

OFFICIAL MINUTES OF THE MEETING
OF THE MOUNTAIN HOME BOARD OF EDUCATION

ADMINISTRATION OFFICE
BOARD ROOM

February 2, 2011

The following members of the Board were present for the noon meeting: Robert Nelson, Neal Pendergrass, Doug VanDolah, Steve Bergman, Lisa House, Ben Strider and Jason Schmeski. Other guests and media were also present. Mr. Nelson called the meeting to order at 12:01 p.m.

APPROVAL OF AGENDA

Mr. Strider made a motion, seconded by Mr. Schmeski, to approve the amended agenda as printed.

The motion was unanimously approved.

BOARD ACTIONS ITEMS:

Acceptance of Legislative Audit Report for Year Ended June 30, 2010 – Ann Harned

Ms. Harned addressed the Board concerning the District's financial records that must be audited by the Legislative Joint Auditing Committee each year. The audit is designed to provide assurance that that the District is receiving and expending funds in accordance with appropriate federal and state regulations. Ms. Harned stated that the District's financial statements did receive an unqualified opinion under the regulatory basis of accounting due to the fact that the District uses the regulatory basis of accounting prescribed or permitted by Arkansas Code which differs from GASB 34. Because of that, standard audit report language requires an adverse opinion. The Audit Report is an indication of the financial health of the District and is available to various governmental agencies, the general public and any entities performing bond rating services. Ms. Harned recommended that the Board accept the Legislative Audit Report for the Mountain Home School District's fiscal year ended June 30, 2010.

Motion to Accept the Legislative Audit Report for fiscal Year Ended June 30, 2010

Mr. Pendergrass made the motion, seconded by Mr. Bergman to accept the Legislative Audit Report for the Year Ended June 30, 2010.

The motion was unanimously accepted.

School Board Legal Liability Insurance – Ann Harned

Ms. Harned addressed the Board regarding the legal liability insurance which the District must carry to cover actions of the Board, administration, staff and school volunteers. BancorpSouth represents the same carrier (ACE) that we had in effect for the District last year. There is also a general liability endorsement which provides coverage out of state where we do not have immunity. This was a new offering which came up mid-term last year that the District denied. The new proposal is slightly lower than last year's premium without that endorsement.

Ms. Harned recommended that the Board renew its school board legal liability policy adding the general liability endorsement underwritten by ACE American Insurance through BancorpSouth effective February 1, 2011 through February 1, 2012 for the total price of \$7,285.00.

Motion to Renew School Board Legal Liability Insurance

Ms. House made the motion to renew the legal liability policy and add the general liability endorsement for the district effective February 2, 2011. The motion was seconded by Mr. Schmeski.

The motion passed unanimously.

Renewal of Antivirus Computer Protection – Dianne Martin

Ms. Martin stated that the District received four bids for a three-year contract of antivirus computer protection. Ms. Martin recommended that the District accept the low bidder for the total price of \$35,049.24. She stated that the District has been using this company for the past 11 years and has been very satisfied with the performance of the product. The bid covers 1700 computers and servers. Maintaining the implementation of the product will allow the District to seamlessly integrate antivirus and malware protection on our network without further training or reinstallation.

Motion to Accept Bid for Antivirus Computer Protection

Mr. Pendergrass made the motion, seconded by Mr. VanDolah to accept the lower bid for renewal of the antivirus computer protection in the total price of \$35,049.24.

The motion passed unanimously.

Qualified School Construction Bonds (QSCB) Application – Mr. Jack Truemper, Stephens, Inc.

Dr. Myers stated that he was contacted by the Arkansas Department of Education recently about an option available for school financing known as QSCB. This money will be available for application until February 28, 2011. The money has more ease and flexibility for use of proceeds than some other financing options and after February 28, 2011, this money will no longer be available for school districts.

Dr. Myers went on to say that the facilities committee for the District has been researching facility needs for the past several months and should have a report available by the middle of February. Some things have surfaced during the committee's research that could be a considerable cost to the District. Just a few items under consideration are 1) a water and sewer line under the old gymnasium at the high school that the floor will have to be busted to reach; 2) the necessity of ADA bleachers on the home side of the football stadium; 3) repair of the track at the football stadium and 4) remodeling needs at Dunbar auditorium.

Mr. Jack Truemper from Stephens, Inc. addressed the Board concerning the QSCB money and stated that it is normally under a 16 year payback. The amount that is borrowed is divided by 16 annual payments. The principal payment is made into an interest bearing savings account and then the payment is transferred from that account. In essence, the amount of interest earned on the principal reduces the amount of money the District actually has to come up with for repayment of the bonds.

Mr. Truemper stated that the money can be used for construction and equipment and the guidelines are flexible. The money is from the federal government and is meant to put people to work. The requirements and deadlines that the District would need to be concerned with are 1) application for the money by February 28, 2011 which would include a list of what the District intends to use the money for; 2) Districts will be notified after March 15 whether or not they qualified for the money; 3) districts will have six (6) months to bid contracts and three years to actually spend the money.

There was some discussion that followed. Ms. Harned stated that presently they felt that application for 1.5 million might be in order. After we look at the list of recommendations from the facility committee they will be more informed on the exact amount. Mr. Truemper stated that even if the District applied for and was granted the money, they could still back out. He recommended that the District take advantage of this opportunity to improve facilities while this money was available.

Motion to apply for QSCB

The motion was made by Mr. Strider and seconded by Mr. VanDolah authorizing Stephens, Inc. to apply for QSCB by February 28, 2011.

The motion passed unanimously.

ADJOURNMENT

At 12:50 p.m. Mr. Strider made a motion, seconded by Mr. Bergman, to adjourn the meeting.

The motion was unanimously approved.

Robert Nelson, President

Ben Strider, Secretary