

**HARTLAND CONSOLIDATED SCHOOLS
SPECIAL MEETING - BOARD OF EDUCATION
October 26, 2009**

AGENDA

- I. Call to order, 6:30 p.m., Boardroom, Educational Support Center
 - A. Pledge of Allegiance
 - B. Approval of agenda/items for discussion
 - C. Approval of minutes - October 19, 2009 special meeting
 - D. Call to the public
 - E. Superintendent's Report
 - District Financial Update - Scott Bacon
 - F. Board reports & requests

- II. Action Items
 - A. Selection - Board of Education Trustee
 - B. Designated Fund Balance - 2009/10

- III. Discussion Items
 - A. Natural Gas Purchase

- IV. Information Items
 - A. November 9, 2009, regular, 6:30 p.m., Boardroom, Educational Support Center; November 23, 2009, special, 6:30 p.m., Boardroom, Educational Support Center
 - B. Finance Committee Meeting - Auditors - November 9, 2009, 5:30 p.m., Central Office Conference Room

- V. Adjournment

This meeting is a meeting of the Board of Education in public for the purpose of conducting the business of Hartland Consolidated Schools and is not to be considered a public community meeting. There is a time for public participation during the meeting as indicated in Agenda Item I.D.

DETAILED AGENDA

I. CALL TO ORDER

I.A. PLEDGE OF ALLEGIANCE

I.B. APPROVAL OF AGENDA/ITEMS FOR DISCUSSION

(Recommended action): That the agenda for the October 26, 2009 special meeting be approved and that public participation be allowed on all items. Motion by _____, supported by _____.

I.C. APPROVAL OF MINUTES – OCTOBER 19, 2009 SPECIAL MEETING (SEE ATTACHED)

(Recommended action): That the minutes of the October 19, 2009 special meeting be approved. Motion by _____, supported by _____. _____

I.D. CALL TO THE PUBLIC

I.E. SUPERINTENDENT'S REPORT

- District Financial Update – Scott Bacon

I.F. BOARD REPORTS & REQUESTS

II.A. SELECTION – BOARD OF EDUCATION TRUSTEE

(Recommended action): That the Board of Education appoints _____ to serve on the Hartland Board of Education through June 30, 2010. Motion by _____, supported by _____. _____

II.B. DESIGNATED FUND BALANCE – 2009/2010 (SEE ATTACHED)

(Recommended action): That the Board of Education, upon the recommendation of the Assistant Superintendent for Business & Operations, makes no designation for the unreserved fund balance as of June 30, 2009. Motion by _____, supported by _____. _____

III.A. NATURAL GAS PURCHASE (SEE ATTACHED)

For discussion

IV.A. FUTURE MEETINGS

November 9, 2009, regular, 6:30 p.m., Boardroom, Educational Support Center;
November 23, 2009, special, 6:30 p.m., Boardroom, Educational Support Center

IV.B. INFORMATION ITEMS

Finance Committee Meeting – Auditors – November 9, 2009, 5:30 p.m., Central Office Conference Room

V. ADJOURNMENT

Hartland Consolidated Schools
Special meeting - Board of Education
October 19, 2009

Members present: C. Aberasturi, T. Dumond, N. Kessel, K. Kaszyca, E. McPherson-Brown
(arrived 6:10 p.m.), C. Sinelli (arrived 6:30 p.m.)

Members absent: None

Admin. Present: L. Mayes, J. Sifferman, S. VanEpps, S. Bacon

Guests: N. Spranger, R. Bell, J. Meo, M. Meo, P. McRae, M. Hutchinson, T. Darling

President Kaszyca called the meeting to order at 6:05 p.m. in the Board Room of the Hartland Educational Support Service Center. The Pledge of Allegiance was recited.

Motion by Aberasturi, supported by Kessel that the agenda for the October 19, 2009 special meeting be approved, and that public participation be allowed on all items. Motion carried 4-0. 10/19 AGENDA APPROVED

Motion by Dumond, supported by Aberasturi that the minutes of the October 12, 2009 regular meeting be approved. Motion carried 4-0. 10/12 MINUTES APPROVED

There was no response to the Call to the Public. CALL TO PUBLIC

Superintendent Sifferman noted that the final "unofficial" student count from the September 30, 2009 count day is 5544.34 or approximately 69 students down from 2008/09. She also noted that the schedule has been set for visiting the building staff meetings to discuss the proposed bond issue for February 2010. The Board Workshop for November 18 is adjacent to and possibly in conflict with the LCASB's countywide Transportation Meeting scheduled for 7:00 p.m. that same day. Ms. Sifferman noted that she believed it was important for all Board members to attend the transportation meeting who were able to do so. She also noted that Mr. Kaszyca may be out of town on business on the 18th. Consequently new dates will be proposed for the Board Workshop. Ms. Sifferman noted she has received some calls regarding the change in the graduation date for 2010 to a Thursday evening. She reminded the Board why the district moved the ceremony to Compuware - more seating and less expensive than doing it in the district. She also noted that Hartland is low on the seniority list as we have only been using Compuware for a few years. Consequently we won't always get our first choice of dates. This year, we got our third choice. Mr. Hughes did investigate the possibility of using another facility but found it would be cost-prohibitive. (Ms. McPherson-Brown arrived here, 6:10 p.m.) SUPT. REPORT

