

**Minutes of the Oscoda Area Schools Board of Education
Regular Meeting Monday, February 9, 2015**

The February 9, 2015 Regular Meeting of the Oscoda Area Schools, Iosco and Alcona Counties, Michigan, Board of Education was called to order at 7:00 p.m. on Monday, February 9, 2015 by President Tony Johnson. The meeting was held in the Board of Education Meeting Room located in Oscoda Area High School, 3550 East River Road, Oscoda, Michigan 48750. President Johnson led the Pledge of Allegiance and Secretary Davis read the district's Vision, Mission, and Belief statements.

Members Present: Ellis, Johnson, Davis, Kahila, Kellstrom, Reitler
Members Absent: Schlink

President Johnson stated that he would like to move the two action items regarding the pool to the top of the agenda. There were no objections.

President Johnson read the following statement on behalf of the Board of Education and administration:

On behalf of the Administration and the Board of Education we would like to thank you for coming this evening to lend insight into the status of our pool and natatorium. This tremendous asset has served our community for over fifty years and has been a source of education and value to thousands of our students and community members, including myself. We have been studiously researching means of securing and preserving the infrastructure of the pool for almost three years now. At this time we would like to share a chronology of events relative to the pool and information that we have garnered as we have investigated the best possible means of ensuring the continuity of operations of this facility that serves our children and community.

In 1999 Oscoda Area Schools submitted bid specifications for a new air-handling unit that mandated that the successful bidder provide shop drawings, equipment lists and details of what to install. The winning bidder was Goyette Mechanical who agreed to install the system for \$108,995. The machine was installed but failed to meet the demands and intent of the unit. Upon investigation by our current mechanical engineering firm of McMillan and Associates, the unit was undersized at the time of installation and failed to meet the proper regulations. In the spring of 2014 Oscoda Schools sought legal counsel advice on remediation or recourse that could be sought. Our attorneys concluded that there was no legal relief that could be delivered due to the duration of time that had lapsed between installation and discovery that the machine never met regulations.

The original objective of the air-handling unit was to circulate the air and utilize the internal air to heat the pool. Eventually the machine, out of warranty, began regularly destroying compressors. The unit has for many years only served to partially circulate air. Not having adequate funds to replace or repair the unit, Oscoda Area Schools began heating the pool with the general boiler numerous years ago.

In the spring of 2014 the Sinking Fund Committee met with our engineering firm WTA Architects and reviewed the infrastructure of everything in the district in an effort to identify areas most in need of attention with our recent securing of the Sinking Fund. The most immediate and pressing need was to remodel the wing of OHS that the gymnasium and pool resided in as the mold and rust damage posed a significant safety concern according to our architects. This wing saw the introduction of a new roof to replace the covering that was allowing tremendous amounts of water to infiltrate the building. We assumed that the lions share of damage was credited due to the roof being so deteriorated. In conjunction with replacing damaged ceilings, walls, floors and electrical infrastructure were also updated.

At the time, the allocation of funds that we received was \$586,000 for one year and the work to rectify the wing of OHS that had been destroyed due to water damage totaled almost \$700,000. The Board of education borrowed against future allocations of the sinking fund and debated what to do about the air handling unit as there were not enough funds to complete all of these projects.

The engineers and our contractors recommended attempting to see if the machine could last another few years. It has since been determined that the machine will not withstand another season, and the damage that had been rectified is slowly starting to resurface due to the machines lack of performance. McMillan and Associates conducted an analyses and the machine is currently operating at merely 15%. As such, the firm recommends that further running of the machine will result in total failure and the humidity in the pool will rapidly destroy the environment if the machine stops functioning completely.

The engineers have recommended either investing approximately \$300,000 into a new air-handling unit or to immediately drain the pool. The Board has been discussing our options and has unanimously expressed that utilization of the funds that the electorate bestowed upon Oscoda Schools for anything at this time beyond roofs and restrooms would not represent good stewardship of the Sinking Fund as that was the mandate and platform that was campaigned on.

Next year's allocation is approximately \$316,000 following the previous year's borrowing. Further, Oscoda Area Schools had sought an inspection on the entire scope of work that needs to be completed for the pool beyond the \$300,000 for a new air-handling unit and this sum will total \$220,000-\$250,000 and include new piping, pumps, lighting, a pool cover and a lift to ensure compliance with the Americans with Disabilities Act. In essence, the pool needs over a \$500,000 investment. Among the things the Board and Administration have had to consider is the annual expense to operate the pool exceeds \$100,000.

