

**HARTLAND CONSOLIDATED SCHOOLS
SPECIAL MEETING – BOARD OF EDUCATION
March 3, 2017**

AGENDA

- I. Call to order, 7:00 a.m., Boardroom, Educational Support Center
 - A. Pledge of Allegiance
 - B. Approval of agenda/items for discussion
 - C. Approval of Minutes – February 20, 2017 regular meeting
 - D. Superintendent’s Report
 - E. Call to the public
 - F. Board reports & requests

- II. Action Items:
 - A. Natural Gas Purchase

- III. Information Items
 - A. Future meetings: March 20, 2017, regular, 6:30 p.m., Board Room, Educational Support Service Center; April 17, 2017, 6:30 p.m., Board Room, Educational Support Service Center
 - B. Information Items:

- IV. 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.E.

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 March 3, 2017 special meeting be approved, that policy be set aside allowing Item II.A. to be treated as an Action Item, and that public participation be allowed on all items. Motion by _____, supported by _____. _____
- I.C. APPROVAL OF MINUTES - FEBRUARY 20, 2017 MEETING- SEE ATTACHED
(Recommended action): That the minutes of the February 20, 2017 regular meeting be approved. Motion by _____, supported by _____. _____
- I.D. SUPERINTENDENT’S REPORT
- I.E. CALL TO THE PUBLIC
- I.F. BOARD REPORTS & REQUESTS
- II.A. NATURAL GAS PURCHASE – SEE ATTACHED
(Recommended action): That the Board of Education, upon the recommendation of the Assistant Superintendent for Business & Operations and consultant Executive Energy Services, sets aside policy and authorizes the Superintendent or Assistant Superintendent for Business & Operations to enter into a contract through EDF Energy Services for the purchase of natural gas for Hartland Consolidated Schools from June 2018 through May 2020 at a price not to exceed \$3.30/MMBtu. Motion by _____, supported by _____.
- III.A. FUTURE MEETINGS
March 20, 2017, regular, 6:30 p.m., Board Room, Educational Support Service Center; April 17, 2017, 6:30 p.m., Board Room, Educational Support Service Center
- III.B. INFORMATION ITEMS
- IV. ADJOURNMENT

Hartland Consolidated Schools
Regular Meeting - Board of Education
February 20, 2017

Members present: B. Gatewood, C. Aberasturi, M. Hemeyer, T. Dumond, C. Costa, K. Kaszyca, C. Kenrick
Members absent: None
Admin. Present: K. Gregory, C. Chanavier, J. Reck, A. Lashbrook, M. Marino, M. Day, D. Selix, M. Otis, M. Cheney, S. VanEpps, S. Bacon, C. Hughes, B. Cain, L. Pumford
Guests: A. Hasseld, M. Wright, S. Peters, L. Peters, C. Holt, S. Good, S. Parzuchowski, K. Rose, G. Rechul, O. Tappen, M. DeLaBarre, C. Ihrke, J. Aumanci, M. Denby, M. Assenmacher, K. Evans, G. Boaz, S. Good

President Dumond called the meeting to order at 6:30 p.m. in the boardroom of the Educational Support Service Center. The Pledge of Allegiance was recited.

Motion by Kenrick, supported by Kaszyca that the agenda for the February 20, 2017 regular meeting be approved, and that public participation be allowed on all items. Motion carried 7-0. 2/20/17 AGENDA APPROVED

Motion by Aberasturi, supported by Gatewood that the minutes of the January 23, 2017 regular meeting be approved. Motion carried 7-0. 1/23/17 MINUTES APPROVED

Superintendent Hughes noted that State Superintendent Brian Whiston visited the district last week and toured the high school, middle school, and Creekside Elementary. The visit went extremely well and Mr. Hughes thanked all those who participated. Mr. Hughes also noted that the majority of the educational materials for the May 2, 2017 Sinking Fund election have been finalized and he and other members of the administration have been making the rounds of PTO/PAC meetings, Cromaie Library, the Hartland Chamber, and each building talking with the staff and answering any questions people may have. The presentations as well as a pod-cast will be up on the web site in the next week. SUPT. REPORT

