

**MINUTES OF THE JEFFERSON COUNTY BOARD OF SCHOOL COMMISSIONERS  
OCTOBER 23, 2014 – 6:30 P.M.  
PATRIOT ACADEMY**

**CALL TO ORDER**

The meeting was called to order by Chairman Bill Jarnigan who then asked everyone to stand for a moment of silence. Mr. Jarnigan asked that everyone remember the family of a young teenager who was killed in a car accident in Blount County. Board members present were Chair Jarnigan, Vice Chairman Jim Vines, Judy Cavanah, Randall Bradley, Ralph Lowery, Anne Marie Potts, and Jonathan Rogers. Dr. Charles Edmonds, Director of Schools and Secretary to the Board, was also present.

**PLEDGE OF ALLEGIANCE**

Steven Strange, CTE Instructor at JCHS, led the audience in the Pledge of Allegiance.

**SPECIAL PRESENTATION**

The special presentation was postponed until the November board meeting.

**APPROVAL OF AGENDA**

Chairman Jarnigan requested that School Board Retreat be added to the agenda. Board member Potts requested the Powley's Flight Foundation overview be moved ahead of the discussion on Building 8 and that the Intercom System and JCHS Baseball Lights be moved as an action item.

Upon motion by Jim Vines and second by Judy Cavanah, the board unanimously approved the agenda with the above addition and changes. (see attached)

**CONSENT AGENDA ITEMS**

Board member Potts requested that the minutes of September 25, 2014 be moved and added to New Business.

**ITEMS FOR DISCUSSION**

Kayla Hubbs, representative from the Powley's Flight Foundation, addressed the board regarding JCHS students and teachers having the opportunity for free orientation flights through the Powley's Flight Foundation. She stated that the flights would take place at the Morristown Airport and are piloted by local certified flight instructors. She pointed out that the flights were funded by grants. She asked for the board's consideration in approving the program.

**Items for Discussion – Powley Flight Foundation – continued**

There was concern from the board regarding insurance. Mr. Powley passed out information regarding insurance that could be purchased at a rate of \$1,200 per year.

Chairman Jarnigan thanked Mr. Powley for coming.

Dr. John McGraw, County Commissioner, addressed the board regarding the need to renovate Building 8.

**UNFINISHED BUSINESS**

1. Building 8

Dr. Edmonds stated that in May 2013, the board of education approved and authorized The Lewis Group Architects to design work to renovate Building 8. The charge in the motion was to draw the plan specifications and prepare them to go out for pricing which had already taken place. Dr. Edmonds said the plans had been completed and cleared by the State Fire Marshal's office.

Doug Shover, architect from The Lewis Group, presented a power point showing the plans for Building 8 and answered questions from the board.

Don Freeman, Rentenbach CEO, addressed the board regarding the cost of the plans dated September 15, 2014 for restoration and renovation of Building 8. Mr. Freeman pointed out that at the last board meeting the board instructed Rentenbach as a change order through the contract to take the plans as developed by The Lewis Group and price the cost to provide the construction shown on the plans. Mr. Freeman pointed out that the cost included the repair of the collapsed area but not in the same manner that it was before the collapse but in the manner shown by the plans. He further stated that the plans included structural modifications to make the building safe. He pointed out that the sub-contractors currently involved in the renovation of the high school priced the work as well as other sub-contractors involved during the past year with major components of the renovation. Mr. Freeman stated that they had received firm and competitive pricing on the various scopes of work by using the other sub-contractors. After reviewing and accepting those prices, the Rentenbach GMP (Guaranteed Maximum Price) came to a total of \$3,618,426.00 with the intent that the work would be performed as a change order to the current contract. Mr. Freeman stated that with a "notice to proceed" by December 1, 2014, construction would be completed by November 30, 2015. He pointed out work covered by insurance reimbursement would be completed by July 6, 2015.

