

## CHILLICOTHE R-II SCHOOL DISTRICT

### Members:

Robin Westphal - President  
Jason Bone -Vice President  
Brent Turner - Treasurer

Michael Leamer - Member  
Paul Thomas - Member  
Robin Quinn - Member  
Pat Jones - Member

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### Public Hearing August 19, 2014

The Board of Education of the Chillicothe R-II School District held a tax rate hearing at the Administrative Offices, 1020 Old Highway 36, West, in the City of Chillicothe, state of Missouri on Tuesday, August 19, 2014 at 6:15 p.m.

Members present: Mrs. Westphal, Mr. Bone, Mr. Turner, Mr. Leamer, Mr. Thomas, Mrs. Quinn and Mr. Jones.

Also present: Dr. Roger Barnes, Jim Ruse, Karie Black, Allyson Reynolds, Julie Newmark, Adam Wolf, Mel Gregg, Amos Dickson, Susan Finlayson, Lee Rucker, Steve Haley, Tim Cool, Jayme Caughron, Kerrie Campbell, Melanie Rucker, Terry Mammen, Megan Claybrook, Abby Smith, Darren Smith, Kate Jones, Julienne Graupman, Philip Pohren, Penny Kennebeck, Brian Sherrow, Brittany Tutt, C-T; Tom Tingerthal, KCHI; and Laura Schuler.

### **CALL TO ORDER**

Mrs. Westphal called the public hearing to order at 6:15 p.m.

### **APPROVAL OF AGENDA**

Dr. Barnes recommended the approval of the tax rate ceiling of \$3.63 (the same as the previous year) for operating purposes; the debt service levy of \$0.596; and the capital projects levy of \$0.12 for a total tax rate of \$4.364 per \$100 assessed valuation.

### **PUBLIC COMMENT**

Mrs. Westphal asked if there was any Public Comment regarding the proposed 2014 Tax Rate. There was no Public Comment.

Mrs. Westphal asked for a motion regarding the proposed 2014 Tax Rate. Mr. Turner moved to approve the tax rate ceiling of \$3.63 for operating purposes; the debt service levy of \$0.596; and the capital projects levy of \$0.12 for a total tax rate of \$4.364 per \$100 assessed valuation. Mr. Thomas second. All were in favor. Motion carries, 6-0.

Mr. Turner moved to adjourn the hearing. Mr. Thomas second. All were in favor. Motion carries, 6-0.

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### Regular Open Meeting August 19, 2014

The Board of Education of the Chillicothe R-II School District held a regular open meeting at the Administrative Offices, 1020 Old Highway 36, West, in the City of Chillicothe, state of Missouri on Tuesday, August 19, 2014 at 6:30 p.m.

Members present: Mrs. Westphal, Mr. Bone, Mr. Turner, Mr. Leamer, Mr. Thomas, Mrs. Quinn and Mr. Jones.

Also present: Dr. Roger Barnes, Jim Ruse, Karie Black, Allyson Reynolds, Julie Newmark, Adam Wolf, Mel Gregg, Amos Dickson, Susan Finlayson, Lee Rucker, Steve Haley, Tim Cool, Jayme Caughron, Kerrie Campbell, Melanie Rucker, Terry Mammen, Megan Claybrook, Abby Smith, Darren Smith, Kate Jones, Julienne Graupman, Philip Pohren, Penny Kennebeck, Brian Sherrow, Brittany ?, C-T; Tom Tingerthal, KCHI; and Laura Schuler.

### **CALL TO ORDER**

Mrs. Westphal called the meeting to order at 6:30 p.m.

### **PLEDGE OF ALLEGIANCE**

Mrs. Westphal welcomed those in attendance and led those gathered in the Pledge of Allegiance.

## APPROVAL OF AGENDA

Mrs. Westphal asked for a motion regarding the agenda. Dr. Barnes recommended adding Item H – Amending the 2014-15 School Calendar – to the agenda under New Business. Mr. Thomas moved to approve the agenda as amended. Mr. Leamer second. All were in favor. Motion carries, 6-0.

## WELCOME

Mrs. Westphal welcomed those in attendance. She asked the administrators to introduce their new teachers in their respective buildings for 2014-15. Karie Black introduced Julianne Graupman; Abby Smith introduced Amanda Gott, and Adrienne Palmer, Second Grade counselor; Philip Pohren introduced Kim Marshall; Melanie Rucker introduced Julie Newmark, Kate Jones and Allyson Reynolds; Steve Haley introduced Amos Dickson, Lee Rucker and Darren Smith; Mr. Sherrow introduced Megan Claybrook, Bill Crawl, Canaan Fairley, Chad Smith, Mark Schneider and Melinda Brick; Jayme Caughron noted that Jeremiah Dana (who was not present) had been hired as a welding assistant.

