

**JACKSON PUBLIC SCHOOLS
ORGANIZATIONAL/REGULAR
BOARD OF EDUCATION MEETING
Jackson High School
January 20, 2026**

AGENDA

6:00 pm

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Approval of Agenda
5. Organizational Meeting
 - 25-26-39 Election of Officers
 - 25-26-40 Organizational Resolutions
 - 25-26-41 Financial Resolutions
 - 25-26-42 Adoption of Legal Reference Note
6. Superintendent's Report
 - School Board Recognition Month
 - Books
7. Consent Agenda
 - 25-26-43 Minutes
 - 25-26-44 Human Resources
 - 25-26-45 Monthly Financial Report, December
 - 25-26-46 Bond Financial Report, December
8. **Citizens Requesting to Address the Board** (*Board Policy 0167.3*) - *this is an opportunity for any citizen present to address the Board on any item. The time limit is normally five (5) minutes, but the president or presiding officer may impose a shorter time limit if necessary.*
9. Discussion Items
 - 25-26-47 Superintendent Evaluation Process
 - 25-26-48 E-rate projects
10. Action Items
 - 25-26-49 Bond Extra Duty
 - 25-26-50 Health Insurance (WMHIP) Resolution
11. Board Comments
12. Calendar
 - February 11, 2026 - Student Count Day

JPS MISSION: We will bring our community together to create a culture of academic excellence and workforce readiness.

JPS VISION: We envision a community where all students become lifelong learners.

- February 16, 2026 - No School - President's Day
- February 17, 2026 - Regular Board Meeting, JHS Media Center, 6:00 pm
- March 20, 2026 - JHS Ambassador Auction, more details to follow

13. Adjournment

JACKSON PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
Jackson High School
January 20, 2026

ITEM: 25-26-39

SUBJECT: Election of Officers

FOR ACTION: Jeremy Patterson

1. Election of President:

- a. Nominations and Election
- b. Oath of Office - administered by ranking officer

"I, _____, do solemnly swear (or affirm) that I will abide by the bylaws, rules and regulations of this Board and shall faithfully discharge the duties of my office as President to the best of my knowledge and ability."

2. Election of Vice President:

- a. Nominations and Election
- b. Oath of Office - administered by ranking officer

"I, _____, do solemnly swear (or affirm) that I will abide by the bylaws, rules and regulations of this Board and shall faithfully discharge the duties of my office as Vice President to the best of my knowledge and ability."

3. Election of Secretary:

- a. Nominations and Election
- b. Oath of Office - administered by ranking officer

"I, _____, do solemnly swear (or affirm) that I will abide by the bylaws, rules and regulations of this Board and shall faithfully discharge the duties of my office as Secretary to the best of my knowledge and ability."

4. Election of Treasurer:

- a. Nominations and Election
- b. Oath of Office - administered by ranking officer

"I, _____, do solemnly swear (or affirm) that I will abide by the bylaws, rules and regulations of this Board and shall faithfully discharge the duties of my office as Treasurer to the best of my knowledge and ability."

JACKSON PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
Jackson High School
January 20, 2026

ITEM: 25-26-40

SUBJECT: Organizational Resolutions

FOR ACTION: Board Secretary

- A. **Schedule of Time/Place of 2026 Regular Meetings:** That the regular monthly meetings of the Jackson Board of Education be held in accordance with the following schedule - all meetings will begin at 6:00 pm unless posted otherwise.

Month	Meeting Date	Location
January	20	JHS Media Center
February	17	JHS Media Center
March	17	JHS Media Center
April (4th Tues)	28	JHS Media Center
May (4th Tues)	26	JHS Media Center
June (4th Tues)	23	JHS Media Center
July (4th Tues)	28	JHS Media Center
August (4th Tues)	25	JHS Media Center
September	15	JHS Media Center
October	20	JHS Media Center
November	17	JHS Media Center
December	15	JHS Media Center

Special Meetings will be called as needed.

- B. **Legal Advertisements:** That *mLive Media Group* and *The Jackson Blazer* will be used for the purpose of legal advertisements as may be required by law.
- C. **Name of Each Committee and Charge:** That the President of the Board shall appoint members to the committees listed below for the 2026 calendar year.

Jackson County School Board Association
Jackson Parks and Recreation Department
Board Committees:
Finance
Policy
District Improvement

- D. **Approval of Organizational Memberships:** Michigan Association of School Boards, Jackson Lunch Rotary Corporate, Greater Jackson Chamber of Commerce and Jackson County NAACP.
- E. **Delegation of Election Duties:** The Secretary of the Board of Education delegates the election duties to the Superintendent/designee of Jackson Public Schools.
- F. **Approval of Annual Retainer Contracts:** Resolved, that Brendon Beer, from the law firm of Abbott, Thompson, Mauldin, Parker, Beer and Lindsey, PLC shall continue as legal counsel for the Board during the 2026 calendar year, provided that the Board may employ other legal counsel to handle matters as deemed appropriate by the Board.
- G. **Corporate Resolution:** The superintendent and/or designee as authorized signer for Jackson Public School District. It is necessary to designate an authorized signer for contracts, agreements, and other official district documents to ensure the efficient and lawful conduct of district business when a corporate resolution is required.

RECOMMENDATION:

The administration recommends the Board adopt the organizational resolutions as presented for the 2026 calendar year.

JACKSON PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
Jackson High School
January 20, 2026

ITEM: 25-26-41

SUBJECT: Financial Resolutions

FOR ACTION: Marcus Leon

STATEMENT OF THE ISSUE:

Each year the Board of Education must designate the financial institutions in which the funds of the school district will be deposited. At the current time, Comerica Bank is the District's main depository.

COST/BENEFIT STATEMENT:

Comerica Bank charges about \$40,000 per year to maintain our accounts. The benefit is to safeguard the District's funds and to provide investment income.

BUDGET IMPACT STATEMENT:

No impact since the fees charged are included in the 2025-26 budget, and are partially offset by interest income.

RECOMMENDATION:

Administration recommends approval of the following depository institutions: Comerica Bank, County National Bank, Huntington Bank, True Community Credit Union, Baker Tilly, MiClass, Southern MI Bank and Trust and PFM.

JACKSON PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
Jackson High School
January 20, 2026

ITEM: 25-26-42

SUBJECT: Adoption of Legal Reference Note

FOR ACTION: Jeremy Patterson

STATEMENT OF THE ISSUE:

The Revised School Code requires that school boards adopt a legal reference note.

- A. Legal Name of School District: *"Jackson Public Schools."*
- B. Jackson Public Schools is a general powers school district under Michigan law.
- C. The Board of Education is comprised of seven members, who are elected for terms of six years.
- D. Members holding office on January 1, 2026 and the expiration of their current terms are listed below:

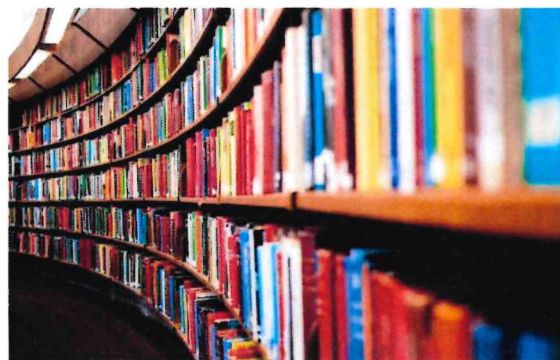
Name	Term Expires
Kesha Hamilton	December 31, 2026
Tabitha Williams	December 31, 2026
Marilyn Acton	December 31, 2028
Derek Dobies	December 31, 2028
Subba Reddy	December 31, 2030
Alaina Sharp	December 31, 2030
Cheryl Simonetti	December 31, 2030

- E. Members of the Board of Education are elected in even years in the November elections.

RECOMMENDATION:

Administration recommends that the Board adopt the Legal Reference Note as presented.