**Unfinished Business – Building 8 - continued**

Board member Potts questioned Mr. Freeman's statement and what he meant when he said the board had instructed Rentenbach as a change order through the contract to price the plans. She pointed out that the motion did not mention a change order through the contract but that the board authorized Rentenbach to price the plans with the current subcontractors and bring back information to the board.

Mr. Freeman commented that there were two reasons for that, one was for speed in getting the work priced and the other was prices that had been given to them during the past year that they were trying to hold on to. He stated that if the pricing had been sent out to everyone instead of the subcontractors the price could have come back higher. He pointed out that on the large scopes of work; two prices were received in order to make sure they were receiving a competitive price. Board member Potts commented that in the May 9, 2013 minutes where the board approved the bid from Rentenbach, there was approximately \$624,000 allocated for Building 8. Mr. Freeman responded that the full amount of \$624,000 is no longer there due to having to change roofing specifications twice since that motion had been made. He stated that the amount also included some mechanical, steel, electrical and roofing scopes. Mr. Freeman stated that the GMP was reduced because of having to change the roofing type which caused the amount of funds in the GMP to be reduced below the \$624,000. He pointed out that there was a little over \$450,000 remaining in the GMP.

Ms. Potts then asked Mr. Freeman what a contingency fund was used for. Mr. Freeman stated that there is an owner's contingency which is used for scope changes that occur that are not in the plans and specifications that the owner wants to add to the job or where structural upgrades have to be made that are not known. The contractor's contingency is for scope gaps and hiring additional subcontractors to complete the work if there are non-performing subcontractors. Mr. Freeman pointed out there is still some contingency left in the current contract. Board member Bradley asked if the owner's contingency was supposed to be approved by the board if changes are made. Mr. Freeman responded that they do not come to the board. He pointed out that anything within the GMP is reviewed with the facilities supervisor and Dr. Edmonds as the contingency is used. He further pointed out that change orders that are scope changes are signed by the director of schools and county finance director but do not come back to the board.

Board member Cavanah asked for clarification on the price excluding architectural or engineering fees. Mr. Freeman pointed out that they work directly for the board and not Rentenbach. Board member Potts requested a budget update on the current renovations at the high school. Mr. Freeman responded that they are currently within budget and do not foresee exceeding what they had been authorized to spend. He stated that they are in

**Unfinished Business – Building 8 - continued**

the upper 60% of completion of the project. Board member Potts asked if they ran out of contingency would Rentenbach still guarantee it. Mr. Freeman responded that if Rentenbach ran out of their contingency it would come out of their fee because they are not allowed under their contract to come back and ask for additional money, but if scope changes were made or if unforeseen circumstances happened that no one had anticipated and added cost, then Rentenbach would come back to the owner and put it in a change order.

Dr. Edmonds went over a Building 8 restoration and renovation costs and funding worksheet in order to give the board a breakdown of how it will look as far as recovery. He went over Rentenbach's GMP of \$3,618,426.00, less available funds that Mr. Freeman referred to in the \$400,000 which included credit for Building 8 components in the JCHS renovation contract (HVAC, electrical, roof structural steel and decking) totaling \$301,474.75 and Travelers Insurance settlement including net amount received in the amount of \$540,124.24 (\$586,872.24 structural cash value less \$46,748 paid to Rentenbach for clean up after collapse) and retainage in the amount of \$255,385.41. He pointed out that the total unfunded construction cost was \$2,521,441.60. He further pointed out that design fees in the amount of \$124,928.00, inspection/fire marshal fees totaling \$20,000.00 and FF&E fees totaling \$60,000 would have to be added on making the unfunded total project cost \$2,726,369.60 which is the amount currently needed from county commission for the entire Building 8 project to move forward. Dr. Edmonds then went over the potential litigation recovery of \$800,000.00 which was not in the \$2,726,369.60. He pointed out that the board was asking up to \$800,000.00 in their lawsuit with Travelers Insurance. He stated that if they recovered the \$800,000.00 it would drop the county investment to \$1,926,369.60. He pointed out that the full amount to be requested from county commission is \$2,726,369.60.

