 - Resignation
 1. Patricia Shoemaker, Instructional Assistant
 - MJSHS
 - Leave Request
 1. Elaine Metzger (personal unpaid leave January 15-22, 2016)
 - Employment
 1. Allison Kauffman, Volunteer Girls Soccer Coach
 2. Matt Carver, JV Baseball Coach
 - MAO
 - Resignation
 1. Lisa Booher, Part-time custodian
 - MCS
 - Appointment
 1. Heather Winger, North Manchester Public Library Board Member

Dr. Reichhart recommended approval of all of the consent items hereinabove documented.

Dr. Trump moved to approve all the Consent Items outlined above. Mr. Brunn seconded the motion. With no further discussion, a vote of 7:0 approved the Consent Items as presented.

NEW BUSINESS

A. Approval for Easement for Driveway for North Manchester Parks Department

Mr. Bumgardner introduced Jennifer Hotchkiss and Dave Schoeff from the North Manchester Parks Department. The Parks Department is asking for an easement for a drive access over part of the southwest corner of the high school parking lot to give access to the north side of their new utility building. Ms. Hotchkiss further explained that the Parks Department is desiring to use the space of one parking spot during business hours of 7:00 a.m. – 3:00 p.m. Monday through Friday so that a pull-through would be possible at their maintenance shop. This would require a curb cut. Dr. Reichhart requested that if this easement is approved, that the Parks Department agree to asphalt the space so there would not be a gravel area where kids could pick up stones to throw. Ms. Hotchkiss replied that she had obtained an estimate for that to be done at the same time the high school parking lot is refinished next summer. Mr. Schilling commented that he served on the building committee at the time this utility building was originally discussed, but it was several years ago. At that time, Mr. Shumaker was the MCS Business Manager and he had agreed to the easement. However, it has taken some years for the building project to be completed. Mr. Schlitt then recommended that if the easement is approved, it should be done with a proper legal documentation, including a survey for a legal description and a written agreement. Mr. Schoeff replied that the Parks Department would agree with a survey. Mr. Flack inquired if something would be put up to block access when the drive is not in use. Ms. Hotchkiss replied that there has been discussion about putting up a post on each side with a chain across so that no vehicles could access the drive. She went on to clarify that the only other easement is the neighboring home's which only goes to the south side of the building. Mr. Flack recommended tabling the approval until the survey and written agreement are completed. Mr. Schlitt added that the agreement should include provision for the Town of North Manchester to fully maintain the easement area.

The consensus of the Board is that the easement can be approved upon satisfactory completion of the survey and draft of a formal agreement. Mr. Schoeff, Ms. Hotchkiss and Mr. Schlitt will work together on those items to present at the next board meeting for approval.

*B. Approval to Advertise Tax Anticipation Warrants

Mr. Bumgardner recommends approval of advertisement for tax anticipation warrants which help with cash flow. The amount has not changed over the past couple of years. Crossroads Bank has won the bid over the past several years.

On a motion by Mr. Burgess and second by Dr. Trump, the Board voted 7:0 to approve advertisement for the Tax Anticipation Warrants.

*C. Budget Reduction Resolution

Mr. Bumgardner presented his proposed Budget Reduction Resolution which includes reduction of the Capital Project Fund by \$825,277, Transportation operating fund by \$60,261, and Bus Replacement Fund by \$311,848. The Capital Project Fund amount is an expected cut; however, there is about \$43,000 new money in that fund above last year. The Transportation fund was advertised high in order to max out the rate and levies, so it has about \$30,000 new money in it above last year. The Bus Replacement Fund is disappointing, but was expected because it bears the full brunt of the Pension Debt Fund payment this year and for the next two years. This year's Pension Fund payment of \$215,000 fully came out of the Bus Replacement Fund. This cut obviously doesn't leave enough money to buy a new bus this year, which would cost about \$99,000. However, there are alternatives to look into, including taking partial payment out of CPF or Transportation funds, or possibly leasing a bus. In 2019 the Pension Debt will be finished and that fund will be healthy again. The General Fund and all other funds, excluding the three funds proposed for reduction, were certified by the DLGF as they were advertised. Mr. Bumgardner recommends approval of the Budget Reductions as presented in order to have a certified budget for 2016.

Mr. Burgess made a motion to approve the proposed Budget Reduction Resolution. Mr. Schilling seconded the motion. Without further discussion, the Board voted 7:0 to approve the Budget Reduction Resolution.

