
STATE OF INDIANA

DISTRESSED UNIT APPEAL BOARD



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Distressed Unit Appeal Board Meeting Memorandum

May 4, 2018

Call to Order: A meeting of the Distressed Unit Appeals Board (DUAB or Board) was held on May 4, 2018, at 10:00 a.m. EDT at the Indiana Government Center South Building, Conference Room 1, Indianapolis, Indiana. Members of the Board attending the meeting in-person include Micah Vincent, Wes Bennett, Paul Joyce, Tracy Brown and Rebecca Kubacki. Representative Cherrish Pryor attended by phone. Courtney Schaafsma, Executive Director, was also in attendance.

Chairman Vincent called the meeting to order and recognized compliance with the Open Door Law. Chairman Vincent presented the minutes for the April 12, 2018 meeting. Mr. Bennett moved to approve the minutes, and Ms. Kubacki seconded. The Board voted 5-0 to approve the minutes.

Ms. Schaafsma presented the Executive Director's Report. For Gary Community School Corporation ("GCSC"), Ms. Schaafsma highlighted various meetings being held by the emergency management team and recent online auctions being held. She also indicated that a waiver had been provided to the emergency management team for the geographic boundaries report and the governance report, moving the deadline for those reports from May 31, 2018 to November 15, 2018. For Muncie Community Schools ("MCS"), Ms. Schaafsma noted that a transportation coordinator had been hired. In addition, the emergency management team had determined it would be necessary to lease Northside Middle School from Ball State University for the 2018-2019 school year. She also noted the approval of a contract for professional development services at Southside Middle School.

Ms. Kubacki asked if the community advisory group meetings for GCSC were well-attended. Dr. Peggy Hinckley, GCSC emergency manager, and Ms. Schaafsma explained that the meetings were well-attended when specific decisions were being discussed, while the most recent meeting served as more of a status update and had lower attendance. Chairman Vincent asked about the goals of the professional development services being provided to MCS. Mr. Steve Edwards, MCS emergency manager, explained that the grant supporting the professional development services was focused on using data for school improvement, particularly in reading and math. Representative Pryor asked how the meeting with the Gary legislative delegation had gone. Ms. Schaafsma, who attended the meeting, explained that the meeting went well and provided the delegation with important status updates on GCSC. To follow-up, Representative Pryor asked how often the emergency managers met with the legislative delegations. Ms. Schaafsma indicated that regularly scheduled meetings did not exist but that both emergency managers make themselves available to legislators as needed and provide them with status updates along the way. Dr. Hinckley also indicated that the Gary legislative delegation had been invited to attend a facilities planning meeting on May 17.

Chairman Vincent introduced the next agenda item – consideration of a protected taxes waiver for MCS. Ms. Schaafsma provided background on the protected taxes waiver process and MCS' historical use of

the waiver. Representative Pryor asked if the waiver is simply a reallocation of the taxes received, and Chairman Vincent confirmed. Mr. Bennett made a motion that DUAB approve MCS' request for the protected taxes waiver for 2018, and Ms. Kubacki seconded. The motion passed 5-0.

The next agenda item was the consideration of compensation for the chief academic officer ("CAO") for GCSC. Ms. Schaafsma explained that the emergency manager is required to hire a CAO for GCSC and explained the process through which the hiring is to occur. Ms. Schaafsma explained that DUAB's role is to approve the compensation for the CAO and DUAB will pay the compensation through June 30, 2019. The emergency manager has selected Mr. Terrance Little to serve as CAO. Dr. Hinckley introduced Mr. Little to the Board. She indicated that the preferred salary for the CAO position is \$110,000 with an additional \$10,000 in incentive payments. Mr. Little then introduced himself to the Board and provided some information on his background. Mr. Joyce made a motion that DUAB set the annual compensation for Mr. Little at \$110,000 plus \$10,000 in incentive payments, in addition to employee benefits comparable to those provided to other GCSC employees. Ms. Kubacki seconded the motion. The motion passed 5-0.

The GCSC emergency management team then provided the Board with other updates. Mr. Leonard Moody, Chief Financial Officer for GCSC, presented a number of standard reports the GCSC team was developing. The first schedule presented was the Budget vs. Actual report which will provide ongoing tracking for monthly expenses. Chairman Vincent expressed that he is interested in seeing the variance analysis presented in this report. Mr. Joyce requested that the report also include a comparison to prior year expenses.

Mr. Moody presented a tracking document for the Review, Evaluation and Recommendations on Systems and Processes report. Mr. Joyce asked about accounts receivable for GCSC. Mr. Moody explained that GCSC could provide a list of accounts receivable, but that they are fairly modest in size but for one larger receivable for children attending the career center. Chairman Vincent asked if a similar tracking document existed for operations or academics. Dr. Hinckley indicated that the GCSC team is currently working on a dashboard to track academic and operational progress. Dr. Hinckley also indicated that they are getting ready to roll out a parent app that will assist with ongoing tracking at the student level as well.

Mr. Moody provided an update on the Request for Proposals for Custodial, Grounds and Maintenance services. Chairman Vincent indicated he appreciated the comparison of the bids compared to the Viable Deficit Reduction Plan that was previously approved and asked that the GCSC team continue to provide those updates. Lastly, Mr. Moody provided an update on the sale of land and the process that GCSC will follow for these sales. Ms. Kubacki asked clarifying questions on how the properties would be marketed and what type of bidders the GCSC expected to receive for these properties. Dr. Hinckley explained that GCSC is working with the City of Gary to ensure that the properties are properly and widely marketed. Representative Pryor asked about how many of the 49 available properties would be sold. Mr. Moody and Dr. Hinckley explained that GCSC would look to sell the easiest properties first to show progress on the sale of properties.

New business: None.

Adjournment: Chairman Vincent adjourned the meeting at 10:50 a.m.