Mr. Hughes then introduced Asst. Principal Kate Gregory to update the Board on happenings at Hartland High School. Ms. Gregory introduced Anne Hasseld, teacher and sponsor of the Hartland Women in Technology club. Ms. Hasseld and her club members informed the Board about the traditionally small number of women entering technology fields of study and consequently, the tech business world. The club members discussed the various courses available at the high school and how they are promoting these courses to other women at Hartland High School as well as girls at Hartland Middle School. HAPPENINGS AT HHS

Mr. Hughes then began the discussion on the 2016/17 Board Goals. He reviewed the 2015/16 goals and asked the Board what changes they would like to see for 16/17. Mr. Gatewood suggested making the Building & Site Sinking Fund election its own goal, as it is a primary focus this year. He also would like to see expansion of the district's social media footprint. Mr. Hughes suggested having a meeting to discuss how the district should move forward, considering both the up and down sides. Participants will include Mr. Gatewood, Mr. Kaszyca, Ms. Kenrick, Mr. Hughes, Scott Usher, and Paula Waters. The updated 2016/17 Goals will come before the Board for action at the March 20th meeting. 2016/17 BOARD GOALS DISCUSSION

There was no response to Call to the Public.

CALL TO PUBLIC

Mr. Gatewood noted all of the amazing things going on at Hartland High School, from basketball, hockey, and wrestling to the DECA program. He congratulated all of the students on their successes.

BOARD REPORTS

Motion by Aberasturi, supported by Gatewood that the Board of Education, upon the recommendation of the Assistant Superintendent for Business & Operations, approves the financial report as of January 31, 2017 and the payment of invoices totaling \$1,380,904.12 and payroll obligations totaling \$2,863,939.65. Motion carried 7-0.

PAYMENT OF
INVOICES

President Dumond noted the next regular meeting would be March 20, 2017 and then April 17th. He noted he would be attending the LESA Executive meeting next week and would bring back the date for the annual LCASB dinner meeting. Mr. Gatewood asked if the district could contact Forgotten Harvest Farm regarding volunteer and field trip opportunities for our students.

FUTURE MEETINGS
& INFORMATION
ITEMS

The meeting adjourned at 7:30 p.m.

ADJOURNMENT

Respectfully submitted,


Michelle Hemeyer
Secretary


Paula Waters
Recording Secretary

II.A. Gas Transportation Contract
Prepared by: Scott Bacon
March 3, 2017

For many years the school board has authorized the administration to enter into contracts to provide natural gas and to provide electricity. These contracts arrange for the direct purchase of the natural gas or electricity (the product so to speak) and we continue to pay Consumers Energy or DTE for only the distribution or "transportation" of the product. Our last purchase of natural gas was in April 2015 for the period June 2015- May 2018. The last purchase of electricity was in November 2015 for the period December 2017 -December 2019.

Our intent in this process is to save some money but, more importantly, to provide budget stability by having a locked-in price for the length of the contract. We spend around \$1.2 million a year on these two items (natural gas and electricity), so you can appreciate large swings in the price could be an issue.

Our consultant for natural gas, Paul Wilken, has recommended, and I agree, that we purchase natural gas at a price not to exceed \$3.30 MMBtu for the period June 2018 - May 2020. Currently pricing is below that level. Essentially, we would be purchasing natural gas for a two-year period at a price below what we are currently paying. Please read the attachment with Paul's recommendation.

