



OFFICE OF THE SUPERINTENDENT

School Facilities Community Meeting #2 Central Elementary School June 2, 2022 @ 6:30 p.m.

The South Vermillion Community School Corporation held a School Facilities Community Meeting #2 at Central Elementary on Thursday, June 2, 2022 at 6:30 p.m.

Committee members present were:

Michele Bogetto, Jason Brewer, David Chapman, Vicki Ellis, Kent Ferrari, Ronda Foster, Doug Hess, Rodney Idlewine, Joanie Kanizer, Tasha Leach, Kylee Mack, Brian McLeish, Jon Moore, Jamie Wallace, Micah Williams, and Brandee Wood.

Also in attendance were:

Jerry Rolfson (Director of Architecture for Performance Services), Maryanne McMahon (Education Planner with Performance Services) and Belvia Gray (Bakertilly Municipal Bond Advisor) were in attendance.

I. Introductions:

Mr. Chapman thanked everyone for attending and reminded the community that no decision has been made and that there is still a lot of work ahead of us before the committee would make a recommendation to the board. He stated this presentation is informational purposes only. He also stated if the committee recommends a referendum and the board approves it then it would not be on the ballot until May 2023 as a special part to the election to add townships, since it is only a city election. He also stated we are not looking at a \$68 million-dollar project. He stated we will have a 3-part presentation which will include the history of where we've been where we're at and where we'd like to go, Maryanne McMahon and Jerry Ralston from Performance Services will review the three scenarios the committee decided to move forward with at a previous meeting and Belvia Gray from Baker Tilly will share the finances and tax impacts of what it may cost. He stated our website has a link called School Facilities Plan with the minutes of our meetings, FAQs, graphs, two demographic studies of our community, and the school facilities report that was done by Administrator Assistance.

II. Orientation/Review of What Brought us Here:

Mr. Chapman stated the agenda includes

- A background and overview of this whole process
- Contemplated district configuration scenarios
- Financial analysis
- Small group discussion

- Small group reporting from a committee member

He stated the FAQ's will be updated on our website after this meeting.

He stated we are trying to build a better future for the South Vermillion Community Schools by providing the best possible education for our students moving forward by being future-minded. He stated we no longer use chalkboards, chalk, or whiteboards. He stated we use projectors and interactive displays. He stated technology is a part of education. The mission statement for South Vermillion Community School Corporation is to provide academic and social experiences that nurture the potential of all students to be productive creative and moral citizen. The vision for South Vermillion Community School Corporation is the pride of our community where students and staff are safe, secure and responsible lifelong learners. We also must believe what is important which includes a safe and secure education environment, that education is a shared responsibility of the school corporation and you our community, we believe in providing opportunities for all students that walks in our building to reach their full potential to be successful and we want to provide an educational plan which involves the curriculum, instruction, and assessment that is aligned districtwide beginning with kindergarten. He stated this process started about eight years ago. He stated we've been tracking our enrollment every year and in 2005 we had a little over 2000 students and this past fall we had a little over 1600. Since 2005 our enrollment has been declining. The schools were built around different programs that are now more enhanced programs with fewer students. The five-year projection for our school corporation in the next five years just under 1500 students, but we are seeing a plateau or a slight increase at the elementary level. He stated the 3 elementary schools have served their purpose, are the oldest buildings and have the highest maintenance needs. We need to focus on improved and enhanced teaching and learning opportunities for the students. We need to provide the best possible educational opportunities at the earliest levels by improving how we do it by balancing the class sizes and have continuity. He stated it's for the teachers benefit and for the students benefit. He stated some classroom have 20-25 and others in the same grade level, but in another building may only have 12-13 kids. By putting those grade levels in the same building it allows for better collaboration with our teachers, allows for better achievement for our students and align our curriculum. He stated a demographic study was conducted in 2014 which showed a declining population in the community and in our schools. He stated we have an aging community and families are not moving to the community who have school aged children. In 2014, the recommendation to the board was to create a way for the elementary schools to be aligned grade specific with two schools a K-2 school and another a 3-5 school, but the board held a community meeting and the community was opposed to it.

