

Ovid-Elsie Area Schools

Board of Education

Minutes of Regular Meeting

Monday, February 15, 2016-6:30 PM

Information Center

1. Call to order

The meeting was called to order by President Rulison at 6:30 p.m. with the pledge of allegiance to the flag of the United States of America.

Members Present: Stacie Rulison, David Huff, Steven Sopocy, Erin Bancroft
Michael Schiffer

Members Absent: Amy Palus, Josh Miller

2. Consent Agenda

Motion by D. Huff, supported by S. Sopocy, to approve the consent agenda for the February 15, 2016 board meeting. A roll call vote was taken. Motion passed 5-0. The agenda included the following items:

- A. Minutes from the January 18, 2016 Special and Reorganizational Board Meetings.
- B. Payment of bills: Checks #14294- #14377 and #14271- #14293.
- C. Monthly Financial Reports as of January 31, 2016.

3. Recognition

Cory Gavenda, Principal of E. E. Knight Elementary, presented 4th grade Students of the Month. Brayden Ormes in Mrs. Thelen's class; Ava Bates in Mrs. White's class and Jayden Ellis in Mrs. Coldiron's class.

Kris Kirby, Principal of Leonard Elementary, presented Kindergarten Students of the Month. Madalynn Bushard in Ms. Smith's class; Leyton Belill in Ms. Calverley's class and Macy VanEtten in Mrs. Baretta's class.

4. Reports

Dr. Cunningham presented the Ovid-Elsie Revised Budget for 2015-2016.

Administrators presented building updates.

S. Sopocy left meeting at 7:30 p.m.

Principal Barton gave the Focus School Report.

Mr. Kris Kirby reviewed the Instructional Council Meeting held today.

5. **Communications From the Public**-comments from parent, Shannon Hurst, concerning expanding dual enrollment, were entertained by the board.
6. **Communications From Ovid-Elsie Personnel**
7. **Correspondence**
8. **Old Business**
9. **New Business**

A. **Resolution for Refunding Bonds**

Motion by D. Huff, supported by M. Schiffer to approve the Resolution as presented. A roll call vote was taken. Motion passed 4-0.

RESOLUTION FOLLOWS MINUTES

B. **Ovid-Elsie Area Schools Revised Budget for 2015-2016**

Motion by M. Schiffer, supported by E. Bancroft to approve the Ovid-Elsie Area Schools Revised Budget for 2015-2016 as presented. Motion passed 4-0.

BUDGET FOLLOWS MINUTES

C. **Field Trip Requests**

(1) Senior Class trip request to Chicago.

Motion by M. Schiffer, supported by D. Huff to postpone, favorably, the request for the Senior Class to travel to Chicago. Motion passed 4-0.

(2) Marching Band Camp request to Bethel Park Retreat, Bridgman, MI.

Motion by E. Bancroft, supported by D. Huff to approve the request for the marching band to travel to Bridgman, MI, leaving July 18, 2016 and returning July 23, 2016, to attend band camp. Motion passed 4-0.

(3) Middle School Jr. All Star Band request to travel to Shepherd, MI.

Motion by E. Bancroft, supported by D. Huff to approve the request for band members to travel to Shepherd, MI, leaving April 16, 2016 and returning April 17, 2016, to attend the Jr. All Star Band event. Motion passed 4-0.

(4) High School Student Council request to attend the Leadership Conference in Traverse City, MI.

Motion by E. Bancroft, supported by M. Schiffer to postpone, favorably, the request for the Student Council to travel to Traverse City. Motion passed 4-0.

D. RFP for Brokerage Services

Motion by D. Huff, supported by M. Schiffer to approve a RFP for Real Estate Broker Services to assist in the sale of school property. Motion passed 4-0.

E. Employee Contract

Motion by D. Huff, supported by E. Bancroft to approve a two (2) year contract (2016-17, 2017-18) for Frank Quine, Head Mechanic, as presented. Motion passed 4-0.

10. Other Matters Which May Properly Come Before the Board

Motion by M. Schiffer, supported by E. Bancroft to enter into closed session at 8:05 p.m. to consider a request to enroll a student. Motion passed 4-0.

