

**BOARD OF EDUCATION
REGULAR BUSINESS MEETING MINUTES**

May 21, 2012

The regular business meeting of the Board of Education of the Portage Public Schools held on Monday, May 21, 2012, was called to order at 6:30 p.m. by President Snyder in the Community Room of the Administration Building, 8111 S. Westnedge. He welcomed an audience of 30 people and all in attendance recited the Pledge of Allegiance.

Board Trustees Present: Tom Eddy, Ted Hartridge, Rusty Rathburn, Bo Snyder, Randy Van Antwerp and Joanne Willson

Board Trustees Absent: Geoff Howe

DISTRICT RECOGNITIONS AND ACKNOWLEDGEMENTS

The Community Relations Manager, Mr. Tom Vance, introduced and recognized the Northern High School Forensics Team and coaches on their 11th consecutive State Forensics Championship. Head Coach, Mrs. Laurel Scheidt introduced assistant coaches and team members. Mr. Vance also recognized three students that were individual state title winners from both Central and Northern High. Central High School Head Forensics Coach, Mrs. Theresa Mills, and Mrs. Scheidt welcomed the individual state winners. The Board and Superintendent Perry congratulated the Northern team and the three individual state title winners and shared certificates of recognition.

PUBLIC HEARING

President Snyder opened the Public Hearing on the Freedom From Bullying-Harassment Policy and called for public comment on the Policy. Mrs. Sarah Baker shared background information on the mandated legislation and changes to the existing Regulation. She also responded to Trustee questions regarding the plan to share annual reports on the Policy with the Board.

President Snyder closed the Public Hearing.

REPORTS

Superintendent's Report: Superintendent, Dr. Ric Perry, reported that both Northern and Central High Schools appear on the just released *Newsweek* list of top high schools in the United States. He also informed the Board that Northern High was named one of the top 10 high schools in Michigan by *U.S. News and World Report*. Dr. Perry added the *Washington Post* report last year listed both Northern and Central High Schools in the top six percent of high schools in the United States.

Dr. Perry shared news of training, certification and implementation of HumanEx in the District as a tool to screen prospective new staff during the hiring process.

Dr. Perry clarified the Consent Agenda recommendation to increase breakfast and lunch prices by \$.05 are mandatory in order to comply with federal guidelines.

Financial Report: The Business Manager, Mrs. Karla Colestock, presented a financial report for the ten month period ending April 30, 2012. She also informed the audience the District was just awarded a Certificate of Excellence by the Association of School Business Officials for the eighth consecutive year. Mrs. Colestock presented an overview of projected expenses and revenues for the 2012/13 school year. She responded to Trustee questions regarding the workers compensation claim, summer tax collections, retirement funding, a Bond Fund update, personal property tax, the bond rate and the Revenue Estimating Conference. President Snyder received a consensus from the Board for Dr. Perry to prepare a second correspondence on behalf of the District to local state legislators informing them of District financial projections and requesting their full support for education funding.

COMMENTS OR COMMUNICATIONS

President Snyder opened the comments and communications portion of the meeting and asked if there were any citizens who would like to speak to the Board. Mr. Hartridge explained guidelines the Board uses for this portion of the meeting.

Mr. James Menchinger, 7223 Leawood, a District retiree and forensics coach, shared historical background on the success of the District Forensics and Debate Programs. He also shared concern for future budgetary reductions and stressed the value of these programs.

Mr. Kevin Meyle, 5482 Telluride Avenue, a parent, shared accolades for the teaching staff at Haverhill Elementary and discussed concerns regarding staff departure from the school.

Ms. Mary Fletcher, 2687 Glenalmond Drive, a citizen, shared concern for future budgetary reductions and stressed the value of Forensics and Debate Programs.

President Snyder summarized the citizen comments and thanked the speakers. Dr. Perry also thanked the speakers and responded to concerns regarding the forensics classroom vision in the District, employee surveys and plans to conduct exit interviews.

President Snyder opened the floor to comments from fellow Board members.

Mr. Hartridge recognized the Northern High Forensics Championship and shared support for the continuation of this program.

Mrs. Willson echoed Mr. Hartridge's comments in support of the District Forensics Programs.

Mr. Van Antwerp applauded the Chinese Cultural Program, discussed ties to the District's Global Ends Policy and inclusion in the vision and strategy considerations.

