

Arapahoe-Holbrook Public School  
Board of Education – Regular Meeting  
School Library  
September 11th, 2017 7:00 pm

President Dennis Roskop called the meeting to order at 7:15 pm.

President Roskop announced that the Arapahoe-Holbrook Board of Education follows the rules of the Open Meetings Act which is posted.

The following members were present: Dan Warner, Chad Carpenter, Rod Whipple, Dennis Roskop, Brad Schutz, and Lisa Anderson.

The following member(s) were absent: None.

Also present was Dr. George Griffith, Superintendent, Bob Braithwait, Principal and Cassie Hilker, Board Secretary. Visitors were present.

A motion was made by Anderson and seconded by Warner to approve the agenda as presented. AYES: Carpenter, Whipple, Roskop, Schutz, Anderson, and Warner. Motion carried 6-0.

President Roskop welcomed the visitors and asked for Public Comment. None.

## **REPORTS**

Braithwait reported that he feels the school year has gotten off to a good start. The first day he had a 20+ minute dance for the 9-12 kids. We had shaved ice for all of the kids, K-12. Thanks to Rod and Chris Whipple for the shaved ice. It seemed like a good day for everyone to get back into the swing of things. He really feels like all of our activities are competing as well as they can. He has seen a lot of good effort from our kids. He has watched all three sports practice and is impressed by what is taking place in practice. Our new staff members and their mentors attended a training last Wednesday and that went well. We started elementary MAPS testing last week and will finish up this week. High School and Junior High will begin next week. He will start evaluations on our staff the first week of October. He thinks we are ready for the Homecoming festivities. We will have a meeting with Josten's before the end of the month to start the graduation process. Colors, motto, etc. Thanks to Brad Schutz for donating the hamburger for our construction cookout. Dr. G and I grilled for our construction crew. Thanks to Cassie for providing some of the extra's. Fall Parent Teacher Conferences are September 26<sup>th</sup>. Schutz asked Braithwait when the official student count is due. Braithwait stated that it is due October 1<sup>st</sup>. Schutz asked if there has been any fluctuation since school has started. Braithwait thought we were up 14 from 344. Cassie Hilker stated the last she checked we were at 358. Schutz asked if that was PK-12. Braithwait agreed. He thinks we will be close to being up 20. Schutz asked what town the football game is in. Braithwait stated that the game is at 7:00 in Sumner.

Dr. Griffith stated that he was contacted by a cousin of Ron Goosen who passed away September 27, 2012. His request was to fly his flag at the school. Griffith stated that the next time they change the flag they will be flying Ron Goosen's flag. He wanted to thank the family for providing that flag. Ron was a member of the Navy. Braithwait stated that it is Buck Franssen's family. Griffith reported that it continues to be busy with the construction going on but our students and staff are working very well around the obstacles. He would like to remind everyone that many situations are temporary until the project is complete and we will have to deal with some inconveniences from time-to-time. He and Cassie attended the Labor Relations Conference in Lincoln last week and it was very informative. The RoboMath materials came in and students are already making some great projects. There will be a presentation of the check at the football game on September 22<sup>nd</sup>. Thanks to the farmers that nominated us for that grant. October 2<sup>nd</sup> all teachers and paraprofessionals will attend the conference at ESU 11, which will have sessions for all teaching areas and for administrators. Para's will be attending the same sessions as their cooperating teachers. On October 16, specific teachers will be attending the ReVision planning meeting. The meeting will take place in the basement of the United Methodist Church. Business leaders are welcome to attend. New Science Standards have been adopted by the state and they have a college and career ready focus. We will be meeting with the science staff to discuss them. The footing crews are scheduled to show up on Friday, September 15<sup>th</sup> to begin prep work and the reinforcement bar should arrive on Monday allowing for footing work to begin. The delay in getting this started is due to the need for certification of the rebar design and composition. They will need to re-route the sewage line so at some point the service will be down for a day. This will save putting in a temporary line and then removing it. The re-routed line will be able to be used for the new construction. The old school building is a problem and highly likely going to need extra digging to remove the brick and foundation (approximately an additional five feet) then replaced with acceptable soil. He also wanted to thank Schutz for donating the hamburger for the construction workers. Whipple asked if the handicap parking is going to be accessible for the home football games.