Board resumed open session at 8:17 p.m.

Motion by D. Huff, supported by M. Schiffer to approve enrollment of student in Ovid-Elsie's GLOS program. Motion passed 4-0.

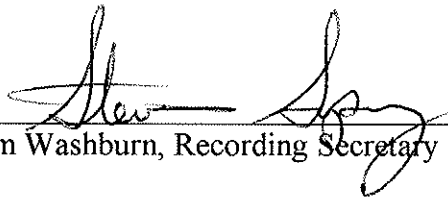
11. Hearing From Board Members

12. Adjournment

Motion by D. Huff, supported by E. Bancroft to adjourn the meeting at 8:20 p.m. Motion carried unanimously.

Respectfully Submitted,
Steven Sopocy, Secretary

Minutes submitted by: Pam Washburn, Recording Secretary



Ovid-Elsie Area Schools, Clinton, Shiawassee, Saginaw and Gratiot Counties, Michigan (the "Issuer")

A regular meeting of the board of education of the Issuer (the "Board") was held in the Ovid-Elsie High School/Middle School Information Center, within the boundaries of the Issuer, on the 15th day of February, 2016, at 6:30 o'clock in the p.m.

The meeting was called to order by Stacie Rulison, President.

Present: Members Stacie Rulison, Dr. David Huff, Erin Bancroft, Michael Schiffer, Steven Sopoecy (departed prior to resolution being considered)

Absent: Members Amy Palus and Joshua Miller

The following preamble and resolution were offered by Member Dr. David Huff and supported by Member Michael Schiffer:

WHEREAS:

1. By resolution adopted on October 19, 2015 (the "Bond Resolution"), this Board authorized not to exceed Eight Million Six Hundred Thousand Dollars (\$8,600,000) 2016 Refunding Bonds (General Obligation - Unlimited Tax) (the "Bonds") for the purpose of refunding all or a portion of the Issuer's 2006 Refunding Bonds, dated February 2, 2006, which are callable on or after May 1, 2016, and are due and payable May 1, 2026 through May 1, 2032, inclusive (the "Refunded Bonds"); and

2. In the Bond Resolution, the Issuer authorized the Superintendent of Schools to accept the offer of Stifel, Nicolaus & Company, Incorporated, Okemos, Michigan (the "Underwriter"), within the parameters set forth in such resolution; and

3. Based upon information provided by the Issuer's financial consulting firm and the Underwriter, the Issuer selected a negotiated sale to allow for flexibility in the timing, sale and structure of the Bonds in response to changing market conditions and to allow for flexibility in sizing the defeasance escrow necessary to accomplish the refunding of the Refunded Bonds; and

4. The Underwriter presented an offer to purchase the Bonds to the Superintendent on January 28, 2016, which the Superintendent accepted pursuant to the authority delegated in the Bond Resolution.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The offer of the Underwriter as set forth in the bond purchase agreement (the "Bond Purchase Agreement"), and the terms and conditions set forth therein, presented to the Superintendent on January 28, 2016, to purchase the Bonds in the principal amount of \$7,225,000 at a purchase price of \$8,149,415.75, which is the par value of the Bonds, plus an original issue premium of \$964,153.25, less the Underwriter's discount of \$39,737.50, is hereby ratified and affirmed. The Bonds shall be issued in the aggregate principal sum of \$7,225,000 and designated 2016 Refunding Bonds (General Obligation - Unlimited Tax).

2. The Bonds shall be dated February 25, 2016, and shall mature on May 1 of the years 2026 through 2032, inclusive, on which interest is payable commencing November 1, 2016 and semi-annually thereafter on May 1 and November 1, at the rates and in the principal amounts set forth in

Exhibit A and shall be subject to optional redemption as set forth herein. The Bonds shall be initially offered to the public at the initial offering yields as set forth in Exhibit A hereto.

3. The Bonds or portions of Bonds in multiples of \$5,000, maturing on or after May 1, 2027, shall be subject to redemption prior to maturity, at the option of the Issuer in such order as the Issuer may determine and by lot within any maturity, on any date occurring on or after May 1, 2026, at par plus accrued interest to the redemption date.

