

**HARTLAND CONSOLIDATED SCHOOLS
REGULAR MEETING - BOARD OF EDUCATION
November 10, 2008**

AGENDA

- I. Call to order, 7 p.m., Board Room, Hartland Educational Support Service Center
 - A. Pledge of Allegiance
 - B. Approval of agenda/items for discussion
 - C. Approval of minutes - October 13, 2008 regular meeting
 - D. Call to the public
 - E. Superintendent's Report
 - ◆ Happenings - Hartland Middle School at Ore Creek
 - ◆ 2007/2008 Auditors' Report
 - F. Board reports & requests

- II. Action Items
 - A. Payment of Invoices
 - B. 403B Resolution
 - C. Gas Transportation Contract
 - D. Retention of Employee

- III. Discussion Items
 - A. Curriculum Change Orders and Material Purchase

- IV. Information Items
 - A. Future meetings: November 24, 2008, special, 7 p.m. Board Room, Educational Support Center; December 8, 2008, regular, 7 p.m. Board Room, Educational Support Center
 - B. Information Items: Finance Committee Meetings - November 10, 6:00 p.m.; November 18, 4:00 p.m.

- 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 November 10, 2008 regular meeting be approved and that public participation be allowed on all items. Motion by _____, supported by _____.

I.C. APPROVAL OF MINUTES – OCTOBER 13, 2008 REGULAR MEETING (SEE ATTACHED)

(Recommended action): That the minutes of the October 13, 2008 regular meeting be approved. Motion by _____, supported by _____.

I.D. CALL TO THE PUBLIC

I.E. SUPERINTENDENT’S REPORT

- Happenings – Hartland Middle School at Ore Creek
- 2007/2008 Auditors’ Report

I.F. BOARD REPORTS & REQUESTS

II.A. PAYMENT OF INVOICES (SEE ATTACHED)

(Recommended action): That the Board of Education, upon the recommendation of the Assistant Superintendent for Business & Operations, approves the financial report as of October 31, 2008, and the payment of invoices totaling \$2,514,801.43 and payroll obligations totaling \$3,153,373.52. Motion by _____, supported by _____.

II.B. 403B RESOLUTION (SEE ATTACHED)

(Recommended action): That the Board of Education, upon the recommendation of the Assistant Superintendent for Business & Operations, adopts the proposed Tax-Sheltered Annuity Plan to comply with regulations under Internal Revenue Code 403(b) as presented. Motion by _____, supported by _____.

II.C. GAS TRANSPORTATION CONTRACT (SEE ATTACHED)

(Recommended action): That the Board of Education, upon the recommendation of the Assistant Superintendent for Business & Operations, authorizes the administration to enter into a contract with Charlevoix Energy Trading for the purchase and transportation of natural gas for a period not to exceed 12 months. The “trigger” price is \$(TBD 11/10/08 due to market fluctuations) MMBtu with an approximate total purchase of 55,910 MMBtu. Motion by _____, supported by _____.

II.D. RETENTION OF EMPLOYEE

(Recommended action): That the Board of Education, upon the recommendation of the Superintendent, approves the continued employment of said employee and designates the Superintendent to notify said employee in writing. Motion by _____, supported by _____.

III.A. CURRICULUM CHANGE ORDERS & MATERIAL PURCHASES

For discussion

IV.A. FUTURE MEETINGS

November 24, 2008, special, 7 p.m. Board Room, Educational Support Center; December 8, 2008, regular, 7 p.m. Board Room, Educational Support Center

IV.B. INFORMATION ITEMS

Finance Committee Meetings - November 10, 6:00 p.m.; November 18, 4:00 p.m.

V. ADJOURNMENT

Hartland Consolidated Schools
Regular meeting - Board of Education
October 13, 2008

Members present: C. Aberasturi, T. Dumond, C. Sinelli, E. Jankowski, K. Kaszyca, E. McPherson-Brown
Members absent: N. Kessel
Admin. Present: L. Mayes, J. Sifferman, S. VanEpps, S. Bacon, M. Otis, M. Cheney, L. Smither, D. Petish
Guests: S. Callahan, L. Depoy, J. Denzer, H. Wallace, S. McNutt, N. Savoy, H. Pietrzak, K. Ker, P. O'Connell, E. Crabbe

President Kaszyca called the meeting to order at 7:00 p.m. in the Board Room of the Hartland Educational Support Service Center. The Pledge of Allegiance was recited.

