

**CAMDENTON R-III SCHOOL DISTRICT
MINUTES OF BOARD OF EDUCATION MEETING**

**Special Meeting – Administration Building, Board Room
August 26, 2014 – 7:30 a.m.**

Present:

Chris C. McElyea	President	Dr. Tim Hadfield	Superintendent
Nancy A. Masterson	Vice President	Roma France	Assistant Superintendent
Selynn Barbour	Treasurer	Dr. Ryan Neal	Assistant Superintendent
Jackie Schulte	Member	Linda Leu	Secretary
Laura L. Martin	Member		
Tom Williams	Member		
Courtney R. Hulett	Member		

Absent:

I. CALL TO ORDER & RECITE PLEDGE OF ALLEGIANCE

The Camdenon R-III Board of Education met in Special Session in the Board Room of the Administration Office on Tuesday, August 26, 2014. The meeting was called to order by President McElyea at 7:35 a.m. The pledge of allegiance was recited.

II. APPROVAL OF AGENDA

Special Meeting – August 26, 2014
Strategic Plan Goal Area – Governance

Motion: Move to approve the agenda of the Special August 26, 2014, meeting as presented.
Barbour/Schulte - all ayes.

III. LEGISLATIVE UPDATE

Strategic Plan Goal Area – Governance

Representative Rocky Miller and Representative Diane Franklin were present to update the Board on the recent Legislative Session.

No motion necessary.

IV. PUBLIC COMMENT

Strategic Plan Goal Area – Parent & Community Development
There was no public comment.

V. CONSENT ITEMS

Strategic Plan Goal Area – Governance

A. New Course Approval

IB Marine Science (grades 11 & 12) is the study of processes within the Earth's oceans. This course uses a global perspective to cover topics related to Marine Biology and Oceanography with a focus on current research. Students have the opportunity to participate in a week-long marine science field experience on an island off the coast of Belize during the summer following completion of the year-long course.

B. Approve Change Orders No. 2 & 3

The Board was asked for approval for change orders number 2 and 3 for Hawthorn's secure entry project to furnish new wood doors and two additional countertops.

Motion: Move to approve consent items as presented.
Schulte/Masterson – all ayes.

VI. APPROVAL OF BILLS

Strategic Plan Goal Area – Governance

Motion: Move to approve all bills and addendum as submitted.
Barbour/Hulett – all ayes.

VII. BOARD WRAP-UP

This is an opportunity for the Board to report on upcoming meetings, meetings attended, registrations, and deadlines. The following items were discussed:

Strategic Plan Goal Area - Governance

- Tour Juvenile Justice Center – Wednesday, September 3, 2014, 9:00 a.m.
- September Regular Board Meeting Date – September 15, 2014
- September Board Meeting Reports tentatively include: A+ Program/School to Work Report, Buildings & Grounds Review, and District Safety
- MSBA Annual Conference, September 25-28, 2014. (Must register by August 29th or fee increases.)

No motion necessary.

VIII. EXECUTIVE SESSION

In compliance with State Statute 610.021 (closed meetings and closed records), move that the Board go into Executive Session for the following purposes:

- 1) Leasing, purchase or sale of real estate by a public governmental body (610.021)(2).
- 2) Hiring, firing, disciplining, or promoting particular employees (610.021)(3).
- 3) Individually identifiable personnel records, performance ratings, or records pertaining to employees (610.021)(13).

Strategic Plan Goal Area - Governance

Motion: Move to adjourn to Executive Session.

Masterson/Schulte - Roll call vote: Masterson – aye, Barbour – aye, Schulte – aye, McElyea – aye, Hulett – aye, Williams – aye, and Martin – aye.

IX. ADJOURN MEETING

Motion: Move that the meeting adjourn.

Masterson/Barbour - all ayes.

Meeting adjourned at 9:38 a.m.

Chris C. McElyea - President of the Board

Linda Leu – Secretary of the Board

Board of Education

Check Preview

August 26, 2014

Table with columns: Vendor Name, Invoice Number, Invoice Description, PO Number, Amount. Includes vendors like A-B Rental & Sales, Advantage Systems, Inc., and Al Schepers Motor Co., Inc.

Board of Education

Check Preview

August 26, 2014

Table with columns: Vendor Name, Invoice Number, Invoice Description, PO Number, Amount. Includes vendors like All American Termite & Pest, Argyle's Catering, and AFAC, Inc.

Board of Education

Check Preview

August 26, 2014

Table with columns: Vendor Name, Invoice Number, Invoice Description, PO Number, Amount. Includes vendors like Barnes & Noble, Inc., Beroco Printer Products, and Beyond Play, LLC.

Board of Education

Check Preview

August 26, 2014

Table with columns: Vendor Name, Invoice Number, Invoice Description, PO Number, Amount. Includes vendors like Bowling Electric, Butcher Shop LLC, and Camden County Fire & Safety.

Board of Education

Check Preview

August 26, 2014

Table with columns: Vendor Name, Invoice Number, Invoice Description, PO Number, Amount. Includes vendors like CDW-G Computer Centers, Inc., Central States Bus Sales, Inc., and Demco.

Board of Education

Check Preview

August 26, 2014

Table with columns: Vendor Name, Invoice Number, Invoice Description, PO Number, Amount. Includes vendors like El Espanol, Ellis Barry Specialists LLC, and Farnell Company.