In 2014, the board decided to realign the attendance districts of the three elementary schools, but many families transferred back to their original school through a transfer request. He stated in 2019 a second demographic study was conducted, and the declining enrollment remained the same. A strategic plan framework was developed in 2019 which focused on student achievement and growth, climate and culture of our school corporation, human resources and development, governance and communication, communicating our story to the community and being fiscally responsible. Programs have not been cut, staff has not been cut and we've tried to strategically develop a plan that would provide opportunities for our students, opportunities for our staff so that we can provide the best education possible.

Administrative Assistance conducted a facilities assessment on all five buildings focusing on the effectiveness of the buildings, the efficiency of the buildings, what needs to focus on and what can be left alone and aligning the elementary grade levels to the same building. COVID delayed

the process, but in June of 2021 Administrative Assistance provided their report to the school board and the 6 options for consideration. Of the six options, only 3 were considered a possibility by the board. The board interviewed and met with 3 consulting groups to review the options and share their ideas and the board chose Performance Services as the consultant. The board has met with Performance Services several occasions last fall and this spring to come up with the best plan for the school corporation.

At the board meeting in March 2022 the board passed a resolution to establish the school facilities advisory committee which includes teachers, administrators, parents, community leaders, and community businessmen.

The School Facilities Advisory Committee is to serve 4 purposes:

1. To serve as an advisory mechanism for the school board and the Superintendent to coordinate and conduct meetings in an open forum to the community throughout the spring and summer of 2022.
2. To discuss the three possible scenarios that the board chose from the facility study.
3. To receive input from those in the community about those options.
4. To provide a written and oral presentation to the board regarding the conclusions and recommendations regarding these considerations provided by the facilities report with the assistance of Performance Services.

This time we are putting the pieces together with a combined focus on our mission and vision and are we going in the direction that is planned. We are involved in a STEM initiative program and will a STEM certified corporation by the DOE by 2025. We are upgrading our technology plan and we need to be prepared. The survival of our corporation hinges on our community and we need to continue to do what's in the best interest of the community or we will continue to have a decline in enrollment. We need to plan strategically to keep our enrollment where it is now and not on a decline. Our website has a cohort survival trends and enrollment projections. He stated we have been very cautious of not causing a tax burden on taxpayers. We have done major projects in the last 10 years when debt has fallen off to prevent property taxes from increasing. We want input and we want you to be a part of this process. You can also ask questions to questions@svcs.k12.in.us.

He stated the board president, Mr. Roehm, apologized for not being in attendance, but he wants you to know the board's priorities.

1. Providing an enhanced and educational program both teaching and learning by creating elementary sections or classes aligned with within one building
2. A district wide Pre-K program
3. Maintain fiscal responsibility

He stated we have a team in place collaborating with community leaders and the community at large. When all said and done if our community does not want to do anything, the board will take this into consideration. We need your input and we want to hear from you. We also need to understand the financial impact. What do we want South Vermillion Community School corporation to look like 10, 20, 30 years from now. We need to prepare for our future. The plan has to be effective, positive, and responsible for all the right reasons because our future, teachers community members and leaders will be impacted by whatever decision we make. We have to look at what's in the best interest moving forward and that's the educational priorities and

receiving the best education possible. We feel a new plan is needed in our elementary program K through 5 that includes continuity in teaching and in learning, a new focus on pooling our resources and our staff, we need to be able to access enhanced programming to the benefit of our students, we need to be future minded within our learning environment to prepare our kids for the future, we need community support now and moving forward for decades and be fiscally responsible as there will emergency issues and repairs. We have one footprint and we are South Vermillion Community School Corporation and we're all together in this. Our corporation motto is together we believe together we achieve together we succeed. We want and need a community supported solution that brings all of us together to best achieve our mission. We need you to help us provide a better learning environment for our future and we need all of us working together. We're going to transition to Maryanne and Jerry from Performance Services and then we'll go into the financial aspect.

