

**Minutes of the Oscoda Area Schools Board of Education
Regular Meeting Monday, November 14, 2016**

The November 14, 2016 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, November 14, 2016 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: Johnson, Davis, Kellstrom, Schlink, Ellis (arrived at 7:04 p.m.)
Members Absent: Kahila, Reitler

Cindy Scott, Audit Manager, Stephenson, Gracik & Co. presented to the Board of Education the initial 2015-2016 audit. Mrs. Scott explained that the audit consists of the following components:

- Audit Opinion Letter
- Management's Discussion and Analysis
- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to Financial Statements
- Required Supplementary Information
- Other Information
- Single Audit
- Management Letter

The district received an unmodified opinion, which is the highest level of assurance. Mrs. Scott encouraged Board members to read through management's recap of the current year activity, which begins on page 3 of the audit. The government-wide financial statements combines all funds of the district and incorporates all long-term activity. These are the only statements where the GASB 68 net pension liability is recorded. The districts net pension liability is \$17,008,373, which leaves an ending net position of (\$8,417,472). She noted that most districts are in the same position. This does not mean that the district is operating at a deficit.

Mrs. Scott stated that some of the big changes in 2015 included major construction projects which resulted in \$1,958,337 in fixed asset additions, offset by \$593,217 in current year depreciation. Cash is down \$879,090 due to \$995,000 in related bonds issued in the prior year, net pension liability increased \$2,289,535.

The districts ending general fund balance was \$2,342,870 of which \$83,768 is non-spendable, \$61,652 is committed for Community Education Programs, \$150,423 is assigned for 2016-17 budgeted expenditures, \$349,134 for employee vacation and sick day buyouts, and \$188,235 for the flooring project. This leaves an unassigned general fund balance of \$1,509.68, which is 12.81% of current year expenditures. This is up from 10.8% the prior year. Mrs. Scott stated that she is not concerned with where the district stands. The district received no major program findings. However, student activity funds do not always have supporting documentation for deposits. Mrs. Scott noted that the issues with athletics has been satisfactorily corrected.

Pastor Eric Hendricks addressed the Board, thanking them for allowing the food giveaway program to use Cedar Lake Elementary at no charge. The program serves between 250 and 300 families each month.

Motion: by Ellis, supported by Kellstrom, that the Board of Education approve the Consent Agenda Items which includes: the approval of the Agenda for the November 14, 2016 Regular Meeting; the tentative minutes of the Regular Meeting held on Monday, October 10, 2016; and the payment of the General Fund checks #13712 through #13794 and #14001 through #14093, except for void checks #13749, #13761, and #14061, totaling \$413,895.06, as recommended by the Superintendent of Schools.

Yeas: Ellis, Johnson Davis, Kellstrom, Schlink
Nays: None
Absent: Kahila, Reitler
Abstained: None
Motion declared adopted with a 5 – 0 vote.

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Motion: by Kellstrom, supported by Ellis, that the Board of Education receive the 2015-16 Fiscal Year audit, as presented by Cindy Scott, Audit Manager, Stephenson, Gracik & Company and as recommended by the Chief Financial Officer and the Superintendent of Schools.

Yeas: Johnson, Davis, Kellstrom, Schlink, Ellis
 Nays: None
 Absent: Kahila, Reitler
 Abstained: None
 Motion declared adopted with a 5– 0 vote.

Motion: by Davis, supported by Schlink, that the Board of Education approve the General Fund budget amendments as presented for the 2016-17 Fiscal Year, as recommended by the Chief Financial Officer and the Superintendent of Schools. As directed by the Revised School Code in MCL 388.1618(2), the district “shall make the budget and subsequent revisions available on its website.”

Yeas: Davis, Kellstrom, Schlink, Ellis, Johnson
 Nays: None
 Absent: Kahila, Reitler
 Abstained: None
 Motion declared adopted with a 5– 0 vote.

Motion: by Schlink, supported by Kellstrom, that the Board of Education approve the Food Service Fund budget amendments as presented for the 2016-17 Fiscal Year, as recommended by the Chief Financial Officer and the Superintendent of Schools. As directed by the Revised School Code in MCL 388.1618(2), the district “shall make the budget and subsequent revisions available on its website.”

Yeas: Kellstrom, Schlink, Ellis, Johnson, Davis
 Nays: None
 Absent: Kahila, Reitler
 Abstained: None
 Motion declared adopted with a 5 - 0 vote.

Motion: by Davis, supported by Schlink, that the Board of Education approve the Sinking Fund budget amendments as presented for the 2016-17 Fiscal Year, as recommended by the Chief Financial Officer and the Superintendent of Schools. As directed by the Revised School Code in MCL 388.1618(2), the district “shall make the budget and subsequent revisions available on its website.”

Yeas: Kellstrom, Schlink, Ellis, Johnson, Davis
 Nays: None
 Absent: Reitler, Kahila
 Abstained: None
 Motion declared adopted with a 5– 0 vote.

Motion: by Schlink, supported by Johnson, that the Board of Education approve the Athletic Bond Capital Projects budget amendments as presented for the 2016-17 Fiscal Year, as recommended by the Chief Financial Officer and the Superintendent of Schools. As directed by the Revised School Code in MCL 388.1618(2), the district “shall make the budget and subsequent revisions available on its website.”

