Minutes of Regular Meeting  
June 22, 2015  
The Board of Education Midland Public Schools

A Regular Meeting of the Board of Education of Midland Public Schools was held Monday, June 22, 2015, beginning at 7:00 PM in the Midland Public Schools Administration Center, 600 E. Carpenter Street, Midland, Michigan.

1. CALL TO ORDER: ROLL CALL

   Board Members Present: President Wasserman, Vice President Brandstadt, Treasurer Singer, Member Frazee, Member Gorton, Member McFarland

   Board Members Absent: Secretary Baker

   Central Staff Present: Superintendent Sharrow, Assistant Superintendent Verlinde, Associate Superintendent Cooper, Associate Superintendent Brutyn

   2 audience members were present for this meeting.

2. CONSENT AGENDA

   Brandstadt/Singer moved for approval of consent agenda items.

   2. 1. Approval of the Meeting Minutes from the June 8, 2015 Regular Meeting and the June 15, 2015 Special Meeting.

   2. 2. The following staff members announced their resignation effective as of the dates indicated:
   <> Darian Forsberg, Paraprofessional, Carpenter Street School, June 10, 2015
   <> Patricia F. Sawicki, Paraprofessional, Adams Elementary, June 10, 2015

   2. 3. In compliance with Public Act 335, the District School Improvement Committee reviewed and gave feedback on each of the Building School Improvement Plans and the District Improvement Plan. These plans describe the strategies that each building will implement to move toward 100% student proficiency. The law requires the Board to approve for submission the District Plan and each of the Building Plans. The administration recommended approval of these plans for submission.

   2. 4. The following book was presented for the 28-day period of examination on May 18. This book will be used for Algebra .2, Integrated Math 1 and Integrated Math 2:
   Title: Glencoe Algebra 1
   Author: Carter, Cuevas, etc.
   Publisher: McGraw Hill
   Copyright: 2014
The administration recommended approval of this book. As approved, this purchase is contingent on the available funding as approved in the 2015-16 budget.

2.5. As a follow up to the previous presentation, Midland Public Schools Online Learning...Remodeled, administration sought approval of a Seat Time Waiver Application and Implementation Plan to be submitted to the Michigan Department of Education. A Midland Public Schools Seat Time Waiver was included in our vision for redefining and improving our online learning programs.

2.6. On June 9, 2015 formal bids were received for asbestos abatement for boiler installation projects at Jefferson and Northeast Middle Schools. Nova Environmental, Inc., the District’s environmental consulting services firm, prepared the bid package and handled the bid opening. It was recommended that the District accept the bid from Quality Environmental Services, Inc. of Gladwin, Michigan for $54,130. It was also recommended that the District accept the alternate bid for the removal of insulation from the additional tank at Northeast Middle School for $3,400. This is an excellent price to do the additional work and will save the district money in the future if that tank ever needs to be repaired or replaced. This work is part of the Bond Projects utilizing Series 1 Bonds approved by the State of Michigan Department of Treasury and passed by Midland Public Schools' voters.

2.7. Bids have been accepted and a tabulation provided for Custodial Supplies for the 2015-2016 fiscal year. The administration recommended issuing purchase orders to the following low bidders:
<> Arnold Sales of Bay City, MI, for toilet tissue, for the amount of $8,140.50.
<> Midland Chemical of Midland, MI, for Pink Office Hand Soap, 33-gallon garbage liners, and 44-gallon garbage liners, for the amount of $10,175.40.
<> Midland Paper of Midland, MI, for AFFEX Hard Wound Towels, low bidder for preferred product for High School Gym Floor Finish and the supplies to apply the finish for the amount of $26,946.14. Funding for these supplies was included in the Facilities and Maintenance Budget.

2.8. Bids were accepted and a tabulation was provided for the preparation and painting of the walls, ceiling and wood shelving in the main warehouse. The administration recommended issuing a purchase order to the low bidder, Hock Painting, Inc, of West Branch, MI for $5,333.

2.9. Approval of the payment of school system's bills for the month of May 2015, as listed in the check registers prepared by Ms. Laux, in the total amount of $7,374,145 was recommended. The distribution of obligations, by fund, was included in the documentation.

2.10. Legal Invoices for Payment
Approval was requested to authorize payment for the following invoices:
<> Dearborn Public Schools, Equity for Excellence, $2,969.87, May 30, 2015,
Professional Legal Fees
<> Secrest Wardle, $1,215.28, June 10, 2015, Professional Legal Fees Related to Adair Litigation
Motion carried unanimously.

3. BOARD OF EDUCATION MATTERS--PRESENTATIONS TO THE BOARD FOR ACTION


General Fund revenues for 2014-15: $79,621,264
Expenditures reported in final budget adjustment: $81,042,324
Anticipated shortfall deducted from fund balance: $(1,421,059)
Anticipated spendable Fund Balance for 2015-16: $7,428,137 (9.2%)

A vote was taken. Motion carried unanimously (6-0).