Board member Potts asked about the \$575,000 capital projects money allocated for Building 8 and if that could be applied to the \$2,726,369.60. Michael Phagan, facilities supervisor, responded that the \$301,474.75 is currently included in the scope and in the original roofing contract. Board member Potts responded that the roofing was being covered entirely by the insurance received. Dr. Edmonds responded that the total roof was not covered. Ms. Potts questioned Dr. Edmonds if money received from Travelers Insurance for the collapsed portion of Building 8 did not include the entire roof. Dr. Edmonds responded not to his knowledge. Michael Phagan further responded that the roof being placed on the building is not the same roof that was originally on it. Board member Potts referred back to the September 25, 2014 minutes stating that \$575,000 capital projects money was there to use if the board chose to do so. Dr. Edmonds responded that it is through credit to be received for things to be done which is part of the \$575,000. He pointed out that the roof was changed over

**Unfinished Business – Building 8 - continued**

a period of time in order to go to a higher priced roof that would be more durable. Mr. Phagan responded that the \$575,000 was part of the original total funding amount with deductions. Ms. Potts commented that the GMP for the renovations at the high school was not \$25,000,000 but around \$21,000,000 therefore the \$575,000 was capital projects money and was not built in to the \$21,000,000 GMP. She pointed out that she was talking about two different issues. The first being the money that was allocated in the \$21,000,000 which was \$624,000 originally that Mr. Freeman said was now at \$450,000 that should be money for Rentenbach to allocate for Building 8 and secondly there was revenue provided from the capital projects money of \$575,000 for roofing for Building 8 which is revenue that still should be sitting there for Building 8 because the board had not designated that it be changed to any other item. She stated that she was not talking about expenditures but about sources of revenue at this time. After further discussion, board member Potts commented that the numbers were very confusing.

Dr. Edmonds stated that he would like to make a recommendation to the board regarding Building 8. Board member Bradley was concerned that the recommendation had not been given to the board at the work session. Dr. Edmonds responded that it was not the right time because they had just received the cost. Dr. Edmonds said his recommendation was that the board consider letting Rentenbach do the work on Building 8. Dr. Edmonds commented that he thought it was his duty to recommend to the board what was necessary to move the project along.

Dr. Edmonds made the recommendation, "That the Board of Education approve the restoration and renovation of Building 8 at Jefferson County High School according to plans and specifications prepared by Lewis Group architects and approved by the State Fire Marshal's office. Said restoration and renovation to be performed by Rentenbach Constructors as a Construction Manager At-Risk at a guaranteed maximum price of \$3,618,426 to be authorized by a change order to the existing contract between Rentenbach Constructors and the Jefferson County Board of Education for the renovation and additions to Jefferson County High School currently in progress. The foregoing being contingent upon the appropriation of funds by the Jefferson County Commission."

Board member Rogers made the motion to accept Dr. Edmonds' recommendation as stated above. Vice Chairman Vines seconded the motion.

Board member Cavanah asked how much the fee was for a change order. Don Freeman responded that it was 1.9% which was a little over \$67,000. She asked if that was included in

**Unfinished Business – Building 8 - continued**

the GMP and Mr. Freeman responded that it was. Chairman Jarnigan commented that they were on a time limit and it was time to move forward.

The motion as stated by Dr. Edmonds passed 6-0. Board member Lowery abstained.

Dr. Edmonds made the recommendation, "That the Board of Education authorize him to request from the County Commission the unfunded total project cost of \$2,726,369.60 as specified in the Building 8 Restoration and Renovation Costs and Funding Worksheet dated 10/22/14, so that work may promptly begin to provide the facility needed to properly educate Jefferson County's Career and Technical Education students.

Vice Chairman Vines made the motion to accept Dr. Edmonds' recommendation as stated above. Board member Rogers seconded the motion.