**In Honor of
School Board Recognition Month
January 2026
Books Donated to JPS Schools**



Cascades	The Rabbit Listened, Cori Doerrfeld Be Kind, Pat Zietlow Miller
Dibble	Wild Robot, Peter Brown Lost and Found: Geezer the Robot, Jarrett Lerner
Hunt	Kindness is my Superpower, Alicia Ortego I wish You More, Amy Krouse Rosenthal
Montessori	It Began With a Page: How Gyo Fujikawa Drew the Way, Julie Morstad The Spirit of Springer: The Real-Life Rescue of an Orphaned Orca, Amanda Abler
John R. Lewis	A Waffle Lot of Love, Ben Clanton Good Different, Meg Eden Kuyatt
Northeast	You Can Be a Good Friend No Matter What, Taraji P Henson The Year We Learned to Fly, Jacqueline Woodson
Sharp Park	Dog Man: Big Jim Believes, Dav Pilkey What Should Danny Do? (The power to choose series), Jacqueline Woodson
Middle School at Parkside	Maybe Tomorrow I'll Know, Alex Ritany The Escape Game, Mariss Meyer
Jackson High School/Jackson Pathways	Maybe Tomorrow I'll Know, Alex Ritany The Escape Game, Mariss Meyer



JACKSON PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
Jackson High School
January 20, 2026

ITEM: 25-26-43

SUBJECT: Minutes

FOR ACTION: Jeremy Patterson

STATEMENT OF THE ISSUE:

In accordance with Board policy, the minutes of the Board of Education must be approved by the Board.

RECOMMENDATION:

Administration recommends approval of the following minutes as presented:

December 16, 2025

[Regular Board Meeting](#)

**JACKSON PUBLIC SCHOOLS
REGULAR BOARD OF EDUCATION MEETING
Jackson High School
December 16, 2025**

The Board of Education of the Jackson Public Schools held a regular board meeting at 6:00 p.m. on December 16, 2025 at Jackson High School, 544 Wildwood Ave., pursuant to notice duly given.

Present: Alaina Sharp, Cheryl Simonetti, Marilyn Acton, Derek Dobies, Subba Reddy, Kesha Hamilton
Absent:

Approval of Agenda

Motion by D.Dobies, supported by A.Sharp, to approve the agenda. Motion carried 6-0.

Superintendent's Report

Superintendent Patterson acknowledged Shalanda Hunt's resignation from the Board of Education and thanked her for her time and dedication to Jackson Public Schools.

Lisa Francisco from the Michigan Department of Education presented on the district's partnership with MDE and outlined the process. She noted that throughout the three-year process, JPS demonstrated strong dedication and leadership across the district, with a continued focus on students. Superintendent Patterson thanked Ms. Francisco for her support and expressed appreciation for her partnership with JPS.

Sam Barna from Baker Tilly presented an overview of the owner's representative role during the duration of a bond project and explained what the role would entail should the Board of Education choose to hire an owner's representative.

Mitch Watt from Triangle presented on the responsibilities of a construction manager and outlined what the construction manager would oversee throughout the bond process.

Board of Education interviews were conducted. Applicants were allotted ten minutes to respond to questions from the Board regarding their previously submitted application and questionnaire.

Consent Agenda

The consent agenda consisted of the following items:

- 25-26-41 Minutes
- 25-26-42 Human Resources
- 25-26-43 Monthly Financial Report, November
- 25-26-44 Bond Financial Report, November

Motion by D.Dobies, supported by C.Simonetti, to approve the consent agenda. Motion carried 6-0 unanimously.

Citizens Requesting to Address the Board

1. Chris Davis

Discussion Items

Action Items

25-26-45 Board Vacancy Appointment

Board members were given the opportunity to identify their top three choices from the interview candidates. Cheryl, Subba, Derek, Marilyn, and Alaina selected Tabitha Williams as their first choice. Kesha selected Angelene Pattona as her first choice, and Chris Davis was also identified as a second-choice candidate.

Motion by C. Simonetti, supported by S.Reddy, to appoint Tabitha Williams as board member for a 1 year term. Role call vote was done. Motion carried 5-1 (no-Hamilton)

25-26-46 NEOLA Updates, Title IX, Vol 39 No 1, Edgar/UGG, 2nd Reading/Adoption

Motion by C.Simonetti, supported by D.Dobies, to approve the policies as presented. Motion carried unanimously.

25-26-47 25-26 Budget amendment #1

Motion by D.Dobies, supported by A.Sharp, to approve the 2025/2026 1st budget amendment as presented. Motion carried unanimously.

25-26-48 Energy Projects RFP

Andy Bitner, CEO of GCA, presented on proposed energy projects for the district. He recommended six focus areas: power optimization; data monitoring and management (including a paid internship opportunity for JPS students); smart walk-in coolers and freezers; bio-enzymatic cleaning and laminar flow; water conservation through valve optimization; and a water leak detection network.

Motion by C. Simonetti, supported by D.Dobies to approve the plan as presented. Motion carried unanimously.

25-26-49 2025 Series 1 Bond Resolution

Motion by D.Dobies, supported by A.Sharp, to approve the 2025 series 1 bond resolution as presented. Motion carried unanimously.

Board Comments

The Board members were given an opportunity to provide comments.

Calendar

- November 26-28, 2025 - Thanksgiving recess, no school

- December 3, 2025 - Board Work Session (Supt Evaluation), JCISD, Room 220, 6:00pm
- December 16, 2025 - Regular Meeting, JHS Media Center, 6:00 pm
- December 22 - January 2, 2026 - Winter Break, no school

Cheryl motioned that we temporarily suspend our bylaws and table the election of officers to January 20, 2026.

Motion carried unanimously

Adjournment

Motion by D.Dobies, supported by S.Reddy, to adjourn the meeting at 10:01 pm. Motion carried unanimously.

Board Secretary

JACKSON PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
Jackson High School
January 20 , 2026

ITEM: 25-26-44

SUBJECT: Human Resources

FOR ACTION: Human Resources

STATEMENT OF THE ISSUE:

New Hires

Spencer Edwards has been hired by the district to teach social studies at South Central Michigan Virtual. He received his Bachelor's degree from Ferris State University.

Trudy Wright has been hired by the district to be the MTSS coach at Montessori and SCMV. She received her Master's degree from Idaho State University.

Resignations

Nicole Conaway has resigned from the district effective January 23, 2026. She taught math at SCMV. She was hired in August 2025.

Giordan Gibson has resigned from the district effective December 31, 2025. She taught at Jackson High School. She was hired in August 2022.

Tanya Sweeney has resigned from the district effective January 12, 2026. She taught 2nd grade at Northeast Elementary. She was hired in October 2024.

Dandrielle Williams has resigned from the district effective December 17, 2025. She taught 3rd grade at Cascades Elementary. She was hired in November 2023.

JACKSON PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
Jackson High School
January 20, 2026

ITEM: 25-26-45

SUBJECT: Monthly Financial Report, December

FOR ACTION: Mr. Marcus Leon

STATEMENT OF THE ISSUE:

The November Financial Report has been prepared.

Overall, revenues at 41%, are higher than the expected revenues of 38% through the same time period last year. This is due mainly to strong tax collection rates, and a private donation for an upcoming project. Current overall expenses at 38% are slightly lower than the expected expenses of 39% through the same time period last year. Most categories are tracking to budget.

RECOMMENDATION:

The administration recommends approval of the December 2025 Financial Report as presented.

