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**NEWS RELEASE**

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FOR RELEASE November 29, 2005

Auditor of State David A. Vaudt today released a report on two members' compliance with certain requirements established by the Iowa Public Employees' Retirement System (IPERS). The procedures were performed as a result of concerns identified by IPERS officials for the Superintendent and a retired teacher from the LuVerne Community School District. The Superintendent and teacher started to receive IPERS benefits in June 2002 and July 2002, respectively.

Vaudt reported procedures were performed to determine the members' compliance with the "bona fide" retirement requirement established by IPERS. Based on inconsistencies found in documents such as Board minutes, employment contracts and payroll records at the time of the members' retirements and reemployment, it appears the Superintendent and former teacher have not complied with the "bona fide" retirement requirement.

Vaudt also reported the Superintendent exceeded the \$30,000 annual earnings limit established by IPERS. By directing some of his authorized salary to a tax sheltered annuity (TSA), he limited the amount of salary paid in the form of payroll checks to just less than \$30,000 in calendar years 2003 and 2004. When the amount of Mr. Carr's payroll checks are added to the amount contributed by the District to his TSA, his total compensation for 2003 and 2004 was \$66,771.69 and \$66,200.00, respectively. Also, payroll checks issued to Mr. Carr and contributions made to his TSA by the District from January 1, 2005 through June 30, 2005 totaled \$33,500.01, also exceeding the \$30,000 annual earnings limit.

In addition, Vaudt reported none of the contributions to Mr. Carr's TSA were included on the Superintendent's W-2. Appropriate tax withholdings were not made for the contributions. Since it appears these contributions were made to Mr. Carr in lieu of salary, IPERS withholdings may have been required. The contributions to the TSA totaled \$37,136.69 and \$36,900.00 for calendar years

2003 and 2004, respectively. The contributions for calendar year 2005 through June totaled \$15,500.01.

A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/specials.htm>.

# # #

**REPORT ON COMPLIANCE WITH  
IPERS REQUIREMENTS FOR CERTAIN MEMBERS  
FROM THE LUVERNE COMMUNITY SCHOOL DISTRICT**

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Donna Mueller, CEO  
Iowa Public Employees' Retirement System  
7401 Register Drive  
PO Box 9117  
Des Moines, IA 50306-9117

Dear Ms. Mueller:

At your request, we have conducted certain procedures to address concerns identified for the Superintendent and a former teacher from the LuVerne Community School District (the District) who have applied for and received post retirement employment benefits from the Iowa Public Employees' Retirement System (IPERS). Although he is currently receiving post employment retirement benefits, Albert D. Carr is currently the District's Superintendent. Dennis Holmes no longer teaches on a full time basis for the District.

Based on discussions with IPERS personnel, Mr. Carr, Mr. Holmes, other past and present District officials and personnel and a review of relevant information, we performed the following procedures:

- (1) Obtained an understanding of IPERS' rules regarding initial and on-going eligibility for post retirement employment benefits.
- (2) Examined documentation IPERS' representatives provided to us regarding the District's post retirement employment of Mr. Carr and Mr. Holmes.
- (3) Obtained an understanding of and examined documents related to the circumstances leading to and including the retirements and rehiring of Mr. Carr and Mr. Holmes including, but not limited to,
  - Payroll records
  - Board minutes
  - Contracts (prior to retirements and after retirements)
  - Personnel files
  - Insurance records
  - Non-payroll disbursements
  - District policy and procedures manuals
- (4) Obtained an understanding of the recruitment and search processes conducted by the District for filling the vacated positions.
- (5) Determined classifications of the positions held by Mr. Carr and Mr. Holmes to determine if they are consistent with other similar classifications in terms of IPERS coverage.
- (6) Assessed compensation provided to Mr. Carr and Mr. Holmes after termination of their full time employment with the District. Compensation included traditional payroll distributions, vacation payouts and District contributions to a tax sheltered annuity (TSA).
- (7) Determined whether taxes were properly withheld from and paid on TSA contributions.

- (8) Conducted interviews with certain District individuals including, but not limited to,
- Board members (past and present)
  - Board Secretary/District Business Manager (past and present)
  - District's legal counsel
  - Mr. Carr and Mr. Holmes
  - Administrative assistants
- (9) Obtained and reviewed published minutes from a local newspaper for certain Board meetings.

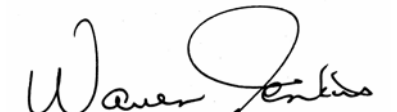
Our findings are presented in the Detailed Findings section and **Exhibits A** through **D** of this report.

The procedures we performed do not constitute an audit of financial statements conducted in accordance with U. S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the LuVerne Community School District, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Kossuth County Attorney's Office, the Attorney General's Office and the Iowa Department of Revenue.

We would like to acknowledge the assistance and many courtesies extended to us by officials and staff at IPERS and the LuVerne Community School District during the course of our review.

  
Auditor of State

  
Chief Deputy Auditor of State

November 4, 2005

## **Background Information**

IPERS requirements and definitions are summarized in a Member Handbook, including requirements related to eligibility and reemployment. Additional requirements are found in the *Code of Iowa* and Iowa Administrative Rules. We have summarized certain requirements as they relate to the procedures we performed regarding Mr. Carr and Mr. Holmes' retirement and reemployment.

**Eligibility Requirements** – To receive IPERS retirement benefits, a member between the ages of 55 and 70 must officially terminate all employment with IPERS covered employers and complete a period of bona fide retirement. In order to establish a bona fide retirement, a member must sever all service with covered employers, including noncovered service. In addition, a member cannot work for a covered employer for one month, and then must stay out of covered employment for three additional months. The qualification period begins with the member's first month of entitlement for retirement benefits as approved by IPERS. A member may not return to covered employment before filing a completed application for benefits.

Retirees cannot enter into reemployment agreements, either written or verbal, before they have received at least one benefit check from IPERS. At the time Mr. Carr and Mr. Holmes applied for IPERS benefits, IPERS' policy stated "returning to temporary employment with same employer in the same position that the retiree just vacated was a violation of the Bona Fide requirement." Effective August 1, 2003, the IPERS' position is a retiree may accept temporary employment in their previous position, even if the temporary employment begins during the bona fide retirement period. However, reemployment of a retiree in their previous position cannot be used as a means of evading the bona fide retirement rules.

Iowa Administrative Rules [495] Chapter 5.2(13) states "Temporary employees shall not be covered provided they have not established an ongoing relationship with an IPERS-covered employer. Effective January 1, 1993, an ongoing relationship with an IPERS-covered employer is established when:

- a. The employee is paid covered wages of \$300 or more per quarter in two consecutive quarters; or
- b. The employee is employed by a covered employer for 1,040 or more hours in a calendar year.

Coverage shall begin when the permanency of the relationship is established and shall continue until the employee's relationship is severed."

According to the Member Handbook, if IPERS learns a retiree was hired as a temporary employee during the bona fide retirement period and then, for whatever reason, the employer treats the retiree as a covered employee immediately following the bona fide retirement period, an audit will be performed. If IPERS learns reasonable efforts were not made to fill the vacancy left by the retiree's retirement with a new permanent employee, IPERS will revoke the retiree's benefits due to a violation of the bona fide retirement rules. If a member violates these provisions, the member's application will be canceled and the member will be required to repay all funds received to date plus interest.

**Reemployment Requirements** – If a retired member returns to employment with an employer which is not IPERS covered, no restrictions apply. However, if a retired member returns to employment with an IPERS covered employer in a covered position, the member is required to make IPERS contributions. In addition, all

members retiring before age 70 must complete a bona fide retirement before returning to any covered employer.

If a member retiring between the ages of 55 and 65 returns to IPERS covered employment after completing a bona fide retirement, the member must notify IPERS when wages on a “when-paid basis” (or cash basis) exceed the earnings limitation of \$30,000 or the current Social Security limit for persons under age 65, whichever is higher. (The \$30,000 earnings limitation applies to Mr. Carr and Mr. Holmes since it is higher than the Social Security limit.) IPERS reduces the member’s retirement allowance by 50 cents for each dollar the member earns over the \$30,000 earnings limit.

To determine Mr. Carr’s and Mr. Holmes’ compliance with these requirements, we obtained certain information from IPERS officials. The first month of entitlement is the first month a member qualifies for a monthly benefit. This usually is the month following the month in which a member terminates employment (regardless of the day of the month the member terminates.)

	Mr. Carr	Mr. Holmes
IPERS application date	06/06/02	07/19/02
First month of entitlement	June 2002	June 2002
First benefit check	June 2002	July 2002*
Initial monthly benefit	\$ 3,275.62	\$1,831.38
Date of birth	02/12/44	08/20/39
Age at retirement	58	63

\* Payment in July is for June and July 2002

### **Detailed Findings**

Based on the documents we have examined and the payments made to Mr. Carr and Mr. Holmes after their retirements, it appears the requirements of a bona fide retirement have not been met by either Mr. Carr or Mr. Holmes. In addition, we determined compensation earned by Mr. Carr may have exceeded the earnings limitation established by IPERS and not all compensation was appropriately taxed or included on his W-2. A detailed explanation of each of our findings follows.

#### **A. Mr. Carr’s compliance with requirements for a bona fide retirement**

Upon our initial requests, we were unable to obtain a copy of Mr. Carr’s resignation letter from either the District or Mr. Carr. However, Mr. Carr stated he could put together the resignation letter that had been presented to the Board at the time of his resignation. We were later provided a copy of Mr. Carr’s resignation letter, but are not able to determine its authenticity. Mr. Carr indicated a separate file containing resignation letters had been found at the District.

Mr. Carr’s resignation letter contained his signature and was dated May 23, 2002. It stated his resignation was effective May 31, 2002 and contained specific terms of final payments of salary and vacation payout, a request for continuation of insurance for three months and a statement Mr. Carr could not assist the District during the month of June 2002. **Appendix 1** contains a copy of the letter.

We examined the District’s minutes from the May 23, 2002 special Board meeting. We also compared the District’s copy of the minutes to minutes obtained from the Corwith-



Wesley Community School District (CSD) and the minutes published in the *Humboldt Independent* newspaper. Because the LuVerne and the Corwith-Wesley CSDs participate in grade sharing, they routinely have joint Board meetings. These meetings are preceded by separate monthly meetings of the individual Boards. As a result of the relationship between the Districts and the Boards, copies of each Board's meeting minutes were filed with the Business Office of each District. Also, in accordance with *Code of Iowa* section 279.35, all districts are required to publish minutes of regular and special Board meetings. The minutes must be published in a timely manner and in at least one local newspaper.

The minutes obtained from the District are not consistent with minutes of the same meeting obtained from the Corwith-Wesley CSD or the minutes published in the *Humboldt Independent* newspaper. The District's signed copy of the minutes state:

"Supt. Carr expressed his desire to retire as principal/superintendent effective May 31, 2002 as discussed with individual board members earlier this spring.

#76 Motion by Casey, seconded by Coleman to accept the resignation of Al Carr, Superintendent/Principal effective May 31, 2002 and to agree that he shall receive the final regular monthly salary of Five Thousand Two Hundred and Fifty dollars to be paid on the 15<sup>th</sup> of June, 2002. A lump sum payment for vacation days of Four Thousand Five Hundred dollars shall be paid in two equal installments of \$2,250.00 on the 15<sup>th</sup> of July and the 15<sup>th</sup> of August. Motion carried unanimously.

The board discussed plans on the procedure to hire a replacement for the superintendent/principal vacancy."

However, the published minutes and minutes obtained from the Corwith-Wesley CSD state:

"Motion by Casey, seconded by Coleman, to approve a contract to Al Carr, Superintendent/Principal with the same salary as the previous year of \$63,000 for the 2002-2003 school year. Motion carried unanimously."

In addition, the minutes obtained from the Corwith-Wesley CSD state:

"Supt. Carr distributed a copy of his contract for the 2002-2003 school year with the salary remaining the same as the previous year due to budget constraints."

**Appendices 2** through **4** contain copies of the May 23 meeting minutes obtained from the LuVerne and the Corwith-Wesley CSDs and those published in the *Humboldt Independent*. As illustrated in these **Appendices**, the published minutes and those obtained from the Corwith-Wesley CSD do not contain any mention of Mr. Carr's retirement, resignation, vacation payouts or final salary payment. When we asked the Corwith-Wesley CSD's Board Secretary and Principal about Mr. Carr's resignation in May 2002, they both indicated they were unaware he had previously retired.

The minutes of the subsequent June Board meeting state the minutes of the May meetings were approved "as mailed". Therefore, no authorized corrections or additions were made to the Board minutes. According to the current and former Board Secretaries, after minutes are prepared, they are provided to the newspaper by the Board Secretary for publication.

When we asked Mr. Carr about the discrepancies between the various copies of the minutes, he responded a mistake must have been made. We also asked the former Board Secretary/Business Manager about the differences and she replied "I can't explain why there would be a discrepancy."

In addition to the published Board minutes, a news article in the May 30, 2002 edition of the *Humboldt Independent* also states the Board approved Mr. Carr's contract for the 2002-2003 school year at \$63,000. **Appendix 5** contains a copy of the article.

In addition to Mr. Carr's resignation letter, we also examined a contract dated May 23, 2002 and signed by Mr. Carr and the Board President. The contract states the District's Board of Education would employ Mr. Carr as Superintendent/Principal (Superintendent) from July 1, 2002 through June 30, 2003. **Appendix 6** contains a copy of the contract. It contained the following provisions:

- The Superintendent agrees to terminate employment May 31, 2002 and shall receive the final regular monthly salary of \$5,250 on June 15, 2002 as well as a lump sum payment for vacation days of \$4,500 in two equal installments of \$2,250 on July 15 and August 15.
- From July 1 through and including September 30, 2002 the Superintendent will serve the District as a temporary employee as defined by IPERS and shall document and perform specified duties, including attending the July, August and September Board meetings.
- Beginning October 1, after establishing a bona fide retirement as defined by IPERS, the Superintendent shall return to full time employment. A salary of \$27,000 is to be paid in equal installments of \$9,000 on the 15<sup>th</sup> of each month for a period of three consecutive months, the first payment to be made on October 15, 2002.
- Beginning January 1 and ending June 30, 2003, the Superintendent shall be paid a salary of \$31,500 to be paid in equal installments of \$5,250 on the 15<sup>th</sup> of each month for a period of six consecutive months, the first payment to be made on January 15, 2003. The Board will pay a tax shelter annuity (TSA) for the Superintendent instead of salary at an amount requested by the Superintendent not to exceed \$5,250 per month.