Board member Potts commented that in the original plan there was \$1,000,000 that was to come from the school board's fund balance, \$250,000 for the track and \$760,000 owner's contingency fund. She asked why the \$760,000 contingency could not be used as a source of revenue for Building 8 and the \$575,000 designated for capital projects which was stated in the September 25, 2014 board minutes was still available to be used if the board chose to do so. She pointed out that would be two sources of funds available plus the amount of \$450,000 from the GMP that was originally allocated for Building 8 that Mr. Freeman stated was still there. She felt that these three sources could be used to reduce the amount they would be asking from county commission. She felt in her opinion if they approached county commission with a high amount without evaluating all sources of funding the county commission would send the request back which would only delay the process.

Board member Potts commented that if the \$575,000 was not available then the minutes were incorrect. She stated that the \$760,000 is a source of revenue and not a part of the contingency fund developed by Rentenbach. She also commented that Mr. Freeman said they still had \$450,000 in the GMP for Building 8. She pointed out that was a total of \$1.8M which was a lot of money that could be deducted from the \$2.7M they were asking from County Commission making it a more reasonable request.

Board member Potts made an amendment to the motion to use the \$575,000 capital projects money, take the \$760,000 that was allocated for contingency out of the school board fund balance and take the \$450,000 that is remaining in Rentenbach's GMP and apply those funds in order to reduce the \$2,726,369.60 by \$1,785,000. Board member Bradley seconded the amendment.

**Unfinished Business – Building 8 – continued**

Board member Potts clarified that the total amount the board would be asking from county commission would be \$1,941,369.60.

Board member Rogers asked the county finance director if the money was available. Mr. Helton responded that it was not. Mr. Helton stated that he did not have that information with him but he commented that when the board went to county commission they would have to have accurate figures in writing to present to them.

Board member Bradley commented that the board needed to clear up all the issues regarding funding and make sure all the county commission's questions could be answered so the process would not be slowed down.

Board member Potts withdrew her amendment to the motion and asked to postpone Dr. Edmonds' recommendation until next week when the school board could be presented with the same numbers that might be presented to county commission in order that the board could make a decision with the right documentation. She again pointed out that they could not have minutes stating that they had \$575,000 available a month ago and come back now and say it is not there. Board member Bradley withdrew his second to amend the motion and seconded Ms. Potts motion to postpone Dr. Edmonds' recommendation.

The motion by board member Potts to postpone Dr. Edmond's recommendation until next week when the school board could be presented with the same numbers that might be presented to county commission in order that the board could make a decision with the right documentation passed 4-3. Board members Potts, Bradley, Cavanah and Lowery voted for the motion while board members Jarnigan, Rogers and Vines voted against.

**RECESS**

Chairman Jarnigan requested a 5 minutes recess.

**RECONVENE**

Chairman Jarnigan reconvened the meeting and the discussion continued on Building 8.

Board member Potts asked Mr. Phagan if the \$46,748 designated for Rentenbach for clean-up could be covered by insurance. Mr. Phagan responded that the clean-up was included in the scope of work.

**Unfinished Business – continued**

2. Policy Changes for Review and Adoption (Second Reading) – **1.803 Tobacco Free Schools 4.400 Instructional Materials, 4.401 Textbook Selection, Distribution and Care, 4.700 Testing Programs, 4.802 Student Equal Access (Limited Public Forum), 4.803 Recognition of Religious Beliefs, Customs and Holidays, 5.200 Separation Practices for Tenured Teachers, 5.201 Separation Practices for Non-Tenured Teachers, 6.200 Attendance, 6.312 Use of Personal Communication Devices, 6.317 Student Disciplinary Hearing Authority (DHA), 2.400 Revenues, 2.900 Student Activity Funds Management, 6.307 Drug-Free Schools, 6.3091 Weapons & Dangerous Instruments**

Upon motion by Randall Bradley and second by Jim Vines, the board voted 6-0 to accept the above policies on second reading as submitted. Board member Lowery abstained.

**NEW BUSINESS**

1. Powley's Flight Foundation

The item was moved to Items for Discussion.