JACKSON PUBLIC SCHOOLS

Revenues and Expenditures for the Six Month Period
Ending December, 2025

	Prior Year Ending	Current Year Budget	Prior Year to Date Actual	Current Year to Date Actual	% YTD	% Prior YTD
REVENUES:						
Local Revenues	13,314,888	14,012,693	11,148,229	12,994,044	93%	84%
State Revenues	53,923,817	53,542,182	15,825,829	16,733,655	31%	29%
Federal	4,190,058	3,402,091	516,013	151,905	4%	12%
Transfer-In	3,253,232	3,776,824	566,494	609,609	16%	17%
TOTAL REVENUE	74,681,995	74,733,790	28,056,566	30,489,214	41%	36%

Strong tax collection, Private donation
Includes 24/25 deferred revenue approx \$1million

	Prior Year Ending	Current Year Budget	Prior Year to Date Actual	Current Year to Date Actual	% YTD	% Prior YTD
EXPENDITURES:						
Instruction						
Elementary	17,660,148	17,739,712	6,497,819	5,617,010	32%	37%
Middle School	5,545,797	4,873,486	2,060,718	1,524,911	31%	37%
High School	9,644,526	9,055,632	3,578,853	3,127,743	35%	37%
Summer Programs	362,205	185,266	177,027	7,003	4%	49%
Special Education	7,907,459	8,931,132	2,924,820	3,165,669	35%	37%
Compensatory Education	2,873,187	3,110,286	1,054,537	1,044,119	34%	37%
Vocational Education	7,445	7,633	2,986	2,850	37%	40%
Total Instructional	44,000,767	43,903,147	16,296,760	14,489,306	33%	37%

	Prior Year Ending	Current Year Budget	Prior Year to Date Actual	Current Year to Date Actual	% YTD	% Prior YTD
Support Services						
Pupil Support	3,188,321	2,996,632	1,205,795	1,052,671	35%	38%
Instructional Support	2,749,922	2,024,262	1,135,775	687,169	34%	41%
Executive Administration	853,788	625,892	382,385	317,502	51%	45%
School Administration	5,315,450	4,345,004	2,235,933	1,795,085	41%	42%
Business Services	1,387,749	1,600,016	763,896	791,076	49%	55%
Maintenance & Operations	7,578,122	7,899,357	3,395,057	3,306,537	42%	45%
Transportation	4,840,271	4,584,519	1,612,177	2,070,174	45%	33%
Central Services	1,850,340	1,845,571	849,159	783,355	42%	46%
Technology	2,456,330	2,862,374	1,360,039	1,460,952	51%	55%
Athletics	1,135,583	1,136,097	558,246	627,182	55%	49%
Other Support	979,468	103,817	111,834	39,385	38%	11%
Total Support Services	32,335,344	30,023,541	13,610,295	12,931,088	43%	42%

Billed for PY health benefits in current year

	Prior Year Ending	Current Year Budget	Prior Year to Date Actual	Current Year to Date Actual	% YTD	% Prior YTD
Community Activities						
Site & Building Improvements	1,439,902	1,832,992	282,793	607,198	33%	20%
Transfers-Out	67,521	68,500	38,862	428,749	626%	58%
	64,024	532,256	13,364	479,745	90%	0%
TOTAL EXPENDITURES	77,907,558	76,360,436	30,242,074	28,936,085	38%	39%

50% down pmt- stadium lighting project. Budget will be adjusted with next amendment

Excess of Revenues, over
Expenditures

(3,225,562)	(1,626,646)	(2,185,509)	1,553,129
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Foundation

9,608.00	10,050.00
4,866.00	4,866.00

State Aid Membership

JACKSON PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
Jackson High School
January 20, 2026

ITEM: 25-26-46

SUBJECT: 2018 Bond cost report, December

FOR ACTION: Mr. Marcus Leon

STATEMENT OF THE ISSUE:

The 2018 Bond Financial Report details expenditures through the month of December, 2025

RECOMMENDATION:

The administration recommends approval of the December Bond Financial Report as presented.

Jackson Public Schools

2018 Bond Issue Projects - Overall

For Period Ending 12/31/2025

Contractor	Original Bid	Change Orders	Contract Amount	Payments to date	Balance Owed	Budget	Over(Under) Budget	percent allocated
TMP Architecture	4,067,528.00	112,077.51	4,179,605.51	4,179,605.51	-	4,179,605.51	-	100.00%
CSM Group - Const Mgr	4,095,128.00	873,481.00	4,968,609.00	4,968,609.00	-	4,968,609.00	-	100.00%
Other items / Reimbursables	147,780.86	332.65	148,113.51	148,113.51	-	(811,578.51)	959,692.02	-18.25%
Bond Fees/Costs	445,596.87	-	445,596.87	445,596.87	-	774,681.00	(329,084.13)	57.52%
Buses	1,970,057.86	-	1,970,057.86	1,970,057.86	-	2,000,000.00	(29,942.14)	98.50%
Cascades Elem.	13,908,312.70	461,465.39	14,369,778.09	14,323,358.79	46,419.30	16,794,051.00	(2,424,272.91)	85.56%
Dibble Elem.	4,374,664.56	422,619.98	4,869,931.54	4,846,939.84	22,991.70	5,050,118.00	(180,186.46)	96.43%
Hunt Elem.	4,394,730.13	(8,093.79)	4,461,679.34	4,423,986.51	37,692.83	4,881,974.00	(420,294.66)	91.39%
Hunt Parking Lot	444,215.65	48,505.95	492,721.60	487,410.60	5,311.00	598,406.00	(105,684.40)	82.34%
Northeast Elem.	4,207,984.65	(53,619.79)	4,154,364.86	4,143,775.85	10,589.01	4,580,373.00	(426,008.14)	90.70%
Lewis Elem.	8,241,180.28	416,915.87	8,876,829.15	8,871,546.96	5,282.19	8,611,501.00	265,328.15	103.08%
Sharp Park Elem.	5,941,415.99	540,293.23	6,818,426.22	6,649,055.97	169,370.25	4,518,365.00	2,300,061.22	150.90%
Montessori	1,058,237.16	43,405.00	1,126,319.16	1,101,970.65	24,348.51	2,048,140.00	(921,820.84)	54.99%
Parkside	9,524,593.31	1,268,296.17	10,792,889.48	10,648,615.58	144,273.90	11,468,141.00	(675,251.52)	94.11%
High School	19,265,937.99	756,039.88	20,021,977.87	19,993,294.52	28,683.35	19,643,398.00	378,579.87	101.93%
High School Phase 3	3,769,575.88	315,472.38	4,085,048.26	4,024,407.89	60,640.37	4,911,132.07	(775,565.00)	83.18%
Total	85,856,939.89	5,197,191.43	91,781,948.32	91,226,345.91	555,602.41	94,216,916.07	(2,384,448.94)	97.42%

LOCAL CONTRACTS AWARDED \$ 24,210,324

*** Local = within 40 miles of Jackson

	Estimated	Actual
Bond Proceeds	86,740,000.00	87,008,281.00
Interest Income	1,504,681.00	5,682,392.16
	88,244,681.00	92,690,673.16

TOTAL SPEND % 98.42%

JACKSON PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
Jackson High School
January 20, 2026

ITEM: 25-26-47

SUBJECT: Superintendent Evaluation
Process

FOR DISCUSSION: Jeremy Patterson

STATEMENT OF THE ISSUE:

Planning: At the beginning of the year in which the evaluation is to occur, the Board of Education and superintendent convene a meeting in public and agree upon the following items:

- Evaluation instrument
- Evaluation timeline and key dates
- Performance goals
- Appropriate benchmarks and checkpoints (formal and informal) throughout year
- Artifacts to be used to evidence superintendent performance
- Process for compiling the year-end evaluation
- Process and individual(s) responsible for conducting the evaluation conference with the superintendent
- Process and individual(s) responsible for establishing a performance improvement plan for the superintendent
- Process and individual(s) responsible for sharing the evaluation results with the community

Checkpoints: The Board of Education and superintendent meet at key points in the evaluation year as follows:

- Monthly Written Updates – Superintendent provides written updates to the board. Board president shares with the superintendent any specific concerns/questions from the board during weekly scheduled meetings.
- Six months in – Mid-Year Progress Report – Superintendent provides update on progress along with available evidence prior to convening a meeting in public. Board president collects questions from the board and provides to the superintendent prior to the meeting. Board and superintendent discuss progress and make adjustments to course or goals, if needed. **THIS MID-YEAR PROGRESS REPORT IS A REQUIREMENT**
- 11-12 months in – Formal evaluation – Superintendent conducts self-evaluation; presents portfolio with evidence to Board of Education (made available prior to meeting). Board members review portfolio prior to evaluation meeting; seek clarification as needed. Board president facilitates evaluation. Formal evaluation is adopted by Board of Education. .