Board of Education	Check Preview	August 26, 2014		
Quill	4856057	Fans	105-1501	18.88
Quill	4817558	Supplies	205-1422	534.91
Quill	4935382	Ink	410-1846	72.88
Quill	4933355	Business card	410-1856	34.16
Quill	4933354	Fasteners	410-1847	80.27
Quill	4930615	Envelopes	105-1384	909.80
Quill	4985792	Chalk	105-1503	109.99
Quill	5370022	Label maker & tape	110-2009	163.33
Quill	5167713	Binders	105-2074	716.00
Quill	5145532	Batteries, bookends, etc.	410-1892	210.05
Quill	5123054	Electric pencil sharpener	105-1826	194.95
Quill	5145989	Organizers, etc.	404-2067	102.70
Quill	5145647	Binders, etc.	113-2049	65.60
Quill	5145929	Lenmark black	410-1964	98.99
Quill	5124457	Calendar	105-2070	22.49
Revolving	MO State Hwy Patrol	10337 - Records check	110-1749	66.00
Revolving	MO Dept of Revenue	10338 - Titles & Plates for busses	700-1782	89.00
Revolving	MO State Hwy Patrol	10339 - Records check	110-1886	22.00
Revolving	MO State Hwy Patrol	10340 - Records check	110-2021	11.00
Revolving	Flashway	10341 - IN37374	106-1683	25.00
Revolving	MO State Hwy Patrol	10342 - Records check	110-2085	33.00
Revolving	MO Petroleum Storage	10343 - Policy 0000117-02		250.00
Revolving	Austin, Justin	10344 - Reimbursement		10.60
Rochester 100 Inc	M36000	Folders	403-1557	632.50
Scholastic Book Clubs, Inc	81540387	Scholastic News	403-1210	1,594.80
Scholastic Book Clubs, Inc	81540387	Scholastic News	403-1210	1,594.80
Scholastic Magazines	M5399508	Let's Find Out	406-1866	262.50
School Outfitters	INV11478648	Caterina table w/stools	403-1387	4,023.74
School Specialty	30810196428	Cardstock	403-1556	699.41

Board of Education	Check Preview	August 26, 2014		
School Specialty	308101969427	Construction paper	403-1554	856.42
School Specialty	208112793557	Lesson book	403-1570	74.46
School Specialty	208112828187	Art supplies	403-1562	64.81
School Specialty	308101972462	Markers, etc.	403-1555	2,188.39
School Specialty	208112930609	Cardstock, sheet protectors	000-1732	263.83
School Specialty - Frey Scientific	20811296305	Book class Re	110-1785	34.00
Scott, LaVeta A	8/13/14	Fingerprint reimbursement		44.80
Shawmaker Auto Parts	421331	Bulbs, solvent		65.52
Shawmaker Auto Parts	418604	Steering fluid		99.52
Shelton Key & Lock	8/7/14	3 Keys		24.00
Smart Postal Centers	31293	Forms	404-2147	650.00
Smith Paper & Janitor Supply	575978	Shop supplies		274.89
SoSurfaces, Inc.	INV12376	Soft surface		274.89
Solution Store	800553	Workshop - Tim Brown	700-1465	5,200.00
Staples Advantage	3137739238	Binding combs, white out, etc.	700-1776	113.24
Starkay, Almee R	August 8, 2014	Fingerprint reimbursement		64.80
Subway - Wal-Mart Super Center (C)	8/1/14	Leadership team lunch		404.25
The OMNI Group	1108-8006	Services provided		34.20
Tim Krueger	1231	Shirts	408-1643	958.70
Todd, Haleigh M	8/5/14	Fingerprint reimbursement		44.80

Board of Education	Check Preview	August 26, 2014		
Touchboards	0300728-IN	Chromebk charge carts	805-1460	3,876.13
Touchboards	0301330-CM	Credit	805-1460	(3,876.13)
Touchboards	0302850-IN	Chromebk charge cart	805-1460	3,876.10
Truman State University	TS1412014	Sheryl Norris AP English Lit Registration	700-11754	240.00
Tynes, Angela J	8/4/14	Fingerprint reimbursement		44.80
UniFirst Corp - 353954	225-2852797	Uniforms	144.24	
UniFirst Corp - 353954	225-2854443	Uniforms	143.68	
UniFirst Corp - 353954	225-2851433	Uniforms	107.00	
UniFirst Corp - 353954	225-2850989	Uniforms	98.03	
United States Treasury	Lavy Proceeds 041	Patriot Security Systems		44.20
University of Missouri Columbia AR	MCR0310111	MOE net membership fee 7/1/14-6/30/15	805-1954	35,460.16
Wal-Mart - Admin.	TRF 07865	Board meeting	550-1897	82.55
Wal-Mart - Admin.	TRF 08066	Health supplies	550-1906	42.48
Wal-Mart - Admin.	TRF 08179	Health supplies	550-1906	95.60
Wal-Mart - Admin.	TRF 03041	Health supplies	550-1904	234.91
Wal-Mart - Admin.	TRF 09246	Health supplies	550-1903	132.82
Wal-Mart - Admin.	TRF 03624	TV & Mount	700-1914	297.86
Wal-Mart - Admin.	TRF 02422	Health supplies	550-1593	151.81
Wal-Mart - Admin.	TRF 03944	Supplies	700-2155	95.45
Wal-Mart - High School	TRF 05770	Supplies	307-2035	502.25
Wal-Mart - High School	TRF 05103	Supplies	873-1740	230.28
Wal-Mart - High School	TRF 01848	Meeting supplies	873-1713	7.28
Wal-Mart - High School	TRF 08954	Supplies	105-2837	192.14
Wal-Mart - Main	TRF 02150	Custodial Tea	800-1879	110.29
Wal-Mart - Main	TRF 01030	Cleaning supplies	800-1737	53.56