4. Notice of redemption of any Bond shall be given not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption by mail to the registered owner's or owners' registered address shown on the registration books kept by the Paying Agent (the "Paying Agent"). The Bonds shall be called for redemption in multiples of \$5,000, and Bonds of denominations of more than \$5,000 shall be treated as representing the number of Bonds obtained by dividing the denomination of the Bond by \$5,000, and such Bonds may be redeemed in part. The notice of redemption for Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed a new Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered shall be issued to the registered owner thereof.

If less than all of the Bonds of any maturity shall be called for redemption prior to maturity, unless otherwise provided, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Paying Agent, in such manner as the Paying Agent in its discretion may deem proper, in the principal amounts designated by the Issuer. Any Bonds selected for redemption which are deemed to be paid in accordance with the provisions of the Bond Resolution and this resolution will cease to bear interest on the date fixed for redemption. Upon presentation and surrender of such Bonds at the corporate trust office of the Paying Agent, such Bonds shall be paid and redeemed.

5. Blank Bonds with the manual or facsimile signatures of the President and Secretary of the Board affixed thereto, shall, upon issuance and delivery and from time to time thereafter as necessary, be delivered to the Paying Agent for safekeeping to be used for registration and transfer of ownership.

The Bonds are registered as to principal and interest and are transferable as provided in the Bond Resolution only upon the books of the Issuer kept for that purpose by the Paying Agent, by the registered owner thereof in person or by an agent of the owner duly authorized in writing, upon the surrender of the Bond together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the registered owner or agent thereof and thereupon a new Bond or Bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Bond Resolution, and upon payment of the charges, if any, therein provided. The Bonds are issuable in denominations of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount for each maturity.

If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bonds, shall furnish or cause to be furnished, and the Paying Agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution of the mutilated Bond, upon surrender to the Paying Agent of the mutilated Bond. If any Bond issued under this resolution shall be lost, destroyed or stolen, evidence of the loss, destruction or theft and indemnity may be submitted to the Paying Agent, and if satisfactory to the Paying Agent and the Issuer, the Issuer at the expense of the owner, shall furnish or cause to be furnished, and the Paying Agent shall authenticate and deliver a new Bond of like tenor and bearing the statement required by Act 354, Public Acts of Michigan, 1972, as amended, being sections 129.131 to 129.134, inclusive, of the Michigan Compiled Laws, or any

applicable law hereafter enacted, in lieu of and in substitution of the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Paying Agent may pay the same without surrender thereof.

6. The Huntington National Bank, Grand Rapids, Michigan, is hereby approved as Escrow Agent under the proposed Escrow Agreement (the "Escrow Agreement") presented to the Board. The Escrow Agreement providing for payment and redemption of the Refunded Bonds is hereby approved. The President or Secretary shall execute and deliver the Escrow Agreement substantially in the form presented to the Board with such changes and completions as shall be necessary as determined by Thrun Law Firm, P.C., in order to accomplish refunding the Refunded Bonds in accordance with the law and the Bond Resolution. The Escrow Agent is further authorized to act as the Issuer's Agent, an attorney-in-fact for the purpose of acquiring on behalf of the Issuer the federal securities, if necessary, as defined in the Escrow Agreement to meet the Board's obligations under the Escrow Agreement.

7. Upon delivery of the Bonds, the accrued interest, if any, shall be deposited in the Debt Retirement Fund for the Bonds and the balance of the Bond proceeds shall be used as follows:

A. The approximate sum of \$71,721.75 shall be used to pay the cost of issuance of the Bonds, and any balance remaining from that sum after paying the cost of issuance shall be deposited in the Debt Retirement Fund for the Bonds.

B. The sum of \$8,077,694 from the Bonds shall be paid to the Escrow Agent and then invested by it as provided in the Bond Resolution and Exhibit D of the Escrow Agreement for payment of principal and interest on the Refunded Bonds. Any funds from the Bond proceeds not used for the Escrow Account shall be deposited in the Bond Issuance Fund.