According to Mr. Carr, this contract was never approved by the Board, although it was signed by Mr. Carr and the Board President and was located in the District's contract files. He stated the contract was voided, but could provide no documentation to support it had been nullified or voided. We reviewed Board minutes and did not find where the Board discussed voiding the contract. One Board member indicated he remembered Mr. Carr saying he had found out that this may not be the right way to do this. Another Board member stated he remembered discussion of voiding an agreement because of additional understanding of IPERS rules.

According to Mr. Carr, the Board approved only his resignation at the May 23, 2002 meeting, not the contract dated May 23, 2002. As mentioned earlier in this report, the Corwith-Wesley CSD's copy of these minutes state a copy of Mr. Carr's contract was distributed at the Board meeting. Based on the published minutes and those obtained from the Corwith-Wesley CSD, it appears the Board approved a contract with Mr. Carr for the 2002-2003 school year.

Even though he stated the contract dated May 23, 2002 had been voided, Mr. Carr received the final salary payment in June and vacation payouts in July and August consistent with the provisions of this contract. In addition, based on Board minutes we reviewed, Mr. Carr carried out certain duties, attended the Board meetings and presented the Superintendent's report during the July, August and September meetings, as required by the terms of the contract signed on May 23, 2002. At the July 11 meeting, Mr. Carr was appointed as grievance officer for the 2002-2003 school year. We also

identified reimbursements to Mr. Carr during this period for purchases he made for the District as shown in the following table.

<b>Check Date</b>	<b>Invoice Date</b>	<b>Vendor</b>	<b>Purchases</b>	<b>Amount</b>
08/08/02	07/19/02	Sam's Club	2 chairs	\$ 105.98
08/08/02	07/19/02	Sam's Club	Bookcase	158.94
08/08/02	08/03/02	Best Buy	Camcorder A/V kit and case	74.18
09/16/02	08/06/02-08/08/02	Mileage/Meals	Reimbursement for SAI Convention	109.40
09/16/02	08/24/02	Barnes and Noble Bookseller	Books	152.51
09/16/02	08/24/02	Sam's Club	Printer	95.37
09/16/02	08/29/02	DataViz	Software	69.95
09/16/02	09/04/02	Primetime	Board Conference and supplies	197.43

Mr. Carr attended a course entitled "Mandatory Child Abuse and Dependent Adult Abuse Reporter Training for Educators" on August 28, 2002. The course was offered over the ICN and all staff and substitute teachers were invited to attend. The reimbursements and training are further indication Mr. Carr was working as the Superintendent during July through September 2002 in accordance with the terms of the contract dated May 23, 2002.

In addition, we asked Mr. Carr if his job duties and the number of hours he worked changed after his retirement. He responded that he kept a log of duties he performed while he was a temporary employee, based on advice from an IPERS representative. Mr. Carr subsequently provided us calendars for the months of June, July and August 2002 on which he made notations of the functions he performed. Copies of the calendars are included in **Appendix 7**. As illustrated by the **Appendix**, Mr. Carr made a notation on the June calendar that he "stayed away from the building." We are unable to determine the accuracy of the notations made by Mr. Carr.

If the contract signed May 23, 2002 became effective, Mr. Carr would have clearly violated the IPERS' requirement prohibiting retirees from entering into reemployment agreements, either written or verbal, before they have received at least one benefit check from IPERS.

While the minutes from the May 23 Board meeting on file at the District state the Board discussed plans on the procedure to hire a replacement for the Superintendent, the minutes from the next two monthly Board meetings do not include any indication the Board discussed a search for Mr. Carr's replacement. If the District did not have a contract or other provisions in place with Mr. Carr for services, we would expect the Board to have had significant discussions at the June and July Board meetings regarding a search for a replacement. The signed Board minutes from the June 13, 2002 and July 10, 2002 meetings are included in **Appendices 8** and **9**. According to the former Board Secretary and two Board members, the Board made no effort to search or advertise for a replacement for the Superintendent.

We also examined a contract signed by Mr. Carr and the Board President on September 16, 2002. The contract states the District's Board of Education would employ Mr. Carr as Superintendent/Principal (Superintendent) "for a period of one year commencing October 1, 2002 and ending June 30, 2003." **Appendix 10** contains a copy of the contract. It contained the following provisions:

- A salary of \$27,000 is to be paid in equal installments of \$9,000 on the 15<sup>th</sup> of each month for a period of three consecutive months, the first payment to be made on October 15, 2002.
- Beginning January 1 and ending June 30, 2003, the Superintendent shall be paid a salary of \$31,500 to be paid in equal installments of \$5,250 on the 15<sup>th</sup> of each month for a period of six consecutive months, the first payment to be made on January 15, 2003. The Board will pay a tax shelter annuity (TSA) for the Superintendent instead of salary at an amount requested by the Superintendent not to exceed \$5,250 per month.

This contract included only the last two parts of the payment provisions included in the May 23<sup>rd</sup> contract. It does not include any references to the vacation payouts or make mention of Mr. Carr serving as a temporary employee for the District.

We examined the District's minutes from the Board's September 16, 2002 meeting. We also compared the District's copy of the minutes to minutes obtained from the Corwith-Wesley CSD and the minutes published in the *Humboldt Independent* newspaper. As with the minutes from the May 23<sup>rd</sup> meeting, we identified discrepancies between the various copies. The District's version of the minutes state:

"#33 Motion by Coleman, seconded by Casey to approve the following contracts for the 2002-2003 school year effective October 1, 2002: Dennis Holmes as teacher, athletic director, assistant principal, and junior high track coach; Al Carr, superintendent/principal at a salary and/or an annuity of \$58,500 and student council advisor for the 2002-2003 school year at a salary of \$225. Motion carried unanimously."

However, the published minutes and the copy of the minutes obtained from the Corwith-Wesley CSD state:

"#33 Motion by Coleman, seconded by Casey to approve the appointment of Al Carr Superintendent/Principal to serve as Student Council Advisor for the 2002-2003 school year at a salary of \$225. Motion carried unanimously."

**Appendices 11 through 13** contain copies of the September 16 meeting minutes obtained from the LuVerne and the Corwith-Wesley CSDs and those published in the *Humboldt Independent*. As illustrated in these **Appendices**, the published minutes and those obtained from the Corwith-Wesley CSD do not contain any mention of a contract with Mr. Carr for the position of Superintendent/Principal for a salary and/or annuity of \$58,500.

According to Mr. Carr, this contract rather than the one dated May 23, 2002 was the contract actually put into place by the District. This is contradicted by Mr. Carr performing several provisions of the May 23, 2002 contract between July 1 and September 30, 2002 as previously cited. Based on the documents we reviewed, it appears Mr. Carr acted as the District's Superintendent during this time period in accordance with the terms of the contract he signed on May 23, 2002. These actions would be in violation of IPERS' rules regarding bona fide retirement. Mr. Carr indicated he served as a temporary employee during the period July 2002 through September 2002.

Neither contract required Mr. Carr to perform any duties in June. A Superintendent's report was on the agenda for presentation to the Board at the June meeting, but minutes do not identify who presented or prepared the contents of the report. However, an article from the *Humboldt Independent* on the June 13, 2002 meeting states Mr. Carr reported on the upcoming school board election. This article is included in **Appendix 14**. In addition, we identified one District check to an employee for medical reimbursement dated June 20, 2002 which was signed by Mr. Carr. Mr. Carr also received a reimbursement in August 2002 for registration to a June 11, 2002 computer conference in Des Moines.

We also observed the District's payroll and other disbursement records and determined Mr. Carr received the final \$5,250 payment during June 2002 related to his contract for the 2001-2002 school year. Mr. Carr's contract salary for the 2001-2002 school year was \$63,000. Although his resignation was effective after completion of only 11 months of his 12 month contract, he received the full annual salary of \$63,000 after collecting the payment of \$5,250 in June.

**Exhibit A** summarizes the payments to Mr. Carr on a contract/school year basis. Between July 1, 2002 and June 30, 2003, Mr. Carr received the following compensation:

	<b>Amount</b>
Gross salary in the form of checks (October through June)	\$ 47,430
Contributions to TSA (October through June)	11,070
Subtotal	58,500
Vacation payouts	4,500
Total	<u>\$ 63,000</u>

As illustrated by the table, between July 1, 2002 and June 30, 2003, Mr. Carr received the \$63,000 annual salary approved by the Board and documented in the published minutes of the May 23, 2002 meeting. This is in spite of the fact Mr. Carr did not receive any "salary checks" in July, August or September of 2002.

If Mr. Carr had been paid his previous monthly salary of \$5,250 for the period July 1 through December 31, 2002, he would have received \$31,500 gross salary. By receiving \$27,000 gross salary for October, November and December (\$9,000 per month for 3 months) in addition to his \$4,500 vacation payout, he still received the \$31,500, even though the September 16 contract states Mr. Carr was to provide services to the District starting October 1. However, Mr. Carr did provide services to the District from July through September 2002. During a phone conversation with Mr. Carr, he indicated he served as a temporary employee during July through September 2002 but was not put on the payroll until October 2002.

Mr. Carr's monthly compensation for October through December 2002 was \$9,000. This is an unusually large amount when compared to previous and subsequent monthly compensation amounts of approximately \$5,250. When asked why October through December's salary amount was larger, Mr. Carr responded he was allowed by IPERS guidelines to receive that amount.

If Mr. Carr had been paid his previous salary of \$5,250 for each month of service between October 1, 2002 and June 30, 2003, he would have received \$47,250 rather than the \$63,000 he actually collected in salary and TSA contributions.

**Appendix 15** contains copies of documentation attached to the District's Board minutes from the April 10, 2002 and May 22, 2003 meetings. The attachments show Mr. Carr's annual salary remained at \$63,000 for the 2001-2002 and 2002-2003 school year. His salary was increased from \$63,000 to \$65,000 for the 2003-2004 school year. These documents show the Board considered Mr. Carr's salary to be \$63,000 for the 2002-2003 school year rather than the \$58,500 stated in the September 16, 2002 contract. The difference is the \$4,500 vacation payout.

Mr. Carr's employment contracts for school year 2001 through 2005 included a provision for four weeks of vacation. These contracts did not include a provision for payment of unused vacation or accrual from one year to the next. Since the contracts did not provide for payment of unused vacation, we reviewed the District's vacation policy. The District has a policy for classified employees and one for licensed employees. The vacation policy for full-time classified employees states vacation time may not accrue from one year to the next and does not provide for payment for unused vacation. The policy for licensed employees does not address the payment or accrual of unused vacation.

In Mr. Carr's resignation letter, he requested continued coverage of health, dental and life insurance for three months. The three months likely included July, August and September. During our discussions with Mr. Carr, he originally stated he did not have an employment relationship with the District until October 1, 2002. He later indicated he was a temporary employee from July through September. However, based on our discussion with the current District Business Manager, Mr. Carr received insurance coverage from June through September. In fact, there was never a time Mr. Carr did not receive health, dental and life insurance benefits. The benefits were paid by the District even though Mr. Carr stated he no longer had an employment relationship with the District. While Mr. Carr's resignation letter requested the continued coverage, the published minutes of the Board meetings do not include acknowledgment or approval of Mr. Carr's resignation or the continued insurance coverage.

Based on the documents available for our review, both those provided by the District and those obtained from other sources, it appears Mr. Carr has not met the requirements established by IPERS for a bona fide retirement. It appears steps were made to circumvent the restrictions put in place by IPERS. As of October 31, 2005, Mr. Carr has received \$138,764.57 of IPERS benefits.

## **B. Mr. Holmes' compliance with requirements for a bona fide retirement**

Upon our initial requests, we were unable to obtain a copy of Mr. Holmes' resignation letter from either the District or Mr. Holmes. We were later provided a copy of Mr. Holmes' resignation letter, but are not able to determine its authenticity. Mr. Carr indicated a separate file containing resignation letters had been found at the District.

Mr. Holmes' resignation letter was dated May 7, 2002, just days after the May 1, 2002 date on his contract (**Appendix 16**) to provide teaching services during the 2002-2003 school year. The letter indicated his wife's health challenges and the possibility of Mr. Holmes' position being reduced to part time influenced his decision to resign effective at the end of the 2001-2002 school year. **Appendix 17** contains a copy of the letter.

We examined the District's signed minutes from the Board's May 9, 2002 meeting. We also compared the District's copy of the minutes to minutes obtained from the Corwith-Wesley CSD and the minutes published in the *Humboldt Independent* newspaper. As previously described, these minutes also contain discrepancies between the various copies. The District's signed minutes state, in part:

"#73 Motion by Hefty, seconded by Casey to approve the resignation of Dennis Holmes as teacher and coach effective at the end of the school year due to retirement and also to acknowledge receipt of the request by Paul Sonius to be released from his junior high football coaching assignment... Motion carried unanimously."

However, the published minutes and the copy of the District's minutes obtained from the Corwith-Wesley CSD both state, in part:

"Motion by Hefty, seconded by Casey to acknowledge receipt of the request by Paul Sonius to be released from his junior high football coaching assignment... Motion carried unanimously."

**Appendices 18** through **20** contain copies of the May 9 meeting minutes obtained from the LuVerne and the Corwith-Wesley CSDs and those published in the *Humboldt Independent*. As illustrated in these **Appendices**, the published minutes and those obtained from the Corwith-Wesley CSD do not contain any mention of Mr. Holmes' resignation.

The minutes for the subsequent June Board meeting state the minutes of the May meetings were approved "as mailed". Therefore, no authorized corrections or additions were made to the Board minutes. According to the current and former Board Secretaries, after minutes are prepared, they are provided to the newspaper by the Board Secretary for publication.

We also examined a contract signed by Mr. Holmes and the Board President on September 16, 2002. The contract states Mr. Holmes agreed "to well and faithfully perform the duties of teacher, assistant principal and athletic director commencing October 1, 2002". **Appendix 21** contains a copy of the contract.

As previously stated, we examined the District's minutes from the Board's September 16, 2002 meeting. We also compared the District's copy of the minutes to minutes obtained from the Corwith-Wesley CSD and the minutes published in the *Humboldt Independent* newspaper and identified discrepancies between the various copies. The District's signed minutes state:

"#33 Motion by Coleman, seconded by Casey to approve the following contracts for the 2002-2003 school year effective October 1, 2002: Dennis Holmes as teacher, athletic director, assistant principal, and junior high track coach; Al Carr, superintendent/principal at a salary and/or an annuity of \$58,500 and student council advisor for the 2002-2003 school year at a salary of \$225. Motion carried unanimously."

However, the published minutes and the copy of the District's minutes obtained from the Corwith-Wesley CSD both state:

"#33 Motion by Coleman, seconded by Casey to approve the appointment of Al Carr Superintendent/Principal to serve as Student Council Advisor for the 2002-2003 school year at a salary of \$225. Motion carried unanimously."