Board of Education	Check Preview	August 26, 2014		
Wal-Mart - Middle School	TRF 09022	Supplies	205-12075	147.20
Wal-Mart - Middle School	TRF 05232	Fans	205-12499	124.44
Wal-Mart - Middle School	TRF 01381	Summer School	205-12038	45.40
Wal-Mart - Middle School	TRF 04031	Summer School	205-12042	7.86
Wal-Mart - Middle School	TRF 05041	Summer School	205-12042	82.25
Wal-Mart - Middle School	TRF 04786	Summer School	205-12040	49.81
Wal-Mart - Special Service	TRF 07325	ESY snacks & supplies	410-1628	29.50
Wal-Mart - Special Service	TRF 08529	Office	410-1820	151.84
Wal-Mart - Special Service	TRF 07072	ESY Snacks & Supplies	410-1627	29.80
Wal-Mart - Special Service	TRF 07255	Gift card for 8day	410-2026	30.00
Wal-Mart - Special Service	TRF 08206	Wireless keyboard, mouse, etc.	410-1866	91.89
Wal-Mart - Special Service	TRF 08558	Book cases	410-2025	83.52
Wal-Mart - Special Service	TRF 01827	ELL Parent right supplies	410-1827	177.82
Wal-Mart - Special Service	TRF 09927	Drinks for meetings	410-2156	75.10
Wal-Mart - Special Service	TRF 06016	186 Shirts DW	410-2125	192.17
Wal-Mart - Trans	TRF 04867	Office Supplies	900-1770	103.12
Washington University	W0001517	Studio Art	700-1394	600.00
Watson, Zach	August 18, 2014	Lady Laker soccer team camp	875-2376	1,000.00
Wilkinson Pharmacy	8/1/14	TR test, syringe	110-1966	214.04
William V. Macgill & Co.	IN0488556	Health supplies	550-1897	322.14
William V. Macgill & Co.	IN0488261	Health supplies	550-1889	300.89
William V. Macgill & Co.	IN0488259	Health supplies	550-1900	175.02
William V. Macgill & Co.	IN0488328	Health supplies	550-1825	218.54
William V. Macgill & Co.	IN0488322	Health supplies	550-1881	296.53
William V. Macgill & Co.	IN0488500	Health supplies	550-1893	715.04
Woodcraft Supply, LLC	6393389	Supplies	105-2210	267.02

Board of Education	Check Preview	August 26, 2014		
Xerox	901735091	Supplies	800-3757	265.31
Xerox	04070616	T-shirts	105-1883	604.50
Yellow Dog Networks	6591	Aruba	805-2160	125,297.00
Young, Teresa	7/5/14	Reimburse camp fee Armonia Young	873-1876	305.00

Vendor Name	Invoice Number	Invoice Description	PO Number	Amount
74 Auto LLC	11075	2014 Chevrolet Equinox	900-2448	11,400.00
Total 74 Auto LLC				11,400.00
Cuendet, Gary	74 Auto	Reimburse Down Pymt Equinox		500.00
Total Cuendet, Gary				500.00
Hadfield, Timothy E	7/27/14	Meal Reimbursement		52.56
Total Hadfield, Timothy E				52.56
Grand Total				11,952.56



Request for Course Addition

Course Title: IB Marine Science SL

Course Number:

District Dept: SC

Grad Dept: SC

Req Effective Date: ASAP



Change(s) Purposed (Check all that apply):

- Course Update _____
- Title _____
- Abbreviated Title _____
- Title - Spanish _____
- Credit 5/sem
- Preferred Class Size 20
- Inactivate _____
- Used for HS Transcript _____
- Number _____
- Subject Type _____
- Subject Term Type _____
- Weigh Advances _____
- Grade Level 11
- Other _____
- Used for Marking Attendance _____
- Used for Grading _____

State Reporting Changes:

- State Code _____
- State Program Code _____
- State Sequence Code _____
- State Testing Method _____
- Career-Ed Code _____
- State Delivery Method _____
- State Minutes per Week _____

Explanation/Request for Changes:

This course fits into the IB Curriculum and can be used as a sixth area for many students seeking an IB Diploma.

Course Description:

IB Marine Science - SL: (Grade 11-12) 1 credit - year long course

Marine Science is the study of both living and non-living processes within the Earth's oceans. This course will use a global perspective to cover topics related to both Marine Biology and Oceanography with a focus on current research related to the Marine Science field. Students enrolled in this course will have the opportunity to participate in a week-long marine science field experience on an island off the coast of Belize during the Summer following completion of the course.

Signatures:

Counselor:

Tim Roettgen

Date:

Aug 13, 2014

Principal:

Date:

Aug 13, 2014

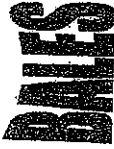
Superintendent:

Date:

August 14, 2014

Board Approval:

Date:



GENERAL CONTRACTORS

AIA Document G701™ - 2001

Change Order

PROJECT (Name and address):
Camden R-III School District
Secure Entry Project
Hawthorn Elementary School
Oak Ridge Intermediate School

CHANGE ORDER NUMBER: 002
DATE: August 13, 2014

OWNER:
ARCHITECT:
CONTRACTOR:
FIELD:
OTHER:

TO CONTRACTOR (Name and address):
Bales Construction Co.
1901 Historic 66 West
Waynesville, MO 65353

ARCHITECT'S PROJECT NUMBER: 3-14013
CONTRACT DATE: March 27, 2014
CONTRACT FOR: General Construction

THE CONTRACT IS CHANGED AS FOLLOWS:
(Include, where applicable, any undeposited amount attributable to previously executed Construction Change Directives)

Furnish new wood doors 104 and 106 at Hawthorn Elementary ABR \$1,339.80

The original Contract Sum was	\$ 118,000.00
The net change by previously authorized Change Orders	\$ 3,081.50
The Contract Sum prior to this Change Order was	\$ 121,081.50
The Contract Sum will be increased by this Change Order in the amount of	\$ 1,339.80
The new Contract Sum including this Change Order will be	\$ 122,421.30

The Contract Time will be unchanged by Zero (0) days.
The date of Substantial Completion as of the date of this Change Order therefore is remodeled work complete by August 5, 2014.

