
STATE OF INDIANA

DISTRESSED UNIT APPEAL BOARD



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Distressed Unit Appeal Board Meeting Memorandum

December 12, 2019

Call to Order: A meeting of the Distressed Unit Appeal Board (“DUAB” or “Board”) was held on December 12, 2019, at 10:00 a.m. Eastern at the Indiana Government Center South Building, Conference Room D, 402 W. Washington Street, Indianapolis, Indiana. Members of the Board attending the meeting in-person include Justin McAdam, Chairman, Wes Bennett, Paul Joyce, Rebecca Kubacki, Senator Liz Brown, Senator J.D. Ford, and Representative Jeff Thompson. Courtney Schaafsma, Executive Director, was also in attendance.

Chairman McAdam called the meeting to order and recognized compliance with the Open Door Law.

Chairman McAdam introduced agenda item five – Consideration of Gary Community School Corporation’s Health Insurance Agreement. Ms. Schaafsma added background information on GCSC’s previous contract and overviewed the creation of a Trust.

Dr. Peter Morikis presented the Northwest Indiana Insurance Trust which includes GCSC, Highland, Tri-Creek, and North Judson. He explained the Trust offers tremendous savings for GCSC and employees through reduced co-pays, reduced cost at pharmacy, and access to clinics. Lisa Rosinko, GCSC Chief Financial Officer, explained that this contract will offer three plans to employees and added more details on how this will lead to savings.

Sen. Brown asked how many employees are represented by the Trust. Ms. Rosinko answered that there are just over 2,000 in all participating district. She added that they anticipate this number will rise with higher school participation next year. Sen. Brown asked if GCSC is the largest school in the Trust and Ms. Rosinko confirmed.

Mr. Joyce asked how the employees felt about this arrangement. Both Dr. Morikis and Ms. Rosinko answered that the employees are excited. Mr. Joyce asked how much exposure GCSC has and if they can withstand a catastrophic event. Mr. Tony Bontrager, a consultant with R.E. Sutton attending by phone, answered that the Trust has specific and aggregate reinsurance to limit exposure as well as a set cap maximum liability. Chairman McAdam clarified that this is not self-insurance and Mr. Bontrager agreed.

Mr. Bennett explained that he is familiar with this approach and that he is supportive. He followed up by asking how the cost of the clinic visits are funded. Mr. Bontrager explained that the members using the clinic will be paying the fee for the visits and that there is a section built into the budget for this cost. Chairman McAdam asked what happens if the cost exceed the funds in the budget. Mr. Bontrager explained that they set aside funding for maximum exposure.

Ms. Kubacki asked if this is something that runs through the school board and Dr. Morikis answered that he has the authority to finalize this contract. Ms. Rosinko explained that the benefits of the Trust through the clinics are many.

Mr. Joyce made a motion to approve the resolution to approve GCSC's Health Insurance Agreement. Ms. Kubacki seconded the motion. The motion passed 4-0.

Chairman McAdam introduced agenda item three – Approval of Minutes and Memorandums. Mr. Bennett made a motion to accept the minutes as presented. Ms. Kubacki seconded the motion. The motion passed 4-0.

Chairman McAdam introduced agenda item four – GCSC Emergency Manager Update. Dr. Morikis overviewed some of GCSC's accomplishments in the school year. He noted the expansion of preschool offerings, expansion of kindergarten, achievements of various schools, and community outreach focus. Chelsea Whittington overviewed GCSC's communication strategy and achievements.

Ms. Kubacki asked if GCSC would be serving meals for students over the holiday break. Dr. Morikis answered that the YMCA has services available and that GCSC does not have a program yet.

Mr. Joyce asked what the biggest financial hurdle is for GCSC. Eric Parish explained that GCSC is on the deficit reduction path and two of the major pieces are in the future. He added that these pieces are social impact bonds and passing a referendum. Mr. Parish explained that continuing on the path set before them is the most important thing to do.

Mr. Joyce asked how they are reaching out for community support. Mr. Parish answered that they have implemented monthly forums as well as community outreach events. Ms. Schaafsma asked Mr. Parish to overview the GAPS program. Mr. Parish explained that the GAPS program is a mentorship program founded by a GCSC alum.

Sen. Ford asked about the status of GCSC's vacant buildings. Mr. Parish referenced an upcoming public meeting. He also mentioned that a community member who has worked with the city on abandoned buildings volunteered their help. Mr. Parish added that they plan to list the properties with a broker at realistic prices. Sen. Ford asked about demolishing any properties not sold. Mr. Parish explained that they will be involving the Mayor in these conversations. Ms. Schaafsma added that there have been ongoing conversations around this. Mr. Joyce asked if they have sought any elimination grants. Mr. Parish answered that they are now looking in to this funding avenue. He added that it is an added challenge since there are hazardous materials involved. Chairman McAdam asked for an overview of building security. Mr. Parish answered that the buildings are secured and monitored. Rep. Thompson asked if there has been any discussion with the city about abatements for potential purchasers. Mr. Parish answered that they have not specifically discussed this.

Sen. Brown asked if Mr. Parish knew how much money was not flowing to the schools as a result of abatements and tax increment financing district. Ms. Schaafsma clarified if she was asking about how much money is being redirected to the redevelopment commission. Sen. Brown confirmed and Ms. Schaafsma said she would find out and get back to her.

Sen. Ford asked about what renovations would be done over the holiday break and what the status of the boilers is. Mr. Parish said currently all boilers are in operating condition.

Sen. Ford asked about updates to GCSC food service contract and hiring matrons. Mr. Parish confirmed that they will be moving food service back in-house and he will check on whether or not matrons will be part of that plan.

Chairman McAdam asked if there was any new business and seeing none adjourned the meeting.