3. 2. Brandstadt/Gorton moved for approval of the 2015-16 Midland Public Schools’ Operating Budget as presented at the June 8, 2015 Board of Education meeting and was open to the public for comment at the same meeting:

Anticipated revenue for 2015-16: $78,409,105
Anticipated expenditures for 2015-16: $80,044,649
Anticipated shortfall for 2015-16: $835,097
Spendable Fund Balance Going into 2015-16: $5,832,361 (7.3%)

Based on the most recent information with respect to taxable value and the estimated blended student count for 2015-16, the estimated 2015 millage rates to support the 2015-16 general fund expenditures are:
• 18.0 mills on non-homestead property
• 7.7767 mills on commercial personal property
• 1.7767 mills on principal residence, qualified agricultural, qualified forest, industrial personal and commercial personal property. This rate is subject to adjustment by the Department of Treasury. The process of adjustments to correct overpayments or underpayments will continue to occur on an annual basis.
• On February 24, 2015 Midland Public Schools voters authorized the Board of Education to issue bonds and to assess the taxable property within the district to pay the debt service on these bonds and to deposit such monies into the related bond debt retirement fund. The millage levy for the 2015 School Building and Site Bonds is 2.95 mills.

A roll call vote was taken.
Ayes: Wasserman, Brandstadt, Frazee, Gorton, McFarland, Singer
Nays:
Motion carried.

3. 3. Singer/Brandstadt moved for approval of the 2015-16 Salary Adjustments for MPS Employee Groups. Mr. Sharrow made salary and benefit recommendations for administrative assistants/office professionals;
administrative employees; athletic event supervisory employees; auditorium and work station technicians; Co-op students, work experience students and student assistants; management employees; preschool employees; substitute teachers (those not contracted through PESG); substitute/temporary secretaries; temporary (seasonal) employees; therapy assistants and transportation employees for the 2015-16 school year as follows:

- Maintain salary and wage scales at the 2014-15 level. This continues concessions made in previous years (see page 3). Rates that must be increased on January 1 to meet the State of Michigan’s new minimum wage of $8.50 per hour are indicated in bold on the pages that follow.

- Where permitted by law or required by Board policy, pay all merit-based or negotiated increases that move an employee through a range or along a scale.

- Pay a stipend of $250 to each administrator (excluding the Superintendent) and $150 to each teacher with a “highly effective” rating on their annual evaluation. Each district in the State is required to implement a “performance-based compensation” system for teachers and administrators. To comply with this requirement each administrator/teacher receiving a “highly effective” rating will have their stipend deposited in a 403(b) account set up by the administrator or teacher no later than July 31 for the “highly effective” rating earned in the previous fiscal year.

- Beginning on January 1, 2016, the district medical plan will switch from self-funded to a HDHP ($1,300/$2,600) with a HSA. District funding of the HSA will vary by employee group.

- Legislative changes to the Michigan Public School Employees Retirement System in 2012 created a structure of 14 separate classifications of payroll rates. Current rates range from 20.96% to 25.78% of payroll, depending on date of hire and retirement status.

- There have been some changes to the percentage contribution of gross wages to help defray the costs of health benefits for employees.
  - Administrators’ contributions increase by 1% in all three categories.
  - Office Professionals’ contributions increase by 0.5% in all three categories.
  - Building Managers have reduced their contribution rate to the level of others in the managers group (0.75%, 1.5%, 2%). In exchange for this reduced rate, building managers and the Director of Facilities & Operations will reduce their building checks from a range of $1,341-$3,565 each to $500-$1,500.

The rates for 2015-16 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Single</th>
<th>Employee + 1</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrators</td>
<td>2.75%</td>
<td>3.5%</td>
<td>4%</td>
</tr>
<tr>
<td>Building Managers</td>
<td>6.55%</td>
<td>0.75%</td>
<td>7.3%</td>
</tr>
<tr>
<td></td>
<td>7.3%</td>
<td>1.5%</td>
<td>7.8%</td>
</tr>
<tr>
<td></td>
<td>7.8%</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>MCEA</td>
<td>1.75%</td>
<td>2.5%</td>
<td>3%</td>
</tr>
<tr>
<td>MCESPA</td>
<td>0.75%</td>
<td>1.5%</td>
<td>2%</td>
</tr>
<tr>
<td>MFP</td>
<td>0.75%</td>
<td>1.5%</td>
<td>2%</td>
</tr>
<tr>
<td>Office Professionals</td>
<td>1.25%</td>
<td>2.0%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Unaffiliates not listed above (Managers, Work Station Techs, Bus Drivers)</td>
<td>0.75%</td>
<td>1.5%</td>
<td>2%</td>
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</tbody>
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If these changes are approved by the board, the recent history of wage and salary changes for our largest employee groups will be as shown on the following page.
If changes made by the State of Michigan have a major financial impact on Midland Public Schools, or if district revenue projections are significantly reduced, the salary and benefit recommendations detailed above may need to be reevaluated.