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, at which case a Change Order is required to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER

ACU/Balmain, Inc. CONTRACTOR (Firm name) 1421 E. 104th St., Suite 100, Kansas City, MO 64131 ADDRESS	Bales Construction Co. OWNER (Firm name) 172 Deer Boulevard, Camden, MO 65020 ADDRESS
<i>Cornie Lauer</i> BY (Signature) Cornie Lauer (Typed name) 8-13-14 DATE	<i>Guy Augenstein</i> BY (Signature) (Typed name) DATE

PROPOSAL

Date: 8/7/2014

Phone: (673)774-2003
Fax: (673)774-6163
Email: guy.bales@gmail.com

Bales Construction Co., Inc.
1901 Historic 66 W
Waynesville, MO 65583

PROPOSAL SUBMITTED TO:

Attn: _____
Phone #: _____

WORK TO BE PERFORMED AT:

CAMDENTON SECURE ENTRY

We hereby propose to furnish the materials and perform the labor necessary for the completion of:

Description	Pricing
FURNISH WOOD DOORS I/O OF HOLLOW METAL FOR ROOMS 104 & 106	\$968.00
COMARCO TWO WEEK LEAD TIME PROPOSAL	\$350.00
ST. ROBERT GLASS PROPOSAL	\$121.80
BALES OVER-HEAD & PROFIT	
Total	\$1,339.80

We will perform the above for the sum of:

Total \$1,339.80

If materials is guaranteed to be as specified and the above work to be performed in accordance with the drawings and specifications submitted for above work and completed in a substantial workmanlike manner.

Upon Approval, please return this signed copy.

Respectfully submitted

Guy Augenstein
Guy Augenstein

Acceptance of Proposal

Guy Augenstein

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Change Order

PROJECT <i>(Name and address):</i> Camdenton R-III School District Secure Entry Project Hawthorn Elementary School Oak Ridge Intermediate School	CHANGE ORDER NUMBER: 003 DATE: August 18, 2014	OWNER: <input type="checkbox"/> ARCHITECT: <input type="checkbox"/> CONTRACTOR: <input type="checkbox"/> FIELD: <input type="checkbox"/> OTHER: <input type="checkbox"/>
TO CONTRACTOR <i>(Name and address):</i> Bales Construction Co. 1901 Historic 66 West Waynesville, MO 65583	ARCHITECT'S PROJECT NUMBER: 3-14013 CONTRACT DATE: March 27, 2014 CONTRACT FOR: General Construction	


THE CONTRACT IS CHANGED AS FOLLOWS:
(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)
Add 2 additional countertops at Hawthorn Elementary Add \$385.00

The original Contract Sum was	\$ 118,000.00
The net change by previously authorized Change Orders	\$ 4,371.30
The Contract Sum prior to this Change Order was	\$ 122,371.30
The Contract Sum will be increased by this Change Order in the amount of	\$ 385.00
The new Contract Sum including this Change Order will be	\$ 122,756.30

The Contract Time will be unchanged by Zero (0) days.
The date of Substantial Completion as of the date of this Change Order therefore is remodel work complete by August 5, 2014.

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

<u>ACI/Boland, Inc.</u> ARCHITECT <i>(Firm name)</i>	<u>Bales Construction Co.</u> CONTRACTOR <i>(Firm name)</i>	<u>Camdenton R-III School District</u> OWNER <i>(Firm name)</i>
1421 E. 104th St., Suite 100, Kansas City, MO 64131 ADDRESS	1901 Historic 66 West, Waynesville, MO 65583 ADDRESS	172 Dare Boulevard, Camdenton, MO 65020 ADDRESS
 BY <i>(Signature)</i>	 BY <i>(Signature)</i>	 BY <i>(Signature)</i>
Connie Lauer <i>(Typed name)</i>	 <i>(Typed name)</i>	 <i>(Typed name)</i>
8-18-14 DATE	 DATE	 DATE



SINCE 1939

GENERAL CONTRACTORS

PROPOSAL

Date: 8/18/2014

Bales Construction Co., Inc.
1901 Historic 66 W
Waynesville, MO 65583

Phone: (573)774-2003
Fax: (573)774-6163
Email: guy.buildbales@gmail.com

PROPOSAL SUBMITTED TO:

WORK TO BE PERFORMED AT:

Attn: MS CONNIE LAUER
ACI BOLAND
Phone #: 816-763-9600

CAMDENTON SECURE ENTRY

Table with 2 columns: Description and Pricing. Includes items like 'ADD TWO ADDITIONAL COUNTERTOPS IN HAWTHORN' and 'BALES OVERHEAD AND PROFIT'.

We will perform the above for the sum of: Total \$385.00

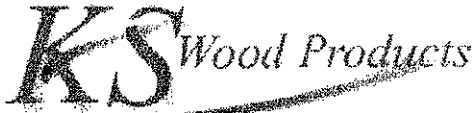
All materials is guaranteed to be as specified and the above work to be performed in accordance with the drawings and specifications submitted for above work and completed in a substantial workmanlike manner. Upon Approval, please return one signed copy.