RECOMMENDATION:

No action required at this meeting. The administration will recommend approval of the evaluation process at the February meeting.

JACKSON PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
Jackson High School
January 20, 2026

ITEM:25-26-48

SUBJECT: E-rates Project

FOR DISCUSSION: Marcus Leon

STATEMENT OF THE ISSUE:

As part of a commitment to support updated technology requirements in a fiscally responsible manner, E-Rate funding is applied for whenever possible when the district is considering the upgrade, expansion, or replacement of eligible technology items. E-Rate is a federal program that reimburses schools and municipalities a percentage of eligible technology expenditures. As JPS begins the 2025 bond program, the district has received bids for replacement of network switches and battery backups at: Montessori, Dibble, Hunt, Jackson High, Jackson High concessions, Parkside, Northeast, Sharp Park, Reynolds hall and the Tech office at Hunt..

RECOMMENDATION:

No action required at this meeting. Bids are currently being evaluated and will be discussed at the January finance meeting. The administration will recommend approval of the plan at the February board meeting.

[illegible]

JACKSON PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
Jackson High School
January 20, 2026

ITEM: 25-26-49

SUBJECT: Extra Duty Pay

FOR ACTION: Marcus Leon

STATEMENT OF THE ISSUE:

This item was tabled at the November 18, 2025 Board meeting.

At the October Finance, October Board and December Finance Mtgs, bond extra duties/contracts were discussed.

There is substantial additional work that is involved and required to complete a bond program. This work began approximately one year ago and runs through the final punch list of a bond program. Extra duties mainly include planning and oversight of the 2025 bond program, to ensure JPS receives what is promised to the community by the various contractors, trades and vendors.

HISTORY:

During the 2018 bond program, the district authorized the Superintendent to award extra duty contracts to staff for these additional duties. Final analysis shows the extra duty compensation was approx 0.15% of the original bond issue (\$87million). The industry average is approx 0.50%

RECOMMENDATION:

The administration recommends that the extra duties/contracts for the bond be approved as presented.

1. JHS Aquatic Center: OAC team (Owners, Architect, Construction Mgr) found through punch list walks, the majority of the pool area needed to be re-tiled. Tiles were not laid properly, i.e. not straight, missing grout, too much gap between tiles, etc...

After the inaugural season, the pool was closed, drained, and all tiles needing replacement were done to JPS satisfaction, at the contractor's expense.

2. JHS Aquatic Center: OAC team identified the piping in the pool mechanical room as undersized, causing major flow, filtration etc. issues. Piping was replaced with the correct size that was called for in drawings at the contractor's expense.
3. Glick fieldhouse: OAC team found through punch list walks, painting company did not use correct type of paint and/or primer for the interior supports of the building. Contractor disputed this and laid blame elsewhere. After JPS threatened to pull their bond on the project, JPS and Contractor agreed to part ways, leaving contractor's retainage unpaid (approx. \$10k)
4. Glick fieldhouse: OAC team identified numerous issues with the HVAC units installed onsite, including not properly sealing units to prevent water entering and ruining the insulation. All insulation for both units were replaced, and additional caulking and flashing was installed at contractor's expense.
5. Glick fieldhouse: HVAC units have not worked properly since initially installed. OAC team, and specifically JPS has invested numerous hours and days meeting with contractors to troubleshoot and help contractors understand their responsibility to fulfill their contract. Retainage is still being held in the amount of \$84k. Potentially both units may have to be replaced at contractors' expense (hundreds of thousands of dollars)
6. Sharp Park: contractor responsible for sitework did not complete designed work correctly, not very responsive to correct. JPS and contractors agreed to part ways, with contractor relinquishing claim to remaining funds owed. This balance was applied to a new contractor, who completed the work to JPS satisfaction, at no additional cost.
7. Sharp Park: Boiler JPS identified boiler pumps incorrectly installed. New pumps were purchased and installed at contractors' expense, and extended warranties were secured. Value is approx. \$15-18k for pumps and labor.
8. JPS identified and secured grant funding to purchase and install key cores throughout the district, creating efficiency and better internal controls over building access. Cost to purchase and install is almost \$200k that was able to be re-applied to additional bond projects.

9. JPS identified alternate bids for window shades and found grant funding to install these throughout the district, again relieving pressure on bond resources over \$350k
10. Northeast: During the first winter after bond work was complete in the main offices, the area was unable to maintain adequate heat temperature. Initial analysis was that it was on the district as it was part of the existing structure. Further investigation by JPS found there was a thermal break between the existing bldg. and new construction. Cost to remedy was not charged to the district.

Known cost savings:

#3- Glick painters	\$10,000
#7 SPA pumps	\$16,500
#8 District cores	\$190,767
#8 Window shades	<u>\$364,614</u>

TOTAL KNOWN SAVINGS \$581,881

Plus the savings on re-plumping and re-tiling the pool, HVAC work at the Glick, not having to spend additional funds to replace vendor at Sharp for sitework, and repairs at Northeast. The district either does not have specific cost information due to vendors performing work at their expense, or the work is not completed as of 12/5/25.

2025 BOND EXTRA DUTY CONTRACT FAQ

1. What is an extra duty contract? Is this a new thing? **An extra duty contract provides compensation for employees performing extra duties outside of the normal contract terms. No, this is not new. Extra duty contracts were approved by the Board of Education for the 2018 Bond program.**
2. Are the employees listed in the 2025 extra duty contract program the only ones that can receive this compensation? **No. As was the case for the 2018 Bond program, there will be times where other individuals will be asked to go above and beyond to meet tight deadlines, and/or assist in making this bond program a success. Those will be identified and offered on an as needed basis, in the form of either hourly pay, or a one-time stipend.**
3. Are extra duty contracts an allowable expense to be covered by the bond proceeds? **No. Salary and Benefits are not allowed to be paid for with bond funds.**
4. How is the district able to afford the extra duty contracts, during a time when the district has made staff changes and/or reductions? **The staff reductions that happened (through voluntary separation agreement or layoff) were part of the district's plan to re-align the district's labor force following the expiration of the federal covid dollars. They are not due to any financial mismanagement etc.... During COVID-19, the district, like many others, increased staffing to help students and staff work through return-to-work plans and learning loss due to the pandemic.**
5. What is an Owner Rep? **An owner rep is a third-party vendor that provides bond oversight services.**
6. Are Owner Rep costs an allowable bond expense? Is that a better option? **Yes, Owner Rep costs are an allowable bond expense. Owner Rep services can be beneficial, depending on the circumstances. Sometimes, in a larger district, where the quantity and/or expertise is not present, it can be a good idea. JPS is blessed to have a large enough, qualified staff to perform these services at a significantly lower cost.**
7. How many districts utilize Owner Rep services? **This is unclear. Th district has learned of some districts in county that utilize the service, however, outside of Jackson County, it is more an exception than standard practice. Our auditors have said that they believe they know of a district or two that has used them in the past, but it is very rare. Our firm performs audits for over 100 k-12 school districts in the State of Michigan.**
8. If extra duty contracts are not approved, does that mean the district will hire an owner's representative? **Not necessarily. The district, like many others, has**

never used an owner's rep, and has continued to manage successful bond programs, ensuring taxpayer funds have been used appropriately. A large expense for an owner's rep is in most cases, just that. In any case, the district is still responsible for completing and managing the work. An owner's rep will not change that, however there would be a lot less money to complete bond projects, and issues that arise from them.