Griffith stated that they added four spots on the highway so they can get into that gate. The recommendation by the ambulance crew was to move those to a different location. This is temporary until we get everything finalized.

Board Member Reports: None.

Board Committee Reports: Roskop reported that the Finance Committee met earlier tonight to go over the budget and tax asking.

## **ACTION ITEMS**

A motion was made by Whipple and seconded by Anderson to approve the Consent Agenda as presented, which included minutes from previous meetings and financial reports. AYES: Whipple, Roskop, Schutz, Anderson, Warner, and Carpenter. Motion carried 6-0.

A motion was made by Whipple and seconded by Anderson to approve claims including the General Fund, Equipment Depreciation Fund, Lunch Fund, Building Fund, and Student Fee Fund totaling \$387,205.11. AYES: Roskop, Schutz but abstaining from claim number 29029 to the Arapahoe Public Mirror for \$1,161.22, Anderson, Warner, Carpenter but abstaining from claim number 29088 to W & J Carpenter – Repair for \$1,222.27, and Whipple but abstaining from claim number 29031 to ATC for \$349.33. Motion carried 6-0.

Roskop shared what was discussed at the finance committee meeting. Looking at where we are at and what are total dollars are and how we are spending those dollars and what we are comfortable with using for our tax asking. We see that we have some money that we probably can use without asking for it. The question is what that dollar figure is. We didn't come to a consensus in that meeting that we can recommend. It is something that all six of us are going to have to decide what we are comfortable with. Understanding the concerns that were brought up in the hearing and from my point of view, the published budget is a one-time budget. He thinks there is some money that can be turned back. He sees a \$900,000 figure that is available. Concerns that he has is how we use that \$900,000. If we give it all back in one lump sum or spread it out as we work through things. Those are his personal feelings and he is starting the conversation and looking for more input. In looking at what our total dollars are doing and what we have in our total fund currently. We have a carryover balance of \$1.9 million in the general fund. If we do what we published, not taking into consideration any other income that would come in other than the tax dollars and what we currently have in that fund; we would be able to meet our requirements in estimated disbursements based upon what we have actually spent in the last two years. Concerns that he has is that we haven't truly gotten into the project. We have numbers that are strong to support the GMP and he is comfortable with those numbers. It is the unforeseen things that occur when you start a remodel and digging holes and find issues and determining what is in the GMP and what is not. He thinks we have some funds that we have put aside, but he also doesn't want to get to a point where we ask for a large sum next year just to make up what we are doing this year. He is comfortable with doing the published budget. Personally, he doesn't think it is the best option, but he know they can make it work. He would feel more comfortable in the \$400,000 - \$500,000 in cash reserve understanding where the money in the actual reserve is coming from. He then opened it up for discussion. Schutz asked Griffith if he could explain what happens if the board doesn't follow what was published. Griffith stated that he has to publish the changes that were made within twenty days. Schutz asked if we approve the budget after that. Griffith stated that we approve the budget tonight and publish the changes. Schutz asked if that is the only option. Griffith agreed. The budget has to be filed with the state on September 20<sup>th</sup>. Schutz stated that we are not giving the public the ability to see what we are doing. Griffith agreed and stated that we would not have time to re-publish. Warner asked what the limitations are on the incremental amount that we can raise our levy in one given year. If we decrease our levy and work off of cash reserves and we negate them down below six months operating. He asked Griffith to explain again what the cap is that we can increase our levy in one given year. Griffith stated that we can go up as long as we don't go over the \$1.05. Warner asked again if there is no incremental percentage. He asked if we go to \$0.53 total in the general fund and next year we want to go to \$0.90 in the general fund, can that be done. Griffith confirmed it could, but he would prefer not to do something like that. Roskop stated that the limitation on what we can ask for is the top number in column three of the budget worksheet plus whatever the percentage is for next year. As far as the levy, the maximum is \$1.05. He doesn't see the need to increase to that amount based upon prior year disbursements. Those are the only two limitations on how much you can go get. He thinks that is why money was pulled from the cash reserve figure instead of pulling it from the expenditures. The cash reserve could be left at \$1.2 million and pull it out of the budget. But the state recommends not doing that because it limits what can be asked for next year. Schutz stated that even at a levy of \$1.00 we can't generate \$5.6 million locally; we can only generate \$5 million. Griffith stated that the way he started the budget this year was asking for the same tax asking as the year prior and leaving the cash reserve at \$1.2 million and the levy was at \$0.93. With adjustments and changes and not taxing those other funds and a \$600,000 cash reserve the levy is at \$0.71. A \$300,000 cash reserve leaves the levy at \$0.65. This year it is supposed to go up only 1.5% and it usually goes up 2 to 2.5% for schools. He is aware that the state is looking at changing this. This is why he would recommend leaving the general fund expenditures as they are and reflect any changes through the cash reserve figure. Anderson asked what the fiscal year is for the budget and if it is the same as what is shown in the documents they were given. Cassie