Mr. Eddy shared an *Education Week* article, dated April 25, 2012, Vol. 31, Issue 29, titled Studies Test for Ways to Spot Good Teachers.

Mr. Rathburn also applauded the Chinese Cultural Program. He discussed attending the Champions for Healthy Kids Summit promoting healthy choices and lifestyles and recognized the Food Group Manager, Ms. Susan Livingston. Mr. Rathburn reported on the success of the Lake Center Elementary Anchor Run and recognized Principal, Mr. Mark Root, Assistant Principal, Mrs. Kelly Jensenius and

the building Parent Teacher Organization for efforts this event. He informed the audience that the Portage Rotary will receive recognition from Rotary International for their volunteer efforts at Community High School. Mr. Rathburn addressed the attributes of American education and the power of creative thinking.

President Snyder recognized Community High School students for their Robotics Competition. He discussed progress on the District vision and strategy urging the District to continue applauding successes while striving to push harder.

President Snyder opened the floor to Board Committee reports.

Mr. Hartridge reported the Finance Committee will meet on May 29 at 3:30 p.m. and urged public attendance at the meeting.

Mrs. Willson reported the Academic Achievement, Curriculum and Assessment Committee will meet on May 30 and encouraged the Executive Committee to reassess the Committee title.

President Snyder reported the Executive Committee is working on a summer retreat as well as quarterly retreats for the 2012-13 school year. He discussed the next steps in the visioning process noting recommendations for discussion will appear a future Board meeting.

CONSENT AGENDA

President Snyder presented the following Consent Agenda items for approval by the Board of Education: The minutes of the April 11, 2012, Special Meeting, April 16, 2012, Regular Business Meeting, April 23, 2012, Policy Governance Session, April 25, 2012, Special Meeting and May 7, 2012, Special Meetings and Committee of the Whole Work Session; Recommendation to Set Public Hearing on Proposed 2012/13 Budget; Renewal of Chartwells Food Service Management Contract For 2012/13; and Recommended 2012/13 Breakfast and Lunch Prices.

There being no objections, motion carried unanimously.

REQUIRED APPROVAL ITEMS

Motion offered by Mr. Rathburn, seconded by Mr. Eddy, that the Board of Education adopt the Kalamazoo Regional Educational Service Agency General Fund Operating Budget Resolution for the 2012/13 school year, as presented.

Mrs. Colestock provided background information on the Resolution.

Upon a roll call vote, all Trustees present voted in favor of the motion.

Motion offered by Mrs. Willson, seconded by Mr. Hartridge, that the Board of Education approve the recommendation to accept the proposal of Huntington National Bank for tax exempt term loans in the amount of \$631,062.00 at a fixed interest rate of 1.99% and adopt the attached resolution which authorizes the issuance of installment purchase contracts to Holland Bus Company and Cole Buick for bus and van financing and authorizes the Superintendent or Business Manager to execute this financing agreement, as presented.

Mrs. Colestock shared details on this recommendation that will result in three separate agreements.

Upon a roll call vote, all Trustees present voted in favor of the motion.

ACTION ITEMS

Motion offered by Mr. Eddy, seconded by Mr. Rathburn, that the Board of Education approve Policy 5400 Freedom from Bullying-Harassment regulation, as presented.

Mr. Eddy commented the District has been in compliance in many areas of this Policy and noted these changes further refine the existing Policy for a safe learning environment. Several Trustees thanked Mrs. Baker, Mr. Eddy and Mrs. Willson for their efforts on this Policy.

Motion carried unanimously.

Motion offered by Mr. Rathburn, seconded by Mr. Hartridge, that the Board of Education approve the addition of Varsity boys and girls Alpine Racing Teams as a cooperative, self-funded, school sponsored winter sport for Portage Central and Northern High Schools beginning in the 2012/13 school year, as presented.

Dr. Perry noted this activity is self-funded and requires no District support.

Motion carried unanimously.

Motion offered by Mrs. Willson, seconded by Mr. Van Antwerp, that the Board of Education approve the purchase of the Houghton Mifflin Reading Program, *Journeys*, for Kindergarten through Fifth Grades (pending the CIC recommendation on May 16, 2012). Implementation of Kindergarten, First and Second Grades would happen in the 2012/13 school year with Grades Three, Four and Five following in the 2013/14 school year. The total cost is \$420,090, as presented. Mrs. Willson offered a friendly amendment to remove the wording (pending the CIC recommendation on May 16, 2012) from the motion.