Respectfully submitted

Acceptance of Proposal

Handwritten signature of Guy Augenstein

Guy Augenstein



1031 North State Highway H
Springfield, MO 65803

Phone# 417-833-1056
Fax# 417-833-1011

Change Proposal

Job Name: Secured Entry Camdenton schools Date: August 12, 2014

Bid Submitted to: Bales Construction Phone # _____
Attn: Guy Fax# _____

KS Wood Products, Inc. is pleased to submit a Change Proposal for the following materials & labor.

Change Proposal #812

Item #812-1

Add for providing and installing two new plastic laminate countertops, relocating cabinet and finishing ends

Item #812-1, Add for Material, Delivery and Installation: \$350.00

Tax : Exempt

Item #812-1, Total: \$350.00

Accept: _____ / Reject: _____

This change proposal excludes the following items from the scope of work defined above: Blocking concealed by other trades, premium overtime labor rates for nights or weekends

Note: This Change Proposal must be signed & returned before any work will begin. By signing this proposal the General Contractor authorizes and agrees to pay for the material & labor listed above. If this proposal is to be added into the contract the general contractor must send a Change Order with the returned proposal. If no change order is sent then the general contractor will be invoiced separate of the contract.

Date: 08/12/2014

Lee Grant, Project Coordinator

Accepted By,

Region 8

REC Conference Call August 14, 2014

(Nancy has added comments in blue text below.)

Attending by phone: Kelli Hopkins, Nancy Masterson (Chair), Chris Hart and Troy Porter. Gay Marriott and LeRoy Fulmer did not join the call – we missed your input.

Nancy presided at the meeting

Contact information for all attending was correct. Nancy reminded us not to call her cell phone because it does not work at her home. Gay and Leroy, please let Kelli and I know if the contact information sent in the earlier information for you was incorrect. Thanks

No committee recaps were offered, as no one had attended a committee meeting. There will be a REC breakfast at the annual conference on Friday morning, September 26th for all REC members to attend.

FR8M will be held at Lebanon on Wednesday, October 29, 2014. (Second choice was School of the Osage) They are continuing the idea of school districts presenting an idea or best practice that is working in the presenter's school district. Chris told us that the math idea shared at last fall's dinner has proven very effective in raising test scores in the Eldon school district. Gay or Leroy – does your district have an idea to share? Let Kelli know, so it can be put on the agenda. We are asking any school district in region 8 to consider this opportunity.

SR8M will be at School of the Osage (assuming we do not have the FRM there) on Tuesday April 15, 2015. Camdenton wants to host in the fall of 2015 at one of our two new elementary buildings scheduled to open in August 2015.

It was suggested that the Winter REC meeting will be held on February 10 or 11 in Lebanon at either the Madison Grill or Prime Italian Restaurant at 6:30. (Location will be announced in January after checking whether they are open and their hours.) All members should attend if possible as this is the meeting where we choose our regional Belcher winner. Gay – Chris and I would be happy to carpool with you to this location. We could choose a Camdenton location to meet and leave the extra vehicles.

We decided to invite the superintendent and Board President from our non-member districts to attend the Fall and Spring Region Meetings. Half will be invited to the Fall meeting, and half to the Spring. They will be invited as guests so that means potentially 14 free meals (8 at one meeting and 6 at the other). Since our fall meeting is being held in Lebanon, we should choose schools in the southern portion of our region to invite so they will have a shorter distance to attend. So I think sending invitations to Richland R-IV, Gasconade C-4, Stoutland R-II, and Swedeberg R-III would be in order. I will check with Kelli, but it would be more personal if one of our region 8 REC members (or I could do it as the REC chair) sent a personal invitation, rather than a "form letter" to each of these districts. If any of you know the board president of the 4 non-members district underlined above, then an invitation from you would be better – let me know if you know the board president (or if your superintendent is close friends with their superintendent). I think contacts made this way may be more successful. Those invites should probably go out soon, so that the Fall dinner date of Wednesday, October 29th at Lebanon, MO can be put on calendars.

TAX BREAK LEGISLATION -- FISCAL NOTE COMPARISON

Total State Revenue

Bill #	OA-DOR	Legislative Oversight	AIM	Summary of AIM's Comments	Response
HB 1296	(\$15.2 million)	Up to (\$15.8 million)	(Unknown)	This bill is simply clarifying the original intent of prior legislation relating to corporate income allocation.	The original bill only applies to sales of tangible personal property.
HB 1455	(Unknown)	(Unknown, greater than \$100,000)	\$0.0	This requires DOR to prove additional tax liability for taxpayers in certain situations. The burden of proof has already been shifted to DOR in most tax cases involving individual taxpayers.	The burden of proof for claiming a tax exemption is on the taxpayer under current law.
HB 1865	(\$66.2 million)	Up to (\$29.4 million)	No analysis	NA	
SB 584	(\$237.9 million)	Could exceed (\$241.5 million)	(\$17.0 million) to \$12.7 million	AIM found the following issues to have TSR impacts with significant differences from the OA-DOR and Legislative Oversight estimates: corporate income allocation; amusement, entertainment, recreation tax; electricity transmission and distribution; and refunds to original purchasers. The bill is clarifying existing exemptions that have been narrowly interpreted by DOR and clarifies the prevention of certain sales taxes.	<ul style="list-style-type: none"> The original bill only applies to sales of tangible personal property. AIM's argument ignores the fact that the legislation fundamentally changes the nature of the tax and overturns case law. The MO Supreme Court has held that electricity generation is manufacturing, but electricity transmission is not. This bill is not a clarification, but an overruling. The list of exemptions in the TAPP bill is broader than AIM claims.
SB 612	(\$117.0 million)	Could exceed (\$15.5 million) <i>Unknown impact due to refunds provision *</i>	(Minimal)	AIM found the following issues to have TSR impacts with significant differences from the OA-DOR and Legislative Oversight estimates: corporate income allocation, notice of tax law changes, and purchases by commercial/industrial laundries. The bill is only clarifying previous changes made to law, application of the law, and the original intent of prior legislation. Also, the bill does not require a specific method of notification.	<ul style="list-style-type: none"> The original bill only applies to sales of tangible personal property. AIM's claim that a website posting would be sufficient notice is unfounded. This does not simply clarify existing exemptions for laundries, but overrules current law.