9. Do we need to hire an Owner's Rep? What about the district's Architect and Construction Manager? **No, the district does not need to hire an owner's rep. There are 2 major reasons why. 1. The district has the staff with the necessary skills to manage the program, and 2. We are already paying the construction manager and architect to perform the same duties as an owner's rep. Our relationship with the CM differs from districts that utilize an Owners Rep. JPS has what is called a Construction Agency relationship, where the CM is an independent 3rd party that is charged with overseeing construction and managing trades. In a Construction constructor relationship, the CM holds all trade contracts and at times, is a builder involved with the project, therefore creating a conflict of interest in the overall efficiency of the project.**
10. Wouldn't the district be better off utilizing general fund dollars to hire staff? **The district is always looking for the most qualified staff to meet its needs. Approving extra duty contracts will not deter from that mission. The average cost per year for the proposed extra duty contracts is approx. \$65k, including FICA/Retirement costs, for all involved, collectively. To put this into perspective, the average cost per year to hire a single teacher is close to \$100k, including FICA/Retirement costs. Costs for extra duty contracts have always been and will continue to be included in all budget amendments and proposals that the board approved.**
11. Are there any conflicts of interest or transparency issues with regard to the staff listed to receive the extra duty contracts? They are mostly the same during the 2018 bond program. **No. The staff listed in the extra duty contract proposal have specific skill sets that allows for managing of a successful bond program. It would be most comparable to an English teacher receiving extra duty pay for being the English dept chair, etc...**
12. What exactly are some of these extra duties? **Depending on the discipline, they will vary, with some that overlap. For the facilities dept, duties may include reviewing plans, visiting job sites to ensure work is being done accurately and timely, working through change orders and issues with CM/Architect/Asst Sup finance/facilities. In the finance dept, some duties include reviewing contracts, reviewing and approving change orders, vendor payments, visiting job sites to ensure work is completed accurately**

and timely. The Superintendent is the final decision maker on designs and plans for construction, along with attending all meetings. The Deputy Superintendent attends all design meetings, and assists in planning construction in buildings during school, to help minimize the impact on student learning. Communications dept helps put out regular updates on progress, ensuring district branding is adhered to and proper placement for maximum effect. The Superintendent's administrative assistant is in charge of coordinating and scheduling all meetings, conducting background checks on hundreds of workers, putting out newspaper ads, etc...

Some examples of extra duties that have already taken place include:

Putting out bids for construction mgt companies, including interviewing, and submitting recommendations for board approval.

Working with financial advisors and legal counsel on effective strategy for passing bond.

Facility assessments and meetings with CM and A&E to finalize potential projects and associated budget estimates.

Working with Architect firm to plan and implement bond campaigns, including the bond planning committee, board resolutions/presentations, etc..

Fall bond campaign, including speaking engagements, videos, organizing and completing door to door walking.

These are just a few of the many things that have been done over the last year in preparation for the successful vote on November 4th.

**JACKSON PUBLIC SCHOOLS
JACKSON, MICHIGAN**

EXTRA DUTY PAY

THIS AGREEMENT is entered into _____, 2025, between the **JACKSON PUBLIC SCHOOLS OF JACKSON COUNTY**, of 522 Wildwood, Jackson, Michigan 49201 (herein called the "District"), and _____, (herein called the "Employee").

1. **Services by Employee** – The Employee shall devote extra time and energy to act on behalf of the District for the facility/program master planning activities over and above the Employee's normal workload. Activity period starts with facility/program assessment study and ends with punch-list completion. Such additional activities include facility planning, financial planning, Treasury application, weekly progress meetings, construction bidding, construction supervision, budgeting, vendor payments, and various other duties.
2. **Compensation** – The District will pay the Employee as follows:
 - 7% paid for the 2025-26 year
 - 5% paid for the 2026-27 year, through completion of the final punch list.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement the day and year first above written.

FOR THE JACKSON PUBLIC SCHOOLS

By: _____

	6/22/2018	12/21/2018	6/21/2019	12/20/2019	6/22/2020	12/7/2020	6/22/2021	12/7/2021	6/22/2022	12/7/2022	6/22/2023	12/7/2023	6/21/2024	12/20/2024	6/20/2025 Total	% of bond issue
Baker, Julie	-	-	-	1,192.50	1,192.50	1,216.50	1,216.50	1,241.00	1,291.00	1,265.50	1,265.50	1,291.00	1,291.00	1,317.00	1,317.00	15,097.00
Beal, Jeff	5,975.00	1,523.50	1,523.50	1,554.00	1,554.00	1,585.00	1,585.00	2,229.00	2,273.50	2,273.50	2,273.50	2,319.00	2,319.00	2,365.50	2,365.50	33,718.50
Frey, Todd	-	-	-	-	-	898.00	898.00	908.50	986.50	959.50	959.50	986.50	1,006.00	1,006.00	1,006.00	9,614.50
Giannetti, Kriss	2,970.00	575.50	575.50	772.50	772.50	1,216.50	1,216.50	1,241.00	1,291.00	1,265.50	1,265.50	1,291.00	1,291.00	1,317.00	1,317.00	18,378.00
Huey, Jeff	-	-	1,000.00	1,000.00	1,040.00	-	-	-	-	-	-	-	-	-	-	3,040.00
Leon, Marcus	-	-	-	-	-	1,216.50	1,216.50	1,241.00	1,291.00	1,265.50	1,265.50	1,291.00	1,291.00	1,317.00	1,317.00	12,712.00
Oxley, Michelle	2,517.00	642.00	642.00	654.50	654.50	668.00	668.00	681.00	708.50	695.00	695.00	708.50	708.50	723.00	723.00	12,085.50
Patterson, Jeremy	-	-	-	-	-	-	-	-	-	1,265.50	1,265.50	1,291.00	1,291.00	1,317.00	1,317.00	7,747.00
Patterson, William	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,360.00
Ruddell, John	4,729.00	1,206.00	1,206.00	1,192.50	1,192.50	1,216.50	1,216.50	1,241.00	1,291.00	-	-	-	-	-	-	9,601.00
TOTALS	16,191.00	3,947.00	4,947.00	7,596.00	7,596.00	8,017.00	8,017.00	8,782.50	9,132.50	8,990.00	8,990.00	9,178.00	9,197.50	9,362.50	9,362.50	129,346.50

4% June 2018, then 2% annually

Base Salary		Ebersole,		Giannetti,		Leon,		Patterson,		Totals	
		Baker, Julie	Sarah	Frey, Todd	Kriss	Marcus	Jeremy	Totals			
2025-26	147,199	73,730	111,267	134,313	134,313	136,999	136,999	195,421			
2026-27	150,443	75,205	113,492	136,999	136,999	139,739	139,739	199,329			
2027-28	153,452	76,709	115,762	139,739	139,739	142,534	142,534	203,316			
2028-29	156,521	78,243	118,077	142,534	142,534	145,385	145,385	207,362			
2029-30	159,651	79,808	120,439	145,385	145,385	148,292	148,292	211,530			
2030-31	162,844	81,404	122,848	148,292	148,292						
ASSUMES 2% ANNUAL SALARY INCREASE											
Extra Duty Salary Schedule		Ebersole,		Giannetti,		Leon,		Patterson,		Totals	
		Baker, Julie	Sarah	Frey, Todd	Kriss	Marcus	Jeremy	Totals			
2027/2026	3,680	2,581	3,894	4,701	4,701	6,706	6,706	26,262			
6/22/2026	3,680	2,581	3,894	4,701	4,701	6,706	6,706	26,262			
2026-27	4,513	2,256	5,675	4,110	6,850	9,771	33,175				
2027-28	4,604	2,301	5,788	4,192	6,987	9,966	33,839				
2028-29	4,696	2,347	5,904	4,276	7,127	10,166	34,515				
2029-30	4,790	2,394	6,022	4,362	7,269	10,369	35,206				
2030-31	4,885	2,442	6,142	4,449	7,415	10,576	35,910				
	30,847	16,902	37,320	30,790	45,049	64,260	225,169	0.18%			

25-26 7%, then 5% annually TF/IP/ML

25-26 5%, then 3% annually JB

25-26 7%, then 3% annually KG/SE

THIRD PARTY OWNER'S REP	
INDUSTRY AVERAGE IS APPROXIMATELY 0.5% OF BOND ISSUE	
IPS VOTER PASSED BOND IS \$126 MILLION	
126,000,000 X 0.5% = \$630,000	
IPS MET WITH A AN OWNERS REP THIS FALL	
VERBALLY GAVE A COST OF APPROX \$7500-\$8,000/MONTH	
BASED ON A 72 MONTH PROJECT	
\$7500-\$8000 FOR 72 MONTHS = \$540,000-\$576,000	

