BOARD OF EDUCATION
NORTH BRANCH EDUCATIONAL SERVICES CENTER
6655 JEFFERSON, PO BOX 3620
NORTH BRANCH, MICHIGAN 48461-3620

The special meeting of the North Branch Board of Education was held 7:30 p.m. on Thursday, January 15, 2015 in the Quest cafeteria located in the North Branch Educational Services Center, 6655 Jefferson, North Branch, Michigan for the purpose of the public having input on the school bond loan.

Treasurer Doug Meiburg called the meeting to order at 7:36 p.m.

Roll Call indicated the following Board members present:

Present:	Doug Meiburg	Absent:	Cory Mabery
	Daniel Deshetsky		Mike Snoblen
	Melissa Schank		Cheryl Howell
	Tom Nellenbach		

Others Present:	Thomas A. English	Superintendent
	Rhoda Lucia	Recording Secretary
	Shelly Campbell	Business Manager
	Mark Hiltunen	High School Principal
	John Sherman	High School Assistant Principal

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Doug Meiburg - Explained why we are here and loans and bonds. We owe 40 mil on 37 mil bond. We are not in huge trouble but the trend is not good. So what suggestions do we have?

Ed Adamic- 1- Is it necessary to replace the 2 part time secretaries? Make sure we are hiring at the lowest wage. 2- Line by line evaluations where can we shave.

George Ficht – 1- Principals-can they take care of more building? We can't take away from kids but can we combine job duties. 2-Outsourcing – Concern of something happening with Dean going under & us having to replace the fleet.

Doug Meiburg – Consider closing a building

Melissa Schank – What about ways to save money – Pay to play?

Doug Meiburg – Parents have called him claiming that 3 buses have drove by their house but only one stops. Can parents sign off to never ride the bus and save money?

Tom English – they are paid by the run.

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Ed Adamic- Where are we in the contract with Dean
Dan Deshetsky – We are in year 3 of 5 year contract but can opt out at any time

? - Do we own the buses?

Tom English – We own some and lease some.

Ed Adamic- Employee benefits? Can we ask people to opt out?

Rosann Clark – It is the law that employee pays part of benefits – this is also part of the contracts shouldn't be spoken of in a public meeting.

Doug Meiburg – According to my calculations if we do these mentioned suggestions we should save $1.7 mil.

John Hutchinson – If savings do occur, how are we going to be sure the money goes into bonds.

Doug Meiburg – If you track every dollar in and out, it shouldn't be a problem. Can we make more frequent payments?

There was discussion on how you can only pay twice but could save money to make a larger payment.

Rosann Clark – Would like to know the state take on taking general funds savings and putting it on the bonds. Taxes are going up.

Doug Meiburg – No. Taxes will not go up if we can get these monies paid down.

Daniel Deshetsky – We are here for SBL fund.

Ed Adamic – Hasn't Shelly been though something similar in Kingston.

Shelly – No

Daniel Deshetsky -Explained that Shelly has experience in refunding of the bonds through Kingston as does he. But, Kingston didn't have the loan also. He also encouraged Doug to do a roll call since it is a board meeting.

Roll call was taken (which has been put at the beginning of the minutes)

Daniel Deshetsky – My opinion when you build the fund balance up for repairs (roof at the high school) when you get to a healthy fund balance then you will not have to borrow. 4 months ago we invested in a math curriculum for K – 8 and I would rather pay that $80,000 on the children vs. on the interest which will work itself out in approximately 5 years.

Doug Meiburg – So we have the following suggestions so far:

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1- Not hiring replacement secretaries
2- Line by line on expenses
3- Combining jobs (Principals in charge of more than one building)
4- Outsourcing Contracts– Check into a lower price
5- Consider closing a building or two
6- Pay to Play
7- Transportation – Call Dean to renegotiate

Tom English – Refunding the bonds will save 4.5 million dollars over the life of the bond. This will not be money in the bank but money saved.

Doug Meiburg – Lets plan for our next meeting. Considering Monday, Wednesday & Friday of next week.

There was discussion on what type of meeting it is and how to get the word out.

Decision was that it would be 2 committee meeting and then a decision will be made on if they want to call a special meeting. People would post on facebook, twitter, and put up signs. Also, asked for it to be put on the school web page.

Dan Deshetsky – We can look at the positions (secretary) but we are not hiring new just replacing what was there.

Ed Adamic – But this is a good time to start cutting by not filling that position

There was inquiry about staff at each building. Mr English stated

Elementary – 1 Principal, 1 Assistant Principal, 2 full time Secretaries, Nurse (floats between building)

Ruth Fox – 1 Principal, 1 Counselor, 1 full time and 1 part time Secretary

Middle School – 1 Principal, 1 Counselor, 1 full time and 1 part time Secretary

High School – 1 Principal, 1 Assistant Principal, 1 part time Assistant Principal/part time Athletic Director (3 people doing 4 jobs), 2 Counselors, 4 Secretaries (1 Counseling office, 2 Main office, 1 Athletic Director in Main office)

Doug Meiburg – How are we going to get the word out…

Suggestions by the group – facebook, twitter, flyers, school web page

Doug Meiburg – Confirmed Community Meeting – Monday, January 19 in the Quest Cafeteria

Daniel Deshetsky – Getting back to the bond refund. There have been no mismanaged monies. We have 3 options:

OPTION 1- Do not refund the 2005 Debt Retirement bonds.

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This option will automatically increase the 2015 millage rate next year to 9.65 from the current 2014 millage rate of 7.83.

OPTION 2- Refund the 2005 Debt Retirement bonds.

The anticipated savings to the district is $ 4.5 million over the remaining 21 years of the issue.

The anticipated 2015 millage rate would be 10.10 without the Annual Computed Millage Waiver Request.

The School Bond Loan Fund anticipated pay off date when using the 10.10 millage rate would be 2036.

Or

The anticipated 2015 millage rate would be approximately 9.10 mills with the Annual Computed Millage Waiver Request, which needs approval from the Michigan Department of Treasury.

The School Bond Loan Fund anticipated pay off date when using the 9.10 millage rate would be 2041.

OPTION 3- Refund the 2005 Debt Retirement bonds and increase the millage rate significantly.

The anticipated savings to the district is $4.5 million over the remaining 21 years of the issue.

The anticipated 2015 millage rate would be 12.75.

The district would continue borrowing from the School Bond Loan Fund for approximately the next seven (7) years and after that time would not have to borrow any longer from the fund.

The School Bond Loan Fund anticipated pay off date when using the 12.75 millage rate would be 2034.

Moved by Nellenbach, Support by Deshetsky that the meeting be adjourned at 8:44pm
Roll Call: Meiburg aye, Nellenbach aye, Schank aye, Deshetsky aye
4 aye, 0 nay, 3 absent Motion Passed

Meeting adjourned at 8:44 pm

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Mike Snoblen, Secretary

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