Yeas: Schlink, Ellis, Johnson, Davis, Kellstrom
 Nays: None
 Absent: Reitler, Kahila
 Abstained: None
 Motion declared adopted with a 5– 0 vote.

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Motion: by Ellis, supported by Davis, that the Board of Education approve the terms of the tentative agreement with the Oscoda Education Association for the 2017-2018 fiscal year as presented in the draft dated October 18, 2016, and as recommended by the Superintendent of Schools.

Yeas: Schlink, Ellis, Johnson, Davis, Kellstrom
 Nays: None
 Absent: Kahila, Reitler
 Abstained: None
 Motion declared adopted with a 5– 0 vote.

Motion: by Schlink, supported by Davis, that the Board of Education accept the bid of Image Business Solutions for the purchase of copy machines and a service maintenance agreement, which acceptance is conditioned upon a written contract between the parties that will reflect both the terms of the bid and will also require that all services be provided and performed in a timely, professional and cooperative manner.

Yeas: Ellis, Johnson, Davis, Kellstrom, Schlink,
 Nays: None
 Absent: Kahila, Reitler
 Abstained: None
 Motion declared adopted with a 5– 0 vote.

Motion: by Kellstrom, supported by Ellis, that the Board of Education release a 10th grade student from Oscoda Area Schools so that she may return to Tawas Area Schools, as requested by her mother, Katie Grathoff.

Yeas: Johnson, Davis, Kellstrom, Schlink, Ellis,
 Nays: None
 Absent: Kahila, Reitler
 Abstained: None
 Motion declared adopted with a 5– 0 vote.

President Johnson reported that he attended the annual MASB leadership conference. He noted that it is a great experience for any board member. In February MASB will be holding a new Board member institute, and he encouraged members of the Board to attend.

The Board of Education took a recess at 8:02 p.m. and reconvened at 8:11 p.m.

Superintendent Moore stated that the Board will be having conversations about Glennie and Cedar Lake in the future. He noted that Up North Crazy Photography moved out of Cedar Lake. AuSable Valley Community Mental Health moved out of a portion of the building as well. Oscoda Township looked at the possibility of using Cedar Lake for meetings as the plaza next to Gilberts has been sold. The Committee is recommending that an addition be made to Oscoda Township Hall. Superintendent Moore is in the process of obtaining the exact amount the district owes on the building. He is also looking at the possibility of having heat and utilities only in the newer portions of the building. Superintendent Moore stated that the roof at Cedar Lake is in bad shape, as is the boiler in the older portion of the building. It will take some serious work to keep the building open. To tear the building down will take a lot of money because of the asbestos in the building.

Superintendent Moore reported that Abbie Groff-Blaszak, Director of the Office of Educator Talent will visit Oscoda Area Schools on March 21, 2017.

Superintendent Moore reported that there are no results on the election for vacant Board seats.

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

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Motion: by Davis, supported by Schlink, that the Board of Education enter into closed session at 8:20 p.m. for the purpose of student discipline hearing, as provided for in Section 8(b) of the Open Meetings Act

Yeas: Davis, Kellstrom, Schlink, Ellis, Johnson,
 Nays: None
 Absent: Reitler, Kahila
 Abstained: None
 Motion declared adopted with a 5– 0 vote.

The Board of Education returned to open session at 8:40 p.m. No action was taken during closed session.

Motion: by Davis, supported by Kellstrom, that the Board of Education suspend student #1617-002 for the remainder of the first semester. The student may return to school on January 23, 2017

Yeas: Kellstrom, Schlink, Ellis, Johnson, Davis
 Nays: None
 Absent: Reitler, Kahila
 Abstained: None
 Motion declared adopted with a 5– 0 vote.

Motion: by Johnson supported by Davis, that the Board of Education enter into closed session at 8:43 p.m., for the purpose of student discipline hearing, as provided for in Section 8(b) of the Open Meetings Act

Yeas: Kellstrom, Schlink, Ellis, Johnson, Davis
 Nays: None
 Absent: Reitler, Kahila
 Abstained: None
 Motion declared adopted with a 5– 0 vote.

The Board of Education returned to open session at 9:04 p.m. No action was taken during closed session.

Motion: by Ellis, supported by Schlink, that the Board of Education suspend student #1617-003 for the remainder of the first semester. The student may return to school on January 23, 2017

Yeas: Schlink, Ellis, Johnson, Davis, Kellstrom
 Nays: None
 Absent: Reitler, Kahila
 Abstained: None
 Motion declared adopted with a 5– 0 vote.

Motion: by Johnson, supported by Davis, that the Board of Education enter into closed session at 9:05 p.m. for the purpose of discussing employee contract negotiations, as provided for in Section 8(c) of the Open Meetings Act.

Yeas: Kellstrom, Schlink, Ellis, Johnson, Davis
 Nays: None
 Absent: Kahila, Reitler
 Abstained: None
 Motion declared adopted with a 5– 0 vote.

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The Board returned to open session at 9:26 p.m. No action was taken during closed session.

There being no further business for discussion, the meeting was adjourned at 9:26 p.m.

Edward Davis, Secretary
Board of Education
Oscoda Area Schools