8. The Issuer hereby deems designated the Bonds of this issue 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, provided, however, that to the extent the Prior bonds were designated by the Issuer as a "qualified tax-exempt obligation" and provided that the other conditions required by the Code to deem all or a portion of the Bonds as designated as "qualified tax-exempt obligations" are satisfied, then only that portion of the par amount of the bonds that exceeds the par amount of the Prior bonds are hereby designated as "qualified tax-exempt obligations" under this paragraph and the remaining portion of the Bonds are deemed designated as "qualified tax-exempt obligations." In making said designation, the Board determines that the reasonably anticipated amount of tax-exempt obligations which will be issued by the Issuer or entities which issue obligations on behalf of the Issuer during calendar year 2016 will not exceed \$10,000,000, excluding only those tax-exempt obligations as permitted by Section 265(b)(3)(C)(ii) of the Code.

9. The President and Secretary are hereby authorized to provide the Bonds in conformity with the specifications of this resolution by causing their manual or facsimile signatures to be affixed thereto, and upon the manual execution by the authorized signatory of the Paying Agent, the Treasurer be and is hereby authorized and directed to cause said Bonds to be delivered to the Underwriter upon receipt of the purchase price and accrued interest, if any.

10. The Preliminary Official Statement, dated January 20, 2016, is deemed final for purposes of SEC Rule 15c2-12(b)(1), relating to the Bonds and its use and distribution by the Underwriter is hereby authorized, approved and confirmed.

11. The Superintendent is authorized and directed to execute and deliver the final Official Statement on behalf of the Issuer. The Superintendent is further authorized to approve, execute and deliver any amendments and supplements to the final Official Statement necessary to assure that the statements therein are true, as of the time the Bonds are delivered to the Underwriter, and that it does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements, in light of the circumstances under which they were made, not misleading. In the absence of the Superintendent, the President may execute the above documents.

12. The President or Vice President, the Secretary, the Treasurer, the Superintendent, and/or all other officers, agents and representatives of the Issuer and each of them shall execute, issue and deliver any certificates, statements, warranties, representations, or documents necessary to effect the purposes of this resolution, the Bonds or the Bond Purchase Agreement.

13. The officers, agents and employees of the Issuer are authorized to take all other actions necessary and convenient to facilitate sale and delivery of the Bonds.

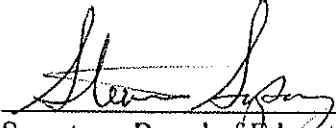
14. The Issuer hereby appoints The Huntington National Bank, Grand Rapids, Michigan, as Paying Agent-Bond Registrar and directs the Superintendent of Schools to execute for and on behalf of the Issuer a Paying Agent-Bond Registrar Agreement.

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

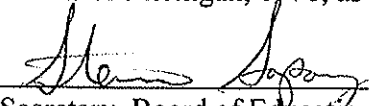
Ayes: Members Stacie Rulison, Dr. David Huff, Erin Bancroft,
Michael Schiffer

Nays: Members None

Resolution declared adopted.


Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of Ovid-Elsie Area Schools, Clinton, Shiawassee, Saginaw and Gratiot Counties, Michigan, hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the Board at a regular meeting held on February 15, 2016, the original of which is part of the Board's minutes. The undersigned further certifies that notice of the meeting was given to the public pursuant to the provisions of the "Open Meetings Act" (Act 267, Public Acts of Michigan, 1976, as amended).