**Appendices 11** through **13** contain copies of the September 16 meeting minutes obtained from the LuVerne and the Corwith-Wesley CSDs and those published in the *Humboldt Independent*. As illustrated in these **Appendices**, the published minutes and those obtained from the Corwith-Wesley CSD do not contain any mention of a contract with Mr. Holmes.

The September 16, 2002 contract establishes a salary of \$33,067 for 160 days of services, 152 of which were to be teaching days. This is the same amount as Mr. Holmes' contract for the previous school year for 190 total days. Mr. Holmes contract was established at the maximum salary allowed for his pay step per the District's master contract with the LuVerne Education Association.

According to his contract, Mr. Holmes was to receive monthly salary payments of \$3,006.09, with the first payment to be made on October 15, 2002. However, when he

became reemployed by the District in October 2002, he received \$5,511.18 gross salary in October, which appears to represent two month's salary at the monthly rate of \$2,755.59 even though he had only worked two weeks. The rate of \$2,755.59 is the monthly salary from the contract signed by Mr. Holmes on May 1, 2002. He also received \$2,755.59 per month from November 2002 through August 2003 which is the same monthly amount he was paid the previous school year. None of the payments were in accordance with the September 16 contract. **Exhibit B** summarizes the payments to Mr. Holmes on a fiscal/contract year basis.

Mr. Holmes' salary payments for the 2002-2003 school year total the same amount as his annual salary for the 2001-2002 school year, even though the District reports he was not employed by the District from August through September 2002. It appears Mr. Holmes' salary payment for September was "deferred" until after his reemployment date of October 1.

As illustrated by **Exhibit B**, the salary payment issued to Mr. Holmes on October 15, 2002 was double his usual monthly salary of \$2,640.00. Teachers are paid mid-month for the previous four weeks of service. Because the check should have been for the period October 1 through October 15, 2002, it should have been for only half the amount of his usual monthly salary. When Mr. Carr was asked why Mr. Holmes was paid his entire salary even though his contract date was October 1, 2002, Mr. Carr responded "basically he did the work." Because it was twice the normal monthly amount, it appears it was for the period August 15 (the start of the school year) through October 15, 2002.

When we asked who assumed responsibility for teaching Mr. Holmes' classes and the Assistant Principal's and the Athletic Director's responsibilities, Mr. Carr responded Mr. Holmes had been performing teaching services prior to October 1 as a temporary employee and was paid for those services at a later date because he had chosen not to be put on payroll during the period of his temporary employment. Mr. Carr also stated the search for Mr. Holmes' replacement would have been done internally within the District.

Mr. Holmes resigned again on February 27, 2003 effective at the end of the 2002-2003 school year. A copy of his resignation letter is included in **Appendix 22**. As stated in his resignation letter, Mr. Holmes took advantage of the District's early retirement policy and received a \$4,000 stipend in July 2003.

The early retirement policy was applicable to full time licensed teaching staff who were fifty-five years old by June 30, 2003 and had at least fifteen consecutive years of teaching at the District. Mr. Holmes had previously resigned in May 2002 and, according to his teaching contract dated September 16, 2002, he did not return to full time employment until October 2002. It is not clear whether an employee who previously retired could qualify for the District's early retirement policy or if this is an indication the employment relationship was not severed in May 2002.

Based on the documents available for our review, both those provided by the District and those obtained from other sources, it appears Mr. Holmes has not met the requirements established by IPERS for a bona fide retirement. It appears steps were made to circumvent restrictions put in place by IPERS. As of October 31, 2005, Mr. Holmes has received \$81,716.03 of IPERS benefits.

### **C. Mr. Carr's compliance with the \$30,000 per year annual salary limitation**

**Exhibit C** summarizes the payments made to Mr. Carr on a calendar year basis. The following table summarizes the amounts paid to him in 2002 after his retirement date of May 31, 2002.



<b>Description</b>	<b>Amount</b>
Payment for October through December	\$ 27,000
Other pay	680
Vacation payouts	4,500
Subtotal	32,100
Payments for June (unearned)	5,250
Total	\$ 37,430

As illustrated, if the vacation payouts and the payment made to Mr. Carr for the last month of his 2001-2002 contract (for which he did not provide services) are considered, the \$30,000 limit has been exceeded for 2002.

In 2002, Mr. Carr received vacation payouts totaling \$4,500. Half the amount was paid in July 2002 and the other half in August. In accordance with IPERS rules, IPERS contributions were not withheld from the lump sum payments. As stated earlier, none of Mr. Carr's contracts reviewed included a provision for accumulation or payout of unused vacation.

The District was not able to provide records documenting Mr. Carr's vacation usage for the school years reviewed. Therefore, we do not know if Mr. Carr used any vacation during the year. Mr. Carr indicated he did not use any vacation during his 2001-2002 contract period.

District representatives were not able to explain to us how the \$4,500 vacation payout amount was determined. If the disbursement for four weeks of vacation was appropriate, it appears the amount should have been his daily rate of \$242.31 times 20 days (or less if some vacation was used). When Mr. Carr was asked how the \$4,500 vacation payout amount was determined, he sent us the following calculation:

$$\begin{aligned}\text{Total Salary of } \$63,000 / 260 \text{ days (contract days)} &= \$242.31 \text{ per day} \\ \$242.31 * 20 \text{ days (vacation per contract)} &= \$4,846.20\end{aligned}$$

Mr. Carr stated he was underpaid \$346.20 since he only requested \$4,500 as part of his retirement package.

We were able to arrive at \$4,500 by dividing his salary of \$58,500 by 260 days. The resulting per day of amount of \$225 times 20 days of vacation equals \$4,500. The contract dated September 16, 2002 was for a salary of \$58,500 but was only for 220 days. If Mr. Carr did serve as the Superintendent for the entire year, the number of days worked was actually 260 days. Also, the vacation payout was prior to this contract.

As stated previously and as illustrated in **Exhibit A**, when the \$4,500 is added to the gross amounts of Mr. Carr's salary checks and contributions to his TSA during the remainder of fiscal year 2003, the total compensation to Mr. Carr is \$63,000. This is the same amount of his contracted salary for the 2001-2002 school year. It appears the \$4,500 vacation payout amount was used to bring Mr. Carr's fiscal year 2003 salary to \$63,000. This is consistent with documentation found attached to the Board minutes from May 22, 2003. See **Appendix 15**.

If the disbursement for the four weeks of vacation was actually part of Mr. Carr's salary for the 2002-2003 school year, it appears the \$4,500 should be added to the \$27,600 paid to Mr. Carr from October through December.

As stated previously, Mr. Carr's contract salary for the school year 2001-2002 was \$63,000. Although he resigned 11 months into his 12 month contract, he received a full monthly salary payment in June, bringing the total amount paid to him for contract year 2002 to \$63,000. It appears he was paid \$5,250 more than he was entitled to for services provided to the District during fiscal year 2002. If so, this may not have been an appropriate use of public funds. If the \$5,250 paid to Mr. Carr was for services performed for the District, this amount should be added to the \$27,680 paid to him from October through December and compared to the \$30,000 annual earnings limitation.

During 2003 and 2004, Mr. Carr was paid a portion of his salary in the form of payroll checks and a portion in the form of contributions to a tax-sheltered annuity (TSA). The following table summarizes the payments and contributions.

Calendar Year	Gross Salary Checks	Contributions to TSA	Total Compensation
2002*	\$27,680.00#	-	27,680.00
2003	29,635.00	37,136.69	66,771.69
2004	29,300.00	36,900.00	66,200.00
2005^	18,000.00	15,500.01	33,500.01

# - Does not include vacation payout or payment in June for FY02 contract  
 \* - 06/01/02 - 12/31/02  
 ^ - 01/01/05 - 06/30/05

Mr. Carr had the ability to change the gross amount of his salary checks and the contributions to his TSA. It appears he periodically changed these amounts to avoid exceeding the \$30,000 limit established by IPERS. The table summarizes the salary amounts provided to Mr. Carr in checks (gross amount) and contributions to the TSA after his retirement date. **Exhibit C** details the checks paid to Mr. Carr and contributions to his TSA.

When the checks and the TSA contributions are combined, the \$30,000 limit was exceeded in 2003, 2004 and 2005. Mr. Carr appears to have increased the contributions to his TSA when necessary to avoid having his gross salary received through checks exceed the \$30,000 limit. As specified in the language of the September contract, it appears Mr. Carr intended for the TSA contributions to replace his salary checks once he was close to exceeding the \$30,000 limit established by IPERS.

According to Mr. Carr, he would likely have requested the change in monthly gross salary for tax purposes based on advice from his financial planner.

Since Mr. Carr's resignation in May 2002, all contributions to Mr. Carr's TSA have not been reported on his W-2's. These contributions appear to be elective salary deferrals and, as such, should have been reported on the W-2's and should have been considered as taxable wages for Social Security. Both employer and employee contributions should have been made to IPERS and Social Security for the wages paid to Mr. Carr in the form of contributions to his TSA. **Exhibit C** lists the contributions to Mr. Carr's TSA.

#### **D. Mr. Holmes' compliance with the \$30,000 per year annual salary limitation**

As illustrated by **Exhibit D**, Mr. Holmes did not exceed the \$30,000 earnings limitation after his resignation in May 2002.

### **Referral to County Attorney**

As previously stated, we identified inconsistencies in certain contracts and minutes of the LuVerne CSD Board meetings. There are different versions of employment contracts on file with the District for Mr. Carr and Mr. Holmes that contain conflicting terms. In addition, the Board minutes on file at the District for the May 9, May 23 and September 16, 2002 meetings are different than the minutes published in the *Humboldt Independent* and the minutes available from the Corwith-Wesley CSD.

As a result of the inconsistencies identified, it appears section 721.1(2) of the *Code of Iowa* may have been violated. This section states any public officer or employee who knowingly falsifies any public record or issues any document falsely purporting to be a public document commits a class "D" felony.

In addition, it appears section 97B.40 of the *Code of Iowa* may also have been violated. This section states, in part,

"A person shall be guilty of a fraudulent practice if the person makes, or causes to be made, any false statement or representation for the purpose of causing any payment to be made where no payment is authorized under this chapter."

As a result, these matters have been referred to the Kossuth County Attorney for further review. A copy of the report has also been filed with the Attorney General's Office.

**Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District**

## **Exhibits**

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Payments to Mr. Carr on a Fiscal Year/Contract Year Basis

Date	Amount to be paid per contract/resignation agreement	Amounts actually paid			
		Salary	District Contribution to TSA	Vacation Payout	Total
07/13/01	\$ 5,250.00	5,250.00	-	-	5,250.00
08/15/01	5,250.00	5,250.00	-	-	5,250.00
09/14/01	5,250.00	5,250.00	-	-	5,250.00
10/15/01	5,250.00	5,250.00	-	-	5,250.00
11/15/01	5,250.00	5,250.00	-	-	5,250.00
12/14/01	5,250.00	5,250.00	-	-	5,250.00
01/15/02	5,250.00	5,250.00	-	-	5,250.00
02/15/02	5,250.00	5,250.00	-	-	5,250.00
03/15/02	5,250.00	5,250.00	-	-	5,250.00
04/15/02	5,250.00	5,250.00	-	-	5,250.00
05/15/02	5,250.00	5,250.00	-	-	5,250.00
06/14/02	5,250.00	5,250.00	-	-	5,250.00
Total	<u>\$ 63,000.00</u>	<u>63,000.00</u>	<u>-</u>	<u>-</u>	<u>63,000.00</u>
07/15/02	\$ 2,250.00 ^	-	-	2,250.00	2,250.00
08/15/02	2,250.00 ^	-	-	2,250.00	2,250.00
09/13/02	-	-	-	-	-
10/15/02	9,000.00	9,000.00	-	-	9,000.00
11/15/02	9,000.00	9,000.00	-	-	9,000.00
12/13/02	9,000.00	9,000.00	-	-	9,000.00
01/15/03	5,250.00	5,250.00	-	-	5,250.00
02/14/03	5,250.00	5,250.00	-	-	5,250.00
03/14/03	5,250.00	3,930.00	1,320.00	-	5,250.00
04/15/03	5,250.00	2,000.00	3,250.00	-	5,250.00
05/15/03	5,250.00	2,000.00	3,250.00	-	5,250.00
06/13/03	5,250.00	2,000.00	3,250.00	-	5,250.00
Total	<u>\$ 63,000.00</u>	<u>47,430.00</u>	<u>11,070.00</u>	<u>4,500.00</u>	<u>63,000.00</u>

<b>Amount to be paid for months worked</b>	<b>Additional amounts paid **</b>
5,250.00	-
5,250.00	-
5,250.00	-
5,250.00	-
5,250.00	-
5,250.00	-
5,250.00	-
5,250.00	-
5,250.00	-
5,250.00	-
5,250.00	1,000.00
5,250.00	80.00
<b>63,000.00</b>	<b>1,080.00</b>
-	-
-	-
-	600.00
5,250.00	-
5,250.00	-
5,250.00	-
5,250.00	40.00
5,250.00	-
5,250.00	80.00
5,250.00	220.00
5,250.00	1,040.00
5,250.00	225.00
<b>47,250.00</b>	<b>2,205.00</b>

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Payments to Mr. Carr on a Fiscal Year/Contract Year Basis

Date	Amount to be paid per contract/resignation agreement	Amounts actually paid			
		Salary	District Contribution to TSA	Vacation Payout	Total
07/15/03	\$ 5,416.67	1,300.00	4,116.67	-	5,416.67
08/15/03	5,416.67	1,300.00	4,116.67	-	5,416.67
09/15/03	5,416.67	1,300.00	4,116.67	-	5,416.67
10/15/03	5,416.67	1,300.00	4,116.67	-	5,416.67
11/14/03	5,416.67	1,300.00	4,116.67	-	5,416.67
12/15/03	5,416.67	1,100.00	4,316.67	-	5,416.67
01/15/04	5,416.67	2,500.00	2,916.67	-	5,416.67
02/13/04	5,416.66	2,500.00	2,916.67	-	5,416.67
03/15/04	5,416.66	2,500.00	2,916.67	-	5,416.67
04/15/04	5,416.66	2,500.00	2,916.67	-	5,416.67
05/14/04	5,416.66	2,500.00	2,916.67	-	5,416.67
06/15/04	5,416.67	2,500.00	2,916.67	-	5,416.67
Total	<u>\$ 65,000.00</u>	<u>22,600.00</u>	<u>42,400.04</u>	<u>-</u>	<u>65,000.04</u>
07/15/04	\$ 5,583.33	2,350.00	3,233.33	-	5,583.33
08/13/04	5,583.33	2,350.00	3,233.33	-	5,583.33
09/15/04	5,583.33	2,350.00	3,233.33	-	5,583.33
10/15/04	5,583.33	2,350.00	3,233.33	-	5,583.33
11/12/04	5,583.33	2,350.00	3,233.33	-	5,583.33
12/15/04	5,583.33	2,350.00	3,233.33	-	5,583.33
01/14/05	5,583.33	2,500.00	3,083.33	-	5,583.33
02/15/05	5,583.33	2,500.00	3,083.33	-	5,583.33
03/15/05	5,583.34	2,500.00	3,083.33	-	5,583.33
04/15/05	5,583.34	3,500.00	2,083.34	-	5,583.34
05/13/05	5,583.34	3,500.00	2,083.34	-	5,583.34
06/10/05	5,583.34	3,500.00	2,083.34	-	5,583.34
Total	<u>\$ 67,000.00</u>	<u>32,100.00</u>	<u>34,899.99</u>	<u>-</u>	<u>66,999.99</u>

\*\* - Additional amounts paid include items such as grants, coaching and student council advisor.