responded that the fiscal year runs September 1 through August 31. Warner asked Griffith what he thinks will happen if valuations go down another 3.5% next year. Griffith stated that he estimates a 3% decrease in valuations equates to a \$0.03 increase at least in the levy. Warner asked what the cash reserves end up looking like in 3-5 years if we take it to \$600,000 in our asking, will we still be operating off of cash reserves. Griffith agreed. Warner stated that we are not depleting them all. Griffith agreed. Warner asked if his recommendation is to take the cash reserve to \$600,000 and slowly decline our tax asking for reserves and at the same time still lower our total levy with the bond included, we are still giving tax relief to patrons and not completely flipping the apple cart over. Carpenter added that next year we might not have to come in and jack it up. Warner stated that hopefully we will be able to lower it again even with the possibility of a 3-5% decrease in valuations. Griffith stated that based on visiting with other superintendents that have been through bond issues and the director with the state, he would like to see cash reserves at zero. He thinks if we go with the \$600,000 cash reserve option it will allow us room to keep the levy level from this year to next as much as we can. After the building is complete he would have no problem going to a \$300,000 or lower cash reserve. It would just depend on how the numbers look. His preference would be to go down a little bit and give us room to allow for the fluctuation in valuations for next year to keep taxes as level as possible. He knows that he doesn't come near to pay the taxes that our farmers do, but he hates paying a dollar in taxes. If we didn't change anything and asked for the same as last year, the levy would be at \$0.83. He can't do that. He thinks we need to do something to decrease the taxes but doesn't want to put us in a short position while construction is still going on. If something doesn't come up we will have the money and can decrease even more next year. Schutz asked if we do the \$600,000 cash reserve scenario, the difference between last year's tax asking and this year's is around \$181,000. Warner and Schutz agreed that it is not a lot of money and not a significant decrease. Schutz stated that we have talked about this and there are contingencies built in to address the concerns about the building project. Griffith agreed and anything that falls under the GMP is not our concern. We have already run into a number of issues that we weren't expecting that were our cost. Hopefully, we don't run into anymore. He knows the biggest issue now is the abatement of the asbestos. Schutz asked Griffith if the abatement cost could possibly be in the 18-19 budget. Griffith stated that the abatement will be done in the summer. Schutz thought we had to wait on starting school due to the abatement. Griffith stated that the abatement will start at the beginning of the summer and will take approximately seven weeks. The cost will still be in this fiscal year. Roskop clarified that it is not the high school asbestos. Schutz confirmed that it wouldn't be paid for until it was done. Griffith agreed and the payment will probably be done in August. Schutz thought the start of school was being delayed because the abatement wouldn't be complete. Griffith clarified that the remodeling won't be done due to the abatement delaying the remodel. Roskop stated that we are doing this year's budget for next year's tax asking. So, September would still be off of this budget. Schutz didn't think so. Roskop stated that the taxes you are paying this September are from last year's