Motion by McPherson-Brown, supported by Aberasturi that the agenda for the October 13, 2008 regular meeting be approved, and that public participation be allowed on all items. Motion carried 6-0. 10/13 AGENDA APPROVED

Motion by Jankowski, supported by Dumond that the minutes of the September 30, 2008 special meeting be approved. Motion carried 6-0. 9/30 MINUTES APPROVED

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

Superintendent Sifferman introduced Deputy Shawn Callahan who presented the 2007/08 Student Resource Officer report. Ms. Sinelli remarked that during the senior exit interviews many students commented on the safety and security of the district. She also inquired whether Deputy Callahan believed the Challenge Day program is having a positive impact on the bullying and assault numbers. Deputy Callahan indicated that he did believe this program has played a part in the reduction in numbers for bullying and assault complaints. SUPT. REPORT

Ms. Sifferman congratulated Chuck Caverly and his crew on receiving another 100% on our recent bus inspection by Michigan State Police. All of the district's buses passed the inspection with no warnings or citations. Ms. Sifferman also congratulated the Hartland Equestrian team on their second consecutive state title.

Superintendent Sifferman introduced Scott Bacon, who provided the Board with an update on the district's budget and projections due to the loss of 40 students this year. He noted that since the district finished more than \$250,000 better than budgeted for 2007/08, this would help offset the reduction in enrollment, allowing the district to maintain its current fund balance. He did note that in the out years, he is including \$500,000 reductions each of the next four years in order to maintain a reasonable fund balance. He noted the administration would prefer not to reduce programming by that much in 2009/10, but it is still too early in this budget year to predict actions for next year. Ms. Sifferman noted that the district is already investigating various scenarios for cost savings including a bond issue to deal with expenses not covered under the current bond issue, cost-cutting discussions, talking with the unions about our current financial position, and more aggressive marketing for Schools of Choice. Mr. Bacon indicated that he would begin working on the budget amendments for January, and noted the long-term still presents a challenge,

primarily because there are currently so many unknowns in the financial market and in Michigan's economy.

SUPT. REPORT
(CON'T)

Superintendent Sifferman passed out information regarding the district's relationship with LESA and the various services they provide the district as well as the many cooperative agreements we share. She noted that Hartland benefits greatly from this relationship, especially in the area of special education.

Ms. Sinelli noted that she attended the open house for the Ore Creek Outdoor Club and was impressed with the students' energy and enthusiasm. Mr. Kaszyca congratulated the equestrian team on their state championship. He also noted the upcoming delegates' assembly in Traverse City and indicated he had forms if any Board members were interested in attending.

BOARD REPORTS

Motion by Sinelli, supported by Jankowski that the Board of Education, upon the recommendation of the Assistant Superintendent for Business & Operations, approves the financial report as of September 30, 2008, and the payment of invoices totaling \$5,893,301.12 and payroll obligations totaling \$3,611,620.50. Motion carried 6-0.

PAYMENT OF
INVOICES

Motion by Jankowski, supported by Dumond 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, 2008. Mr. Aberasturi asked if a motion was necessary. Mr. Bacon noted that there has always been Board action to designate funds, so he was more comfortable having Board action for no designation as well. Motion carried 6-0.

DESIGNATED
FUND BALANCE

Mr. Bacon explained the changes in the law and requirements involving 403B payroll deductions and how the plans are administered. A resolution specifying the district's role in these deductions is currently being drafted and will come before the Board for action. We are currently talking with LESA about a consortium agreement with which Livingston County districts would share a consultant to monitor 403B accounts and activity. Otherwise, the district would need to monitor them.