Secretary, Board of Education

CJI/clb

EXHIBIT A

STIFEL

BOND PRICING

Ovid-Elsie Area Schools
2016 Refunding of 2006

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial Bond:									
	05/01/2026	1,055,000	4.000%	2.270%	115.647				165,075.85
	05/01/2027	1,045,000	4.000%	2.350%	114.863 C	2.470%	05/01/2026	100.000	155,318.35
	05/01/2028	1,035,000	4.000%	2.430%	114.085 C	2.640%	05/01/2026	100.000	145,779.75
	05/01/2029	1,030,000	4.000%	2.520%	113.217 C	2.794%	05/01/2026	100.000	136,135.10
	05/01/2030	1,030,000	4.000%	2.590%	112.547 C	2.913%	05/01/2026	100.000	129,234.10
	05/01/2031	1,020,000	4.000%	2.670%	111.787 C	3.026%	05/01/2026	100.000	120,227.40
	05/01/2032	1,010,000	4.000%	2.740%	111.127 C	3.119%	05/01/2026	100.000	112,382.70
		7,225,000							964,153.25

Dated Date	02/25/2016	
Delivery Date	02/25/2016	
First Coupon	11/01/2016	
Par Amount	7,225,000.00	
Premium	964,153.25	
Production	8,189,153.25	113.344682%
Underwriter's Discount	(39,737.50)	(0.550000%)
Purchase Price	8,149,415.75	112.794682%
Accrued Interest		
Net Proceeds	8,149,415.75	

Note: Final Numbers

2015-2016
Revised General Appropriation Act
February 15, 2016

REVENUE

Local Revenue	\$ 711,027.32
State Aid	\$ 11,504,370.61
Section 147c MPSERS UAAL Rate Stabilization	\$ 857,908.30
Federal	\$ 322,072.00
Athletic	\$ 122,105.00
Interest and Other Revenue	\$ 668,320.50
TOTAL BUDGETED REVENUE	\$ 14,185,803.73

EXPENDITURES

Compensation

Total Wages	\$ 7,153,114.00
Health, Dental, Vision, Life	\$ 1,207,819.00
Voluntary Severance Package	\$ 70,502.44
Retirement	\$ 1,855,490.00
Section 147c MPSERS UAAL Rate Stabilization	\$ 730,732.00
FICA	\$ 548,390.00
Workers Compensation	\$ 43,295.00
Total Wages & Benefits	<u>\$ 11,609,342.44</u>
Contracted Substitutes	\$ 99,800.00
Contracted PESG	\$ 100,500.00
Contracted Kids Zone One & Two Tuition	\$ 151,000.00
Total Compensation	\$ 11,960,642.44

Purchased Services, Supplies, Other

Instructional	\$ 350,771.67
Pupil & Instructional Staff	\$ 73,040.50
Board of Education, Admin, Fiscal Services	\$ 204,773.41
Office of Principal	\$ 60,350.00
Total Purchased Services, Supplies, Other	<u>\$ 688,935.58</u>

Operation and Maintenance

Gas/Heat	\$ 117,000.00
Electricity	\$ 356,000.00
Telephone	\$ 3,500.00
Water & Sewage	\$ 17,000.00
Trash Disposal	\$ 18,000.00
Building Repairs/Grounds Maint/HVAC Repairs	\$ 62,000.00
District Insurance	\$ 101,359.00
Purchased Services, Supplies, Other	\$ 174,900.00
Major Facilities Capital Outlay	\$ 50,000.00

Transportation		
Purchased Services, Supplies, Other	\$	200,800.54
Bus Purchase	\$	-
Total Operation/Maintenance/Transportation		\$ 1,100,559.54

HR/Technology/Pupil Accounting		
Purchased Services, Supplies, Other	\$	177,200.00
Technology Equipment	\$	120,356.00

Athletics		
Purchased Services, Supplies, Other	\$	177,000.00

Community Services		
Purchased Services, Supplies, Other	\$	1,016.00

Debt Services - QZAB	\$	-
Food Service	\$	-

TOTAL BUDGETED EXPENDITURES		\$ 14,225,709.56
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Total Revenue	\$	14,185,803.73
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Total Expenditures	\$	14,225,709.56
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Excess of Revenues	\$	(39,905.83)
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(Deficiency) over expenditures		
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Total Fund Balance June 30, 2015 per Audit	\$	3,093,238.00
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6/30/2016 Revised Fund Balance	\$	3,053,332.17
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Motion by M. Schiffer, supported by E. Bancroft to approve the preceding revised general fund appropriation budget for the 2015/2016 fiscal year.

Approved by  Date 2/15/16
 Representative of the Board of Education