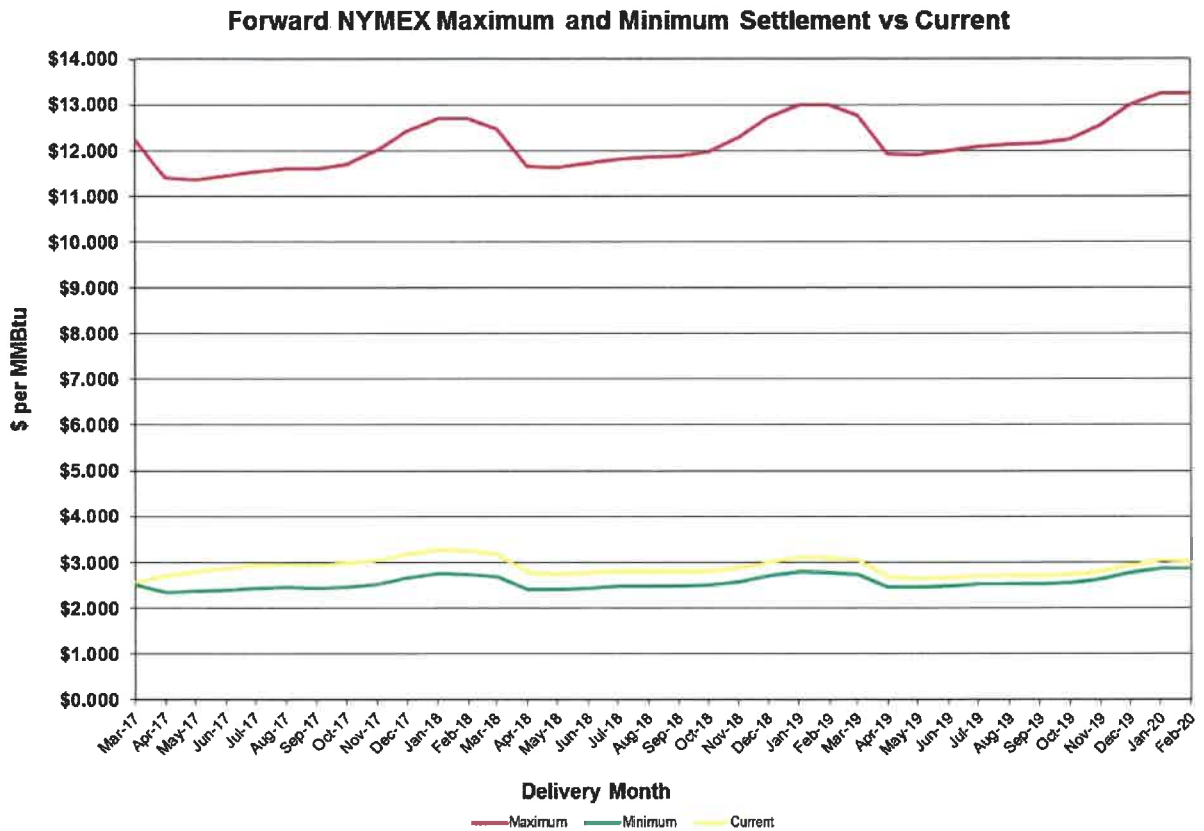
I have the following information and recommendation on natural gas:

- I think your natural gas purchase strategy of not speculating too much, while trying to insure stable/declining forward pricing is still a sound approach. I think your actual/projected gas costs over the past several years are proof of this:

Year	Avg. Unit Rate	Year/Year Impact*
2011	\$7.69	\$30,000 reduction
2012	\$7.34	\$21,000 reduction
2013	\$6.03	\$78,600 reduction
2014	\$5.27	\$45,600 reduction
2015	\$4.34	\$55,800 reduction
2016	\$3.65	\$41,400 reduction
2017	\$3.65	Stable
2018	\$3.51	\$8,400 reduction
2019	\$3.30	\$12,600 reduction
2020	\$3.30	Stable

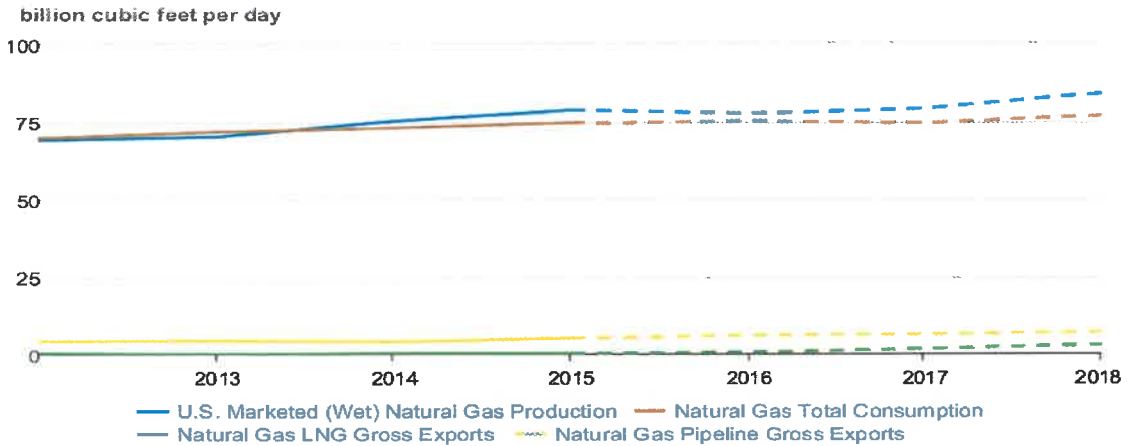
Projected Data

- Virtually all the forward months that are now trading on the NYMEX are at/near their all-time lows (see graph below):