EXPECTED COST OF USING AN OWNERS REP FOR EACH BOND PROGRAM	
2025 Bond	2018 Bond
\$126,000,000	\$87,000,000
0.50%	0.50%
\$630,000.00	\$435,000.00

EXPECTED SAVINGS OF APPROVING EXTRA DUTY CONTRACTS VS OWNERS REP

District savings	
2025 Bond	2018 Bond
\$630,000.00	\$435,000.00
(225,168.95)	(129,346.50)
\$404,831.05	\$305,653.50
	SAVINGS TO IPS

NOTE: SALARIES/BENEFITS ARE NOT BOND ALLOWABLE EXPENSE
NOTE: UNCERTAIN IF OWNER REP COST IS A BOND ALLOWABLE EXPENSE

APPENDIX B-2 SUPPLEMENTARY SALARIES

During the term of this contract all supplementary salary amounts including counselor per diem, will be determined by Level 1, Step 1 in Appendix B-1-A as a base to determine supplemental salaries.

A. Coaching Positions

1. High School Coaching Positions
 - a. Head Coach Football = 24%
 - b. Head Coach Basketball = 20%
 - c. All Other Head Coaches = 16.5%
 - d. Assistant Coaches = 12.5%
2. Middle School Coaches
 - a. Head Coaches = 7.0%
 - b. Assistant Coaches = 4.5%

B. Intramural Rate

.00054 x Level 1, Step 1 in Appendix B-1-A

- C. Supplemental salaries for voluntary assignments beyond the normal school day/year. All percentages shall be applied to the following amounts: Level 1, Step 1 in Appendix B-2. The salaries for all new voluntary assignments on the schedule below, including determination of the terms and conditions of employment, shall be negotiated by the parties to this Agreement before anyone may be employed for the position.

	Elementary	Middle School	High School
Building Technology Liaisons (one additional per building for every 600 users)	10%	10%	10%
Core Department Chairs (4, 5, 6)	4%	4%	6%
Other Department Chairs (3, 3, 6)	4%	4%	4%
Class Advisor (12 th)			5%
Class Advisor (9-11 th) (3)			4%
Band		7.5%	14%
Jazz Band			14%
Summer Band			Appendix B.2.H
Orchestra		5%	5%
Vocal Music	\$500 per concert up to \$1,000	5%	5%
** Yearbook Advisor		8%	8%
** Newspaper Advisor		4%	8%
Dramatics			10%
Student Council/ Government Advisor		4%	6%
Academic Games Coach	4%	8%	10%
Academic Games Asst. Coach	2%	4%	5%
NHS Advisor			4%
NJHS Advisor		3%	
Robotics Coach	4%	5%	7%
Robotics Asst. Coach	2%	3%	4%
Building Test Coordinator	4%	4%	4%

** If assignment is reduced by one (1) period, the supplementary salary will not be paid.

- D. All District counselors employed for additional days of work shall be paid per item H.
- E. Teachers who are required to use their car in the performance of their duties shall be reimbursed at the maximum mileage allowed by the IRS without reporting such mileage as income. Portal to portal mileage is not eligible for reimbursement. In addition:
1. Professional responsibilities will include keeping a daily mileage record unless the teacher has a regular schedule of trips.
 2. Transportation to professional conferences or meetings requested by the Board will be reimbursed at the current per mile rate.
 3. Mileage allowance will be paid on a monthly basis.
- F. Special Education teachers not assigned to specific buildings, i.e., social workers, school psychologists, diagnosticians, consultants, speech therapists, and homebound teachers, may limit their active duty time to the same as the required hours of duty time of a classroom teacher in the primary area (elementary or secondary) to which such personnel is assigned.
- G. If a compensatory education program is mandated by law and/or regulation under law, the hours and pay for teacher work will be subject to negotiations. Failure to reach agreement will result in the unsettled issue for being submitted to Level IV of the grievance procedure for a final and binding decision by the arbitrator.
-  H. Compensation for voluntary instructional assignments beyond the normal school year/day, including, but not limited to summer band, adult education, summer school, counseling and teacher consultant assignments, including scheduling, shall be compensated at an hourly rate of \$35.50 for 2024-25; \$36.50 for 2025-26; and \$37.50 for 2026-27 (contingent upon the district meeting a target of 4,875 FTE for the 2025-26 school year. This count is based on 90% of Fall (Oct 2025) and 10% of the prior spring (Feb 2025) audited count data. If the target of 4,950 FTE is not met, the hourly rate for 2026-2027 shall remain the same as it was in the 2025-26 school year.
- I. Voluntary supplemental credit courses less than 90 hours that begin after the start of a semester shall be compensated at the hourly rate set forth in subsection H above. Such supplementary courses shall be identified as such when posted and the posting shall include the hourly rate set forth in subsection H above. Such posting will be made before the start of the semester to the extent practical.
-  J. Compensation for all other voluntary assignments beyond the normal school day/year shall be compensated at the hourly rate of \$25 for 2024-25; \$26 for 2025-26; and \$27 for 2026-27 (contingent upon the district meeting a target of 4,875 FTE for the 2025-26 school year. This count is based on 90% of Fall (Oct 2025) and 10% of the prior spring (Feb 2025) audited count data. If the target of 4,950 FTE is not met, the hourly rate for 2026-27 shall remain the same as it was in the 2025-26 school year. Such assignments shall not exceed ten (10) hours unless agreed to in writing by the JEA President or designee and the Superintendent or designee.
- K. The rate of pay for either the FAPE and/or homebound position will be the hourly rate set forth in subsection H above or the grant rate, whichever applies.

ARTICLE XVI - MENTOR PARAPROFESSIONALS

A. Mentor Paraprofessionals

1. Each new paraprofessional shall be assigned a Mentor Paraprofessional during the new paraprofessional's first school year.
2. The mentor paraprofessional shall be available to provide professional support, instruction and guidance. The purpose of the mentor assignment is to provide a peer who can offer assistance, resources and information in a non-threatening collegial fashion. Participation as a mentor shall be voluntary.
3. The following shall apply to a Mentor Paraprofessional:
 - a. Mentors shall be paraprofessionals with at least one (1) year of experience and a current evaluation rating of effective or highly effective.
 - b. Whenever practical, mentors shall work in the same building and shall have the same job description as the new paraprofessional.
 - c. Mentors shall not participate in the evaluation of a new paraprofessional.
 - d. Each mentor shall be given the equivalent of one (1) workday each year in increments of time to observe and/or assist the mentor's mentee.
 - e. Each mentor shall one hundred (\$100) stipend.
4. The Association shall be promptly notified of all mentor assignments.

ARTICLE XVII - PROBATIONARY PERIOD FOR NEW HIRES

- A. All new employees shall be probationary employees until they have completed forty-five (45) work days of service exclusive of any unpaid leaves or layoffs. The purpose of the probationary period is to provide an opportunity for the employer to determine whether the employee can perform the job satisfactorily, which qualifies him/her for regular employee status. During the probationary period, the employee shall be represented by the Union for all purposes, except the employee shall have no seniority status and may be terminated at the sole discretion of the employer without regard to his/her relative length of service and without recourse to the grievance procedure and subject to Article VII, K. Upon the successful completion of his/her probationary period, the employee's name shall be added to the seniority list as of his/her last date of hire.

ARTICLE XVIII - MISCELLANEOUS PROVISIONS

- A. This Agreement shall supersede any rules, regulations, or practices of the Board pertaining to this bargaining unit. The provisions of this Agreement shall be incorporated into and be considered part of the established policies of the Board.
- B. Copies of this Agreement shall be prepared as soon as possible after signing, but not to exceed thirty (30) calendar days.