Mrs. Nancy Haas, Reading Committee Facilitator and Moorsbridge Principal, reviewed the recommendation. Mrs. Haas responded to Trustee questions regarding common core, teacher editions, monitoring implementation and assurance there will be no interruption of materials. Trustees thanked Mrs. Haas, Mrs. Marty Witt, Curriculum and Professional Development Coordinator, and the Committee for leading this effort and a job well done.

Motion carried unanimously.

There being no further business to come before the Board, the meeting was adjourned at 8:35 p.m.

Respectfully submitted,

Edna Kent
Recording Secretary

KRESA ("ISD") GENERAL FUND OPERATING BUDGET RESOLUTION

A regular meeting of the Board of Education of the Portage Public District was held in the Community Room of the Administration Building on May 21st at 6:30 pm.

Members present were: Tom Eddy, Ted Hartridge, Rusty Rathburn, Bo Snyder, Randy Van Antwerp and Joanne Willson

Member absent were: Geoff Howe

The following preamble and resolution were offered by Member Mr. Rathburn and seconded by Member Mr. Eddy.

WHEREAS:

This Board received the Kalamazoo Regional Educational Service Agency General Fund Operating Budget on or before May 1, 2012; and

WHEREAS:

In accordance with Section 380.624 of the Revised School Code, this Board must now adopt a resolution expressing its support or disapproval of the proposed ISD budget, and must submit to the ISD Board any specific objections and/proposed changes the Board may have to the budget prior to June 1, 2012.

THEREFORE, BE IT RESOLVED THAT:

Based upon the information received from and recognizing that a limited review of a budget document provides limited oversight of the financial affairs of an organization, the General Fund Operation Budget for the 2012/2013 school year be supported. Furthermore that the Secretary of the Board is hereby directed to submit a copy of this Resolution to the Secretary of the ISD Board of Education, along with any specific objections or proposed changes to the budget.

Ayes: Members Tom Eddy, Ted Hartridge, Rusty Rathburn, Bo Snyder, Randy Van Antwerp and Joanne Willson

Nays: Members None

Motion declared adopted.

The undersigned duly qualified and acting Secretary of the Board of Education of Portage Public Schools Portage, Michigan hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on May 21, 2012, the original of which resolution is a part of the Board's minutes, and further certifies that notice of the meeting was given to the public under the Open Meetings Act, 1976 PA 267, as amended.

Signed:


Secretary, Board of Education

PORTAGE PUBLIC SCHOOLS
COUNTY OF KALAMAZOO, STATE OF MICHIGAN

RESOLUTION AUTHORIZING INSTALLMENT
PURCHASE AGREEMENT

Minutes of a regular meeting of the Board of Education of the Portage Public Schools, County of Kalamazoo, State of Michigan, held on the 21st day of May, 2012, at 6:30 o'clock p.m., Eastern Daylight Time.

PRESENT: Members Tom Eddy, Ted Hartridge, Rusty Rathburn, Bo Snyder, Randy Van Antwerp
and Joanne Willson
ABSENT: Members Geoff Howe

The following preamble and resolution were offered by Member Mrs. Willson and supported by Member Mr. Hartridge.

WHEREAS, the Board of Education of the Portage Public Schools, County of Kalamazoo, State of Michigan (the "School District") determines it to be necessary for the public health, safety and welfare of the School District and its residents to acquire five (5) 77 passenger buses, four (4) 8 passenger vans, and one (1) Special Needs lift equipped school bus (the "Equipment"); and

WHEREAS, the School District has received quotes for the buses from Holland Bus Company in the amount of \$524,498 and for the passenger vans from Cole Buick in the amount of \$106,564; and

WHEREAS, under the provisions of Act No. 99, Public Acts of Michigan, 1933, as amended ("Act 99"), the School District is authorized to enter into any contracts or agreements for the purchase of the Equipment to be paid for in installments over a period of not to exceed the useful life of the Equipment acquired as determined by resolution of the School District; and

WHEREAS, the outstanding balance of all purchases by the School District under Act 99, exclusive of interest, shall not exceed one and one quarter percent (1-1/4%) of the taxable value of the real and personal Equipment in the School District at the date of such contract or agreement; and

WHEREAS, the School District desires to finance the purchase of the Equipment in the aggregate amount of \$631,062 pursuant to multiple installment purchase agreements; and

