

**SCHOOL CITY OF HOBART
BOARD OF SCHOOL TRUSTEES
WORK SESSION MEETING
January 19, 2017**

The Board of School Trustees of the School City of Hobart met in a work session on January 19, 2017, in the Board Room at Hobart High School, 2211 East Tenth Street, Hobart, Indiana.

ROLL CALL: President Terry Butler asked Board Members to log in. The following Board Members and Administrators were present or absent as noted:

Board Members Present:

Terry D. Butler
Rikki A. Guthrie
Michael J. Rogers
Dave Bigler
Karen J. Robbins
Donald H. Rogers
Stuart B. Schultz (After meeting began)

Administrators Present:

Peggy Buffington
Ted Zembala
Christopher N. King
William J. Longer (After meeting began)
Jonathan Mock
Felix Perry

CALL TO ORDER: President Butler called the meeting to order around 5:10 p.m.

PLEDGE OF ALLEGIANCE: Mr. Butler indicated the Pledge of Allegiance was deferred to the regular session meeting.

AUDIENCE: The following were present in the audience:

James Elizondo, Stifel Public Finance
Christopher LaFollette, Fidelis Construction Management
Michael Rosselli, Gibraltar Design

DISCUSSION: Facility Needs: Superintendent Peggy Buffington indicated the school district had entered into an agreement for Jim Elizondo to provide financial information concerning proposed facility projects. Chris LaFollette provided him with information for a new elementary school and a swimming pool at the high school, and another option noted was possibly including some items from the school district's Ten-Year Facility Plan. Ted Zembala provided Mr. Elizondo with information concerning the circuit breaker, when it is no longer in effect in 2020, and its effect on our tax rate.

Mr. Elizondo told the Board that on January 3 of this year Stifel and City Securities merged, and they were operating with the same personnel. Mr. Elizondo presented a PowerPoint presentation that included financial information for two bond issues—Option 1 for a \$35,500,000 (\$34,373,918 Hard Construction) and Option 2 for a \$41,210,000 (\$40,000,000 Hard Construction). Each bond issue had two components—a graph showing new debt and existing debt from 2016 through 2039 and a data information sheet that included Tax Years 2016 through 2039, with Assessed Value, % Change, Existing Debt and New Bonds and their Total, Existing Debt Service Rate, New Project Debt Service Rate and Existing & New Total, and Increase/(Decrease) for 2016 and 2017. Mr. Elizondo indicated refunding was done last year. For Option 1 a (\$0.0951) decrease from 2016 and a \$0.0419 tax rate increase over in 2017. The data assumes market interest rates plus 1% and 18.5 year tailored repayment. For Option 2 a (\$0.0627) tax rate decrease from 2016 and a \$0.0743 tax rate increase over 2017. The data assumes market interest rates plus 1% and 19.5 year tailored repayment.

There was lengthy discussion and some of the items mentioned are as follows:

- ▶ New Elementary School on the Mundell Site
 - Ridge View area students would attend a new school.
 - Due to a decrease in Joan Martin's enrollment, the number of lunch hours would be reduced.
 - Mundell area students would attend a new school in their home area.
 - Storm water could be an issue with the city.

- ▶ What Happens to Ridge View School?
 - Would need to use for an educational purpose.
 - If not in use, would have to notify the state who in turn would list the building as vacant, a charter school could lease the building for \$1.00, and taxpayers would still be responsible for the upkeep of the building.

- ▶ New Swimming Pool at Hobart High School
 - Cost of operating two pools.
 - Middle school pool is used for classroom instruction and for therapy by all sports for athletes. In addition, the pool is open to the community for evening Open Swim sessions.
 - Possible use by senior citizens for exercise/wellness purposes.
 - Outside pool rentals helping with operational costs.

- ▶ Referendum
 - Have never had one like area school corporations have and most of those referendums have been for operations
 - When to do the referendum, May or November? The school district would be responsible for the cost of the referendum if held in a non-election year, and the cost was unknown at this time.
 - The amount and impact on the tax rate.
 - Should additional facility projects from the Ten-Year Plan be included?
 - Technology infrastructure needs.

- ▶ Annual Facility Projects
 - Continue with the annual note financing?
 - Possible facility maintenance projects that might be needed.

The Board felt more definitive financial information was needed, and Mr. Elizondo said he would re-work the financial data after he receives the latest Department of Local Government Finance from Mr. Zembala for the 2017 budget. In addition, the Board would like a cost estimate for a special election.

REVIEW: NEOLA Board Policy Updates: Due to time constraints, the Board was not able to discuss Board Policy The Board ran out of time and was not able to discuss this item in the work session. Attorney William Longer indicated Exhibit 9 (Policy 8500) could be reviewed in the regular session meeting, as part of the Board Policy agenda item.

ADJOURNMENT: There being no other business designated for the work session, President Butler adjourned the meeting around 6:57 p.m.

BOARD OF SCHOOL TRUSTEES
SCHOOL CITY OF HOBART

Terry D. Butler, President

ATTEST:

Michael J. Rogers, Secretary

Submitted for Approval: February 2, 2017