The salary of the Superintendent is determined separately and will be established by the Board.

Mr. Sharrow recommended approval of the 2015-16 wage adjustments as submitted. Motion carried unanimously.

3. 4. President Wasserman accepted a motion by Brandstadt with support from Singer to extend Mr. Sharrow’s existing employment contract with Midland Public Schools from June 30, 2015 to June 30, 2020 effective July 1, 2015. Mr. Sharrow proposed changes to his contract that reflect concessions of 4%. The 2015-16 concessions were in the areas of an increase in the percentage he will pay for health insurance, vacation days allowed to carry over will be decreased by 5 days, and Mr. Sharrow will personally pay for costs should he choose to attend a national-level professional conference. Board members commented on their appreciation for Mr. Sharrow’s leadership and his leading by example in suggesting that he also take concessions as MPS employees have been asked to do. Motion carried unanimously.

3. 5. Brandstadt/McFarland moved for board approval for Stauder, Barch & Associates, Inc., out of Ann Arbor, Michigan, to provide Midland Public Schools with 2015 Bond Proceeds Investment Advisory Services. Motion carried unanimously.

3. 6. Brandstadt/Frazee moved for approval of the following item: Administration sought approval to deliver a purchase order to Sehi Computer Products of Rochester, MI for $382,185 as part of the computer lab replacement program in the Technology Bond. The pricing was for 171 HP Z1 G2 All-in-One computers. This price also included imaging, asset tagging, delivery, and setup for these systems. The pricing provided is REMC bid pricing and follows Board purchasing policy. These computers will provide the capacity necessary to service the needs of these specialized labs for the next five years. These systems are designed to excel at this type of computing and provide similar performance in year five as they provide in year one. This expenditure is included in the Technology Bond budget for series one and has been reviewed by Barton Malow. Motion carried unanimously.

3. 7. Brandstadt/Gorton moved for approval of the following item: Administration sought approval to deliver a purchase order to Inacomp of Southfield, MI for $43,087 as part of the staff computer replacement program in the Technology Bond. The pricing was for 45 HP ProBook 640 G1 computers, 23 supporting docking stations and 38 monitors. This price also included imaging, asset tagging, and delivery for these systems. The pricing provided is REMC bid pricing and follows Board purchasing policy. These computers will replace computers that are five years old and older. We will also be reusing 21 computers that are less than 1-4 years old that are coming back from retirees and resignations. This expenditure is included in the
Technology Bond budget for series one and has been reviewed by Barton Malow. Motion carried unanimously.

3. 8. Brandstadt/Gorton moved for approval of the following item:
   Administration sought approval to deliver a purchase order to Inacomp of Southfield, MI for $906,889 as part of providing students enhanced access to computers at the Middle Schools from the Technology Bond. The pricing is for 1900 HP ProBook 11 EE laptop computers. This price also includes, imaging, asset tagging, and delivery. The 1900 computers include spare computers for times when student computers are out for service and also to provide machines as new students enter the district. The pricing provided is from the State of Michigan Technology Readiness Infrastructure Grant (TRIG) SPOT bid and follows Board purchasing policy. This expenditure is included in the Technology Bond budget for series one and has been reviewed by Barton Malow. Motion carried unanimously.

4. REQUESTS TO ADDRESS THE BOARD
   No hearings were requested.

5. FINANCE, FACILITIES AND OPERATIONS
   Study Committee Chair: Pam Singer; Staff Resource Person: Mr. Cooper
   5. 1. Finance, Facilities and Operations (FFO) Study Committee Minutes from June 8, 2015 were read aloud by Ms. Singer, Chair


   April Financials: The April Financials were reviewed. No unusual items were noted.

   Bond Update: Dave Dziedzic, Interim Director of Technology, shared the details of the bond technology purchases that will take place this summer. The main focus will be on student enhanced access laptops at the middle school level. The committee was able to examine the HP ProBook 11 EE laptop that will be purchased for the middle schools. The price per unit is below projections of the preliminary bond budget. In addition to the middle school purchases, the specialized computer labs used for CAD, Tech Ed, and Graphic Arts will be updated, and as part of the annual staff replacement cycle approximately 44 laptops will be purchased.

   Dale Jerome from French Associates discussed the series of 13 meetings that took place to assist in the design of the new elementary school to be built on the Central campus. These programming sessions allow the architect to receive input from the various stakeholders in the many basic design elements found in an elementary school. The process used, ideas regarding a possible STEM school design, the stakeholders involved, and the input that was received at each of the 13 meetings was reviewed with the committee. The next step in the process is to examine the programming ideas vs. the budget and the development of a more detailed building plan. At this point more input will be sought from stakeholders.