^ - Vacation payouts per contract dated 5/23/2002.



<b>Amount to be paid for months worked</b>	<b>Additional amounts paid **</b>
5,416.67	-
5,416.67	-
5,416.67	-
5,416.67	-
5,416.67	-
5,416.67	-
5,416.67	-
5,416.66	-
5,416.66	-
5,416.66	-
5,416.66	-
5,416.66	-
5,416.67	200.00
<b>65,000.00</b>	<b>200.00</b>

5,583.33	-
5,583.33	-
5,583.33	-
5,583.33	-
5,583.33	-
5,583.33	-
5,583.33	-
5,583.33	-
5,583.34	-
5,583.34	-
5,583.34	-
5,583.34	-
5,583.34	-
<b>67,000.00</b>	<b>-</b>

**Exhibit B**

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Payments to Mr. Holmes on a Fiscal Year/Contract Year Basis

Date	Amount to be paid per contract	Amounts actually paid				Variance from Contract	Additional Amounts Paid **
		Teaching	Asst. Principal	Athletic Director	Total		
9/14/01	\$ 2,755.59	2,640.00	41.67	73.92	2,755.59	-	-
10/15/01	2,755.59	2,640.00	41.67	73.92	2,755.59	-	88.50
11/15/01	2,755.59	2,640.00	41.67	73.92	2,755.59	-	-
12/14/01	2,755.59	2,640.00	41.67	73.92	2,755.59	-	206.00
1/15/02	2,755.59	2,640.00	41.67	73.92	2,755.59	-	20.00
2/15/02	2,755.59	2,640.00	41.66	73.91	2,755.57	0.02	87.00
3/15/02	2,755.59	2,640.00	41.67	73.92	2,755.59	-	85.50
4/15/02	2,755.59	2,640.00	41.66	73.91	2,755.57	0.02	-
5/15/02	2,755.59	2,640.00	41.67	73.92	2,755.59	-	1,047.00
6/14/02	2,755.59	2,640.00	41.66	73.91	2,755.57	0.02	760.00
7/15/02	2,755.59	5,280.00	83.33	147.83	5,511.16	(2,755.57)	-
8/15/02	2,755.59	-	-	-	-	2,755.59	-
Total	\$ 33,067.08	31,680.00	500.00	887.00	33,067.00	0.08	2,294.00
9/13/02	-	-	-	-	-	-	600.00
10/15/02	\$ 3,006.09	5,280.00	83.34	147.84	5,511.18	(2,505.09)	13.50
11/15/02	3,006.09	2,640.00	41.67	73.92	2,755.59	250.50	-
12/13/02	3,006.09	2,640.00	41.67	73.92	2,755.59	250.50	40.00
11/15/03	3,006.09	2,640.00	41.67	73.92	2,755.59	250.50	55.83
2/14/03	3,006.09	2,640.00	41.66	73.91	2,755.57	250.52	69.83
3/14/03	3,006.09	2,640.00	41.67	73.92	2,755.59	250.50	55.84
4/15/03	3,006.09	2,640.00	41.66	73.91	2,755.57	250.52	205.83
5/15/03	3,006.09	2,640.00	41.67	73.92	2,755.59	250.50	1,189.34
6/13/03	3,006.09	2,640.00	41.66	73.91	2,755.57	250.52	800.00
7/15/03	3,006.09	2,640.00	41.67	73.92	2,755.59	250.50	4,000.00
8/15/03	3,006.10	2,640.00	41.66	73.91	2,755.57	250.53	-
Total	\$ 33,067.00	31,680.00	500.00	887.00	33,067.00	0.00	7,030.17
9/15/03		-					
10/15/03		\$ 19.00					
11/14/03		59.00					
12/15/03		-					
1/15/04		59.00					
2/13/04		19.00					
3/15/04		200.00					
4/15/04		549.40					
5/14/04		341.00					
6/15/04		327.50					
7/15/04		-					
8/13/04		-					
Total		\$ 1,573.90					

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Payments to Mr. Holmes on a Fiscal Year/Contract Year Basis

<b>Date</b>	<b>Amount to be paid per contract</b>	<b>Amounts actually paid</b>				<b>Variance from Contract</b>	<b>Additional Amounts Paid **</b>
		<b>Teaching</b>	<b>Asst. Principal</b>	<b>Athletic Director</b>	<b>Total</b>		
9/15/04		-					
10/15/04		\$ 158.00					
11/12/04		161.60					
12/15/04		434.00					
1/14/05		193.20					
2/15/05		228.00					
3/15/05		1,021.00					
4/15/05		398.00					
5/13/05		257.00					
6/10/05		38.00					
Total		\$ 2,888.80					

Note: Mr. Holmes was a substitute teacher for school years 2003-2004 and 2004-2005.

\*\* - Additional amounts paid include items such as bus driving, track coach, substitute teaching, longevity pay and early retirement.

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Payments to Mr. Carr on a Calendar Year Basis

Date	Amounts actually paid				
	Salary	Other Pay	Subtotal	District Contribution to TSA	Total
06/14/02	\$ 5,250.00 *	80.00	5,330.00	-	5,330.00
07/15/02	-	2,250.00	2,250.00	-	2,250.00
08/15/02	-	2,250.00	2,250.00	-	2,250.00
09/13/02	-	600.00	600.00	-	600.00
10/15/02	9,000.00	-	9,000.00	-	9,000.00
11/15/02	9,000.00	-	9,000.00	-	9,000.00
12/13/02	9,000.00	-	9,000.00	-	9,000.00
	<b>\$ 32,250.00</b>	<b>5,180.00</b>	<b>37,430.00</b>	<b>-</b>	<b>37,430.00</b>
01/15/03	\$ 5,250.00	40.00	5,290.00	-	5,290.00
02/14/03	5,250.00	-	5,250.00	-	5,250.00
03/14/03	3,930.00	80.00	4,010.00	1,320.00	5,330.00
04/15/03	2,000.00	220.00	2,220.00	3,250.00	5,470.00
05/15/03	2,000.00	1,040.00	3,040.00	3,250.00	6,290.00
06/13/03	2,000.00	225.00	2,225.00	4,166.67	6,391.67
07/15/03	1,300.00	-	1,300.00	4,166.67	5,466.67
08/15/03	1,300.00	-	1,300.00	4,166.67	5,466.67
09/15/03	1,300.00	-	1,300.00	4,166.67	5,466.67
10/15/03	1,300.00	-	1,300.00	4,166.67	5,466.67
11/14/03	1,300.00	-	1,300.00	4,166.67	5,466.67
12/15/03	1,100.00	-	1,100.00	4,316.67	5,416.67
	<b>\$ 28,030.00</b>	<b>1,605.00</b>	<b>29,635.00</b>	<b>37,136.69</b>	<b>66,771.69</b>
01/15/04	\$ 2,500.00	-	2,500.00	2,916.67	5,416.67
02/13/04	2,500.00	-	2,500.00	2,916.67	5,416.67
03/15/04	2,500.00	-	2,500.00	2,916.67	5,416.67
04/15/04	2,500.00	-	2,500.00	2,916.67	5,416.67
05/14/04	2,500.00	-	2,500.00	2,916.67	5,416.67
06/15/04	2,500.00	200.00	2,700.00	2,916.67	5,616.67
07/15/04	2,350.00	-	2,350.00	3,233.33	5,583.33
08/13/04	2,350.00	-	2,350.00	3,233.33	5,583.33
09/15/04	2,350.00	-	2,350.00	3,233.33	5,583.33
10/15/04	2,350.00	-	2,350.00	3,233.33	5,583.33
11/12/04	2,350.00	-	2,350.00	3,233.33	5,583.33
12/15/04	2,350.00	-	2,350.00	3,233.33	5,583.33
	<b>\$ 29,100.00</b>	<b>200.00</b>	<b>29,300.00</b>	<b>36,900.00</b>	<b>66,200.00</b>
01/14/05	\$ 2,500.00	-	2,500.00	3,083.33	5,583.33
02/15/05	2,500.00	-	2,500.00	3,083.33	5,583.33
03/15/05	2,500.00	-	2,500.00	3,083.33	5,583.33
04/15/05	3,500.00	-	3,500.00	2,083.34	5,583.34
05/13/05	3,500.00	-	3,500.00	2,083.34	5,583.34
06/10/05	3,500.00	-	3,500.00	2,083.34	5,583.34
Total	<b>\$ 18,000.00</b>	<b>-</b>	<b>18,000.00</b>	<b>15,500.01</b>	<b>33,500.01</b>

\* - The June 2002 payment was the last month of Mr. Carr's 2001-2002 contract which he received even though he resigned on May 31, 2002.

Note: Payments are after Mr. Carr's retirement on May 31, 2002.

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Payments to Mr. Holmes on a Calendar Year Basis

Date	Amounts actually paid						
	Teaching		Asst. Principal	Athletic Director	Other payments	Total	
06/14/02	\$	2,640.00	**	41.66	73.91	760.00	3,515.57
07/15/02		5,280.00	**	83.33	147.83	-	5,511.16
08/15/02		-		-	-	-	-
09/13/02		-		-	600.00		600.00
10/15/02		5,280.00		83.34	147.84	13.50	5,524.68
11/15/02		2,640.00		41.67	73.92	-	2,755.59
12/13/02		2,640.00		41.67	73.92	40.00	2,795.59
	\$	18,480.00		291.67	517.42	1,413.50	20,702.59
01/15/03	\$	2,640.00		41.67	73.92	55.83	2,811.42
02/14/03		2,640.00		41.66	73.91	69.33	2,824.90
03/14/03		2,640.00		41.67	73.92	55.84	2,811.43
04/15/03		2,640.00		41.66	73.91	205.83	2,961.40
05/15/03		2,640.00		41.67	73.92	1,189.34	3,944.93
06/13/03		2,640.00		41.66	73.91	800.00	3,555.57
07/15/03		2,640.00		41.67	73.92	4,000.00	6,755.59
08/15/03		2,640.00		41.66	73.91	-	2,755.57
09/15/03		-		-	-	-	-
10/15/03		19.00		-	-	-	19.00
11/14/03		59.00		-	-	-	59.00
12/15/03		-		-	-	-	-
	\$	21,198.00		333.32	591.32	6,376.17	28,498.81

Note: Payments are after Mr. Holmes' retirement on May 7, 2002.

\*\* - The June and July 2002 payments are the final payments on Mr. Holmes' 2001-2002 teaching contract.

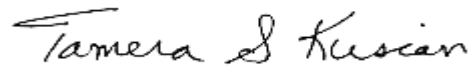
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Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Staff

These procedures were performed by:

Annette K. Campbell, CPA, Director  
Ronald D. Swanson, CPA, Manager  
Dustin S. Boxa, Staff Auditor

A handwritten signature in black ink that reads "Tamera S. Kusian". The signature is written in a cursive style with a large, stylized 'T' and 'K'.

Tamera S. Kusian, CPA  
Deputy Auditor of State

## **Appendices**

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Mr. Carr's Resignation Letter

May 23, 2002

To LuVerne Board of Directors:

Please accept my resignation as Superintendent/Principal in the LuVerne Community School District effective May 31, 2002. I have enjoyed working with the Board and staff during the past six years and I am looking forward to retiring in the near future near the Des Moines area where my children are living. Thanks for your support and dedication you have given to my wife and I during the past six years.

My employment will terminate May 31, 2002 and I wish to receive the final regular monthly salary of Five Thousand Two Hundred and Fifty dollars on the 15<sup>th</sup> of June, 2002. In addition, a lump sum payment for my vacation days of Four Thousand Five Hundred dollars is requested to be paid in two equal installments of \$2,250.00 on the 15<sup>th</sup> of July and the 15<sup>th</sup> of August.

As an additional part of my retirement package, I wish to receive three months full family health, dental and vision insurance and three months continuation of the \$50,000 term life insurance and accidental death and dismemberment insurance policy.

I agree to assist the board during the transition period of obtaining my replacement; However, I cannot assist the district in any matters during the month of June.

Again thanks for making my years at the LuVerne Community School District ones that I will cherish forever.

Sincerely



Al Carr



Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of May 23, 2002 LuVerne CSD Board Meeting  
Signed Copy from LuVerne CSD

LU VERNE COMMUNITY SCHOOL DISTRICT  
Minutes

May 23, 2002                      Special session at schoolhouse

MEMBERS PRESENT: Hanselman, Casey, Coleman, Legler

MEMBERS ABSENT: Hefty

OFFICERS PRESENT: Supt. Carr, Sec'y Heinen

OTHERS PRESENT: None

Pres. Hanselman called the meeting to order at 7:30 a.m. The agenda was approved as presented.

Supt. Carr distributed information to the members through a handout of various options for insurance that had been received including Educator and Non-Educator Plans from Wellmark Blue Cross/Blue Shield and rates from Iowa Star Schools. ISEBA declined to submit a medical proposal for the 2002-2003 school year.

\* #75 Motion by Legler, seconded by Coleman to approve the insurance provider change from Wellmark-Blue Cross/Blue Shield to Iowa Star Schools effective July 1, 2002. Motion carried unanimously.

Supt. Carr expressed his desire to retire as principal/superintendent effective May 31, 2002 as discussed with individual board members earlier this spring.

\* #76 Motion by Casey, seconded by Coleman to accept the resignation of Al Carr, Superintendent/Principal effective May 31, 2002 and to agree that he shall receive the final regular monthly salary of Five Thousand Two Hundred and Fifty dollars to be paid on the 15<sup>th</sup> of June, 2002. A lump sum payment for vacation days of Four Thousand Five Hundred dollars shall be paid in two equal installments of \$2,250.00 on the 15<sup>th</sup> of July and the 15<sup>th</sup> of August. Motion carried unanimously.


The board discussed plans on the procedure to hire a replacement for the superintendent/principal vacancy.