DISCUSSION:
403B PLAN

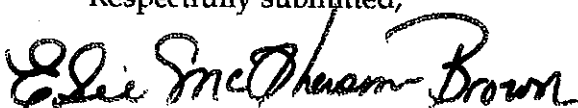
President Kaszyca noted that there were currently no pressing agenda items for the October 27 special meeting and asked the Board to consider canceling it unless an issue arose. He also noted that the auditors would make their annual report at the November 10 meeting and there would be a meeting of the Finance Committee immediately prior to the meeting. He indicated that he would like another meeting of the Finance Committee after November 10 to discuss various budget and reduction scenarios.

UPCOMING
MEETINGS

The meeting adjourned at 8:40 p.m.

ADJOURNMENT

Respectfully submitted,



Elsie McPherson-Brown
Secretary



Paula Waters
Recording Secretary

HARTLAND CONSOLIDATED SCHOOLS
Hartland, Michigan

Date of Board Meeting: November 10, 2008

Financial Reports as of: October 31, 2008

Check registers to be approved:

Date	Description	General Fund	Athletic	Cafeteria	Capital Proj	Debt	TOTAL
10/08/08	A/P Check Run	872,753.81	250.00	10,210.14	0.00	0.00	883,213.95
10/09/08	A/P Check Run	14,820.21	955.00	0.00	27,771.39	0.00	43,546.60
10/13/08	A/P Check Run	18,457.65	450.00	0.00	0.00	0.00	18,907.65
10/16/08	A/P Check Run	485,515.15	12,585.16	40,389.56	677,686.90	2,075.44	1,218,252.21
10/21/08	A/P Check Run	29,636.26	400.00	16,357.96	966.00	0.00	47,360.22
10/29/08	A/P Check Run	270,902.79	4,906.08	24,905.72	4,845.00	0.00	305,559.59
10/31/08	Prepays/Voids	-2,669.45	-26.80	-79.20	736.66	0.00	-2,038.79
TOTAL		1,689,416.42	19,519.44	91,784.18	712,005.95	2,075.44	2,514,801.43

Payrolls to be approved:

Date	W/T-Dues	FlexCare Transfer	Net Paycks & Direct Deposit	Taxes St Of Mich	Taxes Federal		TOTAL
10/03/08	15,239.28	0.00	738,894.96	41,670.08	295,389.73		1,091,194.05
10/17/08	15,239.28	5,159.71	692,009.72	38,324.80	270,295.73		1,021,029.24
10/31/08	15,241.35	5,159.71	704,885.48	39,099.85	276,763.84		1,041,150.23
TOTAL	45,719.91	10,319.42	2,135,790.16	119,094.73	842,449.30		3,153,373.52

HARTLAND CONSOLIDATED SCHOOLS

ADOPTING RESOLUTION

The undersigned, as President of the Board of Education of the Hartland Consolidated Schools (Employer) hereby certifies that the following resolution was duly adopted by the Employer on _____, 2008, and that such resolution has not been modified or rescinded as of the date hereof.

RESOLVED, that the Hartland Consolidated Schools Tax-Sheltered Annuity Plan (the Plan) is hereby adopted to comply with the final regulations under Internal Revenue Code §403(b), by adoption of the attached Plan document effective January 1, 2009.

HARTLAND CONSOLIDATED
SCHOOLS BOARD OF EDUCATION

DATED: _____

By: _____

Kevin Kaszyca

Its: President

II.C. Gas Transportation Contract
Prepared by: Scott Bacon
November 10, 2008

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.

The current contract will expire at the end of December and we need another authorization for purchase. We must give Consumers Energy a twelve-month notice if we want to return to using them (and no such notice has been given), so we must enter into a contract at some point in the near future. It is important to note that we do continue to believe the "gas transportation contract" makes the best sense for the district anyway, 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 \$513,000/year) so we do want some ability to manage that expense.

As a review, the gas transportation program:

- 1) provides more budget stability by having a "locked-in" price for the length of the contract (Consumers Energy could raise their prices at any time if we purchased gas from them)
- 2) allows us to possibly save some money (we are currently paying \$7.99/MMBTU and Consumers is charging \$8.16), and
- 3) allows a mid-contract opportunity to take advantage of favorable pricing for future years if the timing is right

Attached is a worksheet and recommendation from Paul Wilkin. I will be providing an updated one at the Board table since the pricing changes daily. The fee for Charlevoix Energy is included in the per-unit cost.

