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# STATE OF INDIANA

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DISTRESSED UNIT APPEAL BOARD



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## Distressed Unit Appeal Board Meeting Memorandum

February 13, 2020

**Call to Order:** A meeting of the Distressed Unit Appeals Board (“DUAB” or “Board”) was held on February 13, 2020, at 10:00 a.m. Eastern at the Indiana Government Center South Building, Conference Room 17, 402 W. Washington Street, Indianapolis, Indiana. Members of the Board attending the meeting in-person included Justin McAdam, Chairman, Wes Bennett, and Paul Joyce. Member of the Board attending the meeting by phone included Tracy Brown and Rebecca Kubacki. 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 three – Approval of Minutes for the January 16, 2020 Public Meeting. Mr. Bennett made a motion to accept the minutes as presented. Mr. Joyce seconded the motion. The motion passed 5-0.

Chairman McAdam introduced agenda item four – Contract Approval by Executive Director. Ms. Schaafsma presented the approval of the \$32,094 contract for Microsoft to keep GCSC’s current software for another year.

Chairman McAdam introduced agenda item five – Gary Community School Corporation (“GCSC”) Emergency Manager Update. Dr. Peter Morikis overviewed GCSC’s move through curriculum and technology initiatives, the extension of food service through a weekend feeding program, and school safety and security updates. He also discussed GCSC’s after school tutoring and test prep. Chelsea Whittington provided an update on GCSC’s social media reach as well as an overview of senior celebrations, ISSMA, MLK events, and Mr. Bennet and Ms. Schaafsma’s visit to GCSC. Ms. Schaafsma overviewed her visit to GCSC and expressed her appreciation for the experience. Mr. Bennett thanked GCSC for hosting him. Lisa Rosinko, GCSC Chief Financial Officer, updated the Board on GCSC’s recent bond refunding and subsequent cost savings.

Chairman McAdam introduced agenda item six – Consideration of Gary Community School Corporation’s Recommendation on the Roosevelt School Building.

Eric Parish explained that after the public hearing held in Gary on February 4, he comes to the Board with the same recommendation to not repair the Roosevelt building. He explained that the innovation network agreement with EdisonLearning to operate with autonomy while GCSC maintains the buildings still has two and a half years left. He explained that Roosevelt was built in the 1920s and that most of the systems are original. He explained that the building is heated by a boiler system and that extreme weather in February 2019 caused the pipes to freeze and burst causing much water damage. He explained that this started a cycle of fixing the pipes behind the walls, testing the system, new sections would be fine while old sections of pipe would burst, repairs would be made, and the cycle would repeat. Mr. Parish explained that as a result of this, students have been housed at the Career Center. He explained that the repairs are challenging to make because there is no map of the pipes resulting in comprehensive repairs originally being estimated at \$6-10 million. He explained that the building did have insurance and a claim was made, although the insurance company was clear that they would only cover

damages related to the February 2019 incident and not all repairs necessary to get the building up to occupancy standards. Mr. Parish explained that the final insurance settlement offered was approximately \$800k. He explained that in the summer of 2019 a community forum was held on this topic and the consensus was that the community wanted more than one estimate, specifically an estimate from Powers and Sons construction firm. He explained that their estimate was between \$10-15 million. He explained that this corresponded to the first set of bids and that the recommendation is to close Roosevelt for school due to the cost of repairs being too high and GCSC not having the resources to get the building up to occupancy standards. Mr. Parish explained that he understands how important Roosevelt is to the community and that his second recommendation is to accept proposals from groups and organizations to see how the building can best be used in the community. Chairman McAdam clarified whether or not stakeholders will be involved. Mr. Parish confirmed that they will engage the community due to the nature of Roosevelt's importance. Chairman McAdam clarified that in 2015 or 2016 the General Assembly invested \$500k in the Roosevelt's HVAC system and Mr. Parish agreed. Mr. Joyce clarified that nothing would be stopping a community or alumni group from submitting a proposal. Mr. Parish confirmed that there is nothing standing in their way but recognized that proposals would need to be financially viable. Mr. Joyce encouraged Mr. Parish to work with the active alumni community. Chairman McAdam asked clarifying questions about the capacity and enrollment of GCSC and Mr. Parish answered.

Mr. Bennett acknowledged that Mr. Parish's estimates were very thorough but recognized that, when doing repairs, unexpected things usually pop up. He recognized the importance of Roosevelt and agreed to vote for the proposal to close Roosevelt with the understanding that the proposal also calls for exploration of community options for the preservation of the building. Chairman McAdam echoed this and agreed that Roosevelt's place in the community needs to be recognized. Mr. Bennett noted that during his visit he saw a very passionate community and thanked them for being engaged. Chairman McAdam invited Ms. Schaafsma to provide her impression of the community feedback. Ms. Schaafsma explained that the Board members were provided the link to view the meeting and that 70-80 people were in attendance while around 20 spoke. She explained that the comments fell in to three buckets: investing in the building, programs and operations, and the future of GCSC. She explained that there were a number of Roosevelt teachers in attendance and their passion for their students was clear. She added that there were a number of comments on the proposal brought by EdisonLearning in December. She explained that many comments were made on the historic nature of Roosevelt and a responsibility to restore the building. She added that there was recognition that GCSC has had problems for decades. Ms. Kubacki explained that she watched the video of the meeting and she took away that the community is concerned about black history being erased. Mr. Joyce commented that as the State Examiner he audits government all over the state. He added that schools are for educating kids, not maintaining museums. He explained that if all GCSC's funding goes to maintain Roosevelt, the money will be taken away from educating the kids. He explained that preserving Roosevelt is a great thing, just not by the school system. Chairman McAdam clarified that this point is at the center of the recommendation. He explained that investments need to be made in the students, their learning and futures.

Mr. Joyce made a motion to accept the recommendation to not invest in Roosevelt and pursue proposals for its future. Mr. Bennett seconded the motion. Chairman McAdam stated that he hopes it is clear how much effort was put in to ensuring Roosevelt lands in a place that is befitting to its stature and approved by the community. The motion passed 5-0.

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