A copy of the fire marshal's report was distributed and reviewed by Supt. Carr. (Copy attached.)

The meeting adjourned at 8:30 a.m.

The next regular meeting is scheduled for Thursday, June 13<sup>th</sup> at 7:30 p.m. at the school building in LuVerne.

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of May 23, 2002 LuVerne CSD Board Meeting  
Copy from Corwith-Wesley CSD

LU VERNE COMMUNITY SCHOOL DISTRICT  
Minutes

May 23, 2002                      Special session at schoolhouse

MEMBERS PRESENT: Hanselman, Casey, Coleman, Legler

MEMBERS ABSENT: Hefty

OFFICERS PRESENT: Supt. Carr, Sec'y Heinen

OTHERS PRESENT: None

Pres. Hanselman called the meeting to order at 7:30 a.m. The agenda was approved as presented.

Supt. Carr distributed information to the members through a handout of various options for insurance that had been received including Educator and Non-Educator Plans from Wellmark Blue Cross/Blue Shield and rates from Iowa Star Schools. ISEBA declined to submit a medical proposal for the 2002-2003 school year.

\* #75 Motion by Legler, seconded by Coleman to approve the insurance provider change from Wellmark-Blue Cross/Blue Shield to Iowa Star Schools effective July 1, 2002. Motion carried unanimously.

Supt. Carr distributed a copy of his contract for the 2002-2003 school year with the salary remaining the same as the previous year due to budget constraints.

\* #76 Motion by Casey, seconded by Coleman to approve a contract to Al Carr, Superintendent/Principal with the same salary as the previous year of \$63,000 for the 2002-2003 school year. Motion carried unanimously.

A copy of the fire marshal's report was distributed and reviewed by Supt. Carr. (Copy attached.)

The meeting adjourned at 8:30 a.m.

The next regular meeting is scheduled for Thursday, June 13<sup>th</sup> at 7:30 p.m. at the school building in LuVerne.

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of May 23, 2002 LuVerne CSD Board Meeting  
Published in the *Humboldt Independent*

## LU VERNE COMMUNITY SCHOOLS

### School Board Proceedings

#### Lu Verne, Iowa

The Lu Verne Board of Education met in regular session on May 23, with Hanselman, Coleman, Legler, Casey, and all officers present. President Hanselman called the meeting to order at 7:30 a.m. The agenda was approved as presented.

Motion by Legler, seconded by Coleman, to approve the insurance provider change from Wellmark-Blue Cross/Blue Shield to Iowa Star Schools effective July 1, 2002. Motion carried unanimously.

Motion by Casey, seconded by Coleman, to approve a contract to Al Carr, Superintendent/Principal with the same salary as the previous year of \$63,000 for the 2002-2003 school year. Motion carried unanimously.

The meeting adjourned at 8:30 a.m.

The next regular meeting is scheduled for Thursday, June 13, at 7:30 p.m. at the school building in Lu Verne.

Sharon K. Heinen, Secretary  
I-52-1

# Leg

Notice is hereby given that all persons indebted to the estate are requested to make immediate payment to the undersigned, and creditors having claims against the estate shall file them with the Clerk of the above named District Court, as provided by law, duly authenticated, for allowance, and unless so filed by the later to occur of four months from the second publication of this notice or one month from the date of mailing this notice (unless otherwise allowed or paid) a claim is thereafter forever barred.

Dated this 24th day of May, 2002.

Amy Eileen Schneider  
Administrator of the Estate  
3186 150th Street  
Renwick, IA 50577

Brinton, Bordwell & Johnson Law Firm

By: Robert W. Brinton  
Attorneys for Administrator  
120 Central Avenue West  
P.O. Box 73  
Clarion, IA 50525

Date of second publication: 6th day of June, 2002.

I-52-2.



Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

News Article from the May 30, 2002 *Humboldt Independent*

Thursday, May 30, 2002      The Humboldt Independent      9A

## LuVerne school board approves new insurance carrier

Looking to trim costs on rising health insurance premiums, the LuVerne Board of Education approved a new carrier for its group coverage.

At a special meeting held Thursday, May 23, the board approved a contract with Iowa Star Schools, to provide health insurance for the district employees for the upcoming school year. Coverage will begin July 1.

The board began shopping for a new plan after Wellmark Blue Cross and Blue Shield informed the district premium costs would rise over 55 percent for 2002-2003.

"This plan is an increase in premium, but a lot less than the other plan. And we'll have the same coverage," board secretary Sharon Heinen told the Independent.

In other action, the board approved Superintendent Al Carr's salary for the 2002-2003 school year. Carr's salary will remain unchanged at \$63,000 per year.

The board also reviewed minor recommendations by the state fire marshal who visited the school recently.

The board's next regular meeting will be held Thursday, June 13.

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Mr. Carr's Contract Dated May 23, 2002

**CONTRACT WITH SUPERINTENDENT**

It is hereby agreed by and between the Board of Education of the LuVerne Community School District located in Kossuth County in the State of Iowa (hereby called the "Board") and Albert D. Carr (hereafter called the "superintendent/principal") that the board employ Albert D. Carr as its Superintendent/Principal of School for a period of one year commencing July 1, 2002 and ending June 30, 2003.

FOR SUCH CONSIDERATION, the Superintendent/Principal agrees to well and faithfully perform the duties of Superintendent/Principal and to serve as the Chief Executive Officer of the Board and to have such powers and duties as may be prescribed by the Board or by the Laws of the State of Iowa. (Job Description attached.)

AND IT IS FURTHER AGREED:

1. The Superintendent/Principal shall furnish throughout the life of this contract a valid and appropriate certificate to act as Superintendent/Principal in the State of Iowa and the Superintendent/Principal hereby agrees to devote his time, skill, labor and attention to said employment during the term of his contract.
2. The Board shall provide the Superintendent/Principal with periodic opportunities to discuss Superintendent/Principal-Board Relationships and to discuss the Superintendent/Principal's performance at a reasonable time set by the Board President on an annual basis.
3. This contract will be in four parts:
  - a. The Superintendent/Principal agrees to terminate employment May 31, 2002 and shall receive the final regular monthly salary of Five Thousand Two Hundred and Fifty dollars to be paid on the 15<sup>th</sup> of June, 2002. A lump sum payment for vacation days of Four Thousand Five Hundred dollars shall be paid in two equal installments of \$2,250.00 on the 15<sup>th</sup> of July and the 15<sup>th</sup> of August.
  - b. Beginning July 1<sup>st</sup>, through and including September 30, 2002, the Superintendent/Principal will serve the LuVerne Community School District as a temporary employee as defined by IPERS and shall document and perform the following duties: Complete and sign all required documents, reports etc. which include the Annual School Report, Transportation Report, Title I Application and Report, BEDS Reports, etc. The Superintendent/Principal shall update the At-Risk Plan, Talented and Gifted Plan and the plan to incorporate multicultural and gender fair approaches, career education and global education across the curriculum. The Superintendent/Principal shall plan and conduct teacher in-service days to prepare the staff and students for the new school year. The Superintendent/Principal will attend July, August and September board meetings and any other special board meetings.
  - c. Beginning October 1, after establishing a bona fide retirement as defined by IPERS, the superintendent shall return to full time employment. A salary of Twenty Seven Thousand dollars



Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Mr. Carr's Contract Dated May 23, 2002

(\$27,000.00) is to be paid in equal installments of \$9,000.00 on the 15<sup>th</sup> of each month for a period of 3 consecutive months, the first payment to be made on the 15<sup>th</sup> of October, 2002.

- d. Beginning January 1 and ending June 30, 2003, the Superintendent/Principal shall be paid a salary of Thirty one Thousand Five Hundred dollars (\$31,500.00) to be paid in equal installments of \$5,250.00 on the 15<sup>th</sup> of each month for a period of 6 consecutive months, the first payment to be made on the 15<sup>th</sup> of January, 2003. The Board will pay a tax shelter annuity for the Superintendent/Principal instead of salary at an amount requested by the Superintendent /Principal not to exceed \$5,250 per month.
4. The Superintendent/Principal shall receive full family health, dental and vision insurance.
5. The Board shall pay the premium for a \$50,000 term life insurance and accidental death and dismemberment insurance policy on the behalf of the Superintendent/Principal.
6. The Board shall pay the premium for a disability insurance policy on behalf of the Superintendent/Principal.
7. The Superintendent/Principal shall receive four weeks vacation, exclusive of legal holidays.
8. The Superintendent/Principal shall be entitled to sick leave as specified in the Master Contract.
9. The Superintendent/Principal shall have his dues to the American Association of School Administrators and the Iowa Association of School Administrators paid by the Board.
10. The Superintendent shall attend professional meetings at the local, state, and national levels (national limited to one for each academic year), and shall be reimbursed for expenses in carrying out his professional activities. Maximum travel budget - \$2,000 per year. Twenty-five cents will be allowed for the use of personal vehicle if a school vehicle is unavailable.
11. The contract requires the services of the Superintendent/Principal for two hundred twenty (220) days per year. Deductions for absences for which pay is not allowed shall be made in an amount equal to 1/220<sup>th</sup> of the Superintendent/Principal's annual salary per day of absence.
12. The Board at the request of the Superintendent and in accordance with the provisions of Section 403(b) of the Internal Revenue code and Section 294.16 or 509 A.12 of the Code of Iowa and related statutory tax law shall withhold and transfer an amount of salary annually, semi-annually, or monthly, said amount to be determined by the Superintendent, permitting the Superintendent to participate in accordance with applicable statutes, if so desired, in a tax-deferred annuity program of the Superintendent's choosing.
13. It is understood and agreed, the Superintendent/Principal, as executive officer of the Board, shall be in charge of all school affairs; and the Board, individually and collectively, will refer all matters before the Board to the Superintendent/Principal for study and recommendation. This, however, shall not prevent the Board from taking immediate action on matters before the full Board if the Board desires.

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Mr. Carr's Contract Dated May 23, 2002

THIS CONTRACT shall be invalid if the Superintendent is under contract with another board of directors in this state covering the same period of time, until such contract is terminated or the Superintendent is released therefrom.

Dated this 23<sup>rd</sup> day of May, 2002

LuVerne Community School District

by David Handelman  
President, Board of Directors

by Albert Carr  
Superintendent/Principal

**Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District**



Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Mr. Carr's Log for June through August 2002

*Albert Carr - LuVerne School.*

June 2002						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
26	27	28	29	30	31	1
2	3	4	5	6	7	8
Did not work during the month of June. Stayed away from the building.						
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	1	2	3	4	5	6

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Mr. Carr's Log for June through August 2002

*Albert Carr*

July 2002						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
30	1	2	3	4	5	6
	Budget 2001-2002 adjustments mail 8-2	Summer maintenance Report. Bd mt. prep. mail 8-2	← Kansas Trip →			
7	8	9	10	11	12	13
Lila Stroke	Lila Hosp	Lila Hosp	Board Pres. Budget Review 7-10 Lila Died	Board Mtg.  6-9		Funeral for Lila
← Absent except for Board Meeting →						
14	15	16	17	18	19	20
		Work Done Title I Report & Transportation Report mail 8-2	Title I Report Cent. Lic Transportation Report mail 8-2	Technology Report mail 8-2		Dr. A. L. Dr. Percy Fort Dodge Iowa
21	22	23	24	25	26	27
	Summer Maint Budget mail 8-2	ms. Schedule mail 8-2	ms. Schedule mail 8-2		Amana/ Iowa City Trip Dr. A. L. Iowa City	
28	29	30	31	1	2	3
	Des Moines Trip. 8-2		Dr. Agnew Dr. Dodge Dr. Olson. AM			

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Mr. Carr's Log for June through August 2002

*Alfred Carr*

August 2002						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
28	29	30	31	1	2	3
				Dr. Breeny, Board Mtg. Agenda 8-12	Dr. Skinn 7-12	
4	5	6	7	8	9	10
	Handbooks Schedules 8-2		School A-Sil. 8-2	Board Mtg. 7-10 Des Moines		Des Moines
11	12	13	14	15	16	17
	8-2	8-2	8-2	Vacation		
18	19	20	21	22	23	24
	Teacher Workshop	Teacher Workshop	1st Day of School			
25	26	27	28	29	30	31
New Schedule						
	4	5	6	7	8	

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes from the June 13, 2002 LuVerne CSD Board Meeting

LU VERNE COMMUNITY SCHOOL DISTRICT

Minutes

June 13, 2002 Regular session at schoolhouse

MEMBERS PRESENT: Hanselman, Coleman, Casey

MEMBERS ABSENT: Hefty, Legler

OFFICERS PRESENT: Sec'y Heinen

OTHERS PRESENT: None

Pres. Hanselman called the meeting to order at 7:30 p.m. The agenda was approved as presented.

\* #76 Motion by Casey, seconded by Coleman to approve minutes of the previous meetings as mailed. Motion carried unanimously.

\* #77 Motion by Coleman, seconded by Casey to approve the bills and expenditures for the General - \$79,485.85, Activity - \$1,610.58, School Lunch - \$4,546.17, Medical Deductible - \$462.44 and Flexible Benefits Funds - \$480.00 as listed. (Lists attached.) Motion carried unanimously.

The various financial reports were reviewed.

A letter of appreciation was received from the American Heart Association for the \$1,168.25 raised in the Hoops for Heart program by Paul Sonius and 72 students from the CWL School.

A thank you was read from the family of Marilyn Kruse.

A public hearing was held to provide an opportunity to receive public input on the internet safety policy regarding filtering. No member of the public was in attendance.

As a requirement to continue to participate and receive Universal Service Funding, it is necessary to have an Internet safety policy and Internet filtering. Supt. Carr had checked with several technology coordinators and most of the schools in AEA 3 and AEA 5 are purchasing a program called Sonic Wall. It filters the Internet and is also a program that will protect the security of our computer system to prevent hackers tampering with our network. The program will meet the requirements for Internet filtering as required to be eligible for federal funding.

\* #78 Motion by Casey, seconded by Coleman to approve Internet Safety Policy #605.7 regarding Internet filtering. Motion carried unanimously.

\* #79 Motion by Coleman, seconded by Casey to authorize the board secretary to pay any bills which come in that are payable prior to June 30, 2002. Motion carried unanimously.

A letter was received from the Iowa Telecommunications & Technology Commission concerning the fiber optic cable that connects the LuVerne Middle School & Elem. School Bldg to the Iowa Communications Network and is owned by Adesta Communications. An agreement for the connection is contained in a seven-year lease that expires on June 30, 2005. Adesta intends to donate the fiber to the school at the end of the lease. A Declaration of Intent was included with the letter with two of the options being that the LuVerne Comm. School District would accept ownership and all responsibilities for cable. The third option would be that ICN would accept ownership and all responsibilities. A recommendation by Odell Overgaard from AEA3 was to choose option 3.