## OLD BUSINESS

Consider Board Policy – Second Reading: Mr. Turner presented a sample policy regarding a revision to Policy GCPB – Resignation of Professional Staff. There was a discussion. The Board directed Dr. Barnes to send the revision to MSBA prior to the next meeting.

Consent Agenda: Mrs. Westphal asked for a motion regarding the Consent Agenda. Dr. Barnes recommended the Board remove the bill totaling \$82.00, Trace Number 111, from the list of bills approved to be paid. Jason Bone moved to approve the Consent Agenda with the exception of the \$82.00 bill, Trace Number 111. Mr. Thomas second. All were in favor. Motion carries, 6-0. Items on the Consent Agenda included:

- Minutes from the Regular July 15, 2014 and July 22, 2014 open meetings;
- Payment of Bills totaling \$496,844.52.
- Fund II Transfer. (*There was no Fund II Transfer*).

Finance Report: Dr. Barnes presented the Board the General Ledger and Monthly Finance Report for the month ending July 2014. Also included for comparison was the Monthly Finance Statement from July 2013. Ending balances for each fund as of July 2014 were as follows:

|        |                     |
|--------|---------------------|
| Fund 1 | \$5,232,703.70      |
| Fund 2 | \$ 258,186.78       |
| Fund 3 | \$ 255,473.16       |
| Fund 4 | <u>\$701,775.72</u> |
| Total: | \$6,448,139.36      |

The Chillicothe R-II Investments and bank accounts balances as of July 31, 2014, were shown as follows:

- Now Checking Account - \$6,638,060.57 (*Total All General Funds*)
- Employee Health Care and Flex Care Funds \$115,393.16

Dr. Barnes provided the Board with an update regarding the District's finances. There was a discussion.

Consider District Insurance: Jim Ruse presented bids for the District Property, Inland Marine, Crime, Boiler, Automotive, General Liability, Workers Compensation, Nurses Malpractices, Errors & Omissions, and Employment Practices insurance needs. The bids were as follows:

- Mel Gregg Insurance (C.P.S.K.): Option 1 - \$204,950 with \$1,000 Deductible  
Option 2 - \$193,420 with \$1,000 Deductible
- Hutchinson & Co.: \$248,369 with \$5,000 Deductible
- Koehly Baker, Inc.: \$85,949 with \$1,000 Deductible
- M.U.S.I.C.: \$193,925 with \$1,000 Deductible

Jim Ruse recommended the \$193,925 bid submitted by M.U.S.I.C. There was a discussion. Mr. Bone moved to accept the bid of \$193,420 submitted by Mel Gregg Insurance (C.P.S.K.). Mr. Thomas second. All were in favor. Motion carries, 6-0.

Consider City Facility Use Agreement: Dr. Barnes told the Board that the City has developed a use agreement for the use of facilities for the District's extra-curricular activities. He recommended the District accept the terms of the agreement, which amounts to \$260 more than last year due to the addition of Middle School softball. (To view the Use Agreement, please see the Custodian of Records). Mr. Turner moved to approve the use agreement with the City as presented. Mr. Thomas second. All were in favor. Motion carries, 6-0.

Consider Bus Routes: Mr. Ruse presented the 2014-2015 Bus Routes for Board approval. (*To view the 2014-2015 Bus Routes, please see the Custodian of Records*). Mr. Turner moved to approve the 2014-2015 Bus Routes. Mr. Thomas second. All were in favor. Motion carries, 6-0.

Consider Placement Agent for Lease-Purchase Agreement: Dr. Barnes told the Board that the District did not receive any bids of interest on the Lease Purchase Agreement for the Dewey wall project; however, George K. Baum & Company has expressed interest in being the agent for locating a financial institution to complete the Lease-Purchase agreement for a fee of \$3,000. He recommended the services of George K. Baum & Company as the placement Agent. (*To view the Service Agreement, please see the Custodian of Records*). There was a discussion. Mr. Turner moved to approve George K. Baum & Company as the placement agent for the Lease-Purchase Agreement for the Dewey wall project. Mr. Thomas second. A vote was taken. Mr. Bone – nay; Mr. Turner, yea; Mr. Leamer, yea; Mr. Thomas, yea; Mrs. Quinn, yea; Mr. Jones, yea. Motion carries, 5-1.

Consider Reimbursement Resolution: Dr. Barnes recommended the District approve a Reimbursement Resolution. The Reimbursement Resolution reads as follows:

RESOLUTION EXPRESSING THE ENTENT OF THE BOARD OF EDUCATION OF CHILLICOTHE R-II SCHOOL DISTRICT, LIVINGSTON COUNTY, MISSOURI TO FINANCE THE COST OF MAKING IMPROVEMENTS TO CERTAIN SCHOOL FACILITIES OF THE DISTRICT AND TO REIMBURSE COSTS OF THE PROJECT SO INCURRED FROM PROCEEDS OF A LEASE PURCHASE INANCING; AND AUTHORIZING AND APPROVING CERTAIN RELATED MATTERS AND ACTIONS.