WHEREAS, purchase of the Equipment pursuant to the installment purchase agreements will not result in the outstanding balance of all such purchases in excess of the limitation contained within Act 99 as set forth above; and

WHEREAS, the School District has solicited and received proposals from financial institutions to finance the purchase of the Equipment pursuant to multiple installment purchase agreements; and

WHEREAS, the proposal of The Huntington National Bank (the “Financial Institution”) would produce the lowest cost to the School District of the conforming proposals received; and

NOW THEREFORE, BE IT RESOLVED THAT;

1. The proposal of the Financial Institution attached hereto as Exhibit A is hereby accepted. Each of the President, Secretary, Superintendent and Business Manager of the School District or his or her designee is hereby authorized to execute the agreements which shall be substantially in the form attached hereto as Exhibit B, with such changes as are necessary, desirable and not materially adverse to the School District, when in final form, and deliver it to the Financial Institution.

2. The term of each agreement shall not exceed the useful life of the Equipment being financed pursuant to that agreement. The useful life of the Equipment is hereby determined to be not less than six (6) years.

3. The Superintendent, Business Manager or his or her designee is each authorized to execute such additional documentation as shall be necessary to effectuate the closing contemplated by each agreement.

4. The School District hereby agrees to include in its budget for each year, commencing with 2013/14 fiscal year, a sum which will be sufficient to pay the principal of and the interest coming due under the agreements during such fiscal year.

5. The School District hereby designates its obligations under the installment purchase agreements as “qualified tax-exempt obligations” for purposes of deduction of interest expense by financial institutions under the provisions of the Internal Revenue Code of 1986, as amended.

6. The School District covenants that, to the extent permitted by law, it shall take all actions within its control necessary to maintain the exclusion of the interest component of the payments due under the agreements from adjusted gross income for general federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”), including but not limited to, actions relating to the rebate of arbitrage earnings, if applicable.

7. The acquisition of the Equipment and the approval of the agreements hereby are found and declared to be for a valid public purpose and in the best interest of the health and welfare of the residents of the School District.

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

AYES: Members Tom Eddy, Ted Hartridge, Rusty Rathburn, Bo Snyder, Randy
Van Antwerp and Joanne Willson

NAYS: Members None

RESOLUTION DECLARED ADOPTED.


Secretary

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Portage Public Schools, County of Kalamazoo, State of Michigan, at a regular meeting held on May 21, 2012, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.


Secretary

EXHIBIT A

| <u>DATE</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|----------------|--------------------|-----------------|--------------------|
| <u>July 15</u> | | | |
| 2013 | \$119,107.00 | \$14,103.90 | \$133,210.90 |
| 2014 | \$119,107.00 | \$10,281.35 | \$129,388.35 |
| 2015 | \$119,107.00 | \$7,889.37 | \$126,996.37 |
| 2016 | \$119,107.00 | \$5,497.41 | \$124,604.41 |
| 2017 | \$119,107.00 | \$3,105.44 | \$122,212.44 |
| 2018 | <u>\$35,527.00</u> | <u>\$713.48</u> | <u>\$36,240.48</u> |
| | \$631,062.00 | \$41,590.95 | \$672,652.95 |

EXHIBIT B

FORM OF
INSTALLMENT PURCHASE AGREEMENT

THIS AGREEMENT, dated as of _____, 2012, by and between the Portage Public Schools, County of Kalamazoo, Michigan (the "School District"), _____ (the "Vendor"), and The Huntington National Bank (the "Bank"), is as follows:

1. Purchase Price, Title and Useful Life. The School District agrees to purchase and Vendor agrees to sell, provide and deliver _____ (the "Equipment") for the sum of \$ _____ (the "Purchase Price"), payable in six (6) annual principal installments on [July 15] of each year commencing [July 15, 2013], in the amounts set forth on the attached Exhibit A. The Purchase Price may not be prepaid prior to maturity.

The School District shall pay interest on the unpaid balance of the Purchase Price to the Bank as the assignee of this Agreement in accordance with Paragraph 2 hereof, at a rate of interest equal to 1.99% per annum from the date funds are delivered by the Bank as set forth in Section 3 hereof, computed on the basis of a 30 day month and a 360 day year which interest shall be payable annually on [July 15], commencing [July 15, 2013] through the final date of payment of this Agreement, as set forth on Exhibit A. Upon delivery and acceptance by the School District, title to the Equipment shall vest in the School District. The School District agrees that the useful life of the Equipment is at least equal to or longer than the date of the final payment hereunder.

