



REGULAR BOARD MEETING
Electronic Board Meeting
#564 945 717

**BOARD OF
EDUCATION**

PRESIDENT

TIMOTHY O. ESTHEIMER

DATE: May 26, 2020 7:00 p.m.

VICE PRESIDENT

ANDREW A. GREEN

BOARD MEMBERS PRESENT: Estheimer, Freitas, Pomponio, Sage
Mr. Craig joined the meeting at 7:05 p.m.

SECRETARY

DR. DARLENE L. POMPONIO

BOARD MEMBERS ABSENT: Green, Lamos

TREASURER

RICK LAMOS

ADMINISTRATION PRESENT: Pastor, Baker-Herring, Wilson

The Pledge of Allegiance was recited.

Mr. Estheimer read the District Mission and Vision Statements.

TRUSTEES

JASON CRAIG
NEIL J. FREITAS
SHAWN SAGE

REVISIONS/APPROVAL OF AGENDA

Ms. Pastor requested Action Item # 5-Schoology Learning Management System and a Work Session be added to the agenda.

2019/20-122 It was moved by Dr. Pomponio supported by Mr. Sage the board approve the May 26, 2020 Regular Meeting Agenda.

ADMINISTRATION

YES: Estheimer, Freitas, Pomponio, Sage

NO:

SUPERINTENDENT

JILL M. PASTOR

CITIZENS COMMENTS

None

BUSINESS AND FINANCE

DIRECTOR

BARBARA WILSON, CFO

PRESENTATIONS

None

CURRICULUM/FEDERAL

PROGRAMS DIRECTOR

DR. MICHELLE BAKER-
HERRING

CONSENT

2019/20-123 It was moved by Dr. Pomponio supported by Mr. Sage the board approve the May 12, 2020.

YES: Estheimer, Freitas, Pomponio, Sage

NO:

Mr. Craig joined the meeting.

ACTION

1. Adoption of Ratification Resolution for the 2020 Bond:

2019/20-124 It was moved by Dr. Pomponio supported by Mr. Freitas, the board approve the following resolution:

WHEREAS:

1. By resolution adopted on April 14, 2020 (the "Bond Resolution"), the Issuer authorized the issuance of not to exceed Thirty-Five Million Dollars (\$35,000,000) 2020 School Building and Site Bonds (the "Bonds"); and
2. In the Bond Resolution, the Board authorized the sale of the Bonds and delegated authority to the Superintendent of Schools and/or the Director of Business and Finance (each an "Authorized Officer") to accept the offer of Stifel, Nicolaus & Company, Incorporated to purchase the Bonds subject to parameters established in the Bond Resolution; and
3. Based upon information provided by the Issuer's financial consulting firm, an Authorized Officer accepted an offer from Stifel, Nicolaus & Company, Incorporated, and the other underwriter listed in the bond purchase agreement (the "Underwriters") to purchase the Bonds, and the Board desires to ratify and affirm the acceptance of the offer.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Authorized Officer's acceptance of the offer as set forth in the bond purchase agreement dated May 22, 2020 (the "Bond Purchase Agreement"), and the terms and conditions set forth therein, presented to the Authorized Officer to purchase the Bonds at a purchase price of \$32,217,424.40, which is the par value of the Bonds plus an original issue premium of \$4,538,248.15, less the Underwriters' discount of \$95,823.75, is hereby ratified and affirmed. The Bonds shall be issued in the aggregate principal sum of \$27,775,000 and designated 2020 School Building and Site Bonds (General Obligation - Unlimited Tax).
2. The Bonds shall be dated June 16, 2020, and shall mature on May 1 of the years 2025 to 2030, inclusive, 2032, 2033 through 2041, inclusive, 2044, and 2046, on which interest is payable commencing November 1, 2020 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 and mandatory redemption as set forth herein. The Underwriters have agreed in the Bond Purchase Agreement that they shall initially offer the Bonds to the public at the yields set forth in Exhibit A hereto.
3. The Bonds or portions of Bonds in multiples of \$5,000, maturing on or after May 1, 2031, 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, 2030, at par plus accrued interest to the redemption date.
4. The Bonds due May 1, 2032, May 1, 2044, and May 1, 2046, are term bonds subject to mandatory redemption in part, by lot, on the redemption dates and in the principal amounts set forth below and at a redemption price equal to the principal amount thereof, without premium, together with interest thereon to the redemption date, as set forth below.