(continued on page 2)

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes from the June 13, 2002 LuVerne CSD Board Meeting

) LuVerne Community School District – Minutes (continued)

Page 2  
June 13, 2002

- \* #80 Motion by Casey, seconded by Coleman to choose Option 3 on the Declaration of Intent which states that the LuVerne Community School District will NOT accept ownership of the fiber and desires that ICN accept ownership and all responsibilities associated with fiber ownership to LuVerne Middle School & Elem. School Bldg. Motion carried unanimously.

The board members reviewed the following reports:

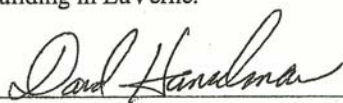
- Perfect Attendance/Honor Roll for Fourth Quarter
- Summer Band Lesson Schedule

The school board election is to be held Tuesday, September 10, 2002. Barb Casey and David Hanselman's term of office will expire this fall.

IASB ABLE I meeting "Accountability for Student Learning" is to be held at Ames High School on June 15h, 2002.

The meeting adjourned at 9:45 p.m.

A joint Corwith-Wesley-LuVerne school board meeting is scheduled to be held Thursday, July 11, 2002 at 7:00 p.m. in the lunchroom of the LuVerne building. The next regular meeting is scheduled to follow at approximately 8:00 p.m. at the school building in LuVerne.

  
\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary



Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes from the July 10, 2002 LuVerne CSD Board Meeting

LU VERNE COMMUNITY SCHOOL DISTRICT

Minutes

July 11, 2002 Regular session at schoolhouse

MEMBERS PRESENT: Hanselman, Casey, Coleman, Hefty, Legler

MEMBERS ABSENT: None

OFFICERS PRESENT: Supt. Carr, Sec'y Heinen

OTHERS PRESENT: None

Pres. Hanselman called the meeting to order at 8:45 p.m. The agenda was approved as presented.

- \* #1 Motion by Legler, seconded by Hefty to approve minutes of the previous meetings as mailed. Motion carried unanimously.
- \* #2 Motion by Hefty, seconded by Casey to approve the bills and expenditures for the General - \$34,063.77, School Lunch - \$2,386.93, Medical Deductible - \$558.66 and Flexible Benefits Funds - \$480.00 as listed. (Lists attached.) Motion carried unanimously.

The various financial reports were reviewed.

A thank you was read from Jamie Pedersen for the scholarship she received.

- \* #3 Motion by Legler, seconded by Hefty to reappoint Sharon Heinen as board secretary/treasurer for the 2002-2003 school. Motion carried unanimously.

Supt. Carr administered the oath of office to Sharon Heinen.

Supt. Carr informed the members that Deb Newkirk would be serving as band instructor for Corwith-Wesley in the high school and Wesley elementary. Consequently, the Corwith-Wesley district will not utilize 25% of Linda Cutshall's contract. Linda Cutshall and Barb Holmes will be teaming to do the music program for the LuVerne district. Final details concerning their assignments will be presented to the board in August for their approval.

- \* #4 Motion by Legler, seconded by Coleman to approve the transfer of \$8,000 from the General Fund to the Nutrition Fund. Motion carried unanimously.
- \* #5 Motion by Legler, seconded by Casey to use the Security State Bank as the schools depository bank for the 2002-2003 school year with a maximum deposit of \$900,000. Motion carried unanimously.
- \* #6 Motion by Legler, seconded by Coleman to name the official newspaper for the LuVerne Community School as the Humboldt Independent for the 2002-2003 school year. Motion carried unanimously.
- \* #7 Motion by Casey, seconded by Hefty to reappoint Rick Engel as legal counsel for the 2002-2003 school year. Motion carried unanimously.

(continued on page 2)

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes from the July 10, 2002 LuVerne CSD Board Meeting

LuVerne Community School District – Minutes (continued)

Page 2  
July 11, 2002

- \* #8 Motion by Casey, seconded by Hefty to appoint Al Carr, Superintendent/Principal and Jim McDermott, High School Principal, as grievance officers for the 2002-2003 school year. Motion carried unanimously.
- \* #9 Motion by Coleman, seconded by Casey to approve the Title I Reading and Mathematics Application for the 2002-2003 school year. Motion carried unanimously.
- \* #10 Motion by Hefty, seconded by Casey to approve the agreement and application renewal of the Food and Nutrition Programs for the 2002-2003 school year. Motion carried unanimously.

Supt. Carr reported on the following:

- A Success 4 Grant was applied for and approved in the amount of \$4,446.50.
- Tobacco Coalition Grant in the amount of \$500 was received that will go for the cost of student planners furnished free to students in grades 4 through 8. These planners will have inserts with anti-tobacco use information.
- The Data Driven Leadership Training he has taken provides a \$900 stipend to buy software for the district.
- A copy of the AEA 3 and LuVerne District Partnership Plan was presented to the board. (Copy attached.)
- A letter was received from AEA 3 that our district, due to reorganization of AEA 3 & AEA 5, has the option of joining with another AEA. It was the consensus of the board members that AEA 3 has done an excellent job for the LuVerne District and this district will remain with the joint AEA 3 & 5.

Supt. Carr informed the members that several items had shown up on the bus inspection and it was felt that these should have been found in the local inspection. It was recommended by the bus supervisor that the buses be taken to Phil's in Algona except for minor items. It was the consensus of the board members to approve the bus supervisor's request.

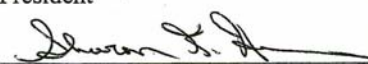
A staff picnic is to be held at the High School in Corwith, August 19<sup>th</sup> at 6:00 p.m.

The school board election is to be held Tuesday, September 10, 2002. Barb Casey and David Hanselman's term of office will expire this fall.

The meeting adjourned at 9:45 p.m.

The next regular meeting is scheduled for Thursday, August 8<sup>th</sup> at 7:30 p.m. at the school building in LuVerne.

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary



Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Mr. Carr's Contract Dated September 16, 2002

**CONTRACT WITH SUPERINTENDENT**

It is hereby agreed by and between the Board of Education of the LuVerne Community School District located in Kossuth County in the State of Iowa (hereby called the "Board") and Albert D. Carr (hereafter called the "superintendent/principal") that the board employ Albert D. Carr as its Superintendent/Principal of School for a period of one year commencing October 1, 2002 and ending June 30, 2003.

FOR SUCH CONSIDERATION, the Superintendent/Principal agrees to well and faithfully perform the duties of Superintendent/Principal and to serve as the Chief Executive Officer of the Board and to have such powers and duties as may be prescribed by the Board or by the Laws of the State of Iowa. (Job Description attached.)

AND IT IS FURTHER AGREED:

1. The Superintendent/Principal shall furnish throughout the life of this contract a valid and appropriate certificate to act as Superintendent/Principal in the State of Iowa and the Superintendent/Principal hereby agrees to devote his time, skill, labor and attention to said employment during the term of his contract.
2. The Board shall provide the Superintendent/Principal with periodic opportunities to discuss Superintendent/Principal-Board Relationships and to discuss the Superintendent/Principal's performance at a reasonable time set by the Board President on an annual basis.
3. This contract will be in Two parts:
  - a. A salary of Twenty Seven Thousand dollars (\$27,000.00) is to be paid in equal installments of \$9,000.00 on the 15<sup>th</sup> of each month for a period of 3 consecutive months, the first payment to be made on the 15<sup>th</sup> of October, 2002.
  - b. Beginning January 1 and ending June 30, 2003, the Superintendent/Principal shall be paid a salary and/or annuity of Thirty one Thousand Five Hundred dollars (\$31,500.00) to be paid in equal installments of \$5,250.00 on the 15<sup>th</sup> of each month for a period of 6 consecutive months, the first payment to be made on the 15<sup>th</sup> of January, 2003. The Board will pay a tax shelter annuity for the Superintendent/Principal instead of salary at an amount requested by the Superintendent /Principal not to exceed \$5,250 per month.
4. The Superintendent/Principal shall receive full family health, dental and vision insurance.
5. The Board shall pay the premium for a \$50,000 term life insurance and accidental death and dismemberment insurance policy on the behalf of the Superintendent/Principal.
6. The Board shall pay the premium for a disability insurance policy on behalf of the Superintendent/Principal.
7. The Superintendent/Principal shall receive four weeks vacation, exclusive of legal holidays.



Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Mr. Carr's Contract Dated September 16, 2002

8. The Superintendent/Principal shall be entitled to sick leave as specified in the Master Contract.
9. The Superintendent/Principal shall have his dues to the American Association of School Administrators and the Iowa Association of School Administrators paid by the Board.
10. The Superintendent shall attend professional meetings at the local, state, and national levels (national limited to one for each academic year), and shall be reimbursed for expenses in carrying out his professional activities. Maximum travel budget - \$2,000 per year. Twenty-five cents will be allowed for the use of personal vehicle if a school vehicle is unavailable.
11. The contract requires the services of the Superintendent/Principal for two hundred twenty (220) days per year. Deductions for absences for which pay is not allowed shall be made in an amount equal to 1/220<sup>th</sup> of the Superintendent/Principal's annual salary per day of absence.
12. The Board at the request of the Superintendent and in accordance with the provisions of Section 403(b) of the Internal Revenue code and Section 294.16 or 509 A.12 of the Code of Iowa and related statutory tax law shall withhold and transfer an amount of salary annually, semi-annually, or monthly, said amount to be determined by the Superintendent, permitting the Superintendent to participate in accordance with applicable statutes, if so desired, in a tax-deferred annuity program of the Superintendent's choosing.
13. It is understood and agreed, the Superintendent/Principal, as executive officer of the Board, shall be in charge of all school affairs; and the Board, individually and collectively, will refer all matters before the Board to the Superintendent/Principal for study and recommendation. This, however, shall not prevent the Board from taking immediate action on matters before the full Board if the Board desires.

THIS CONTRACT shall be invalid if the Superintendent is under contract with another board of directors in this state covering the same period of time, until such contract is terminated or the Superintendent is released therefrom.

Dated this 16<sup>th</sup> day of Sept., 2002

LuVerne Community School District

by Bart M. Hef  
President, Board of Directors

by Albert Carr  
Superintendent/Principal

**Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District**

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of September 16, 2002 LuVerne CSD Board Meeting  
Signed Copy from LuVerne CSD

LU VERNE COMMUNITY SCHOOL DISTRICT  
Minutes

September 16, 2002

Regular session at schoolhouse

MEMBERS PRESENT: Hanselman, Casey, Hefty, Coleman, Legler, McPeak

MEMBERS ABSENT: None

OFFICERS PRESENT: Supt. Carr, Sec'y Heinen

OTHERS PRESENT: Sheryl Carroll

Pres. Hanselman called the meeting to order at 7:30 p.m. The agenda was approved as presented.

- \* #19 Motion by Casey, seconded by Coleman to approve minutes of the previous meetings as mailed. Motion carried unanimously.
- \* #20 Motion by Coleman, seconded by Casey to approve the bills and expenditures for the General - \$44,294.78, Management - \$16,364.00, Activity - \$2,080.23 School Lunch - \$4,643.29, Medical Deductible - \$291.77 and Flexible Benefits Funds - \$480.00 as listed. (Lists attached.) Motion carried unanimously.

The various financial reports were reviewed.

Supt. Carr reported that the Fire Safety Grant and its components were reviewed by the board members at halftime of the football game in Corwith on Friday, September 13<sup>th</sup>. A letter was submitted to the Department of Education with the board members signatures acknowledging that they reviewed and approved the application for the Fire Safety Grant. (Copy of document attached.)

- \* #21 Motion by Hefty, seconded by Legler to reapprove the Fire Safety Grant. Motion carried unanimously.

The abstract of the election held September 10th indicated Barb Casey received 35 votes, Chris McPeak 44 votes and that there were 7 scattered votes for the 3-year terms. (Copy attached.)

Pres. Hanselman appointed Sec'y. Heinen to serve as temporary chairman of the meeting to reorganize the board.

The meeting of the retiring board adjourned at 7:55 p.m.

Sec'y Heinen called the organizational meeting to order at 7:58 p.m. The oath of office was administered to Barb Casey and Chris McPeak. Sec'y Heinen called for nominations for the office of president.

- \* #22 Marlene Coleman nominated Brent Hefty as president. Brent Hefty nominated Marlene Coleman.

Coleman declined stating that she can't do the job that needs to be done because of her fulltime job in Algona.

- \* #23 Chuck Legler, nominated Brent Hefty as president. Brent Hefty nominated Barb Casey who declined due to conflicts with her job.

(continued on page 2)

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of September 16, 2002 LuVerne CSD Board Meeting  
Signed Copy from LuVerne CSD

LuVerne Community School District – Minutes (continued)

Page 2  
September 16, 2002

\* #24 Motion by Legler, seconded by McPeak to nominate Brent Hefty as president. Motion carried. Hefty-abstained.

The oath of office was administered to Pres. Hefty. He took over the position as chairman and asked for nominations for the office of vice president.

\* #25 Motion by Coleman, seconded by Casey to nominate Charles Leger as vice president. Motion carried. Legler-abstained.

The oath of office was administered to Vice President Legler.

\* #26 Motion by Legler, seconded by McPeak that the second Thursday of each month is the regular meeting date unless otherwise noted. (Copy of dates attached.) Motion carried unanimously.

Pres. Hefty appointed Marlene Coleman to serve on the Conference Board for Kossuth County and Charles Legler for Humboldt County.

Special recognition was given to Corwith State Bank for lunch August 19, LuVerne Library for the staff reception and the Methodist Church for the luncheon August 20th during teacher inservice. Mark Kaczor and Brent Hefty were also recognized for the tree removal on the southeast side of the school.

) Sheryl Carroll was in attendance to review the CWL 2001-2002 Annual School Report for the board members. (Copy in file.)

\* #27 Motion by Coleman, seconded by Casey to approve the CWL 2001-2002 Annual School Report. Motion carried unanimously.

Sec'y Heinen gave a review of the FY02 Certified Annual Report with a comparison to the FY01 figures included. (Copy in file.)

\* #28 Motion by Casey, seconded by Legler to approve the Certified Annual Report for the 2001-2002 school year. Motion carried unanimously.

\* #29 Motion by Legler, seconded by Coleman to approve scheduling a public hearing to be held on Wednesday, October 9<sup>th</sup> at 9:15 p.m. to discuss an early start/innovative calendar for the 2003-2004 school year. Motion carried unanimously.

Sec'y Heinen reviewed the insurance rates with Employers Mutual Company for property, liability and vehicle insurance that have been raised to a rate increase of \$1,944.

\* #30 Motion by Legler, seconded by Casey to approve the 2002-2003 school insurance plan as presented. Motion carried unanimously.