Note: to be updated 11/10/08

Bacon, Scott

From: Paul Wilken [pw@charlevoixenergy.com]
Sent: Tuesday, October 28, 2008 5:19 PM
To: Bacon, Scott
Subject: Natural Gas Pricing

Scott,

As we discussed, the current value for natural gas for 2009 is near a three+ year low. Based on this, I recommend you consider locking in your 2009 natural gas pricing.

Your current supply contract (priced @ \$7.99 per MMBtu) expires at the end of December 2008. In addition, Consumers Energy's tariff requires 12-months written notice to switch back to full sales service (the earliest you could switch is Nov'09).

Based on your last 12-months consumption of 55,910 MMBtu, I recommend you request authorization for a 12-month Transportation unit cost of \$7.99 per MMBtu, or less.

If attained, this would result in annual commodity costs of \$446,720.90. In addition, the district would incur estimated annual utility (Consumers Energy) charges of \$63,164.47 for a total estimated annual cost of \$509,885.37. Please note, the current market would support a price of +/- \$7.79 per MMBtu.

I have attached a rate analysis for your review.

Please call me if you have any questions or if you want me to try and secure your 2009 natural gas.

Paul Wilken
General Manager
Charlevoix Energy Trading, LLC
(231) 237-8447 Office
(989) 980-0499 Mobile

11/6/2008

Hartland Consolidated Schools Gas Rate Analysis

Facility Name	Service Address	Last 12 Months Use*			Consumers Energy Charges			Estimated Costs on Transport			Savings/ (Loss) vs Current		
		Months Use*	Rate*	Month	Dist	Gas	Annual	Rate	Month	Dist		Gas	Annual
NEW HIGH SCHOOL	10635 DUNHAM RD	24,877.6	GS-3	\$468.00	\$0.8731	\$9,1100	\$253,971.72	ST-1/Mst-1	\$480.00	\$0.7743	\$7,9900	\$228,852.65	\$25,119.07
ADMIN	9525 HIGHLAND	10,545.4	GS-3	\$468.00	\$0.8731	\$9,1100	\$110,891.31	GS-3	\$468.00	\$0.8731	\$7,9900	\$101,224.44	\$9,666.86
ORE CREEK MIDDLE	3250 HARTLAND RD	2,829.4	GS-2	\$16.00	\$1.6824	\$9,1100	\$30,728.02	Contig-1	\$0.00	\$0.7743	\$7,9900	\$25,372.94	\$5,355.07
CREEKSIDE ELEM	3480 EAST ST	3,535.0	GS-2	\$16.00	\$1.6824	\$9,1100	\$38,343.13	Contig-1	\$0.00	\$0.7743	\$7,9900	\$31,700.49	\$6,642.65
VILLAGE ELEM	10632 HIBNER RD	3,818.5	GS-2	\$16.00	\$1.6824	\$9,1100	\$41,402.78	Contig-1	\$0.00	\$0.7743	\$7,9900	\$34,242.80	\$7,159.98
ROUND ELEM	11550 HIBNER RD	2,412.6	GS-2	\$16.00	\$1.6824	\$9,1100	\$26,229.74	GS-2	\$16.00	\$1.6824	\$7,9900	\$24,018.13	\$2,211.62
FARMS MIDDLE	581 TAYLOR RD	2,351.2	GS-2	\$16.00	\$1.6824	\$9,1100	\$25,567.09	GS-2/Mst-2	\$16.00	\$1.6824	\$7,9900	\$23,411.76	\$2,155.33
COMM ED	3681 AVON ST	1,645.2	GS-2	\$16.00	\$1.6824	\$9,1100	\$17,947.66	GS-2	\$16.00	\$1.6824	\$7,9900	\$16,439.51	\$1,508.15
LAKES ELEM	687 TAYLOR RD	1,647.9	GS-2	\$16.00	\$1.6824	\$9,1100	\$17,976.80	GS-2	\$16.00	\$1.6824	\$7,9900	\$16,466.18	\$1,510.62
TRANSPORTATION	10632 HIBNER RD	563.2	GS-2	\$16.00	\$1.6824	\$9,1100	\$6,270.28	Contig-1	\$0.00	\$0.7743	\$7,9900	\$5,050.56	\$1,219.72
MUSIC HALL	3619 AVON ST	296.7	GS-1	\$10.00	\$1.8704	\$9,1100	\$3,377.88	GS-1	\$10.00	\$1.8704	\$7,9900	\$3,105.90	\$271.98
Total		54,522.7					\$572,706.41					\$509,885.37	\$62,821.05