Considering that the pool must be drained in order to fix leaking pipes, the Board will consider this evening the prospect of draining the pool at the conclusion of the Otters swim season. Beyond this time frame, the fate of the pool will be in the hands of the voters of this community and the dedication of those committed to preserving the pool will prove instrumental to the continuation of this great resource. Considering the cost associated with the pool and the barriers to securing funds of this magnitude, Board members have directed the Superintendent, Finance Director and Central Office Manager to seek language for an Athletic Bond that would provide the funds necessary to update and maintain the pool. In addition to the pool, the track at OHS has not been safely available for competition for almost five years. The Board sought the bare minimum in November of 2013 when roofs and restrooms were the priority. The Board and administration feel that our children also deserve opportunities and amenities such as what we currently have, but that it should be the voters who decide if funds for these purposes should be directed in this manner.

The Board and administration have contemplated many different potential scenarios and opportunities in respect to maintaining the pool and ensuring its solvency. Administration has sought to market the pool to our community, researched grant opportunities, offered ventures with business to partner and also sought to enter into agreements with local municipalities for joint operations. None of these venues have produced results that would maintain this asset for our community.

The Board has been hesitant to bring this issue to the voters, but sees no other viable solution at this point. We are proud of the fact that our stewardship of public funds has improved greatly in every area including tonight's refinancing of our debt to result in cost avoidance to the tax-payers of approximately \$635,000. Issuance of a bond for our students and community to enjoy our facilities in optimum condition should not result in much more than a very minimal, if any, increase at all after the refinancing that was done this afternoon. We pride ourselves on being transparent and responsible with public funds in concert with adhering to the will of the public we serve. We strive to save every dollar possible for our community and by putting this issue on the May ballot will also save and avoid the possibility of financing a special election to consider this issue at a future date.

Community member and parent Fran Whitney thanked the previous Board members for their service and welcomed the new board members. She expressed her support for a bond proposal to keep the Oscoda High School pool open.

Oscoda High School Teacher and Swim Coach Jeff Rush discussed the importance of the Oscoda High School pool and encouraged Board members to keep the pool open.

Swim team member Lexi Lajoice addressed that Board discussing what the pool and swim program means to her and her peers and encouraged Board members to keep the pool open.

Motion: by Ellis, supported by Reitler, that the Board of Education approve the following resolution to call a special school election on Tuesday, May 5, 2015:

WHEREAS:

1. In the opinion of this Board it is necessary and expedient to ask voters whether to approve a bond project consisting of remodeling the swimming pool at the high school and developing and improving athletic facilities and sites.

2. This Board estimates the necessary cost of the project to be not less than Nine Hundred Ninety-Five Thousand Dollars (\$995,000).

3. It will be necessary for the District to borrow the sum of Nine Hundred Ninety-Five Thousand Dollars (\$995,000) and issue the bonds of the District therefore, the remaining funds to be derived from the investment of the bond proceeds.

4. This Board intends to submit a proposition at a special election to be held on Tuesday, May 5, 2015.

5. On or before 4:00 p.m. on Tuesday, February 10, 2015, the Board shall certify any ballot proposition to be submitted to the voters at such election to the election coordinator or coordinators designated to conduct elections within the District (the "Election Coordinator").

NOW, THEREFORE, BE IT RESOLVED THAT:

1. A special election of the school electors of the District be called and held on Tuesday, May 5, 2015.

2. The proposition to be voted on at the special election shall be stated on the ballots in substantially the form as set forth in Exhibit "A".

3. The Election Coordinator is requested to:

a. Utilize Oscoda Press, a newspaper published or of general circulation within the District, for publication of notices in accordance with the election law requirements.

b. Utilize ballot proposition summary information, as prepared by legal counsel, in the forms of the notices of last day of registration and election in the form as set forth in Exhibit "B" attached hereto.

c. Provide a proof copy of the ballot to the District and its legal counsel in sufficient time to allow the ballot to be proofread prior to printing.

4. This Board estimates the period of usefulness of the improvements for which bonds of the District in the amount of Nine Hundred Ninety-five thousand Dollars (\$995,000) are to be issued to be not less than twenty (20) years.

5. The Secretary of this Board is hereby authorized and directed to file a copy of this resolution with the Election Coordinator and with any Election Clerk or Clerks designated to conduct elections within the District by 4:00 p.m. on Tuesday, February 10, 2015.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are hereby rescinded.

- Yeas: Kellstrom, Reitler, Ellis, Johnson, Davis, Kahila
 - Nays: None
 - Absent: Schlink
 - Abstained: None
- Motion declared adopted with a 6 –0 vote.

President Johnson noted that Board recently refinanced the district’s 2005 bonds. This will save taxpayers \$635,000 in interest. The cost of the new bond proposal would be approximately \$19 per year for a homeowner with a house assessed at \$100,000. This would be a \$10 per year increase in the taxes they are currently paying.