(continued on page 3)



Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of September 16, 2002 LuVerne CSD Board Meeting  
Signed Copy from LuVerne CSD

LuVerne Community School District – Minutes (continued)

Page 3  
September 16, 2002

- \* #31 Motion by Legler, seconded by Casey to approve open enrollment requests for Genny & Gerod Hutchinson from the Humboldt Community School District to the LuVerne Community School District. Good cause reason is due to their recent move to Hardy. This request begins with the 2002-2003 school year. Motion carried unanimously.
- \* #32 Motion by Coleman, seconded by Casey to approve the lease agreement with Mason City Business Systems for two Minolta copiers at \$707.98 monthly for sixty months. Motion carried unanimously.
- \* #33 Motion by Coleman, seconded by Casey to approve the following contracts for the 2002-2003 school year effective October 1, 2002: Dennis Holmes as teacher, athletic director, assistant principal, and junior high track coach; Al Carr, superintendent/ principal at a salary and/or an annuity of \$58,500 and student council advisor for the 2002-2003 school year at a salary of \$225. Motion carried unanimously.

Supt. Carr reported on the following:

- Tentative enrollment - --seniors graduated - 7; kindergarten class – 3. A loss of 2 to 7 students is anticipated with the estimated unofficial count being about 100 students.
- The open house held on September 11<sup>th</sup> was well attended in the elementary and not as well attended in the middle school.
- Class Officers and Student Council members (Copy attached.)
- The Sonic Wall Internet filter was installed on September 11<sup>th</sup>.
- Mr. Carr and Sec'y Heinen reported on the school audit conducted by Burton E. Tracy & Co. held on August 29<sup>th</sup> and 30<sup>th</sup>. Among the preliminary findings that the auditor noted are negative fund balance in the general fund on a GAAP basis, faculty picnic – policy to show how it serves the public interest and two activity fund bills that were not listed in the minutes.

The following meetings are forthcoming:

IASB ABL "Board Member Orientation" meeting at Clear Creek Elementary in Clear Lake on October 29<sup>th</sup>.

IASB School Board Convention November 21-22<sup>nd</sup> in Des Moines.

The meeting adjourned at 10:00 p.m.

A special board meeting is scheduled for Tuesday, September 17<sup>th</sup> at 5:00 p.m. in the board room of the LuVerne School to meet with Dr. Tony Netusil, consultant. A joint Corwith-Wesley-LuVerne school board meeting is scheduled to be held Wednesday, October 9<sup>th</sup> 2002 at 7:00 p.m. at the Corwith building. The next regular meeting is scheduled to follow at approximately 9:00 p.m. at the school building in LuVerne.

  
President

  
Secretary

**Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District**

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of September 16, 2002 LuVerne CSD Board Meeting  
Copy from Corwith-Wesley CSD

LU VERNE COMMUNITY SCHOOL DISTRICT  
Minutes

September 16, 2002 Regular session at schoolhouse

MEMBERS PRESENT: Hanselman, Casey, Hefty, Coleman, Legler, McPeak

MEMBERS ABSENT: None

OFFICERS PRESENT: Supt. Carr, Sec'y Heinen

OTHERS PRESENT: Sheryl Carroll

Pres. Hanselman called the meeting to order at 7:30 p.m. The agenda was approved as presented.

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The various financial reports were reviewed.

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The abstract of the election held September 10th indicated Barb Casey received 35 votes, Chris McPeak 44 votes and that there were 7 scattered votes for the 3-year terms. (Copy attached.)

Pres. Hanselman appointed Sec'y. Heinen to serve as temporary chairman of the meeting to reorganize the board.

The meeting of the retiring board adjourned at 7:55 p.m.

Sec'y Heinen called the organizational meeting to order at 7:58 p.m. The oath of office was administered to Barb Casey and Chris McPeak. Sec'y Heinen called for nominations for the office of president.

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(continued on page 2)



Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of September 16, 2002 LuVerne CSD Board Meeting  
Copy from Corwith-Wesley CSD

LuVerne Community School District – Minutes (continued)

Page 2  
September 16, 2002

\* #24 Motion by Legler, seconded by McPeak to nominate Brent Hefty as president. Motion carried. Hefty-abstained.

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Sec'y Heinen gave a review of the FY02 Certified Annual Report with a comparison to the FY01 figures included. (Copy in file.)

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Sec'y Heinen reviewed the insurance rates with Employers Mutual Company for property, liability and vehicle insurance that have been raised to a rate increase of \$1,944.

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(continued on page 3)



Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of September 16, 2002 LuVerne CSD Board Meeting  
Copy from Corwith-Wesley CSD

LuVerne Community School District - Minutes (continued)

Page 3  
September 16, 2002

- \* #31 Motion by Legler, seconded by Casey to approve open enrollment requests for Genny & Gerod Hutchinson from the Humboldt Community School District to the LuVerne Community School District. Good cause reason is due to their recent move to Hardy. This request begins with the 2002-2003 school year. Motion carried unanimously.
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- \* #33 Motion by Coleman, seconded by Casey to approve the appointment of Al Carr, superintendent/principal to serve as student council advisor for the 2002-2003 school year at a salary of \$225. Motion carried unanimously.

Supt. Carr reported on the following:

- Tentative enrollment - --seniors graduated - 7; kindergarten class - 3. A loss of 2 to 7 students is anticipated with the estimated unofficial count being about 100 students.
- The open house held on September 11<sup>th</sup> was well attended in the elementary and not as well attended in the middle school.
- Class Officers and Student Council members (Copy attached.)
- The Sonic Wall Internet filter was installed on September 11<sup>th</sup>.
- Mr. Carr and Sec'y Heinen reported on the school audit conducted by Burton E. Tracy & Co. held on August 29<sup>th</sup> and 30<sup>th</sup>. Among the preliminary findings that the auditor noted are negative fund balance in the general fund on a GAAP basis, faculty picnic - policy to show how it serves the public interest and two activity fund bills that were not listed in the minutes.

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A special board meeting is scheduled for Tuesday, September 17<sup>th</sup> at 5:00 p.m. in the board room of the LuVerne School to meet with Dr. Tony Netusil, consultant. A joint Corwith-Wesley-LuVerne school board meeting is scheduled to be held Wednesday, October 9<sup>th</sup> 2002 at 7:00 p.m. at the Corwith building. The next regular meeting is scheduled to follow at approximately 9:00 p.m. at the school building in LuVerne.

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of September 16, 2002 LuVerne CSD Board Meeting  
Published in the *Humboldt Independent*

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The various financial reports were reviewed.

Motion by Hefly, seconded by Legler, to reapprove the Fire Safety Grant. Motion carried unanimously.

The abstract of the election held September 10 indicated Barb Casey received 35 votes, Chris McPeak 44 votes, and that there were 7 scattered votes for the 3-year terms.

President Hanselman appointed Secretary Heinen to serve as temporary chairman of the meeting to reorganize the Board.

The meeting of the retiring board adjourned at 7:55 p.m.

Secretary Heinen called the organizational meeting to order at 7:58 p.m. The oath of office was administered to Barb Casey and Chris McPeak. Secretary Heinen called for nominations for the office of president.

Marlene Coleman nominated Brent Hefly as president. Brent Hefly nominated Marlene Coleman.

Coleman declined, stating that she can't do the job that needs to be done because of her full-time job in Algona.

Chuck Legler nominated Brent Hefly as president. Brent Hefly nominated Barb Casey, who declined due to conflicts with her job.

Motion by Legler, seconded by McPeak, to nominate Brent Hefly as president. Motion carried. Hefly - abstained.

The oath of office was administered to President Hefly. He took over the position as chairman and asked for nominations for the office of vice president.

Motion by Coleman, seconded by Casey, to nominate Charles Legler as vice president. Motion carried. Legler - abstained.

The oath of office was administered to Vice President Legler.

Motion by Legler, seconded by McPeak, that the second Thursday of each month is the regular meeting date unless otherwise noted. Motion carried unanimously.

Special recognition was given to Corwith State Bank for lunch August 19, Lu Verne Library for the staff reception, and the Methodist Church for the luncheon August 20 during teacher inservice. Mark Kaczor and Brent Hefly were also recognized for the tree removal on the southeast side of the school. Motion by Coleman, seconded by Casey, to approve the CWL 2001-2002 Annual School Report. Motion carried unanimously.

Motion by Casey, seconded by Legler, to approve the Certified Annual Report for the 2001-2002 school year. Motion carried unanimously.

Motion by Legler, seconded by Coleman, to approve scheduling a public hearing to be held on Wednesday, October 9, at 9:15 p.m. to discuss an early start/innovative calendar for the 2003-2004 school year. Motion carried unanimously.

Motion by Legler, seconded by Casey, to approve the 2002-2003 school insurance plan as presented. Motion carried unanimously.

Motion by Legler, seconded by Casey, to approve open enrollment requests for Genny and Gerod Hutchinson from the Humboldt Community School District to the Lu Verne Community School District. Good cause reason is due to their recent move to Hardy. This request begins with the 2002-2003 school year. Motion carried unanimously.

Motion by Coleman, seconded by Casey, to approve the lease agreement with Mason City Business Systems for two Minolta copiers at \$707.98 monthly for sixty months. Motion carried unanimously.

Motion by Coleman, seconded by Casey, to approve the appointment of Al Carr, Superintendent / Principal, to serve as Student Council

Advisor for the 2002-2003 school year at a salary of \$225. Motion carried unanimously.

The meeting adjourned at 10:00 p.m.

A special Board meeting is scheduled for Tuesday, September 17, at 5:00 p.m. in the Board room of the Lu Verne School to meet with Dr. Tony Netusil, consultant. A joint Corwith-Wesley-Lu Verne School Board meeting is scheduled to be held Wednesday, October 9, 2002, at 7:00 p.m. at the Corwith building. The next regular meeting is scheduled to follow at approximately 9:00 p.m. at the school building in Lu Verne.

Sharon K. Heinen, Secretary  
I-18-1

**LU VERNE COMMUNITY SCHOOL**  
**School Board Proceedings**  
**Lu Verne, Iowa**

The Lu Verne Board of Education met in regular session on September 16, with all members and officers present. President Hanselman called the meeting to order at 8:45 p.m. The agenda was approved as presented.

Motion by Casey, seconded by Coleman, to approve minutes of the previous meetings as mailed. Motion carried unanimously.

Motion by Coleman, seconded by Casey, to approve the bills and expenditures for the Gen-

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

News Article from the June 20, 2002 *Humboldt Independent*

## LuVerne Board of Education approves year-end payments

During their June 13 monthly meeting, the LuVerne Board of Education approved payments of fiscal year 2002 bills prior to June 30.

The board authorized secretary

Sharon Heinlen and the board president to make payments on remaining bills before the fiscal year ends on June 30, 2002.

In other action, the board declined to take over ownership of the Iowa telecommunications fiber optic network, ICN had presented the board with a proposal to allow the school to take ownership of the cable line.

Also at the meeting, the board held a public hearing on internet safety policy. After the hearing,

with no objections, the board approved the purchase of filtering software for district computers. The filtering software will be paid for with state technology funding.

The board recognized instructor Paul Sontus and his students for raising \$1,168.25 in a Hoops for Heart project this spring. The effort was coordinated through the American Heart Association.

The board also received a hand-out on fourth quarter honor roll and attendance. The board learned

summer band lessons will begin the second week of July and run to the second week of August.

Superintendent Al Carr reported on the upcoming school board election in September. Board seats held by David Hanselman and Barb Casey will be up for election.

The next meeting will be July 11, 8 p.m. The board will meet in joint session with Corwith-Wesley at 7 p.m. on July 11 in LuVerne.





Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Attachments to April 10, 2002 and May 22, 2003 Board Minutes

LU VERNE COMMUNITY SCHOOL								
SALARIES								
SUPERINTENDENT								
NAME		01-02	SALARY	02-03	SALARY	\$	%	
<b>Superintendent</b>								
Carr	Al	63,000.00	per yr	63,000.00	per yr	0.00	0.00%	
				0.00%	Percent Inc.			
		Medical	Life & ADD				Disability	Total
<b>Superintendent</b>		Insurance	Insurance	Annuity	Dental	Vision	Insurance	Insurance
Carr	Al	10755.36	116	0	948	191	126	12,135
		01-02		02-03		\$	%	
Salary Grand Totals		63,000		63,000		0	0.00%	
FICA & IPERS		8,442		8,442		0	0.00%	
INSURANCE		8,167		12,135		3,968	48.59%	
<b>Grand Total</b>		<b>79,609</b>		<b>83,577</b>		<b>3,968</b>	<b>4.98%</b>	

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Attachments to April 10, 2002 and May 22, 2003 Board Minutes

LU VERNE COMMUNITY SCHOOL								
SALARIES								
SUPERINTENDENT								
NAME		02-03	SALARY	03-04	SALARY	\$	%	
<b>Superintendent</b>								
Carr	Al	63,000.00	per yr	65,000.00	per yr	2,000.00	3.17%	
					Percent Inc.			
		Medical	Life & ADD				Disability	Total
<b>Superintendent</b>		Insurance	Insurance	Annuity	Dental	Vision	Insurance	Insurance
Carr	Al	8871	111	0	742	191	150	10,064
		02-03		03-04		\$	%	
Salary Grand Totals		63,000		65,000		2,000	3.17%	
FICA & IPERS		8,442		8,710		268	3.17%	
INSURANCE		10,941		10,064		-877	-8.02%	
<b>Grand Total</b>		<b>82,383</b>		<b>83,774</b>		<b>1,391</b>	<b>1.69 %</b>	

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Mr. Holmes' Contract Dated May 1, 2002

BA+24 – Step XVII

**AGREEMENT TO MODIFY  
TEACHER'S CONTINUING CONTRACT**

IT IS AGREED, that the terms of the continuing contract and subsequent modifications, if any, by and between Dennis Holmes, a teacher, and the Board of Directors of the LuVerne Community School District, located at LuVerne, State of Iowa, for services rendered and to be rendered during the current school year, 20 02 - 20 03, shall remain in force and effect for an equivalent period beginning on the 19th day of August, 20 02, except as herein modified as follows:

(a) Salary per year (\$33,067.00) Thirty Three Thousand Sixty Seven and no/100 Dollars.

(b) Duties Teacher

Assistant Principal (\$500) Athletic Director (\$887)

(c) Days of Service 190, Teaching Days 180, and 1/ 190 th of the annual salary shall be considered as pay for one day of service.

(d) This contract is subject to the provisions of Iowa Code §§279.13 to 279.19, inclusive, and §279.27,...