<u>Bonds Due May 1, 2032</u>		<u>Bonds Due May 1, 2044</u>	
<u>Redemption Dates</u>	<u>Principal Amounts</u>	<u>Redemption Dates</u>	<u>Principal Amounts</u>
May 1, 2031	\$ 940,000	May 1, 2042	\$1,745,000
May 1, 2032 (maturity)	1,020,000	May 1, 2043	1,745,000
		May 1, 2044 (maturity)	1,750,000

<u>Bonds Due May 1, 2046</u>	
<u>Redemption Dates</u>	<u>Principal Amounts</u>
May 1, 2045	\$1,750,000
May 1, 2046 (maturity)	1,755,000

When term bonds are purchased by the Issuer and delivered to the Paying Agent for cancellation or are redeemed in a manner other than by mandatory redemption, the principal amount of the term bonds affected shall be reduced by the principal amount of the Bonds so redeemed or purchased in the order determined by the Issuer.

5. 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, 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.

6. 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.

7. The Bonds shall be 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.

8. 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 \$150,000 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 2020 Capital Projects Fund.

B. The sum of \$32,067,424.40 shall be deposited to the 2020 Capital Projects Fund.

9. The Preliminary Official Statement, dated May 14, 2020, is deemed final for purposes of SEC Rule 15c2-12(b)(1), relating to the Bonds and its use and distribution by the Underwriters is hereby authorized, approved and confirmed.

10. An Authorized Officer is authorized and directed to execute and deliver the final Official Statement on behalf of the Issuer. An Authorized Officer 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 Underwriters, 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. An Authorized Officer is further authorized to execute a Certificate of Issuer to enable the Underwriters to comply with Rule 15c2-12 under the Securities and Exchange Act of 1934 in connection with the offering and sale of the Bonds. In the absence of an Authorized Officer, the President may execute the above documents.

11. The Issuer hereby ratifies and affirms the appointment of The Huntington National Bank, Grand Rapids, Michigan, as Paying Agent-Bond Registrar and directs an Authorized Officer to execute for and on behalf of the Issuer a Paying Agent-Bond Registrar Agreement.

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

YES: Craig, Estheimer, Freitas, Pomponio, Sage
NO:

2. Award of contract for Custodial, Grounds, Maintenance, Snow Removal and Messenger Services for the period July 1, 2020 through June 30, 2023: Ms. Wilson explained to the board, Southgate Schools has contracted Plante & Moran, PLLC to solicit bids and evaluate proposals for our Custodial, Building and Grounds, Maintenance, Snow Removal and Messenger services for July 1, 2020 through June 30, 2023. Plante & Moran, PLLC has provided a summary of process and their recommendation, which board members received a copy of.

The RFP was submitted to 12 vendors. Two proposals were received from the following providers: Auxilio Services and DM Burr (the current vendor). Analysis was completed by Plante & Moran, PLLC and reviewed Ms. Wilson and the Director of Facilities & Maintenance.

For the reasons outlined in the Plante & Moran, PLLC summary and because DM Burr offered the lowest-cost bid, administration recommends that the contract for Custodial, Grounds, Maintenance, Snow Removal and Messenger Services for the period July 1, 2020 through June 30, 2023 be awarded to DM Burr.

Discussion took place regarding previous complaints and high turnover of staff. Mr. Galarza-Jimenez, Director of Grounds and Maintenance, addressed the board and explained the improvements that have been made since he was hired on. Complaints received are minimal and addressed quickly, staff turnover has stabilized.

Administration was asked if they had looked into bringing things back "in-house" and what the cost of that would be. Ms. Wilson said that was not looked into, but knowing we pay 40% to 43% of retirement on each employee the cost would exceed what we are being quoted in this contract. Her understanding was that we go out to get a new contracted bid, which is what she did.