S. **Medical Service to Students**

1. Except for any designated Emergency First Aid Trained individuals, employee service shall be limited to the dispensing of Band-Aids and ice packs, taking temperatures, and minimal assistance to determine the degree of injury or illness which could include calling administrators, parents, and/or emergency personnel. The employer shall indemnify and save harmless from any liability employees who administer medical assistance.
2. Latex gloves shall be readily available to each employee and must be used whenever working with body fluids.
3. The District may assign one or more employee volunteers in each building to be "Emergency First Aid Trained" in first aid and CPR. Employees who volunteer to be Emergency First Aid Trained shall receive American Red Cross training for first aid and CPR either during or outside the employee's assigned work hours. All training outside the employee's assigned hours of work shall be additional paid time in accordance with Article XIII.

T. **Student Medication**

Employees may be required to administer prescription and nonprescription medication to students, including but not limited to pills, insulin, asthma inhalers, EpiPen, etc. Guidelines include:

1. A current JPS School-Administered Medication Form has been completed, returned, and available to the employee which includes written permission of the student's parent or guardian to administer the medication and the instructions of a physician, physician's assistant or certified nurse practitioner to administer the medication.
2. Medication must be administered in good faith in the presence of another adult or in an emergency that threatens the life or health of the student, pursuant to the written permission of the student's parent or guardian and in compliance with the instructions of a physician, physician's assistant, or certified nurse practitioner.
3. The medication must be recorded in the School-Administered Medication Record and such record must be maintained at a current status.
4. The Employer shall indemnify and save harmless from any liability to employees who administer medication to students in compliance with foregoing conditions.
5. Annually and/or as needed, employees will receive appropriate and reasonable training, equipment, office coverage, and related materials to ensure safe and efficient medication procedures when dispensing any medication.

 U. **Onboarding, Mentoring & Training**

1. Every new member of the bargaining group shall be required to fulfill the *District Norms, Onboarding and Basic Information* training prior to start of assignment in any position. See Appendix G.

7-17-25

7/17/25

2. Dental Insurance - The District will provide a Dental coverage plan, through a mutually agreed upon carrier.

3. Long Term Disability - The District will also provide long-term disability insurance for Employee through a mutually agreed upon carrier.

4. **Term Life Insurance - The School District will provide term life insurance for the Employee at a rate of 1.5 times their salary, up to a maximum \$200,000, through a mutually agreed upon carrier, during the life of this Agreement.**

5. Vision Insurance - The school district will provide vision insurance for single, two (2) person or full family coverage with a mutually agreed upon carrier

Insurance coverage will be for twelve (12) months or until the commencement of the following school year whichever comes first. However, should the Employee resign or retire from the School District prior to the end of the contract year, the insurance benefits shall terminate on the effective date of the Employee resignation or retirement.

Section D- Tax Sheltered Retirement Contribution

The District will match up to ~~\$500~~ **1,000** of employee contribution to their 403b retirement account during each year of employment as an administrator.

~~After 10 years of service in the District, or 5 years of service as an administrator, whichever comes first,~~ Each administrator shall be entitled to a tax sheltered 403b , or 457 retirement account contribution, paid proportionately with each paycheck in the amount of ~~\$2,000~~ **4,000** annually, **with an option to receive this amount in cash.**

- 
5. Holiday Schedule
Add Juneteenth (approx 14k)

JPSAA Mentorship Program:

A. Mentor Administrator

Mentor administrators shall be provided to administrators in the first three (3) years of their admin career. However, the District may provide a mentor to any administrator.

1. Selection/Qualifications

- a. The Superintendent or Deputy Superintendent will recruit mentor volunteers before the commencement of each school year.

7-17-25

JA 7/17/25

b. Mentors will preferably be seasoned administrators in similar assignments. In the absence of a volunteer who meets these criteria, the Superintendent or Deputy Superintendent may recruit administrators in other areas who have demonstrated expertise in leadership.

c. Mentor administrators shall have demonstrated a commitment to professional development and the ability to work well with others.

d. The mentoring relationship will remain in effect until the end of the probationary period or until such time that either party chooses to end the association.

2. Responsibilities

The District will set, in consultation with the Association, the duties/responsibilities of all mentors. The duties/responsibilities for all mentors shall be set prior to the beginning of each academic year. Notwithstanding the foregoing, the following shall apply to all mentors:

a. Mentors will provide professional support, instruction, and guidance for the development of professional expertise.

b. Mentors will maintain absolute confidentiality. An administrator may only be discussed upon the written request or consent of the administrator except in cases of illegal conduct or in situations required to discuss and establish Individual Development Plans for the mentee. In cases of breach of confidentiality, any information gained shall not be used by the District for any purpose.

c. Mentors will assist new administrators in becoming familiar with the JPSAA, policies of the school, and assistance in becoming part of the school, the district, and community.

d. The mentor administrator is a resource person and shall not be held responsible for the performance of the probationary administrator.

3. Process

Mentor administrators and new administrators will meet and establish plans for interaction.

4. Training

a. Mentors may be provided access to local, county, and/or state training as available or as requested.

b. The District will provide training annually to mentor administrators. The duties/responsibilities for all mentors set by the Administration shall be reviewed in the annual training session.

JO K
7-17-25

J 7/17/25

5. Compensation

Mentors shall be paid \$500 per trimester, per mentee, upon successful completion of all mentor duties/responsibilities. Logs will be submitted to HR each trimester to be placed in the mentee's personnel file.

Superintendent

- Bond Planning Committee Meetings
 - Community Forums
 - Provide overall leadership, vision, and accountability for all bond-related initiatives.
 - Communicate bond goals, progress, and impact to the Board of Education and community.
 - Ensure alignment of bond projects with district strategic priorities and instructional goals.
 - Approve key decisions regarding budget, scope, and project timelines.
 - Coordinate with legal counsel, bond advisors, and architects to ensure compliance.
 - Collaborate with secondary principals to ensure minimal disruption to student learning.
 - Oversee coordination of construction and renovation projects impacting secondary schools.
-

Assistant Superintendent(s) for Elementary and/or Secondary Education

- Oversee coordination of construction and renovation projects impacting elementary and secondary schools.
 - Collaborate with principals to ensure minimal disruption to student learning.
 - Provide input on instructional space design, hands on learning opportunities, and technology needs.
 - Communicate updates to elementary staff and families.
 - Evaluate project impact on instructional programming such as collaboration, hands on learning, technology, etc.
-

Assistant Superintendent of Finance and Facilities

- Serve as chief financial officer for bond funds and reporting.

- Manage all bond revenues, expenditures, and state/federal compliance documentation.
 - Coordinate with auditors, bond counsel, and construction managers.
 - Oversee bidding, contracts, and vendor payments in alignment with Board policy.
 - Ensure transparent financial reporting to the Board and public.
 - Attend all bond meetings and site walk-throughs, and conference calls
 - Oversee coordination of construction and renovation projects throughout the district.
-
- Collaborate with district depts (tech, food service, facilities, custodial) to ensure JPS facility standards/procedures are adhered to, and construction is completed to district satisfaction.
-

Executive Assistant to the Superintendent

- Maintain bond-related schedules, correspondence, and communication for the Superintendent.
 - Assist with preparation of reports, presentations, and public communications.
 - Track key project milestones and coordinate documentation for Board meetings.
 - Serve as administrative liaison between the Superintendent's office and contractors, consultants, and community stakeholders.
-

Facilities Director

- Direct day-to-day management of bond construction and renovation projects.
- Coordinate with architects, engineers, and contractors to maintain project timelines.
- Ensure compliance with safety, environmental, and building regulations.
- Oversee maintenance and infrastructure improvements funded by the bond.