2. Resolution #2014-19 – Declare Surplus Property – Student Nutrition Department

Upon motion by Randall Bradley and second by Jim Vines, the board voted unanimously to approve Resolution #2014-19 declaring a PCS hard drive from the central office student nutrition department as surplus. The item was given to the technology department.

3. Approval – 2014 School System Compliance Report

Upon motion by Jonathan Rogers and second by Randall Bradley, the board voted unanimously to approve the 2014 School System Compliance Report stating that the LEA is in compliance with all Tennessee statutes and SBE rules.

4. Tennis Agreement

Darrell Helton, County Finance Director, updated the board on the Tennis Agreement with the Jefferson County Tennis Association, Jefferson County and the school system.



**New Business – Tennis Agreement - continued**

Mr. Helton reported the agreement had been finished to the county and school system's satisfaction and the agreement had been mailed to the president of the Jefferson County Tennis Association for their review. He stated that when he received it back with the Tennis Association's approval, he would bring it back to the school board and county commission for approval. Board member Potts requested that when the tennis association approved the plans she would like to see the school board meet with them and go over the plans for the tennis courts in order to move forward. Ms. Potts requested that the item be placed back on the agenda when the tennis association had approved the agreement. Mr. Helton replied that he would have the president of the tennis association be present at that meeting as well.

5. Donation of Two (2) School Buses (declared surplus property) – One to the Jefferson County Rescue Squad and One to Jefferson County Sheriff's Department

Dr. Edmonds recommended that the board approve the recommendation by the transportation supervisor to donate School Bus #77 – 2001 Thomas Bus 22 passenger Vin #1GDHG31R721102806 to the Jefferson County Rescue Squad and School Bus #76 – 2001 Thomas Bus 22 passenger - Vin #1GDHG31R421103797 to the Jefferson County Sheriff's Department. Both of the school buses were declared surplus at the September 25, 2014 board meeting. (see attached)

Upon motion by Randall Bradley and second by Jonathan Rogers, the board unanimously voted to accept the recommendation from Dr. Edmonds and the transportation supervisor to donate one school bus to the Jefferson County Rescue Squad and one school bus to the Jefferson County Sheriff's Department.

6. Approval – General Budget Amendment #4 and Federal Budget Amendment #4

Darrell Helton, County Finance Director, went over the budget amendments. He pointed out that one of the amendments in the general budget was needed to move money from fund balance for installment payments to Jefferson Elementary and Jefferson Middle School from the Jefferson County Fair Association in the amount of \$12,000. He stated that the installments had been collected through the finance office for 2012 and 2013 but had failed to be reimbursed to the two schools. Board member Cavanah questioned why it had not been sent. Mr. Helton responded that he really didn't know.

**New Business – Policy Changes – continued**

Upon motion by Jim Vines and second by Jonathan Rogers, the board voted unanimously to approve general budget amendment #4 and federal budget amendment #4 as submitted. (see attached)

7. Policy Changes for Review and Adoption as Recommended by Board Member Potts (First Reading) – **1.101 Duties and Power of the Board of Education, 1.102 Board Members Legal Status, 2.805 Purchasing, 2.8051 Authorized Signatures**

There was some discussion from board member Rogers regarding the Board Policy Committee. He questioned why they had a committee if a board member could bring policies to the board for change without going through the committee. Board member Potts replied that the board makes the final decision and she was bringing these policies to the board for discussion. Ms. Potts pointed out that the changes were board operation changes and were only minor.

Board member Potts made the motion to accept the above policies on first reading. Board member Cavanah seconded the motion.

Board member Bradley questioned the change in Policy 2.805 Purchasing. Ms. Potts responded that there had not been a change made because she felt that policy did need some discussion from the Policy Committee. She pointed out that she included it for clarification of a question from the last board meeting. There was discussion from board member Bradley regarding the purchasing policy and the purchase of the bleachers at Jefferson County High School not being approved by the board. Mr. Bradley pointed out that according to the policy purchases of items for long term use have to be approved by the board and in his opinion bleachers were for long term use. Darrell Helton, County Finance Director, shared some research he had done on purchasing under the Act of 1981. He pointed out that any changes in policies and procedures, particularly in the purchasing area, have to be approved by the county finance committee. He pointed out that the school board is bound by whatever policies the county has passed because under the Act of 1981 the schools and county are treated the same. He pointed out that any changes made in the purchasing policy have to go back before the finance committee for approval. Mr. Helton pointed out that he had not been able to locate the wording that Mr. Bradley referred to regarding long-term use purchasing in the county policies.