Ms. Pastor explained, all district employees are subject to ORS (Office of Retirement Services), which would be about 45% of a markup. That would be .45 more per employee, per hour. She may not have the exact figures but she does know it would definitely cost the district more money.

2019/20-125 It was moved Dr. Pomponio supported by Mr. Craig, the board award the contract for Custodial, Grounds, Maintenance, Snow Removal and Messenger Services for the period July 1, 2020 through June 30, 2023 to DM Burr.

YES: Craig, Estheimer, Freitas, Pomponio, Sage

NO:

3. Approval of the purchase of Z-Turn Lawn Mower: Ms. Pastor explained, as per board policy #5003, all items that exceed \$3,500 must be brought to the Board for approval. This piece of equipment is needed for our grounds and maintenance crew to continue to keep our grass cut regularly. this is to replace a Z-Turn that continues to break down. It currently is not working and the estimate for repairs is \$3,731.99. We did purchase 2 other Z-Turns last summer.

Discussion took place regarding warranties, protection and the age of the current mower. There is a 5 year or 1250 hours warranty. We are getting this from Sells Equipment, if the unit needs servicing, they will provide us one for free until ours is fixed. The current mower is from 2002.

2019/20-126 It was moved by Dr. Pomponio supported by Mr. Craig, the board approve the purchase of a Z-Turn Lawn Mower from Sell's Equipment not to exceed \$8,799.

YES: Craig, Estheimer, Freitas, Pomponio, Sage
NO:

4. Approval of Investment of 2020 Bond Proceeds with PFM Asset Management, LLC and opening a MILAF + Account in the name of the 2020 Capital Project Fund: Ms. Wilson presented the board with information about the bond proceeds. On June 16, 2020, the District will receive up to \$35,000,000 from the sale of our Series 1 2020 Building & Site bonds. New cash and investment accounts need to be opened to account for these proceeds with a firm that will monitor our investments to meet our cash flow needs and maximize the investment earnings over the projected length of the project. Ms. Wilson discussed the options and information with two companies the District currently works with, Huntington Bank and PFM Asset Management, LLC.

Based on the history with the District, experience with school district bond projects, references, investment portfolios and interest rates, fees and investment monitoring practices, it is Ms. Wilson's recommendation that the bond proceeds be deposited with PFM Asset Management, LLC.

Because we have existing MILAF + accounts with PFM Asset Management, LLC, there are no documents that are required to be signed by the Board of Education. The documents to open a new account will be signed by Ms. Wilson.

Discussion took place about which bond these funds are coming from. The 2015 Bond and the 2020 Bond funds cannot be co-mingled, separate accounts are necessary. The funds are titled 2015 Capital Projects.

2019/20-127 It was moved by Mr. Craig supported by Mr. Sage, the board approve the investment of the 2020 Bond Proceeds with PFM Asset Management, LLC and the opening of a new MILAF + account in the name of the 2020 Capital Projects Fund.

YES: Craig, Estheimer, Freitas, Pomponio, Sage
NO:

5. Schoology Learning Management System (LMS): Dr. Baker-Herring presented the board with information about a new learning management system. As per board policy #5003, all items that exceed \$3,500 must be brought to the Board for approval. She is recommending the purchase of the Schoology Learning Management System on behalf of the Southgate Continuity of Learning Team (COLT): Technology Workgroup for a first-year of \$31,739.24 and an annual fee of \$24,624.00 for each year after. The first two years of funding will come from the CARES Act Fund.

Dr. Baker-Herring put together a team to address questions and concerns regarding remote learning. One of the goals is to make sure that students, Young 5s and K-12 all have a district device. If we don't start back to school with a face to face option, we wanted to be sure we are prepared. If there is a second or third wave of the virus, we want to be prepared for that too.