Motion: by Davis, supported by Kahila, that the Board of Education authorize draining the Oscoda High School swimming pool at the conclusion of the 2014-15 swim season, due to the extreme maintenance issues related to the operation of the pool.

- Yeas: Kahila, Kellstrom, Reitler, Ellis, Johnson, Davis
 - Nays: None
 - Absent: Schlink
 - Abstained: None
- Motion declared adopted with a 6 – 0 vote

OHS Spanish Teacher Rachel Sverid reported to the Board on her trip to Spain. She thanked the Board for the opportunity to travel to Spain. She learned a lot and was able to bring information about the culture, religion, food, language and architecture of Spain back to her classes. Ms. Sverid invited Board members to come to her classroom and look at the bulletin board she created about her trip. She also has a video of her trip that she will email to Board members.

OHS Assistant Principal Scott Lueck reported on the number of students affected by the change in the attendance policy. Nine students had between 10 and 15 absences and no credits were denied as each of these students made up time. Thirty-eight students had more than 15 absences. Of these students, 30 had approved waivers. Eight students lost credit due to excessive absences.

Motion: by Ellis, supported by Kellstrom, that the Board of Education approve the Consent Agenda Items which include: the approval of the Agenda for the February 9, 2015 Regular Meeting; the tentative minutes of the Organizational Meeting held on Monday, January 12, 2015; the tentative minutes of the first closed session for a student expulsion hearing held on Monday, January 12, 2015; the tentative minutes of the second closed session for employee contract negotiations held on Monday, January 12, 2015; the tentative minutes of the Sinking Fund Committee Meeting held on Tuesday, January 13, 2015; and the payment of the General Fund checks #10616 through #10745 totaling \$297,109.29 as recommended by the Superintendent of Schools.

Yeas: Johnson, Davis, Kahila, Kellstrom, Reitler, Ellis

Nays: None

Absent: Schlink

Abstained: None

Motion declared adopted with a 6 – 0 vote.

Motion: by Ellis, supported by Kellstrom, that the Board of Education adopt the following resolution as prepared by legal counsel and recommended by the Finance Director and the Superintendent of Schools:

WHEREAS:

1. On the date hereof, the Issuer received 7 bids for the purchase of 2015 Refunding Bonds in the aggregate principal sum of \$5,725,000.00 (the “Bonds”); and

2. The President announced that the bids in the possession of the Secretary would be read and proceeded to read such bids, in the presence of the board of education and the public attending the Board meeting, as the same were handed to the President by the Secretary; and

3. The bids attached hereto and incorporated herein by reference were received from the following bidders:

- A. Raymond James & Associates, Inc.
- B. Sterne, Agree & Lynch, Inc.
- C. Robert W. Baird & Co., Inc.
- D. FTN Financial Capital Markets
- E. City Securities Corp.
- F. CFC Capital
- G. Hutchinson, Shockey, Erley & Co.

4. It is necessary for the Issuer to appoint a paying agent-bond registrar for the Bonds,

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The bid of Raymond James & Associates, Inc. for the purchase of the Bonds of the Issuer be accepted and that the Secretary be authorized to return the certified checks, if any, of all unsuccessful bidders as promptly as possible.

2. A certified copy of this resolution and the maturity schedule, as approved by the Board shall immediately be filed with the Treasury of the State of Michigan with the Application for Final Qualification of Bonds, which has been presented to this Board by Stauder, Barch & Associates, Inc. and is hereby approved.

3. The Treasurer is further directed to cause the proceeds from the sale of the Bonds to be credited to the herein established Bond Issuance Fund in the amount of the anticipates costs of issuance for the Bonds and the remainder of the bond proceeds to be deposited in the here established Escrow Fund and to cause the premium, if any, and accrued interest received at the time of delivery to be transferred to the 2015 REFUNDING BOND DEBT RETIREMENT FUND. Any amounts remaining in the Bond Issuance Fund after payment of all costs of issuance for the Bonds shall be transferred to the Debt Retirement Fund.

4. The Issuer hereby appoints The Huntington National Bank, Grand Rapids, Michigan, as Paying Agent-Bond Registrar and Escrow Agent and directs the Superintendent of Schools to execute for and on behalf of the Issuer a Paying Agent-Bond Registrar Agreement.

5. The debt levy heretofore certified for the 2015 tax year is hereby reallocated for the July 2014 levy as shown on the attached Exhibit A.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Yeas: Davis, Kahila, Kellstrom, Reitler, Ellis, Johnson
 Nays: None
 Absent: Schlink
 Abstained: None
 Motion declared adopted with a 6 – 0 vote.