Avg of current (\$8.1651) and max of \$10.05

Target rate, current market \$7.79

NOTE:
to be updated
11/10/08

Hartland Consolidated Schools
 Gas Transportation Cost Analysis
 January 2008 through October 2008

MONTH/ YEAR	BEGINNING BALANCE	DELIVERIES		AVAIL FOR USE	CONSUMPTION MCF	MMBTU	ENDING BALANCE	SUPPLIER COST TOTAL	CE COST TRANS	TOT TRANS. COSTS	SALES RATE COSTS	SAVINGS W/O STORE	COST OF STORAGE	SAVINGS W/ STORE
		GROSS	NET											
Jan-08	0	11,222	(118)	11,104	9,521.8	9,731	1,373	\$9,666.23	\$9,666.23	\$89,330.01	\$85,252.17	(\$14,077.84)	\$10,970.27	(\$3,107.57)
Feb-08	1,373	10,295	(101)	10,194	10,624.8	10,922	646	\$7,990	\$82,257.05	\$86,789.67	\$85,306.58	\$6,522.91	\$5,161.64	(\$2,393.39)
Mar-08	646	6,355	(93)	6,262	8,361.0	8,570	1,363	\$8,545	\$80,153.33	\$85,448.78	\$75,348.76	(\$10,100.02)	\$11,288.40	(\$6,366.55)
Apr-08	1,363	3,870	(36)	3,834	4,236	4,887	711	\$8,253	\$35,258.04	\$38,614.71	\$49,930.38	\$11,315.68	\$5,888.52	(\$450.75)
May-08	711	992	(18)	974	1,985	1,951	743	\$9,943	\$19,915.83	\$21,702.74	\$20,280.43	(\$1,422.31)	\$6,206.70	(\$1,554.89)
Jun-08	743	870	(9)	861	1,604	624	980	\$7,990	\$6,951.30	\$8,033.23	\$7,336.41	(\$696.81)	\$8,100.33	(\$358.07)
Jul-08	980	837	(9)	828	1,808	723	1,087	\$7,990	\$6,687.63	\$7,822.34	\$8,507.60	\$685.25	\$9,035.16	\$1,262.01
Aug-08	1,087	1,302	(15)	1,287	2,384	650	1,722	\$7,990	\$10,402.98	\$11,499.61	\$7,847.80	(\$3,651.81)	\$14,028.91	\$2,603.95
Sep-08	1,722	2,220	(23)	2,197	1,897	1,087	2,522	\$7,867	\$15,334.90	\$16,672.81	\$11,525.27	(\$5,147.54)	\$20,418.41	\$3,845.91
Oct-08	2,522	5,270	(43)	5,227	3,421.0	3,486	2,633	\$8,363	\$30,523.17	\$33,132.85	\$32,693.40	(\$439.45)	\$21,345.50	\$4,333.55
TOTAL		43,233	(465)	45,286	41,669.4	42,652	8,243	\$377,147.90	\$33,892.85	\$411,040.75	\$384,028.81	(\$17,011.94)		\$1,262.01
2008 YTD		43,233	(465)	45,286	41,669.4	42,652	8,243	\$377,147.90	\$33,892.85	\$411,040.75	\$394,028.81	(\$17,011.94)		

Estimated Data

Maximum storage
 Amount = 5,561

↑
 Weighted Average
 cost

↑
 Includes all
 costs through
 consumers Energy

low rate: 7.6714
 High rate: 9.6872