budget. That is why we had to collect bond money last year. We have to get a year in advance of pulling the money so that payments can be made in September. The money that we are setting here is what is going to be collected next year, not next month. Schutz understood. Roskop stated that the earliest we will get next year's is January of 2019 for those that pay ahead of the May time. Whipple clarified that we are discussing the published budget with a total levy of \$0.624729 compared to the recommended budget with a \$600,000 cash reserve and a total levy of \$0.710079. That is a difference \$0.08535 and asked if anyone knew how much per hundred thousand or per million in valuation difference. Roskop stated that it is \$50,000 per \$0.01. So, if it is \$0.08 it would be a difference of \$400,000. Whipple clarified that he is asking what the tax difference would be on a \$1 million valuation. Anderson stated that it would be \$850. She went on to state that she asked Cassie about the differences in the budget document compared to the financial information provided on another report. She stated that Cassie told her Griffith has to estimate those numbers since the year hadn't closed yet. Anderson stated that she is going to go off of the actual information and last year we actually spent \$4,761,532 without the building expenses and bond payment. Griffith shared that \$0.08 on our current levy is about \$400. Anderson also noticed that our ending cash balance on the budget form compared to the actual ending cash balance is around \$150,000 less. She recalled that two finance committee meetings ago she felt comfortable then dropping the cash reserve to \$600,000. But then at the workshop \$300,000 was discussed and she was with Dennis that they could swing that one year. The cash reserve figure had never been that low and she looked as far back as she could go. She can't see that we would stay there because we had never been there before; it would be a one-time thing. She is with Roskop that it could be done one year and it probably won't stay there and to her as a taxpayer she would kind of prefer it to be steady and not jump up and down. Schutz stated that we need to come up with a number and he thinks we need to come up with some kind of a compromise. We advertised in the paper and made it public that this is what our intent was. He doesn't feel comfortable saying now that we have thought about it more and we want to go back to a \$600,000 or \$800,000 cash reserve. He thinks it should be published to give patrons the opportunity to express themselves and not us just set the number. He would like to see us compromise. If the cash reserve is set at \$500,000 the total levy would be \$0.69 and if it is \$400,000 the total levy would be \$0.67. Griffith agreed. Schutz stated that he proposes we fall somewhere between \$0.67 and \$0.69, preferably \$0.67. Griffith stated that we picked up \$200,000 in the budget along with the \$400,000 cash reserve, which gives us the \$600,000 we were looking for and that is one way to look at it. Warner stated that even at a \$600,000 cash reserve we have a net decrease in our levy. We are still lowering taxes. He also looks at tightening the budget as much as we can and looking at our monthly claims and payroll and benefits are 73% of our monthly budget. So unfortunately unless we have all of these teachers that we are going to ask to volunteer for this district he doesn't know that we can make the budget a lot leaner. He agrees with the fact that we are sitting on a lot of cash reserves. He doesn't like the idea of yo-yoing our taxes. He would prefer that we continue to decrease our tax asking by a nickel every