TAX BREAK LEGISLATION -- FISCAL NOTE COMPARISON

Bill #	OA-DOR	Legislative Oversight	AIM	Summary of AIM's Comments	Response
SB 662	(\$15.7 million)	Could exceed (\$15.5 million)	(Minimal)	AIM found the following issues to have TSR impacts with significant differences from the OA-DOR and Legislative Oversight estimates: corporate income allocation, and notice of tax law changes. The bill is only clarifying previous changes made to law, application of the law, and the original intent of prior legislation. Also, the bill does not require a specific method of notification.	<ul style="list-style-type: none"> The original bill only applies to sales of tangible personal property. AIM's claim that a website posting would be sufficient notice is unfounded.
SB 693	(\$49.2 million)	(Up to \$49.5 million)	No analysis	NA	
SB 727	(\$300,000)	(Unknown, greater than \$100,000)	No analysis	NA	
SB 829	(Unknown)	(Unknown, greater than \$100,000)	\$0.0	This requires DOR to prove additional tax liability for taxpayers in certain situations. The burden of proof has already been shifted to DOR in most tax cases involving individual taxpayers.	The burden of proof for claiming a tax exemption is on the taxpayer under current law.
SB 860	(\$5.2 million)	Could exceed (\$1.2 million)	(Unknown)	The bill is clarifying existing exemptions for refunds to original purchasers that have been narrowly interpreted by DOR.	The list of exemptions in the TAFP bill is broader than AIM claims.
Unduplicated Total	(\$425.1 million)	Could exceed (\$291.9 million)	(\$17.0 million) to \$12.7 million **		

LOCAL

Bill #	OA-DOR	Legislative Oversight	AIM	Summary of AIM's Comments	Response
HB 1296	\$0.0	(Less than \$600,000)	Local cost by option	No significant differences in local impact.	The original bill only applies to sales of tangible personal property.
HB 1455	(Unknown)	\$0.0	\$0.0	This requires DOR to prove additional tax liability for taxpayers in certain situations. The burden of proof has already been shifted to DOR in most tax cases involving individual taxpayers.	The burden of proof for claiming a tax exemption is on the taxpayer under current law.
HB 1865	\$0.0	\$0.0	No analysis	NA	

TAX BREAK LEGISLATION – FISCAL NOTE COMPARISON

Bill #	OA-DOR	Legislative Oversight	AIM	Summary of AIM's Comments	Response
SB 584	(\$222.9 million)	Could exceed (\$202.3 million)	(\$17 million) Unknown	AIM found the following issues to have local impacts with significant differences from the OA-DOR and Legislative Oversight estimates: amusement, entertainment, recreation tax; electricity transmission and distribution; and refund claims allowed to taxpayers. The bill is clarifying existing exemptions that have been narrowly interpreted by DOR and clarifies the prevention of certain sales taxes.	<ul style="list-style-type: none"> The original bill only applies to sales of tangible personal property. AIM's argument ignores the fact that the legislation fundamentally changes the nature of the tax and overturns case law. The power company exemption applies to local taxes. The MO Supreme Court has held that electricity generation is manufacturing, but electricity transmission is not. This bill is not a clarification, but an overruling. The list of exemptions in the TAFP bill is broader than AIM claims.
SB 612	(\$102.0 million)	(More than \$100,000) <i>*Unknown impact due to refunds provision</i>	\$0.0	AIM found the following issues to have local impacts with significant differences from the OA-DOR and Legislative Oversight estimates: notice of tax law changes, and purchases by commercial or industrial laundries. The bill is only clarifying previous changes made to law, application of the law, and the original intent of prior legislation. Also, the bill does not require a specific method of notification.	<ul style="list-style-type: none"> The original bill only applies to sales of tangible personal property. AIM's claim that a website posting would be sufficient notice is unfounded. This does not simply clarify existing exemptions for laundries, but overrules current law.
SB 662	(\$700,000)	(More than \$100,000)	\$0.0	AIM found the following issues to have local impacts with significant differences from the OA-DOR and Legislative Oversight estimates: notice of tax law changes, and first refusal for tickets. The bill does not require a specific method of notification, and is only clarifying existing law.	<ul style="list-style-type: none"> AIM's claim that a website posting would be sufficient notice is unfounded.
SB 693	(\$26.0 million)	(\$19.8 million)	No analysis	NA	
SB 727	(\$300,000)	(More than \$100,000)	No analysis	NA	

TAX BREAK LEGISLATION -- FISCAL NOTE COMPARISON

Bill #	OA-DOR	Legislative Oversight	AIM	Summary of AIM's Comments	Response
SB 829	(Unknown)	\$0.0	\$0.0	This requires DOR to prove additional tax liability for taxpayers in certain situations. The burden of proof has already been shifted to DOR in most tax cases involving individual taxpayers.	The burden of proof for claiming a tax exemption is on the taxpayer under current law.
SB 860	(\$5.0 million)	Could exceed (\$600,000)	Local cost by option	The bill is clarifying existing exemptions for refunds to original purchasers that have been narrowly interpreted by DOR.	The list of exemptions in the TAFP bill is broader than AIM claims.
Unduplicated Total	(\$351.2 million)	Could exceed (\$222.8 million)	(\$17 million) to Unknown**		

* Legislative Oversight includes an "unknown" cost for a provision in SB 612 -- refunds for taxes properly paid.