Motion: by Kellstrom, supported by Kahila, that the Board of Education accept the recommendation of the Petition Review Committee and allow Student #1415-004 to enroll in the Oscoda Area Schools with a behavior plan in place.

Yeas: Kahila, Kellstrom, Reitler, Ellis, Johnson, Davis
 Nays: None
 Absent: Schlink
 Abstained: None
 Motion declared adopted with a 6 – 0 vote.

Motion: by Reitler, supported by Davis, that the Board of Education accept the recommendation of the Sinking Fund Committee and approve the following projects be done during the summer of 2015:

- Remodel the set of restrooms near Central Office at OHS
- Remodel the set of restrooms near the gymnasium at OHS
- Remodel the set of restrooms on the River Road Side at Richardson Elementary School
- Replace the roof over the auditorium at OHS
- Replace the roof over the kindergarten rooms at Richardson Elementary School

Yeas: Reitler, Ellis, Johnson, Davis, Kahila, Kellstrom
 Nays: None
 Absent: Schlink
 Abstained: None
 Motion declared adopted with a 6 –0 vote.

- Motion:** by Davis, supported by Ellis, that the Board of Education adopt the following resolution for a 457 (b) Plan:
- WHEREAS,** Oscoda Area Schools Iosco and Alcona Counties, Michigan (the “Employer”), wishes to adopt a nonqualified deferred compensation plan that qualifies under Section 457 (b) of the Code; and
- WHEREAS,** the Employer wishes to offer eligible employees an opportunity to enhance their personal retirement savings by deferring receipt of current compensation;
- BE IT RESOLVED** that the Board does hereby adopt the 457 (b) Plan which will, at all times, conform to the requirements of Section 457 (b) of the Internal Revenue Code and applicable regulations.
- FURTHER RESOLVED** that it is the intention of the Board that the 457 (b) Program will conform with all federal and state statutory and regulatory requirements applicable to 457 (b) plans, except that the program set forth above shall not be subject to the requirements of Title I of ERISA because the employer is exempted from such requirements.
- FURTHER RESOLVED** that the Board authorizes the Human Resources Director to act on the Board’s behalf with respect to this Plan, and to take any and all actions necessary or desirable to implement, maintain, and administer the Plan set forth above in accordance with the Board’s intentions, and all applicable stated and federal laws.
- Yeas: Ellis, Johnson, Davis, Kahila, Kellstrom, Reitler
 Nays: None
 Absent: Schlink
 Abstained: None
 Motion declared adopted with a 6 –0 vote.
- Motion:** by Kahila, supported by Kellstrom, that the Board of Education approve the Michigan Retirement Investment Consortium Board Participation Agreement as proposed and as recommended by the Superintendent of Schools.
- Yeas: Ellis, Johnson, Davis, Kahila, Kellstrom, Reitler
 Nays: None
 Absent: Schlink
 Abstained: None
 Motion declared adopted with a 6 –0 vote.
- Motion:** by Kellstrom, supported by Reitler, that the Board of Education approve the lease agreement between the Oscoda Area Schools and Eastern Sales, for the use of one room at Cedar Lake Elementary School, from March 1, 2015 through August 31, 2015, as presented and as recommended by the Superintendent of Schools.
- Yeas: Johnson, Davis, Kahila, Kellstrom ,Reitler, Ellis
 Nays: None
 Absent: Schlink
 Abstained: None
 Motion declared adopted with a 6 –0 vote.
- Motion:** by Kahila, supported by Kellstrom, that the Board of Education approve up to 3 Board Members to attend the MASB/MASA Legislative Conference on March 3, 2015 and to pay for the applicable expenses as provided for in Board Policy.
- Yeas: Kahila, Kellstrom, Reitler, Ellis, Johnson, Davis
 Nays: None
 Absent: Schlink
 Abstained: None
 Motion declared adopted with a 6 –0 vote.