III. Review of Scenarios:

Maryanne McMahon is an education planning consultant from Performance Services. She shared the Administrative Assistance report that is available on the SV website. Some of the options were not feasible for the school corporation's needs. Each school's enrollment in the fall was shared; Ernie Pyle with 213 students, Van Duyn with 239 students, Central with 294, Middle School with 359 & High School with 510 students.

The three contemplated scenarios that were chosen by the committee were shared in detail and are available on the SV website, as well as the complete power point.

The three scenarios are:

1. Centralized campus and build a new K- 4 elementary building, Middle School a 5-8 building and High School unchanged
2. Van Duyn a Pre-K through 2 building, Middle School a 3-8 building and the High School unchanged
3. Van Duyn a Pre-K/Kindergarten, Middle School a 1-6 building and High School a 7-12 building

With option one, the elementary enrollment would be around 620 students, middle school would have an enrollment of 472 and the high school enrollment would be unchanged at 510 students. Jerry Rolfson is the director of architecture for Performance Services. He explained as an architect, you take the program information and figure what would be the impact on facilities, so you can project costs by understanding those impacts. He stated the first scenario of the new building on the Middle School/High School campus would involve a land purchase and the size of the building is figured based on the programming for the elementary school. The square footage for a new elementary would be about 110,000 square feet. Van Duyn would be converted to a Pre-K program and house central office with little impact or renovations and the Middle School would be 5-8 building with little impact or renovations, since there is capacity since enrollment is down.

Maryanne stated for scenario number two, Van Duyn would be a Pre-K through grade 2 building with a projected enrollment of 400, Middle School would be a 3-8 building with a projected enrollment of 715 and the High School unchanged with an enrollment of 510. Ernie Pyle and Central would be repurposed. Jerry stated Van Duyn would require an expansion to the building or additions and modifications to the existing building for reprogramming. The Middle School would also require an expansion or additions by expanding the wings. The High School would be unchanged.

Maryanne stated for scenario three, Van Duyn would be a Pre-K-Kindergarten building with about 150 students, Middle School would become 1-6 building with about 700 students and the High School would be a 7-12 building with enrollment of 750 students. Jerry stated for Van Duyn there would be no additions, as there is enough space, but modifications would be necessary for Pre-K. The Middle School would require an expansion to the classroom wings or addition similar to scenario two. The High School has capacity, but it would need programming flexibility which would require an addition to prevent the mixing of the older and younger students. The High School would need zoned to separate the older students from the younger students which could be done through a bell system or by breaking down the building and rezoning the building or you could also have a separate entrance.

He stated projected financial impact would be as follows:

1. Scenario 1 - \$49,700,000
2. Scenario 2 - \$20,600,000
3. Scenario 3 - \$20,600,000

He stated current elementary buildings to upgrade the infrastructure would be between \$13 and \$15 million which includes HVAC and controls, LED lighting, new ceilings and roof replacement.

He stated the timeline is the community meetings, September 2022 facility committee recommendation, board decision on a project in October/November 2022, design begin in February 2023 if no referendum, May 2023 referendum on the ballot, begin design if referendum passes in July 2023 and targeted completion date in July 2025.