** AIM total only includes 7 bills, whereas OA-DOR includes 10 bills

Note: The unduplicated totals above take into account that several provisions are included in more than one of the bills. The unduplicated totals count each provision only once.

Fact Check of AIM's "Reality Check"

AIM, an industry lobbying group, recently produced documents reviewing seven of the ten Friday Favors tax exemption bills vetoed by Governor Nixon. Many of the arguments raised in AIM's documents were addressed in detail in the Governor's ten veto messages on these ten tax exemption bills and in fiscal analyses performed by the Office of Budget of Planning. In addition, Legislative Oversight—fiscal staff that work for the legislature—performed an independent fiscal analysis of the legislation.

The following addresses several of the items raised in the AIM documents.

- AIM's documents only analyze seven out of the ten tax exemption bills vetoed. They fail to address HB1865, SB693, or SB727, which together would reduce state and local revenue by more than \$100 million annually.
 - HB 1865 - Restaurant, grocery store and convenience store exemption
 - This exemption is estimated to reduce state revenue by as much as \$51.2 million annually, but was not analyzed by AIM.
 - SB 693 - 10-year-old Motor Vehicle Exemption
 - This exemption is estimated to reduce total state revenue by as much as \$33.5 million and local revenue by \$26 million annually, but was not analyzed by AIM.
 - SB 727 - Farmer's Market Exemption
 - This exemption is estimated to reduce state revenue by as much as \$300,000 and local revenue by \$300,000 annually.
- Legislative Oversight—the General Assembly's fiscal staff—recently prepared fiscal notes for the ten bills that were consistent with the fiscal analysis performed by the Office of Budget and Planning. For example, where Budget and Planning estimated a reduction of \$351 million annually in local revenue, Legislative Oversight estimated the reduction in local revenue "could exceed" \$222.8 million.
 - AIM disregards Legislative Oversight's fiscal notes by claiming that they must be relying on estimates from Budget and Planning, even though Legislative Oversight frequently disregards or discounts estimates provided by administrative agencies and did not accept Budget and Planning's estimates outright, as demonstrated by the deviation between the two.
- Burden of Proof Provision
 - It is true that under current law the burden of proof for proving tax liability is shifted away from businesses with less than \$7 million in net worth and less than 500 employees. However, AIM claims that "[t]he burden of proof has already shifted to the Missouri Department of Revenue (DOR) in nearly all tax cases involving all individual taxpayers." This is false. The burden of proof for claiming a tax exemption is on all taxpayers under current law.
 - SB 584, HB 1455, and SB 829 would change current law to shift the burden to DOR when a taxpayer tries to claim a refund based on any of the more than 200 tax exemptions, which means that the taxpayer no longer has to prove eligibility for the

claimed exemption. This is unprecedented. It is axiomatic in our legal system that the person making the claim—in this case, the taxpayer claiming the exemption—is required to prove the claim. Shifting the burden to the state fundamentally alters the accepted norm and will result in an unknown negative fiscal impact.

- **Division of Corporation Income**

- AIM claims that a law passed last year already allows corporations to use an alternative apportionment method. However, by its express terms, the law passed last year only applies to sales of tangible personal property. The vetoed tax exemption bills would extend this alternative apportionment method to services and sales of intangible personal property. This change is not a mere clarification of last year's law, which was aimed at manufacturers, but is instead an expansion to entities such as law firms, accounting firms, stock brokers, bond traders, real estate holding companies, and consultants. Had the legislature intended to include services and intangible sales in 2013, as AIM argues, it would have made those changes in the language it enacted in 2013.

- **Admissions Tax**

- AIM agrees that this provision will have a significant impact to both state and local revenues, but limits that impact to \$17 million in state revenue annually and \$17 million in local revenues annually. This argument ignores the actual language of the legislation, which fundamentally changes the nature of the tax and overturns more than a dozen Missouri Supreme Court cases going back to 1977 that have been followed by the Department of Revenue not only during the current administration but also by prior administrations of both parties. This provision fundamentally transforms the current sales tax on any amounts paid for amusement, entertainment, and recreation into a tax solely on tickets and fees for admissions and to non-participatory events. AIM's analysis also ignores that the tax would no longer apply to certain entities under subdivision (20), (21), and (22) of Section 144.030.2, RSMo, or to fees for the right the first opportunity to purchase or decline tickets (e.g., seat licenses).
- This fundamental change would mean a number of activities currently subject to tax are no longer taxable, such as fees for excursions (e.g., horse drawn carriages, river boat rides, train tours, etc.), golf courses, country clubs, wild game ranches, nightclub fees, pool halls, arcades, bowling, and campground fees. Moreover, a place of amusement, entertainment or recreation, games, and athletic events now merely has to change its business practices to charge non-admission fees to avoid sales tax. For example, an amusement park or a water park could change its business to no longer charge an admission fee and instead charge fees for specific rides and no sales tax would apply. An area such as Branson that depends on sales tax from such entities could see a significant loss from this change in law.
- AIM's estimate does not include the broad nature of this new exemption. OA's estimate is more realistic because amusement providers, particularly those in the largest Miscellaneous Amusements SIC 799, will likely change their business practices so that admission fees are not charged. OA also assumes some losses in other categories, such as music producers (that provide lessons or other services

with no admission fees) riverboats (that could charge other fees instead of “admissions”), and camps and trailer parks (that collect fees for summer camps, memberships, or trailer storage)¹. AIM does not include an estimated loss for these types of amusement even though they clearly would be impacted by this legislation.

