

March 2020 Meeting Notes

We will have a lot to discuss at the meeting this month. We will keep it a public meeting, but may look at some electronic attendance options for future meetings.

IV. We will open the public hearing on the budget to start the meeting. We are doing it different this year since we have the question on the extra levy for the bond issue. The budget hearing will be open until after I present my budget presentation and you decide on the additional levy issue. The president will ask for a motion to open the hearing and then vote. Then ask for any comments either present or submitted.

V. Financial reports look similar to what we've been seeing. For the month, we are below last year, but remain well above last year for the year to date numbers.

VII. We had some plans for student achievement—but will likely not have any students attending the meeting.

IX. a. Once again publishing next year's calendar. Not looking for any action. I will share with you the survey data we have up to this point. Next month we will hold our public hearing on the calendar specifically related to start date and going with hours versus days.

b. Last month I brought you these policies to update. I had some suggestions made for better wording to better cover the vaping issue that we're having. I recommend we approve these as presented.

X. a&b. We need to approve the final pay applications for the building project and some change orders from some time ago. I do have a final billing from Facilities Cost Management group that I will likely have ready by the meeting. I also have an additional billing from Facilities Cost Management that I still have some questions about and we will likely look at later. This will show you where we are looking to end up with the bond fund. It's a little lower than it should be as I have taken some furnishings for the new building out of the bond fund that should have probably come from SAVE funds. Either way, we look pretty good in the bond fund. The change orders are from work that has been done and had been verbally approved—we just need a final approval.

Xc. I will share my budget presentation with you. There have been more changes since we've published but at this time our rate will be \$10.89902 or probably a little less if you don't approve the additional levy to pay off the bond early. If you do approve the levy to pay off the bond early our levy will be \$11.15735 or probably a little less. This compares to \$11.84986 for this year. This drop has happened for several reasons including declining enrollment. The biggest reason is it's time to start reducing our cash on hand. We had been building it up to increase our solvency ratio which got us a better rate on our bonds. Now that it's done, we can reduce it. I want to be transparent to everyone. It is currently at a rate that we are required to reduce it, so we will. A couple of other things—I have increased the management fund in case we need a cushion for an early retirement program or a potential increase in property

damage/liability/worker's comp coverage. Also, when it goes down this dramatically, it will likely go up –though it's unlikely to go up as much as this drop– in the next several years. I suspect it will be steady for 2021-2022 and then go up for the 2022-2023 school year. Right now I would guess it may increase 25 to 35 cents at that time.

Xd. This is the resolution to levy an extra \$135,000 in order to pay off the bonds early. This amounts to approximately 25 cents more in levy for next year and is reflected in the \$11.15735 rate. This will save the taxpayers an additional \$68,000 in interest payments. The money will be placed with an escrow agent and then used to pay off some of the higher interest bonds in 2024 when we can first pay off early. It's also important to note that this is for one year only. If we want to do it again next year, we have to go through this same process as it can only be done one year at a time. To be clear, this means we are levying \$1.85 for the bonds. We said when promoting the bonds that we would limit it to \$1.60. The logical side of me says we should do the extra 25 cents. If it was my own money, I would definitely repay it if it would save me \$68,000 in interest. The other side of me or my personal side is I remember saying many times it would only be \$1.60. One of our responsibilities is to make sure we're looking out for the interest of the tax payer. We have an opportunity to lower our tax levy from \$11.84986 to \$11.15735 and save them an additional \$68,000 in levy down the road. That is in the best interest of the taxpayer.

Xe. We need to close the budget hearing. Before you do, I would suggest you ask if there is anyone present who has any other comments related to the hearing.

Xf. We need to approve the 2020-2021 school budget. Your big decision will be which levy rate you go with. However, you should know where you stand after you approve or don't approve the resolution for the additional levy to pay the bond off early.

Xg. The New Hampton Education Association has asked about extending their contract for one year. Their members have voted and approved a one year extension through the end of the 2021-2022 school year. The details are no language can be added/changed and only salary will be bargained for next year. I recommend we approve this.

Xh. A student would like to do a fund raiser in conjunction with the upcoming state FFA convention. He is looking to collect items for the food pantry.

Xi. We need to approve the teaching staff for the 2020-2021 school year. This will allow us to get the contracts out yet this week.

Xj. The lunch program would like to do their cinnamon roll fundraiser again for unpaid lunch accounts.

Xk. We have a 2010 IC bus that is sitting out at Wagner Brothers. It has a cracked block and is not worth repairing because of its age and the difficulties with this engine. We would like to dispose of it by taking it to a salvage yard.

Xl. We have a quote from Mick Gage for our ventilation/heating/cooling system for the new wrestling room in the old shop area. The quote is for \$53,146. We only sought one quote as

Gage Plumbing and Heating does nearly all of our plumbing work in the high school building. They know the building and the issues that we may face. This item is a high end specialty item that will address the special ventilation and humidity requirements when this becomes the wrestling room. We have existing heating and cooling units in this area that could probably handle those two tasks, but this unit will make sure we have adequate ventilation and also it will manage the humidity in the area to keep it within manageable numbers to minimize any issues we may have with high humidity. When I met with Mick, I emphasized and he was aware of the special needs in this area to address the issues of ventilation and humidity while maintaining an appropriate temperature for a wrestling room. This bid also includes some plumbing work to get a drinking fountain in place where coach Paulus would like it. I would recommend we approve this.

Xm. I will share some information on where we're at with Covid-19.

Xn. I will also share some information on the Northeast Iowa Conference. The superintendent's did vote to not send it to our boards for approval and instead sent it back to Mason City as being rejected by the superintendent's. The superintendent's can reject it, but in order to approve it the individual school boards must vote in favor. I will be looking for some direction from you on this issue.