WHEREAS, Chillicothe R-II School District, Livingston County, Missouri (the "District") proposes to make improvements to certain school facilities of the District (the "Project"), and the estimated costs of the Project have been determined to be approximately \$285,000; and

WHEREAS, Section 177.088 R.S. Mo. (The "Act"), provides that any school district may enter into agreements with a not-for-profit corporation to provide for the acquisition, construction, furnishings, and equipment for the use of the school district for education purposes and may lease from such corporation such sites, buildings, facilities, furnishings and equipment; and

WHEREAS, the Board of Education of the District (the "Board") hereby finds and determines that it is necessary and advisable to proceed with the acquisition of the Project and to enter into a lease purchase arrangement for the purpose of financing the costs thereof in an amount not to exceed \$285,000; and

WHEREAS, Section 1.150-2 of the Income Tax Regulations issued by the Internal Revenue Service (the Regulations") requires that the District make a prior declaration of its intent to reimburse itself for project expenditures made by the District prior to the date of issuance of notes, bonds or other financing obligations and the District desires to comply with the requirements of the Regulations with respect to this Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF CHILLICOTHE R-II SCHOOL DISTRICT, LIVINGSTON COUNTY, MISSOURI, AS FOLLOWS:

**Section 1.** That the Board of Education hereby finds and determines that it is necessary and desirable to proceed with the Project. The District and the appropriate officers and employees of the District and its agents and consultants are hereby authorized and directed to proceed with the development of definitive plans appropriate for the implementation and financing of the Project.

**Section 2.** That the District hereby expresses and declares its intent to enter into a lease purchase arrangement in an amount not to exceed \$285,000 to finance the costs of the Project. The Secretary of the Board is hereby authorized and directed to give notice of consideration of the Project as required by the Act.

That to the extent the District shall pay all or any portion of the costs of the Project from available funds on hand prior to the execution and delivery of such lease, the District hereby declares that it reasonably expects to reimburse such expenditures out of the proceeds of such lease purchase arrangement. All such expenditures so reimbursed shall be capital expenditures of the type described in section 1.150-2(d)(3) of the Income Tax Regulations (the "Regulations").

**Section 3.** This declaration is a declaration of official intent adopted pursuant to Section 1.150-2 of the Regulations.

**Section 4.** That as of the date hereof, there are not District funds reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Project, other than pursuant to the issuance of temporary notes or the bonds. This Resolution, therefore, is determined to be consistent with the District's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof, all within the meaning and content of the Regulations.

**Section 5.** That the Board of Education of the District hereby authorizes George K. Baum & Company to proceed with appropriate arrangements for the financing of the Project. Bryan Cave LLP, special tax counsel, is hereby authorized to proceed with necessary documents and proceedings to implement the financing as described herein, in compliance with and pursuant to the constitution and laws of Missouri.

**Section 6.** This Resolution shall be available for inspection at the office of the District Clerk at the Administrative Offices of the District during normal business hours of the District on every business day until the date of closing of the lease purchase financing.

**Section 7.** This Resolution shall take effect after its passage and approval by the Board of Education of the District.

ADOPTED by the Board of Education this 19<sup>th</sup> day of August, 2014.

Consider amendment to 2014-2015 School Calendar: Dr. Barnes recommended the Board amend the calendar to reflect an all-day professional development (no school) on September 17, 2014 for training on the new teacher and leader evaluation system. The September 17, 2014 professional development will replace the November 7, 2014 day for professional development. School would be in session on November 7, 2014 under the proposed amended calendar. Mr. Leamer moved to amend the 2014-2015 School Calendar as recommended. Mr. Turner second. All were in favor. Motion carries, 6-0.

#### **ADMINISTRATIVE/BOE COMMITTEE REPORTS**

The Board reviewed the reports submitted by the building administrators.

#### **CORRESPONDENCE**

There was no Correspondence.

#### **PUBLIC COMMENT**

Mrs. Westphal asked if there was any Public Comment. There was no Public Comment.

#### **MOTION TO ENTER INTO EXECUTIVE SESSION**

Mrs. Quinn moved to enter Executive Session as provided under Missouri Revised Statute, 610.021, for the purpose of employing, discussing and evaluating personnel, discussing real estate, student and legal matters. Mr. Bone second. A roll call vote was taken. Mrs. Westphal, yea; Mr. Bone, yea; Mr. Turner, yea; Mr. Leamer, yea; Mr. Thomas, yea. Mrs. Quinn, yea; Mr. Jones, yea; Motion carries, 7-0. Board enters into Executive Session at 7:15 p.m.

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Robin Westphal, President

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Laura Schuler, Secretary