President Kaszyca asked Michelle Hutchinson to come to the table for a second, more informal round of interviews. Ms. Hutchinson spoke of her current involvement in the Hartland district. Board members asked for clarification regarding some of her answers during the first round of interviews. (Ms. Sinelli arrived here, 6:30 p.m.) INTERVIEWS: HUTCHINSON

President Kaszyca asked John Meo to come to the table. Mr. Meo discussed his history with Hartland Schools noting he currently has five children in the district. The Board asked for clarification regarding some of his answers from the first round. MEO

President Kaszyca indicated the Board would need some time to consider the candidates' responses and a decision would be made at the October 26 meeting.

President Kaszyca noted the future meetings on October 26 and November 9, both will start at 6:30 p.m. He also noted a new date would be determined for the Board Workshop.

FUTURE
MEETINGS

The meeting was adjourned at 7:00 p.m.

ADJOURNMENT

Respectfully submitted,



Elsie McPherson-Brown
Secretary



Paula Waters
Recording Secretary

Action: Designated Fund Balance
Prepared by Scott Bacon
October 26, 2009

You may recall that in twelve of the past thirteen years we have "designated" some or all of the Unreserved Fund Balance in our general fund. This Board action has been taken to acknowledge specific responsibilities/obligations for a subsequent school year to more accurately reflect the true availability of the Fund Balance. I appreciate this action may seem somewhat "after the fact", but this is the appropriate time to do it and its main importance is to establish a position as of a specific point in time – June 30, 2009.

I have attached information that shows the breakdown of our Fund Balance the past thirteen years. The numbers for June 30, 2009 are being finalized.

Our auditors are finalizing the June 30, 2009 audit report. I have told them I would be recommending no "designated" fund balance. This is the same recommendation as for June 30, 2008. We have typically been designating "Technology Replacement"; most recently for \$142,324 at June 30, 2006. In light of the bond issue passing in November 2006, which includes over two million dollars of equipment (primarily computers), I do not see any reason to continue "designating" this particular category until some date in the future. The reserve for the "retirement incentive" payment obligation that we showed for three years is no longer necessary as the last payment was made in October 2007. The designation for "future new facility operations" is not currently needed in that we lost enrollment for 2008/09 and 2009/10 and do not expect any significant growth in the near future; thus no new buildings are planned at this time.

RECOMMENDED

HARTLAND CONSOLIDATED SCHOOLS

Fund Equity (Deficit) June 30, 2009

Fund Balances:

Reserved:

Inventory and pre-paid costs \$ 217,605

Unreserved:

Designated for **technology replacement** \$ 0

Designated for **future new facility operations** \$ 0

Designated for **retirement incentive** \$ 0

Undesignated \$3,250,813

TOTAL FUND EQUITY (deficit) \$3,468,418

HARTLAND CONSOLIDATED SCHOOLS

Fund Equity (Deficit)

June 30, 2008

Fund Balances:

Reserved:

Inventory and pre-paid costs

\$ 178,549

Unreserved:

Designated for **technology replacement**

\$ 0

Designated for **future new facility operations**

\$ 0

Designated for **retirement incentive**

\$ 0

Undesignated

\$2,424,140

TOTAL FUND EQUITY (deficit)

\$2,602,689

HARTLAND CONSOLIDATED SCHOOLS

Fund Equity (Deficit)	June 30, 2007
Fund Balances:	
Reserved:	
Inventory	\$ 118,729
Unreserved:	
Designated for technology replacement	\$ 0
Designated for future new facility operations	\$ 300,000
Designated for retirement incentive	\$ 600,000
Undesignated	\$1,121,838
TOTAL FUND EQUITY (deficit)	\$2,140,567

HARTLAND CONSOLIDATED SCHOOLS

Fund Equity (Deficit)

June 30, 2006

Fund Balances:

Reserved:

Inventory

\$ 118,075

Unreserved:

Designated for **technology replacement**

\$ 142,324

Designated for **retirement incentive**

\$ 600,000

Undesignated

\$ 326,866

TOTAL FUND EQUITY (deficit)

\$ 1,187,265

HARTLAND CONSOLIDATED SCHOOLS

Fund Equity (Deficit)

June 30, 2005

Fund Balances:

Reserved:

Inventory

\$ 105,481

Unreserved:

Designated for technology replacement

\$ 142,324

Designated for retirement incentive

\$ 600,000

Undesignated

\$ 57,914

TOTAL FUND EQUITY (deficit)

\$ 905,719

HARTLAND CONSOLIDATED SCHOOLS

Fund Equity (Deficit)