2. Assignment to Bank. The Vendor hereby irrevocably assigns this Agreement (with the exception of the obligations described below) immediately to the Bank in consideration for a payment from the Bank in the amount of the Purchase Price. The School District hereby consents to said assignment, except with respect to the warranties and other obligations of the Vendor set forth in Paragraphs 3 through 6, inclusive, of this Agreement, all of which shall, except as provided in Paragraph 6, remain the sole responsibility of the Vendor and shall not be assignable. With respect to the Bank, the School District hereby waives any defenses based upon warranty, failure or inability of the Vendor to perform its non-assignable obligations or the failure of the Buses to perform their intended function. The School District's obligation to the Bank is absolute and unconditional and shall remain in full force and effect until the amount of the Purchase Price together with interest thereon shall have been paid by the School District to the Bank, and such obligation shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following:

(a) Any failure of title with respect to the Vendor's or the School District's interest in the Equipment specified herein or the invalidity, enforceability or termination of this Agreement;

(b) The modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in this Agreement;

(c) The voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all of the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment or other similar proceedings affecting the Vendor or any of its assets or any allocation or contest of the validity of this Agreement, or the disaffirmance of this Agreement in any such proceeding;

(d) To the extent permitted by law, any event or action which would, in the absence of this clause, result in release or discharge by operation of law of the Vendor from the performance or observation of any obligation, covenant or agreement contained in this Agreement;

(e) The default or failure of the Vendor fully to perform any of its obligations set forth in this Agreement; or

(f) The sale, assignment or other disposition of the Equipment or if the School District determines not to use the Equipment for any reason.

It is expressly agreed between the Vendor, the School District and the Bank, by acceptance of the assignment of this Agreement, that the School District shall make all payments of principal and/or interest directly to the Bank.

The Vendor represents and warrants that the assignment to the Bank of this Agreement does not violate any agreement, contract or loan agreement to which it is a party, and that the Agreement has been duly executed and delivered by the Vendor.

3. Date of Acceptance. The date of acceptance for the Vendor shall have been the date when the Equipment has been delivered to the School District and the School District has accepted the delivery of the Equipment in writing. Upon acceptance, the School District shall notify the Bank, in writing, that the Bank shall immediately disburse the sums owing to the Vendor.

4. Warranty. Vendor warrants its Equipment as set forth in the specifications and pursuant to the manufacturer's warranties and warrants its assembly of the Equipment. Any warranties with respect to the Equipment shall not be assigned, but shall remain enforceable by the School District. The Bank makes no warranty as to the manufacture or assembly of the Equipment.

5. Entire Agreement. This Agreement and the documents expressly incorporated by reference herein constitute the entire agreement of the parties. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are hereby terminated.

6. Amendments. Any attempt to modify the terms of this Agreement or of any supporting document shall be ineffectual unless in writing, signed by all parties and the School District agrees to secure the consent of Bank to any such modifications, provided that the consent of the Vendor to the modification of any of the terms of payment by the School District to the Bank shall not be required.

7. Security and Tax Covenant. The obligation of the School District to pay principal and interest under this Agreement is a general obligation of the School District. The School District shall include in its budget and pay each year, until this Agreement is paid in full, such sum as may be necessary each year to make all payments hereunder, when due. The School District covenants that it shall comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to delivery of this Agreement in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. The School District designates the obligations under this Agreement as "qualified tax exempt obligations" for purpose of deduction of interest expense by financial institutions.

8. Legislative Authorization. This agreement is made in accordance with and pursuant to Act 99, Public Acts of Michigan, 1933, as amended.

9. Counterparts. This Agreement may be signed in any number of counterparts.

as Vendor

By: _____

Its: _____

PORTAGE PUBLIC SCHOOLS

By: _____

Its: _____

as Assignee

By: THE HUNTINGTON NATIONAL BANK

Its: _____

EXHIBIT A

PRINCIPAL AND INTEREST PAYMENT SCHEDULE

| <u>DATE</u> <u>[July 15]</u> | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|---------------------------------|------------------|-----------------|--------------|
| 2013 | \$ | \$ | \$ |
| 2014 | | | |
| 2015 | | | |
| 2016 | | | |
| 2017 | | | |
| [2018] | | | |