D. Notice of Project and Lease Hearing

Mr. Bumgardner stated that MCS is funding the construction project through a lease financing as it has done with past construction and renovation projects. Lease financings are used by school corporations across the State of Indiana in order to borrow for renovation and construction. A portion of Manchester Junior-Senior High School is currently subject to a financing lease; and that Lease is being amended to increase the lease rental due from MCS. In exchange for the

increased lease rental, the Building Corporation will use the bond proceeds to make the needed improvements to the school facilities. The increased lease rental will be sufficient to pay the principal and interest due to the bondholders.

Mr. Bumgardner then opened the meeting for a public hearing on whether the lease rental contained in the Fourth Amendment is fair and reasonable for improvements being made. With no public comments heard, Mr. Bumgardner closed the public hearing. Mr. Bumgardner then proceeded to present five resolutions, as follows, as part of the bond issue for Board approval.

*E. Resolution Determining Need for Project (Exhibit A)

As required by the School Leasing Statute (IC 20-47-3), the Resolution Determining Need for Project (Exhibit A) has the Board making a determination that there is a need for the Project. Mr. Bumgardner recommended approval of this Resolution.

Mr. Burgess moved to approve Resolution Determining Need for Project (Exhibit A). Mr. McLaughlin seconded the motion. Without further discussion, the Board voted 7:0 to approve the proposed Resolution.

*F. Resolution Authorizing Execution of Fourth Amendment to Lease (Exhibit B)

As required by the School Leasing Statute (IC 20-47-3), after the hearing the School Board must approve the form of the Fourth Amendment to Lease and authorize its President and Secretary to execute such Fourth Amendment. This Fourth Amendment is the agreement that the MCS will levy the required property tax to pay the increased lease rental payments, which will be paid to the Building Corporation and used to pay the bondholders. Without this Fourth Amendment, bondholders would have no assurance that the Building Corporation will repay the bonds. It is the mechanism by which the property tax collections can get to the bondholders. Mr. Bumgardner recommended approval of the Resolution Authorizing Execution of Fourth Amendment to Lease (Exhibit B).

Mr. Brunn made a motion to approve the Resolution as presented. Dr. Trump seconded the motion. Without further discussion, the Board voted 7:0 to approve the Resolution.

*G. Resolution Assigning Contracts to Building Corporation (Exhibit C)

The Building Corporation currently owns a portion of the Manchester Junior-Senior High School. The Building Corporation will also be the issuer of the bonds. The bond proceeds will be held by a trustee bank, and will be used to pay the contractors for most of the work for the Project. The contracts will need to be with the Building Corporation because it will have the money with which to pay the contractors. MCS will award the contracts, but then retain the authority to assign contracts to the Building Corporation for payment, as MCS determines is necessary. Mr. Bumgardner recommended approval of the proposed Resolution.

Mr. Schilling moved to approve the Resolution as presented. Mr. Brunn seconded the motion. Without further discussion, the Board voted 7:0 to approve the Resolution Assigning Contracts to Building Corporation (Exhibit C).

*H. Resolution Approving Continuing Disclosure Undertaking and Issuing Bonds (Exhibit D)

Mr. Bumgardner continued that the Securities and Exchange Commission requires that a school corporation enter into a Continuing Disclosure Undertaking Agreement before it issues bonds. MCS has entered into this type of agreement previously. It basically requires that MCS agree to annually provide certain types of financial information to the SEC's EMMA database and provide notice of certain material events on a timely basis. Mr. Bumgardner recommended approval of this Resolution.

Mr. Brunn made a motion to approve the Resolution as presented. Dr. Trump seconded the motion. Without further discussion, the Board voted 7:0 to approve the proposed Resolution.

*I. Resolution Approving Post-Issuance Compliance Procedures (Exhibit E)

The Internal Revenue Service has recently begun requiring issues of tax-exempt or tax-advantaged bonds to have written procedures with respect to post-issuance tax matters. Further, recent actions by the Securities and Exchange Commission demonstrate the SEC's strong preference towards issues having written procedures with respect to federal securities laws, rules, and obligations. This Resolution officially adopts the proposed Post-Issuance Compliance

Procedures in order to comply with IRS requirements and adhere to SEC best practice recommendations. Mr. Bumgardner recommended approval of this Resolution by the Board.

Mr. McLaughlin made a motion to approve the proposed Resolution. Mr. Schilling seconded the motion. Without further discussion, the Board voted 7:0 to approve the Resolution.