June 30, 2004

Fund Balances:

Reserved:

Inventory

\$ 103,624

Unreserved:

Designated for **technology replacement**

160,557

Designated for new facility operations

0

Undesignated

\$1,930,741

TOTAL FUND EQUITY (deficit)

\$2,194,922

HARTLAND CONSOLIDATED SCHOOLS

Fund Equity (Deficit)

June 30, 2003

Fund Balances:

Reserved:

Inventory	\$ 100,789
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Unreserved:

Designated for technology replacement	106,761
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Designated for new facility operations	1,481,740
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Undesignated	1,195,004
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TOTAL FUND EQUITY (deficit)	\$2,884,294
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HARTLAND CONSOLIDATED SCHOOLS

Fund Equity (Deficit)

June 30, 2002

Fund Balances:

Reserved:

Inventory

\$ 116,330

Unreserved:

Designated for technology replacement

38,092

Designated for new facility operations

2,162,536

Undesignated

160,094

TOTAL FUND EQUITY (deficit)

\$2,477,052

HARTLAND CONSOLIDATED SCHOOLS

Fund Equity (Deficit)

June 30, 2001

Fund Balances:

Reserved:

Inventory

\$ 119,806

Unreserved:

Designated for new facility operations

427,815

Undesignated

0

TOTAL FUND EQUITY (DEFICIT)

\$ 547,621

HARTLAND CONSOLIDATED SCHOOLS

Fund Equity (Deficit)

June 30, 2000

Fund Balances:

Reserved:

Inventory

\$ 85,392

Unreserved:

Designated for capital projects

45,423

Designated for new facility operations

700,000

Undesignated

158,250

TOTAL FUND EQUITY (DEFICIT)

\$ 989,065

HARTLAND CONSOLIDATED SCHOOLS

Fund Equity (Deficit)

June 30, 1999

Fund Balances:

Reserved:

Inventory

\$ 84,354

Unreserved:

Designated for new facility operations

300,000

Undesignated

\$ 1,256,534

TOTAL FUND EQUITY (DEFICIT)

\$ 1,640,888

HARTLAND CONSOLIDATED SCHOOLS

Fund Equity (Deficit)

June 30, 1998

Fund Balances:

Reserved:

Inventory

\$ 90,265

Unreserved:

Designated for new facility operations

\$ 1,100,000

Undesignated

488,078

TOTAL FUND EQUITY (DEFICIT)

\$ 1,678,343

HARTLAND CONSOLIDATED SCHOOLS

Fund Equity (Deficit)

June 30, 1997

Fund Balances:

Reserved:

Inventory

\$ 95,695

Unreserved:

Designated for new facility operations

\$ 643,602

Designated for capital projects

57,565

Undesignated

0

TOTAL FUND EQUITY (DEFICIT)

\$ 796,862

HARTLAND CONSOLIDATED SCHOOLS

Fund Equity (Deficit)

June 30, 1996

Fund Balances:

Reserved:

Inventory

\$ 100,261

Unreserved:

Designated for new facility operations

\$ 200,000

Designated for capital projects

40,000

Designated for technology

70,000

Undesignated

425,252

TOTAL FUND EQUITY (DEFICIT)

\$ 835,513

III.A. Discussion:
Natural Gas Transportation
Prepared by: Scott Bacon
October 26, 2009

In September 2007 the Board authorized the administration to enter into a contract for up to twelve months to provide natural gas (primarily for heating) for the district. This allowed for a direct purchase of the natural gas and payment to Consumers Energy only for the distribution or "transportation" of the gas. The authorization was for a maximum cost per MMBTU (\$7.99 at the time), and an estimated annual usage. In December 2007 the price reached the "trigger point" and we entered into the contract.

In November and December 2008 the Board authorized the purchase of natural gas for calendar years 2009 and 2010 at \$7.98 MMBTU's and \$8.17 MMBTU's respectively. I continue to believe the "gas transportation contract" makes the best sense for the district and frankly, do not see a time when we would not feel that way. We are a reasonably large user and this is an area that effects our budget (approximately \$560,000/year) so we do want some ability to manage that expense.

I have talked with Paul Wilkin, our gas transportation consultant, about possibly buying natural gas for 2011 at a price close to our 2010 rate (or perhaps lower). I believe we should consider this. Certainly we can wait and perhaps lower our cost but the risk is that we could also wait and pay more; a possibility we cannot afford.

As a review, the gas transportation program:

- 1) provides more budget stability by having a "locked-in" price for the length of the contract (within state agency guidelines, Consumers Energy could essentially raise their prices at any time if we purchased gas from them)
- 2) allows us to possibly save some money
- 3) allows a mid-contract opportunity to take advantage of favorable pricing for future years if the timing is right

If the Board is in agreement I will develop a motion with a "trigger" price to purchase natural gas for 2011. The recommended trigger price will be chosen after discussion with our consultant and with the Board.

Note: On October 21, 2009 the price would have been \$7.86 per MMBTU