The motion to accept the above policies on first reading passed 4-3. Board members Cavanah, Bradley, Vines and Potts voted for the motion while board members Jarnigan, Rogers, and Lowery voted against.

**New Business – continued**

8. Bonus for Classified Employees – Full-Time and Part-Time

Chairman Jarnigan commented that at the last county commission meeting, the commission voted to give county employees a bonus. Mr. Jarnigan recommended that the school board give the same bonus to school system full-time and part-time classified employees as the county commission gave their employees. Mr. Helton said he was not prepared to give an exact bonus amount. He did comment that all county employees except for elected officials would receive the bonus. Mr. Helton stated that the county commission motion was to use the \$233,000 returned to fund balance by the departments and take half of that (\$116,500) for the bonus. He further stated that part-time employees would receive half the amount of the bonus. Mr. Helton pointed out that approximately \$240,000 (half would be \$120,000) had rolled into the school system's fund balance. Board member Potts commented that she would like to see the teachers included for the bonus.

Board member Potts made the motion that the school board give all school system employees a bonus in the same fashion that the county commission was giving their employees. Board member Bradley seconded the motion.

At this time Board member Vines, Lowery and Rogers read the statement regarding conflict of interest specified in the T.C.A. 49-2-202 declaring and certifying that the vote that they are about to cast on the pending matter is in the best interest of the school system and is not motivated or affected by said kinship.

The motion passed 6-0. Chairman Jarnigan abstained.

9. School Board Retreat

Chairman Jarnigan set the first work session for January 8, 2015 beginning at 5:00 p.m. Board member Potts suggested that someone from central office go through the board policy manual and make a list of the policies that are to be reviewed annually by the board. She suggested that the list be presented to the board at the December meeting for review. Dr. Edmonds commented that he would like the 5 Year Plan to be addressed at the work session.

10. School Board Minutes

Board member Potts requested that the September 25, 2014 board minutes be sent back to the board secretary in order for her to add the statement that she read in board policy regarding purchasing during the Building 8 discussion.

**New Business – continued**

11. Board member Potts requested that the following items be placed on the agenda for the November 6, 2014 called meeting regarding Building 8: the original funding motion, the original expense motion and list how it was funded and how it was allocated. She also requested a reconciliation of what has currently been spent that Mr. Helton handed out, how it was allocated and what the balance is right now, knowing that it is going to change but she wanted to make sure they were within budget.

12. Baseball Lights and Intercom System

Board member Potts made the motion that the baseball lights and intercom system be installed by March 1, 2015. Board member Cavanah seconded the motion and the motion passed 6-0. Chairman Jarnigan abstained.

13. There was discussion regarding the November 6, 2014 called meeting to discuss Building 8. Dr. John McGraw, county commissioner, commented that if the school board wanted to place an item on the county commission work session scheduled for November 10, 2014 they had to contact the county commission office no later than noon on Monday, November 5. He pointed out that it would be too late to contact the county commission office if the school board met on November 6<sup>th</sup>.

The board agreed to meet in a called meeting on Tuesday, October 28, 2014 at 6:30 p.m. in the media center at the Patriot Academy in order to discuss Building 8.

14. Chairman Jarnigan recommended that the board consider adjourning and discussing the items listed under Items for Information at the November regular meeting. The board agreed by consent.

**ADJOURN**

With no further business, the meeting was adjourned at 9:10 p.m

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Bill Jarnigan, Chairman

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Dr. Charles Edmonds, Director of Schools &  
Secretary to the Board

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Date

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Date