- Power Company Exemption

- AIM makes the extraordinary claim that this new tax exemption for power companies could result in \$29.7 million in savings to the state because it would only allow power companies to have this tax exemption on a going forward basis instead of allowing them to claim three years of refunds if they believe they are already exempt under current law. If AIM were correct and power companies were already exempt from sales tax, then this change in law would do nothing to prevent them from also seeking a refund for the taxes they have already been paying. Moreover, if power companies are already exempt, then why the need to change the law at all?
- In any event, this exemption is not merely a “clarification” of law, it is an additional exemption. The Missouri Supreme Court has squarely held that electricity generation is manufacturing but electricity transmission is not, and therefore the current manufacturing exemptions may apply to electricity generation but not electricity transmission.² This change is not a clarification—it overrules this long-standing Missouri Supreme Court precedent. And AIM’s suggestion that the passage of Section 144.054 somehow changed the taxability of transmission equipment does not comport with the practice of the electric utility industry, which has continued to pay tax on such equipment (as AIM obviously knows or it would not be able to make its outrageous claims about avoiding refunds).
- AIM also claims that the power company exemption only applies to state sales and use tax and not to local taxes. This is not correct. In order to enact an exemption from state sales tax that does not also apply to the local, the legislature must expressly indicate that the exemption is inapplicable to local sales tax, just as it did in one of the few exemptions from the state sales taxes that does not also apply to the local sales tax—the manufacturing exemptions enacted in Senate Bill No. 30 (2007). See Section 155.054.2, RSMo (“The exemptions granted in this subsection shall not apply to local sales taxes as defined in section 32.085 . . .”). It is necessary to make a state sales tax exemption expressly inapplicable to the local sales tax because Section 32.087, RSMo, incorporates all state sales tax exemptions to the local sales tax. Section 32.087.8; see also *President Casino, Inc. v. Director of Revenue*, 219 S.W.3d 235, 241-42 (Mo. banc 2007) (highlighting Section 32.087.8 as an example of where, “[t]he legislature has specifically and directly incorporated sales tax exemptions into

¹ Also, camps and trailer parks with summer camp fees, membership fees to campgrounds, and other campground and trailer park fees are subject to the amusement, entertainment, and recreations tax. See, e.g., *Kanakuk-Kanakomo Kamps, Inc. v. Director of Revenue*, 8 S.W.3d 94 (Mo. banc 1999); *Endless Trails Resort, Inc., v. Director of Revenue* (Mo. Admin. Hrg. Com. 1999).

² *Utilicorp United, Inc. v. Director of Revenue*, 75 S.W.3d 725 (Mo. banc 2001).

a number of other tax statutes. . .”).³ Accordingly, mere silence as to whether a state exemption applies to the local tax is insufficient to exempt local taxes, as evidenced by other state and local sales tax exemptions that only expressly reference an exemption from the state tax. *See, e.g.*, Section 144.030.1, RSMo; Section 144.062, RSMo. Because Section 32.087, RSMo, incorporates all exemptions from state sales tax to the local sales tax, it is necessary to expressly state that a state sales tax exemption does not apply to local taxes, if that is the intent of the legislature.⁴

- The use of the BEA’s input-output tables as a data source is necessary for this analysis because AIM’s data does not fully capture the wide range of transactions that will be exempted under this proposal. This provision exempts energy, equipment, parts, and materials used in the generation, transmission, distribution, or furnishing of electricity. This provision is written broadly enough that a power transmission company could be completely exempt from paying state and local sales tax on any of its purchases, because any purchase by an electric utility would arguably be used “in connection with or to facilitate” electric transmission.
 - OA’s estimate of \$30 million is supported by DOR analysis of similar refund claims.
 - The \$30 million estimate is less than one percent of the total taxable sales of \$3.11 billion reported by Electric Service providers in 2013.
- Data Processing and Storage
 - AIM argues that the activities sought to be exempted under this language are already exempt under current law. If that were the case, then why the need to enact new language changing the law?
 - In any event, while some data processing is currently considered exempt manufacturing, this new exemption goes far beyond current law. First, unlike the manufacturing exemptions in Section 144.054, the exemptions here apply to the local sales tax as well as the state sales tax. Therefore, even if AIM were correct that this simply clarified current law, there would be a new impact to local governments by virtue of this exemption applying to both state and local sales taxes. Second, manufacturing exemptions generally only apply to those items used in the manufacturing of a product. Under this exemption, no product is required; instead it is merely the activity of data processing and storage that triggers the exemption.⁵

³ Notably the 97th General Assembly reenacted Section 32.087.8 last year in Senate Bill 99 (2013), Senate Bill 23 (2013), and House Bill 184 (2013), and each time continued the reference to all state sales tax exemptions applying equally to the local tax.

⁴ The General Assembly acknowledged this House Bill No. 1865, which was also vetoed, by expressly stating that its exemption for fast food restaurants, grocery stores, and convenience stores would not apply to the local sales tax. *See* Section 144.055.3 (“The exemptions granted in this section shall not apply to the local sales tax law as defined in section 32.085”).

⁵ AIM claims that the Missouri Supreme Court has held that data processing activities are manufacturing and the data processing language in SB 584 merely clarifies this exemption. This analysis is flawed—the language in SB 584 goes much further than any of the Missouri Supreme Court’s limited holdings. For example, AIM claims that the Missouri Supreme Court held in *DST Systems, Inc. v. Director of Revenue*, 43 S.W.3d 799 (Mo. banc 2001), that data processing is the same as manufacturing, and therefore purchases made to accomplish that processing are exempt from tax. DST’s data processing involved combining information from multiple sources into a single final product, therefore computers purchased to process the multiple inputs were held exempt from sales and use tax. The