year for the foreseeable future and still have some cash reserves to maintain the quality of education and the staff that we have. He understands that he can take a loss this year and we can all not make any money this year, but unfortunately those that educate our kids will not do it for nothing. Schutz stated that he doesn't think we are asking them to do it for nothing and he doesn't agree with that. Warner agrees. He doesn't think we have that opportunity and he appreciates the fact that all those involved have done on limiting the budget as much as we can and being good stewards of tax money. Anderson stated that she agrees and they pay taxes in several school districts and every year Arapahoe is the lowest and she felt good about that even before she got on the school board. She has never had an issue with what Arapahoe's levy has been in 27 years. Roskop stated that we need to move forward with some kind of a motion and see where it goes.

A motion was made by Whipple and seconded by Warner to approve the 2017-2018 Budget for the Furnas County School District #33-0018 with a cash reserve of \$600,000 and general fund disbursements of \$5,648,540.33. AYES: Anderson, Warner, Carpenter, Whipple, and Roskop. NAYES: Schutz. Motion carried 5-1.

A motion was made by Carpenter and seconded by Anderson to approve the 2017-2018 Tax Request Resolution for the Furnas County School District #33-0018 with a general fund tax request of \$2,980,192.90 and a levy of \$0.590638, a bond fund tax request of \$602,663.05 and a levy of \$0.119441, resulting in a total tax request of \$3,582,855.95 and a total levy of \$0.710079. AYES: Anderson, Warner, Carpenter, Whipple, and Roskop. NAYES: Schutz. Motion carried 5-0.

Griffith presented a vehicle rotation schedule. The recommendation was to start with the purchase of 2 4-wheel drive suburban's this year. He had set it up where two buses would be purchased in the same year. He changed it so that a bus was paired with a minivan to limit the expense in one given year as was recommended. These are projections. His recommendation is to approve the revised vehicle rotation schedule. He clarified that by approving this we are not approving the purchase of these vehicles, each vehicle purchase will be brought to the board annually. He also recommends not extending bus life greater than 20 years. A motion was made by Warner and seconded by Carpenter to approve the vehicle rotation schedule. Roskop had more questions on the purpose of this schedule. Griffith clarified that this is a general guideline on how to proceed instead of just waiting for something to break down. Warner appreciates the fact that this is meaningless but it actually puts it in paper and gives us an inventory and a recommendation as to how we will handle our inventory. AYES: Warner, Carpenter, Whipple, Roskop, Schutz, and Anderson. Motion carried 6-0.

## **DISCUSSION ITEMS**

Public Comment – None.

Griffith shared with the board that we can get cost information on the updated suburban models. Policy states that we must get bids on anything over \$40,000. He recommends proceeding with getting bids. Based on specifications they are actually a little cheaper than last year because the discount amount is higher. The ones he has gotten information on are just over \$45,000 a piece. He will have to get an official bid. Warner asked if that was a fleet price. Griffith confirmed that it is a fleet price. Schutz asked what the specifications are. Griffith shared that the specifications are 4-wheel drive, 9 seater, and cloth interior. Carpenter added that they will be plain. Schutz asked how it will be bid. Griffith stated that he will bid it in the paper, include a deadline and let them know that the specifications will be in his office if they wish to bid. Schutz asked what the dates will be. Griffith stated that he plans to get the information to the paper to be published next week and have the deadline be the Friday before the October board meeting. Schutz asked about delivery and stated that will have to be part of the bid. Griffith stated that a lot of that will depend on what their turn around is. Carpenter stated as soon as possible and it all depends on the factory. Schutz stated that the bid can't really be left open ended. Griffith will check into what the turnaround is and include that as well. Schutz stated that to be fair to everyone that is bidding we have to say that we expect it by a certain date. Griffith agreed.

Regular Board Meeting, Monday, October 9<sup>th</sup>, 2017 at 7:00 pm in the Arapahoe-Holbrook Public School Library.

OAC Meeting with the Building Committee, Thursday, September 14<sup>th</sup>, 2017 at 1:00 pm in the Distance Learning Room.

Technology Committee Meeting in the Superintendent's Office – TBA.

NASB State Conference, November 16-18, 2017 at the La Vista Conference Center / Embassy Suites. Registration begins the morning of September 13<sup>th</sup>. Please let Cassie or Dr. Griffith as soon as possible if you plan to attend.

A motion was made by Whipple and seconded by Carpenter to adjourn the meeting at 8:28 pm.

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Respectfully submitted,  
Cassie Hilker, Board Secretary