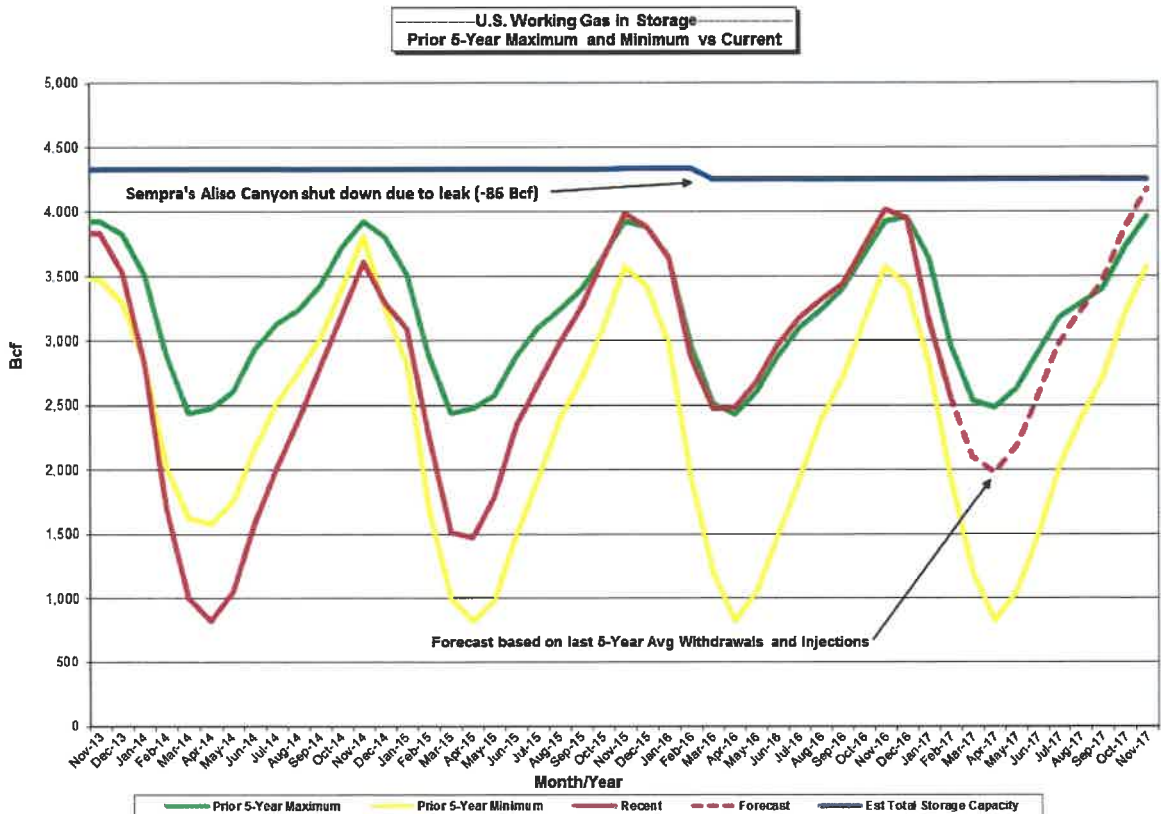
- The current national production/consumption outlook shows +/- growth in both in 2017-2018, with LNG and Pipeline exports absorbing most/all of the production increase (see graph below):

Custom Chart



Source: U.S. Energy Information Administration

- The current national storage outlook shows that we are likely to come out of the winter of 2016/2017 close to the last two-year average storage level (see graph below):



Based on all this, I recommend that you consider locking in +/- 85% of your estimated needs @ \$3.30, or less, for the period of Jun'18-May'20. This takes advantage of the current low prices, eliminates most of the upside risk for another year given the expected production growth being absorbed by LNG/pipeline export increases and would lock in the projected year-over-year reductions shown above.

Due to the unpredictability of the market and the length of time until your 3/20/17 Board meeting, I recommend you consider attempting to get approval as soon as practical.

*Based on normal 60,000 MMBtu per year usage

Paul Wilken

Senior Energy Consultant
Executive Energy Services