

BOARD OF EDUCATION DOCUMENT 7

The Board of Trustees of the Breckenridge Independent School District met in special session on Monday, December 17, 2012, 6:30 p.m., in the Board Room of the School Administration Building, 212 North Miller, Breckenridge, Texas.

The following Trustees were in attendance: Julie Erb, Koby Killion, Skip Griffith, Sandy Walker, Thomas Tennison, Bryan Woodward and Bryan Wood. All board members were present.

Mr. Killion called the meeting to order at 6:30 p.m. and established a quorum.

Invocation Bryan Wood, board member gave the invocation.

Consider 2011-2012
Financial Audit Report
#26 Ms. Cheryl Merritt of Merritt, McLane and Hamby, CPA's, reviewed audit information with those present. She reported the following: The auditor's report was a clean report. In regards to internal controls for auditing standards, there were no deficiencies. There were no non-compliance issues. Under auditor's opinion, there were no findings or deficiencies. Expenses were \$480,000 less than budget and fund balance increased by \$528,000. Ms. Merritt stated that the audit was a good report. Mr. Woodward made the motion seconded by Ms. Walker that the board approve the 2011-2012 financial audit report as presented by Merritt, McLane, and Hamby, CPA's. The motion passed unanimously.

Discussion Regarding Turf
Issues/Contemplated
Litigation/Offer of
Resolution from Field Turf Mr. Martin Olinger, Field Turf Senior Vice President of Sales, spoke to those present and stated that he wanted to resolve the turf problems at Buckaroo Stadium, and offered two options. One option would be at no cost to the District; a second option would be an upgrade manufactured by Field Turf at a cost of \$175,000. Mr. Olinger asked for questions. Bryan Woodward, board member, stated that he was on the Board when the field turf was installed and board members were told that the turf should have a minimum 10 year life. Field Turf was contacted initially on November 11, 2011, regarding problems with the turf and it is now December, 2012. It took 18 months to get a workable response. Mr. Woodward said that he would like to see more for the District's lost income and time. He requested that Mr. Olinger take back his request for consideration.

Mr. Olinger told the Board that Field Turf has 5000 installations going right now. They have tried to engage the company who manufactured the fiber and they have met with resistance. Field Turf has replaced 50 fields and will replace 30 this year at their own cost. He remarked that the BISD field may not look pretty, but it is still safe. He stated that possibly Field Turf might include more grooming equipment as a reimbursement for time and money endured.

The current field at Buckaroo Stadium is Duraspine. In 2009, Field Turf came out with a new product with evolution plus, Duraspine Pro. Field Turf now controls the production process themselves. There has been no replacement of Duraspine Pro.

Of all the fields installed, 2 ½ % (125 fields), have had problems in areas with high UV exposure. It is a mix of exposure and use. Dupont is a new partner with Field Turf and has helped with this problem. A tarp for the field is cost prohibitive with a cost of \$60,000 plus.

Ms. Sandy Walker, board member, stated that the field is not safe; there have been burns and injuries, along with lost revenue for playoff games.

Mr. Olinger replied that emotions go up with situations like this. Field Turf has done a 5 year study in the state of Texas and the field is safe.

Coach Steve Freeman responded that he is on the field every day and there is no doubt that burns are the result of sand on top of the surface. Mr. Olinger replied that if the grooming of the field is reduced, this could create more sand abrasion.

Mr. Olinger stated that there is no pattern of consistency to the problem. There was not a lot of testing 4 or 5 years ago, but Field Turf is now doing their own testing. The replacement will be installed as if it was a brand new field. When asked what the new product, "Revolution", would cost in 5 years, Mr. Olinger replied that it would run around \$4.25 a square foot, with 60 to 80 cents a square foot to dispose of the old surface, for an approximate cost of \$400,000 brand new. A 10 year life expectancy is a good way to plan. There were no more questions and no action was taken.

Executive Session

The Board went into closed session at 6:47 P.M. under (Tex. Gov't Codes § 551.071 and 551.129) for legal advice regarding turf issues at Breckenridge High School's Buckaroo Stadium.

The Board returned to open session at 7:17 p.m.

Take Action Concerning
Legal Issues, Pursuits of
Claims and Accept, Reject
Or Counter Offer of
Resolution from Field Turf
Regarding Turf Issues at
BHS Buckaroo Stadium
#27

Ms. Walker made the motion seconded by Mr. Wood that the Board move to accept the offer of resolution under the terms discussed in closed session and authorize the superintendent to negotiate final terms and sign an agreement with Field Turf. The motion passed unanimously.

Budget Workshop

Ms. Becky Seale, Financial Services Manager, Region XIV Education Service Center, handed out projected worksheets to board members regarding next year's budget. She explained that this is only a snapshot and there is not a lot to tell at this point. Information included an enrollment analysis, this year's original budget, and a pupil projection report from TEA.

Regarding enrollment, the current ADA is 1383 which is what TEA projected. We budgeted for 1385. The estimated revenue per student is \$5600. Ms. Seale remarked that we have to plan for the worst case scenario. Mr. Teel is looking at the numbers weekly. The \$5.2 billion cut in education is not coming back to education. The "Rainy Day Fund" has never been used. Since the schools survived, this is a new threshold. The new commissioner is pro charter and opened up 8 new charter schools. There is no accountability at these schools.

The new budget template will have changes in February when the legislature starts up. Ms. Seale stated that if someone retires or quits, these positions need to be consumed. The Fund Balance is currently \$2 million, but the District needs to grow this Fund Balance. Also, small programs might have to be cut.

Ms. Walker stated that she had heard a rumor of \$1 million dollar cut and asked if it was true. Ms. Seale said that if the District stays on track, we will break even; but we need to keep adding to Fund Balance.

Ms. Seale also presented a worksheet comparing 6 years actual numbers of revenue and expense. The 2012-2013

budget was balanced. Expenses this year total \$11.9 million to date. Projections for 2013-14 are a \$340,000 deficit and for 2014-15 a \$688,000 deficit with a 3% increase in expenses. Budgeting is a month to month thing because of cash flow. Ms. Seale also added that salaries can be frozen for 2 more years before we get back to the required state minimum.

Ms. Walker stated that she would like for a letter to go out to employees in January so that they can know what to expect and be informed of the status of the District. No news is bad news. An early incentive program was also discussed, possibly to send out in January and get back in February. Employees will then know where salaries will be before contracts are issued. Students might possibly be considered as aides since they are cost free; Abilene ISD is currently doing this.

Adjournment

Mr. Griffith adjourned the meeting at 8:58 P.M.

Skip Griffith, President

Date

Julie Erb, Secretary