

The Board of School Trustees of Shelbyville Central Schools met in Special Session at 6:00 P.M. on Monday, November 16, 2009, at the Education Center in the Conference Room at the Administrative Office of Shelbyville Central Schools, pursuant to notice having been duly given to the media and to all members of the Board in accordance with the rules of the Board. Board Members in attendance were Mr. Michael Vaught, Mr. John C. DePrez, IV, Mrs. Judith Montgomery, Mr. Dennis Hearne; Mr. Wade Lewis; Dr. James Rees; Ms. Gayle Wiley. Mr. David Adams, Superintendent; Mrs. Mary Harper, Assistant Superintendent; Mr. Michael Shreves, Business Manager and Mr. Dennis Harrold, School Board Attorney were also in attendance.

Meeting called to order at 6:05 PM.

### **BOARD ACTION ITEMS**

#### Insurance

Mr. Shreves explained the spreadsheet that was sent out earlier outlining the various proposals showing the equivalent comparisons. See Exhibit A.

Mr. DePrez, moved that the Board approve the proposal from Stanley Jones for the package, umbrella, and auto policies and the proposal from Claxton and Estelle for the workman comp. Ms. Wiley seconded.

President Vaught opened the floor for discussion.

Mrs. Montgomery then questioned what would be plan B if Claxton and Estelle refused to do the work comp. Mrs. Montgomery stated that based on her business experience, workman's comp is the "redheaded stepchild" and may not be as attractive if bid separately.

Mr. Lewis stated there are companies that would bid out workman's comp separately.

Mr. Harrold stated that Claxton and Estelle had indicated that they would not be able to do just the work comp piece at the price quoted.

Based on this, Mr. DePrez amended his motion to state that if Claxton and Estelle declined the work comp piece, that that piece would be re-bid. Ms. Wiley agreed and seconded.

After this, there was a lengthy discussion as to the possibilities of what would happen if we did not get a proposal on work comp. It was also brought up by Mrs. Montgomery that we needed to have a safety plan in place with whoever the work comp carrier is to enable us to lower our premiums in the future.

Mr. Vaught then called for a vote with Mr. DePrez, Ms. Wiley, and Dr. Rees voting for the motion and Mr. Vaught, Mrs. Montgomery, and Mr. Hearne voting against. Initially Mr. Lewis abstained, and then he changed and said he was voting for the proposal.

Following this a discussion took place as to the legality of him being able to vote. Mr. Harrold, advised Mr. Lewis that he should not vote due to the conflict of interest, but if he did, it would not be a criminal violation, but could be deemed a civil violation, which could cause the vote and subsequent insurance contract to be null and void. Superintendent Adams stated that it was his understanding that Mr. Lewis is not allowed to vote and brought up some recent issues involving other schools and the State Board of Accounts. Superintendent Adams stated the State Board of Accounts is very aggressive now and pointed to a recent example of where a superintendent was turned over to the prosecution for tax evasion for failure to report cell phone usage.

Dr. Rees then brought up the question as to any potential liability all the Board Members would face if this became a civil violation. Mr. Harrold stated that he felt that each Board Member would not have any personal liability, but the school could be without insurance.

After further discussion, Mr. Lewis changed his mind again and withdrew his vote and abstained. That being done, the motion failed with a 3-3 vote.

Discussion then took place on various problems contained in the bid and what to do to move forward, including to re-bid the package or to take another vote.

Discussion revolved around coverages that were included in one proposal, but not part of the specifications and if we actually needed the additional coverages. Mr. Harrold indicated that several of them probably needed to be included if we re-bid to cover some of the gaps in the Corporation's current insurance coverage. Given the Board's split position, Superintendent Adams suggested to re-bid with very specific specifications.

Mr. Hearne felt the Corporation would be better covered and served by having one agent.

More discussion followed, and then Dr. Rees moved to re-bid the entire package to be awarded to a single agency, with either the same or different vendors for the various components. Mr. Hearne seconded.

It was then discussed what needed to be included in the new specifications and was determined that we should include the following: law enforcement; include sexual molestation and school leaders errors and omissions coverage in the umbrella; and flood and earthquake insurance.

Mr. Vaught then called for a vote with Dr. Rees, Mrs. Montgomery, Mr. Hearne, and Mr. Vaught voting for and Mr. DePrez and Ms. Wiley vote against. Mr. Lewis abstained. The vote passed with a 4-2 vote.

#### Personnel

Mrs. Harper recommended that we hire Kenneth Pitcock as an instructional assistant and student nurse for a special needs child, effective immediately. Mr. DePrez moved approval with Ms. Wiley seconding the motion. Motion passed 7-0.

Meeting was adjourned at 6:58 PM.