We need a district-wide Learning Management System (LLS) so we have one platform for students, parents and teachers to learn and use. It provides one-stop-shop for learning apps and tools used across the district. We need a district-wide communication tool/plan as it is too confusing to get emails through; class dojo, remind, Google Classroom, See Saw. Schoology would be the same for every teacher, every classroom.

We need to make this decision as quickly as possible so that we give teachers as much time as possible for training, planning and using the learning management system. The state is supporting the following four LMS tools: Moodle, Canvas, Brightspace and Schoology. Moodle is not user friendly, Canvas is geared toward the college/university level, Brightspace we have not had any experience with. Schoology is being utilized by some of our staff and surrounding districts. Staff members who have children in those districts have had first-hand experience with Schoology and its ease of use. The consensus from the COLT/Technology Workgroup is to purchase Schoology and get the virtual training ASAP.

Discussion took place about the different tools there are to choose from and the timeline for when teachers would train. Additional discussion took place about; the district providing each student with a Chromebook which would provide consistency the ability to provide Tech Support. A Responsibility fee was talked about as well. There are local districts that provide Chromebooks to their students, we can look at their model as we move forward.

Ms. Pastor commented there are many staff members on the committees, there is a lot of interest in making sure we are prepared for when school resumes.

2019/20-128 It was moved by Dr. Pomponio supported by Mr. Craig, the board approve the purchase of the Schoology Learning Management System for the first-year cost of \$31,739.24 and the annual fee of \$24,624.00 for each year after.

Mr. Craig commented that the last couple of months have taught us that we need this desperately. He feels we were caught flat-footed and he is glad to see something like this coming along, so we can be prepared for anything else that we have to deal with this fall.

Mr. Estheimer commented, the fact that we can cover this with the Federal CARES Act funds makes it a nicer deal for all of us.

YES: Craig, Estheimer, Freitas, Pomponio, Sage
NO:

EMPLOYEE REPRESENTATIVES

None

INFORMATION AND ANNOUNCEMENTS

Dr. Pomponio is honored to announce the addition of a third scholarship which has been added to the two she annually provides from the Paul C. Pomponio Public Service Scholarship, to honor the front-line services workers for the pandemic we are in. She is proud to give three students scholarships this year.

Ms. Pastor let the board know they are all cordially invited to the virtual honors recognition that will be Friday May 29, 2020 at 6:30 p.m. It will be a recorded virtual recognition of this year's recipients of scholarships, like Dr. Pomponio just presented.

Mr. Freitas thanked the administration for all the hard work they have done with this graduation. Having a senior and talking to other people in neighboring communities, family members in other districts, we are going far and above the other districts. Staff has put so much time and effort into this graduation and it is being noticed by everybody. These are difficult times for the Class of 2020, not just Southgate, it's not just the Class of 2020 Michigan, it's the Class of 2020 in all the United States and they are all bonded together.

Things being done are unique and shows tremendous dedication, what our staff has put together to pull this off and honor the graduates this year. Hats off to everyone that has taken part in this.

Mr. Estheimer agreed with Mr. Freitas, there is very positive buzz. It's huge what's happening now and the least we could do. He salutes those that were involved in the planning of the graduation process and all the fun activities.

WORK SESSION

Ms. Pastor and the board discussed the next few board meetings and the need to begin contract negotiations. 5 contracts expire this August. Discussion took place about closed session, pre-search workshop and presentation by Rod Green either in person or virtual. The meeting may have to be held at Gerisch due to the pandemic and City Hall remaining closed. Social distancing protocols would be followed, or we can do a non face-to-face meeting. Board members came to a consensus to meet on June 16 at 6:00 p.m. for Closed Session and hold the June 9th and June 23rd meetings virtually.

ADJOURNMENT

2019/20-129 It was moved by Mr. Craig supported by Mr. Sage, the board adjourn the meeting at 8:00 p.m.

YES: Craig, Estheimer, Freitas, Pomponio, Sage
NO:

Respectfully submitted by: Theresa Grzechowski

Dr. Darlene Pomponio-Secretary
Board of Education

For detailed conversation, Board meetings may be viewed in their entirety on our website: www.southgateschools.com