Motion: by Ellis, supported by Johnson, that the Board of Education approve the following proclamation, as requested by Up North Prevention:

WHEREAS, adults who provide alcohol to those below the legal drinking age of 21 are placing those youth at risk for health, safety and legal problems, and

WHEREAS, alcohol is the drug of choice among America's adolescents and is used by more young people than tobacco or illicit drugs. More than one-fifth of youth begin drinking before age 13; and

WHEREAS, underage drinking contributed to a wide range of costly health and social problems, including motor vehicle crashes (the greatest single mortality risk for underage drinkers); suicide; interpersonal violence (e.g. homicides, assaults, rapes); unintentional injuries such as burns, falls, and drowning; brain impairment; alcohol dependence; risky sexual activity; academic problems; and alcohol and drug poisoning; and

WHEREAS, on average, alcohol is a factor in the deaths of approximately 4,700 young people in the United States per year, shortening their lives by an average of 60 years; and

WHEREAS, research shows that young people's brains keep developing well into their 20s. Alcohol can alter this development, potentially affecting both brain structure and function. This may cause cognitive or learning problems and/or make the brain more prone to alcohol dependence. This is especially a risk when people start drinking young and drink heavily; and

WHEREAS, according to the 2014 Michigan Profile for Healthy Youth report, of 14 counties of northern Michigan who participated, an average of 23.8% of 9th graders and 49.6% of 11th graders have been drunk in their lifetime. Of these reporting students, who drank recently, 58.9% reported that they usually drank alcohol at another person's home during the past 30 days.

WHEREAS, one-hundred percent of any alcohol consumed by a minor came from an adult. At one time, an adult over the age of 21 was in control of the alcohol and a minor gained access to it, and

WHEREAS, it is illegal for adults to knowingly allow their child's friends to drink alcohol in their home, even with the permission of the friends' parents, and adults have the authority and should have the responsibility to take steps to reduce the likelihood that their homes will become venues for underage drinking; and

NOW, THEREFORE BE IT RESOLVED, we, the Oscoda Area Schools Board of Education of Iosco and Alcona Counties do hereby proclaim that April 2015 is Social Host Awareness Month. We also call upon all parents, citizens, homeowners and property owners to host gatherings responsibly and take measures to eliminate access of alcohol to persons under the age of 21.

Yeas: Kahila, Kellstrom, Reitler, Ellis, Johnson, Davis

Nays: None

Absent: Schlink

Abstained: None

Motion declared adopted with a 6 –0 vote.

The Board of Education formally acknowledged the voluntary resignation/early notification plan from OHS English teacher Thomas D. Anderson and Social Worker/School Counselor Linda J. Gillam-Ostrander.

Superintendent Moore reported that the district is purchasing Munetrix software to assist with transparency reporting and budget forecasting, at a cost of \$2,500.

The Board of Education formally acknowledged the hiring of Junior Varsity Softball Coach Mark Whitley.

Superintendent Moore reported that an RFP for a wireless network has been issued. The RFP's are due at 3:00 p.m. on Thursday, February 26, 2015.

Superintendent Moore stated that the district plans to go to a one to one model for technology for grades 7 through 12. The cost of machines will be approximately \$225,000. The district is committed to this model, and administrators are working to come up with a good implementation plan. The current plan is to purchase classroom sets of laptops or tablets for students to use while they are at school. Sixty machines could be available for students to check out, and internet cards could be provided to students that do not have the internet available to them. Trustee Kellstrom stated that the district must ensure that students without technology at home are not placed at a disadvantage. Trustee Reitler stated that it will be imperative to budget for repair and replacement of these machines. Superintendent Moore noted that the district may have to use some fund equity to implement one to one technology.

Superintendent Moore reported that the district is looking into the possibility of partnering with Kirtland Community College to offer an early/middle college program to Oscoda High School students in the 2015-2016 school year. Students would attend high school for five years and would graduate with a high school diploma and an associate's degree. They would earn 32 college credits at end of their senior year. They would come back for a 13th year. This district would get the foundation allowance, but these students would not physically be in our building. Students would participate in all graduation activities at the end of their 12th year and would receive a certificate indicating that they are participating in an early/middle college program. Students involved in the program would be required to take specific classes, all of which are transferrable to any state-funded four-year university. Students involved in the program will not count against the district's graduation and dropout rate.

Superintendent Moore reported that the Class of 2019 would like to hold a laser tag fundraiser. He reported that the guns used for laser tag look real. He plans to approve this fundraiser to be held at Blue Horizons.

Superintendent Moore reported that nominations for the Hand-in-Hand awards are due March 2, 2015. Awards will be presented at the April 13, 2015 Board Meeting.

The Board of Education formally acknowledged the updated fundraising calendar and the updated list of volunteers.

Superintendent Moore reported that President Johnson and Trustees Schlink and Reitler will be attending MASB training February 13 & 14, 2015.

Superintendent Moore announced that an "Empty Bowls Dinner" hosted by Jamie Merdzinski's Richardson Elementary School artists and the Lions Club will be held in the high school commons on Friday, February 20, 2015. Tickets are \$5 per person or \$20 per family.

There being no further business for discussion, the meeting was adjourned at 9:00 p.m.

Edward Davis, Secretary
Board of Education
Oscoda Area Schools