(e) Longevity Pay to be paid June 13, 2003 – \$600.00

THIS MODIFICATION AGREEMENT, shall be null and void, and the terms of the continuing contract covering the current school year will prevail for the ensuing year unless this modification agreement is in the hands of said board bearing the signatures of said teacher and the president of the board on or before the 3rd day of May 20 02.

IN TESTIMONY WHEREOF, we have hereunto subscribed our names on dates as hereinafter stated.

Dated May 1 20 02

Dennis E. Holmes Teacher

Dated April 12 20 02

BOARD OF DIRECTORS

LuVerne Community School District

By Paul Hamilton President

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

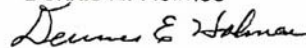
Mr. Holmes' Resignation Letter Dated May 7, 2002

LuVerne, Iowa  
May 7, 2002

Mr. Al Carr, Superintendent  
LuVerne Board of Education

As Barbara continues to face health challenges and the fact that my position may be reduced to part time, please accept my resignation at the end of this school year.

Dennis E. Holmes





Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of May 9, 2002 LuVerne CSD Board Meeting  
Signed Copy from LuVerne CSD

LU VERNE COMMUNITY SCHOOL DISTRICT  
Minutes

May 9, 2002 Regular session at schoolhouse

MEMBERS PRESENT: Hanselman, Coleman, Hefty, Legler-arrived 8:17 p.m., Casey-arrived 8:27 p.m.

MEMBERS ABSENT: None

OFFICERS PRESENT: Supt. Carr, Sec'y Heinen

OTHERS PRESENT: Marilyn Johnson, Dale Johnson, Patti Carroll, Alannah Carroll, Alesha Carroll, Cassie Carroll, Lindsay Coyle, Scott Johnson, Stephanie McGregor, Thomas McGregor

Pres. Hanselman called the meeting to order at 7:30 p.m. The agenda was approved as presented.

Patti Carroll, Alannah Carroll, Alesha Carroll, Cassie Carroll, Lindsay Coyle, Scott Johnson, Stephanie McGregor, Thomas McGregor attended the meeting to present the members with a Board Members "survival" kit in recognition of Iowa School Board Recognition Week May 12 – 18, 2002. Marilyn & Dale Johnson expressed concern as to whether a plan of action was in place in the case of an emergency and if every employee would know how to handle an emergency situation. Our emergency plan needs to be updated.

\* #70 Motion by Coleman, seconded by Hefty to approve minutes of the previous meetings as mailed. Motion carried unanimously.

\* #71 Motion by Hefty, seconded by Coleman to approve the bills and expenditures for the General - \$79,647.60, Activity - \$1,021.06, School Lunch - \$5,038.11, Medical Deductible - \$850.68 and Flexible Benefits Funds – \$480.00 as listed. (Lists attached.) Motion carried unanimously.

The various financial reports were reviewed.

A thank you was read from Dale & Marlene Coleman and family. Sharon Heinen expressed a verbal thank you to the members on behalf of her family.

Certificates from the Iowa Association of School Boards were distributed to the members in recognition of their service to the LuVerne School.

A copy of the Corwith-Wesley Community School District Comprehensive Site Visitation Report was included in the board packets.

Supt. Carr recommended that the contracts of Lisa Lawson, teacher aide and Julie Yeager, school van driver be terminated due to budget constraints and declining enrollment. Notices of contract non-renewal had been distributed to these employees. (Copy attached.)

\* #72 Motion by Coleman, seconded by Legler to approve the superintendent's recommendation to terminate the contracts of Lisa Lawson, teacher aide and Julie Yeager, school van driver due to budgetary constraints/fiscal prudence and declining enrollment. The termination is effective at the end of the school year. Motion carried unanimously.

A letter from Paul Sonius requested that he be released from his junior high football coaching assignment.

(continued on page 2)



Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of May 9, 2002 LuVerne CSD Board Meeting  
Signed Copy from LuVerne CSD

LuVerne Community School District – Minutes (continued)

Page 2  
May 9, 2002

- \* #73 Motion by Hefty, seconded by Casey to approve the resignation of Dennis Holmes as teacher and coach effective at the end of the school year due to retirement and also to acknowledge receipt of the request by Paul Sonius to be released from his junior high football coaching assignment. He will be assigned junior high football coaching duties for the 2002-2003 school year and the administration will try to find a qualified replacement. Upon finding a suitable, qualified and certified replacement, the board will then officially act upon his release request. Motion carried unanimously.

Supt. Carr reported that Ronda Pedersen has requested a transfer to teach middle school language arts. Jeanne Wittkopf and Cindy Schmidt will teach K-2 and Sheryl Carroll and Peg Skilling will teach 3-5. Mrs. Haverstick's time as elementary guidance counselor will be reduced from 40% to 10%. There may also be a reduction of time in the middle school instrumental music contract with Deb Newkirk.

- \* #74 Motion by Hefty, seconded by Coleman to approve the list of seniors as presented pending the students meeting the requirements for graduation. (List attached.) Motion carried unanimously.

Supt. Carr informed the members that a quote had been received for Iowa Star Schools (copy attached.) and we expect to receive a bid soon from Iowa Schools Employee Benefits Association.

- \* #75 Motion by Hefty, seconded by Legler to approve the Phase III Application for the 2002-2003 school year. Motion carried unanimously.

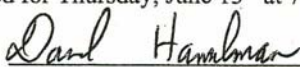
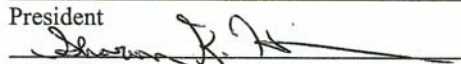
Action to modify the present administrator's contract was tabled until the end of the month pending additional information. The current contract expires June 30, 2004.

Supt. Carr reported:

- Rolls were served to all staff members and a note of appreciation was sent to the teachers in the daily announcements. Board representatives did all of this in celebration of Teacher Appreciation Week
- Due to budget reductions, we will not be having summer school classes this year.
- Community Service Project grant will be used on the ball diamond and garden project. A person is being sought to head the garden project.
- The high school band director will teach the four week summer band lessons.
- The Comprehensive School Improvement Plan will not need to be updated until next year as new federal guidelines are being designed. The annual report will still be needed.
- The School Nutrition report was received from the Iowa Department of Inspections and Appeals Food Establishment. (Copy attached.)
- A public hearing is to be held on the proposed merger of AEA3 & AEA5 is to be held May 13<sup>th</sup> at the Pocahontas high school in Pocahontas.
- A Technology Survey – En Gauge was submitted to the board and will be conducted during the summer months.

The meeting adjourned at 10:35 p.m.

The next regular meeting is scheduled for Thursday, June 13<sup>th</sup> at 7:30 p.m. at the school building in LuVerne.

  
\_\_\_\_\_  
President  
  
\_\_\_\_\_  
Secretary

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of May 9, 2002 LuVerne CSD Board Meeting  
Copy from Corwith-Wesley CSD

LU VERNE COMMUNITY SCHOOL DISTRICT  
Minutes

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MEMBERS ABSENT: None  
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(continued on page 2)



Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of May 9, 2002 LuVerne CSD Board Meeting  
Copy from Corwith-Wesley CSD

LuVerne Community School District – Minutes (continued) –

Page 2  
May 9, 2002

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President

\_\_\_\_\_  
Secretary

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Minutes of May 9, 2002 LuVerne CSD Board Meeting  
Published in the *Humboldt Independent*

# Legals

**LU VERNE COMMUNITY SCHOOLS**  
School Board Proceedings  
Lu Verne, Iowa

The Lu Verne Board of Education met in regular session on May 23, with Hanselman, Coleman, Legler, Casey, and all officers present. President Hanselman called the meeting to order at 7:30 a.m. The agenda was approved as presented.

Motion by Legler, seconded by Coleman, to approve the insurance provider change from Wellmark-Blue Cross/Blue Shield to Iowa Star Schools effective July 1, 2002. Motion carried unanimously.

Motion by Casey, seconded by Coleman, to approve a contract to Al Carr, Superintendent/Principal with the same salary as the previous year of \$63,000 for the 2002-2003 school year. Motion carried unanimously.

The meeting adjourned at 8:30 a.m.

The next regular meeting is scheduled for Thursday, June 13, at 7:30 p.m. at the school building in Lu Verne.

Sharon K. Heinzen, Secretary  
1-52-1

"Notice is hereby given that all persons indebted to the estate are requested to make immediate payment to the undersigned, and creditors having claims against the estate shall file them with the Clerk of the above named District Court, as provided by law, duly authenticated, for allowance, and unless so filed by the later to occur of four months from the second publication of this notice or one month from the date of mailing this notice (unless otherwise allowed or paid) a claim is thereafter forever barred.

Dated this 24th day of May, 2002.

Amy Ellen Schneider  
Administrator of the Estate  
3186 150th Street  
Renwick, IA 50577

Brinton, Bordwell & Johnson Law Firm  
By: Robert W. Brinton  
Attorneys for Administrator  
120 Central Avenue West  
P.O. Box 73  
Clarion, IA 50525

Date of second publication: 5th day of June, 2002.

1-52-2

**LU VERNE COMMUNITY SCHOOLS**  
School Board Proceedings  
Lu Verne, Iowa

The Lu Verne Board of Education met in regular session on May 9, with all members and officers present. President Hanselman called the meeting to order at 7:30 p.m. The agenda was approved as presented.

Motion by Coleman, seconded by Hefty, to approve minutes of the previous meetings as mailed. Motion carried unanimously.

Motion by Hefty, seconded by Coleman, to approve the bills and expenditures for the General - \$79,647.60; Activity - \$1,021.06; School Lunch - \$5,038.11; Medical Deductible - \$850.68; and Flexible Benefits Funds - \$480.00 as listed. Motion carried unanimously.

Motion by Coleman, seconded by Legler, to approve the superintendent's recommendation to terminate the contracts of Lisa Lawson, teacher aide, and Julie Yeager, school van driver, due to budgetary constraints/fiscal prudence and declining enrollment. The termination is effective at the end of the school year. Motion carried unanimously.

Motion by Hefty, seconded by Casey, to acknowledge receipt of the request by Paul Sonius to be released from his junior high football coaching assignment. He will be assigned junior high football coaching duties for the 2002-2003 school year and the administration will try to find a qualified replacement. Upon finding a suitable, qualified and certified replacement, the board will then officially act upon his release request. Motion carried unanimously.

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The meeting adjourned at 10:35 p.m.

The next regular meeting is scheduled for Thursday, June 13, at 7:30 p.m. at the school building in Lu Verne.

Sharon K. Heinzen, Secretary  
1-52-1

**Activity Fund**

Elite Cheerleading, camp deposit	\$160.0
West Bend Country Club, girls dist	
golf entry	90.0
Spring Valley Golf Course, boys dist	
golf entry	60.0
<b>Activity Fund Report Total</b>	<b>\$290.0</b>
<b>Activity Fund</b>	
Scholastic Book Clubs, book orders	\$43.4
<b>Activity Fund Total</b>	<b>\$43.4</b>
<b>Activity Fund</b>	
Award Emblem Mfg. Co., Inc., honor	
roll pins	\$147.1
Bale Company, awards	143.4
Lacy Blocker, 4 w/er expenses	12.4
Gary Clabaugh, DT plaques	64.1
Coca-Cola Bottling Co., pop/machines	504.1
Decker Sporting Goods, sports	
supplies	1,029.1
Dian Bros., awards	543.1
Floral Creations, DT night flowers	51.1
Humboldt Community Schools, Marchant/	
B&T	51.1
Humboldt	
From	
Lu Verne	



Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Mr. Holmes' Contract Dated September 16, 2002

BA+24 – Step XVII

**Contract with Teacher**

THIS CONTRACT, is entered into by and between Dennis Holmes, a teacher, and the Board of Directors, hereinafter called the board, of the LuVerne Community School District, located at LuVerne, County of Kossuth, State of Iowa.

WITNESSETH, that in consideration of a salary of (\$ 33,067.00 ) per school year, or more specifically, (\$        )        Dollars per school month of four weeks for a term of 8 school months, said teacher agrees to well and faithfully perform the duties of Teacher  
Assistant Principal (\$500) Athletic Director (\$887)

and such other duties connected with the public schools in said district as may be assigned by the board or its duly authorized representative, such salary payable in installments of (\$ 3,006.09 ) on the 15<sup>th</sup> day of each calendar school month for a period of 12 consecutive months, the first payment to be made on the 15 day of October, 20 02, or in installments as follows:       

AND IT IS FURTHER AGREED:

- (1) That said term shall commence on the 1st day of October, 20 02, and shall include 160 days of service, of which 152 days shall be teaching days and 1/ 160<sup>th</sup> of the annual salary shall be considered as pay for one day of service.
- (2) That an amount equal to the pay for one day of service shall be deducted from the salary of said teacher for each day of service not performed if absence from duty is not authorized by the board or leave policy in effect.
- (3) That if said teacher is lawfully discharged or is released by mutual agreement before the completion of said term, final settlement shall be made so the total amount which the teacher shall have received shall be an amount equal to the product of the number of days of service multiplied by the amount considered as pay for one day of service.
- (4) That the use to be made of the days in said term, which are in excess of the number of teaching days as stated herein, shall be determined by the board and may be stated in a school calendar adopted by the board.
- (5) That said teacher shall attend, outside of regular school hours as established by the board, such professional meetings as might be called by school authorities for co-ordinating the work of the teacher in the school program.
- (6) That said teacher shall present a certificate as required by law to the secretary of the Board of Directors of the school district before accepting payment of any part of the annual salary.
- (7) That this contract shall be subject to the provisions of Iowa Code, §§279.13 to 279.19 inclusive, and §279.27.
- (8) That this contract shall be invalid if the teacher is under contract with another board of directors in the state of Iowa to teach covering the same period of time.
- (9)

THIS CONTRACT, shall be without force and effect unless it is in the hands of the board, bearing the signature of said teacher and the president of the board on or before the 16th day of September, 20 02. IN TESTIMONY WHEREOF, we have subscribed our names on dates as hereinafter stated.

Dated Sept. 16, 20 02

Dennis E. Holmes Teacher

Dated September 16, 20 02

Dan H. Hefley President

Lu Verne Community School District

Report on Compliance with IPERS Requirements for Certain Members  
from the LuVerne Community School District

Mr. Holmes' Resignation Letter Dated February 27, 2003

LuVerne, Iowa  
Feb. 27, 2003

Mr. Albert D. Carr and  
The Board of Directors  
LuVerne Community School

It is my intention to take advantage of the early retirement policy implemented at the February, 2003, meeting of the LuVerne Board of Education.

Please accept my resignation as teacher, athletic director, coach, and administrative assistant effective at the end of the 2002-2003 school year contingent on the full implementation of the policy that has been presented.

It hardly seems possible that 42 happy years have passed since I started teaching at LuVerne. It has been great teaching in this caring district where students are our most important product.

Yours truly,



Dennis E. Holmes