Belvia Gray, Bakertilly Municipal Advisor, explained the estimated tax impact for each scenario. She explained these number could change depending on how the repayment looks. She stated there are 3 major ways the school corporations fund their capital projects. The first is through the operations fund which has a statutory limit and pays for salaries for non-teacher/non-certified staff and is inside the tax cap. The second is the debt service fund and is used for capital projects which pays for short and long-term financings and is inside the tax cap and is subject to the circuit breaker tax cap calculation. The third is a second debt service fund would be approved through a capital referendum and for a project outside the tax cap. She explained the flow of property tax dollars. She stated if the community has an approved referendum, the first property tax dollars go to it first. South Vermillion does not have one at this time. The second tier of funds is the debt service funds that are inside the caps and any remaining funds go to the operations fund. The reason is there are bondholders who have lent their money and are being paid back. If a taxpayer has hit their cap then they receive a credit on their tax bill which results in a loss of revenue to all of the different taxing units. South Vermillion's tax cap losses for 2022 was about \$500,000, so they have to budget. South Vermillion's current debt will be fully paid in 2033. She stated the school corporation's tax rate for 2022 is around \$1.06 and last year it was at \$1.14. Based on where you live your taxing district rate is different. South Vermillion's assessed value has remained steady, but for 2022 it went up a little over 11%. A potential tax impact was shared for the three scenarios. She stated the first scenario cost is a little higher due to other costs involved. The maximum repayment on property tax supported bonds is 20 years, but South Vermillion's repayment would be for 19 years and the payment amount would not change over the 19 years. There are 2 different tax impacts. For scenario one the taxpayer impact would be estimated at 62¢ over current levels and would limit projects in the foreseeable future for the next 19 years and limit flexibility. For scenario two and three the taxpayer impact would be estimated at 20¢ which would allow for flexibility for other needs for the school corporation. The

estimated gross tax impact was shared based on the market value and assessed value of your home, as well as agriculture property and commercial and rental property for 2024 and includes the mortgage and homestead exemptions (page 41 and 42). The tax impact is by the year and by the month, since to many homeowners have their taxes escrowed with their mortgage. For example in 2024, the median home value is \$84,000 and the net assessed valuation is \$23,400 and this is the amount you pay taxes on. For scenario one the tax impact would be \$145 annually and for scenario 2 and 3 it would be \$47 annually. For agricultural land it would \$9.31 per acre annually for scenario 1 and for scenarios 2 and 3, \$3.00 per acre annually and this does not take into account productivity factors. For commercial properties for scenario one the tax impact would be \$620 and for scenario 2 and 3 it would be \$200. She explained the tax cap and how it works. She stated if you have met your tax cap is based upon a certain percent of the grossed assessed valuation. If your grossed assessed valuation is 1% and your home is valued at \$100,000 then the maximum you will pay for your taxes is \$1,000. If the corporation has a project that is not approved through a referendum then the cap remains the same. If a referendum is requested and goes to ballot and it is successful, the tax cap gets adjusted and it will be \$1000 plus what the taxpayer owes for the referendum debt which would be \$210 for a \$100,000 home. For Helt Township the tax rate is \$2.25 and if you have farmland the farmland is subject to a 2% tax cap you more than likely have exceeded your tax cap. Your assessed value would have to be about \$150,000 in Helt Township in order to hit the tax cap. Any taxing district that has a city or town, has a higher tax rate. Clinton's is \$3.82 and if you have a home with an assessed value of \$82,000, you are probably hitting your tax cap. If we do not go to referendum, then you tax rate would not increase and the other taxing unit's tax cap losses would increase and have less money to spend. On a \$100,000 home there would be a loss of \$294 to the school, library, city and county, but if you go to a referendum and it passes then the cap gets adjusted by how much you would pay for the referendum debt. If it stays inside the tax cap, you're changing tax bill is \$0, but, if it goes to referendum and it gets passed, you will pay the full impact. For the 62¢ scenario without a referendum the additional loss for the corporation would be about \$500,000.

IV. Small Groups/Breakout with School Facilities Advisory Committee Members

Mr. Chapman stated we will have a breakout session, so the community can express their concerns and ask questions. We will regroup in 15 minutes to go over your concerns and answer your questions. The frequently asked questions can be found on the SV website under FAQ Sheet – Meeting #2.

VI. Adjourn

Mr. Chapman thanked everyone for attending and stated the next meeting is June 13th at Ernie Pyle Elementary. The meeting adjourned at 8:35 p.m.