   Summer Tax Resolution: Mr. Cooper reviewed the summer tax resolution that would be presented for Board approval at the June 8th Board of Education meeting.
Midland Public Schools 2015-2016 Budget: Mr. Cooper reviewed the 2015-2016 MPS budget and the underlying budget assumptions both on the revenue and expenditure sides. The budget will initially be presented at the June 8th Board of Education meeting, with time provide for public comment. Finally adoption will happen at the June 22nd Board of Education meeting. The 2015-16 budget shows revenue of $78,409,105 and expenditures of $80,044,649. This is a reduction of $1,635,544 in revenue and a reduction of $2,232,085 in expenditures. With a projected variance of $800,446 (1%), the anticipated shortfall is $835,097. This is a significant decrease from the $2,181,737 projected shortfall in the 2014-15 year.

5.2. For Information--Gifts totaling $4,900.
 <> $4,000.00 for Midland High Softball Field public address system from Michigan Baseball Foundation
 <> $ 700.00 for Dow High Football program from Phil Leigeb c/o Midland Area Community Foundation
 <> $ 200.00 for transportation costs for Young Entrepreneurs Academy From Midland Area Chamber of Commerce.

5.3. For Information--Gifted Local Artist, Mr. Arnold Kolb, has donated a number of beautiful pieces of his artwork, which will be displayed at the Administration Center, H. H. Dow High School and Midland High School.

5.4. Gorton/Singer moved for approval of the following gift:
 <> $17,195 for laptop computers and computer cart from Woodcrest Elementary PTO. Motion carried unanimously.

6. HUMAN RESOURCES
 Study Committee Chair: Scott McFarland; Staff Resource Person: Mr. Verlinde

6.1. The Board and Staff extended their sincere sympathies to the family of Ms. Hazel Mayor who passed away on June 10, 2015. Ms. Mayor was a paraprofessional in the transportation department for twenty years, retiring in 1997.

7. CORRESPONDENCE TO AND FROM THE BOARD OF EDUCATION

7.1. For Information--Letters from the Board of Education or the school system to:
 National Energy Foundation
 Midland Kiwanis Foundation
 Midland Area Community Foundation
 Midland Kiwanis Foundation
 Adams Elementary PTO

7.2. FOIA Requests have been received from:
 <> Jarrett Skorup, Mackinaw Center for Public Policy, requesting name, compensation and benefit information for the school union official.
 <> Amy Richards, SmartProcure, requesting purchase order information.

8. SCHEDULED ACTIVITIES--FOR INFORMATION
The following is a listing of scheduled meetings or activities of the Board of Education. All meetings are Regular and Special Meetings of the Board of Education and begin at 7:00 p.m. at the MPS Administration Center (600 East Carpenter, Midland) unless otherwise noted:
9. STUDY DISCUSSION SESSION
This portion of the agenda is utilized by the Board to introduce topics for future study, to discuss school district related matters, to complete professional association business and to relate items of interest. No action is taken during this time. Occasionally closed sessions are scheduled to discuss confidential personnel, negotiations or property matters.

9.1. Board members expressed their …
- sincere thanks to all who donated the gifts that were received tonight.
- appreciation for all of the employee groups for stepping up with concessions to help move the District toward a balanced budget.
- thanks to Mike for all he’s done since joining us.
- best wishes to Gary Verlinde in his retirement. Thank you for all you’ve done in your 41 year career with MPS. Congratulations Gary!
- excitement for the work and enhancements that are beginning that are utilizing bond funds. Thank you to our community for their support! It will be exciting when the large projects begin.
- remembrance of Plymouth Elementary true friend and staff member, Ann Hoerauf, who recently lost her long, courageous battle. The Plymouth staff recently walked as a group to Ann’s home and presented beautiful plants and gifts in honor of Ann and in support of her family. The family requested that gifts in Ann’s memory be given to Plymouth Elementary, the school this dedicated paraprofessional loved. Our thoughts are with Ann’s family during this very difficult time.

9.2. Announcements from Superintendent Sharrow
- The 2015-16 MPS District Calendar has been posted to the website
- President Wasserman and Mr. Sharrow walked the section of property on the Dow High campus that Northwood University would like to purchase. We will work through this process with the FFO Committee and keep Board members apprised of the progress.
- Thank you to Mr. Verlinde for his 41 years of service to Midland Public Schools. I appreciate the two years I have been able to work with Gary before he leaves us to enjoy his retirement. Best wishes Gary!

10. ADJOURNMENT

10.1 Meeting was adjourned at 7:45 p.m.

President: _______________________  Vice President: _______________________

Gerald Wasserman                                            Angela Brandstadt
Approved by the Board on:

C. Young         20-July 2015