*J. Approval of Unit Ventilator Bid

Mr. Bumgardner advised that three bids were received by himself, Dr. Reichhart and Dana Wannemacher of Barton-Coe-Vilamaa last Thursday. Bids were received from Project Design and Piping, A. Hattersley and Sons, and Shambaugh and Son, and all were within reason. Barton-Coe-Vilamaa has submitted a recommendation for the Project Design and Piping bid which came in as the low bid and under budget at \$569,200. Project Design and Piping is a reputable company, and Barton-Coe-Vilamaa has worked with them on previous projects. The company is currently at Northwood High School, Croninger Elementary School and Lakeland High School doing work similar to MCS Project. Mr. Bumgardner and Barton-Coe-Vilamaa are very comfortable with accepting this bid. Mr. Bumgardner recommended approval for the bid from Project Design and Piping which is being recommended by Barton-Coe-Vilamaa.

To answer Mr. Burgess' question, Mr. Bumgardner advised that the unit ventilator project will start in June and should be completed the first part of July. The unit ventilators will be secured and delivered prior to that date. The standard \$25,000 worth of contingencies is built into the bid. The other two bids were within \$40,000 and \$60,000 of the low bid. Dr. Reichhart added that this work will eliminate using the tunnel system for fresh air which will result in better air quality coming in from the outside.

Mr. Brunn made a motion to approve the unit ventilator bid from Project Design and Piping. Dr. Trump seconded the motion. Without further discussion, the Board voted 7:0 to approve the bid.

*K. Field Trip for FFA Leadership Conference

Dr. Reichhart presented the request from Mrs. Mize on behalf of the FFA Senior Officers to attend a Leadership Conference in Trafalgar, Indiana on February 5-7. The group will travel by mini-bus and will be chaperoned by Mrs. Mize and other FFA Leadership staff. Parents and students will sign the standard liability forms. This is an annual trip for the FFA Officers. Dr. Reichhart recommended approval of this field trip.

Mr. McLaughlin made a motion to approve the field trip as presented. Mr. Schilling seconded the motion. Without further discussion, the Board voted 7:0 to approve the field trip.

ADMINISTRATIVE UPDATES AND REPORTS

A. Principals

Mr. Rodgers commented on the great Christmas Fantasy program after just six Wednesday sessions for the elementary students. Mr. Self and Ms. Alspaugh were not in attendance due to the school closing.

B. Curriculum Director - No report.

C. Business Manager

Mr. Bumgardner updated the Board that the asbestos removal has begun at the Maple Park building shortly before Christmas. That project should be finished up in a couple of weeks. The Environmental Management team that is removing the asbestos will provide a certificate ensuring completion of the removal of the asbestos in order to move forward with a permit for the demolition of the building. The utilities will be marked and shut down prior to demolition. Once that happens, the demolition itself should be a very quick process, and the ground should be bare within about two months. Dr. Reichhart proposed that the Board be thinking about what they would like to see done with the property after the building is removed. Mr. Bumgardner advised that there will be a large interest in the vacant land. Habitat for Humanity has already shown interest, and he anticipates that the Parks Department and City will show an interest. Dr. Reichhart also reminded the Board that there is a playground on the property that is currently leased to the Parks Department, and the current plan is to leave the asphalt until the usage of the land is determined.

D. Technology Director - No report.

E. Superintendent

Dr. Reichhart advised that there was no school today due to the weather. There are three make-up days built into the school calendar, and today used day number two. Dr. Reichhart stated that MCS students possess a lot of talent, and he sent out congratulations to MCS athletes and music students.

Dr. Reichhart passed along some information to Board members regarding some ISBA workshops conducted by Michael Adamson. He also invited Board members to attend the annual Chamber of Commerce dinner on Thursday, January 21.

COMMENTS FROM VISITORS

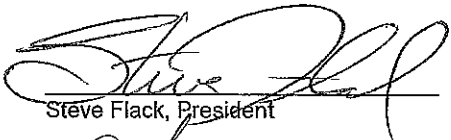
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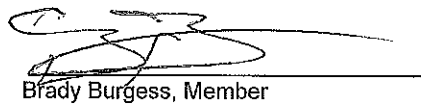
COMMENTS FROM BOARD MEMBERS

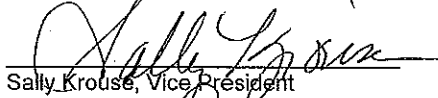
Mr. Brunn thanked Mr. Bumgardner for all the time and work he has put into the financial matters. He also thanked Mrs. Huber for her enthusiasm for the music programs.

ADJOURNMENT

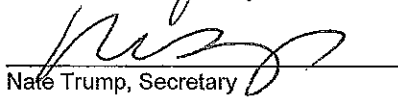
With no further business, Mr. Flack, School Board President, adjourned the Manchester Community Schools' Board of Trustees Board Meeting at 6:30 p.m.


Steve Flack, President


Brady Burgess, Member


Sally Krouse, Vice President


Tim McLaughlin, Member


Nate Trump, Secretary


Brian Schilling, Member


Byron Brunn, Member