- Provide regular project status updates to the Assistant Superintendent of Finance and Facilities.
 - Attend all meetings and site walkthroughs.
-

Assistant Superintendent for Community Outreach

- Lead community engagement and public communication for bond awareness and updates.
- Coordinate informational campaigns, town halls, and website updates.
- Manage relationships with local government, neighborhood associations, service organizations, and media outlets.
- Develop communication materials highlighting project progress and impact.
- Support the Superintendent in promoting transparency and stakeholder trust

JACKSON PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
Jackson High School
January 20, 2026

ITEM: 25-26-50

SUBJECT: Health Insurance (WMHIP) Resolution

FOR ACTION: Marcus Leon

STATEMENT OF THE ISSUE:

The Board of Education is required to authorize the district's public entity membership in the West Michigan Health Insurance Pool (WMHIP) for a minimum of a three-year period. The board is also required to appoint a trustee and alternate trustee to serve on their board.

RECOMMENDATION:

The administration recommends the resolution of membership in the WMHIP and appointment of Carrie Putman and Marcus Leon as Trustee.

WEST MICHIGAN HEALTH INSURANCE POOL
AMENDED TRUST AGREEMENT

This Amended Agreement and Declaration of Trust ("Trust Agreement") is made by and among each of the individual trustees identified in attached Schedule A (each a "Trustee" and collectively the "Trustees"), and those school districts presently to be Members of the West Michigan Health Insurance Pool, also listed in Schedule A, by whom the Trustees were respectively appointed, for the purpose of forming and operating the West Michigan Health Insurance Pool.

PREMISES

A. Act 35, Michigan Public Acts, 1951, as amended, §§ 5-12b; MCL, §§ 124.5-124.12b ("Act 35"), authorizes Michigan school districts and other defined municipal corporations to establish a group self-insurance pool, for the provision of hospital, medical, surgical and dental benefits for Member employees and their dependents, and acting as a purchasing group, for the purchase of fully-insured basic life and long-term disability coverage for Member employees (but never as pooled or insured products of the Pool itself).

B. Act 35 authorizes the establishment of the pool as a separate legal entity for purposes of effectuating such insurance.

C. Act 35 further provides that any school districts' group self-insurance pool may provide hospital, medical, surgical or dental benefits under a multiple employer welfare arrangement ("MEWA") pursuant to Chapter 70 of the Michigan Insurance Code, MCL §§ 500.7001 – 500.7090, or under a Public Employer Pooled Plan ("PEPP") pursuant to the Public Employees Health Benefit Act, MCL §§ 124.71 – 124.85.

D. Pursuant to such power and authority, to provide hospital, medical, surgical and dental benefits for Member employees and their dependents, and, acting as a purchasing group, to purchase fully-insured basic life and long-term disability coverage for Member employees (but never, as pooled or insured products of the Pool itself), the Trustees and the Members have determined to make this Trust Agreement which will establish the West Michigan Health Insurance Pool (the "Pool") as a trust entity a for the purpose of receiving, protecting and disbursing the moneys of the Pool.

NOW, THEREFORE, the Trustees and Members do hereby covenant and agree as follows:

ARTICLE I
CREATION AND NAME OF THE TRUST

There is hereby established and created a trust which shall be known as the "West Michigan Health Insurance Pool" (hereafter referenced herein as the "Trust") and its Trustees may hold property, enter into contracts, and in all matters as hereinafter set forth transact business on behalf of the Trust only in the name "West Michigan Health Insurance Pool," except that the Trust may add appropriate prefixes or suffixes to its name for purposes of distinguishing filings with the Michigan Commissioner of the Office of Financial and Insurance Regulation, or accounts or funding sources, by insurance plan or program. The Trust and the Trust funds shall be used only for the purposes as hereinafter set forth.

ARTICLE II
PURPOSE

This Trust Agreement is made and executed for the purpose of forming as a separate trust entity for the provision of hospital, medial, surgical and dental benefits, and life and disability for Member employees and their dependents, and for the purchase, as a purchasing group, of fully-insured basic life and long-term disability coverage for Member employees (but never as pooled or insured products of the Pool itself), or defraying the reasonable expenses of administering the Trust, and for pooling, holding and administering Members' contributed funds solely for this purpose.

Trust Assets shall never inure to the benefit of any Member, and in the event of termination of the Trust, Trust assets shall be distributed in accordance with Section 17.2 of the Bylaws (hereafter identified), including its provision that Members receiving such assets upon termination assure dedication of such assets for hospital, medical, surgical or dental benefits for its employees and their beneficiaries.

ARTICLE III
POWERS OF THE TRUST

The Trust shall have power:

- a) To have succession by its name for a term which shall be in perpetuity, except for earlier termination in accordance with the Bylaws, and except in the event the rule against perpetuity is applicable. If such rule is applicable, then this Trust shall terminate at the expiration of 21 years after the death of the last survivor of the Trustees who are listed in Exhibit A and who have signed this Declaration of Trust.

- b) To sue and be sued, complain and defend, in any court of law or equity or to be a party to any proceedings before any board or commission or other public body of the State of Michigan or any other state or

government. Suits at law may be maintained by the Trust against any Member for any cause relating to the business of the Trust.

- c) To have a seal which may be altered at pleasure, and to use the seal by causing it or a facsimile of the seal to be impressed or affixed or reproduced, or otherwise.
- d) To appoint such officers and agents (including Executive Committee) as the business of the Trust shall require and to allow them suitable compensation.
- e) To make, alter, amend, and repeal bylaws for the regulation and government of Trust affairs.
- f) To conduct its business in the State of Michigan, other states, the District of Columbia, the territories and colonies of the United States and in foreign countries and the territories and colonies thereof, and have one or more officers out of the State of Michigan, and to acquire, purchase, hold, mortgage, pledge, assign, transfer and convey real and personal property out of the State of Michigan subject to applicable Michigan and federal law.

ARTICLE IV **THE MEMBERS**

The names and business addresses of the present Members of the Trust are set forth in Schedule A. The rights and obligations of Members are as provided in the Bylaws. New Members may be admitted to the Trust and Members may resign or shall be expelled in accordance with the Bylaws.

ARTICLE V
BOARD OF TRUSTEES

The powers of the Trust shall be exercised by the Board of Trustees consisting of one trustee appointed by each Member, with equal vote in person, or by alternate or proxy. The current Board of Trustees is set forth in Schedule A.

Other provisions concerning the powers and duties of the Trustees, their manner of governance, their qualifications for office, and the method of their appointment, replacement or removal, and all related matters, shall be as set forth in the Bylaws.

ARTICLE VI
BYLAWS

As part of the process of concluding its existing MEWA plan and establishing a PEPP plan, the Board of Trustees shall adopt the PEPP Bylaws set forth in Schedule B-PEPP, and by this reference such PEPP Bylaws are incorporated into this Trust Agreement as an integral part hereof. The PEPP Bylaws shall provide for the governance, finance and administration of the Western Michigan Health Insurance Pool (PEPP) with respect to the PEPP plan, but the Board of Trustees may continue to use the Bylaws previously adopted with respect to its MEWA plan (the "MEWA Bylaws" as set forth in Schedule B-MEWA, and incorporated herein as an integral part hereof), particularly for all claims for benefits still pending for payment following conclusion of the MEWA, and for all other matters and transaction related to the MEWA. Subject to prior filing with, and approval by, the Michigan Commissioner of the Office of Financial and Insurance Regulation, the Board of Trustees may from time to time subsequently amend the PEPP Bylaws and/or the MEWA Bylaws in accordance with their terms, which amended PEPP Bylaws and/or MEWA Bylaws shall be contractually binding upon the respective Members.

ARTICLE VII
RULES AND REGULATIONS

The Board of Trustees may prescribe such rules and regulations as may, in their judgment and discretion, be proper and necessary for the sound and efficient administration of the Trust, provided however, that the rules and regulations shall not be inconsistent with the terms of this Trust Agreement, the Bylaws, or applicable Michigan or federal law.

ARTICLE VIII
SITUS AND RESIDENT AGENT

The situs of the Trust is in the State of Michigan, and all questions concerning the validity, construction and administration of the Trust shall be determined in accordance with Michigan law. Gallagher Benefits Services of Michigan, Inc. (Consulting/Management Firm to the Trust), attention: Douglas Derks, 161 Ottawa NW, Suite 112, Grand Rapids, Michigan 49503, shall be the resident agent of the Trust for purposes of service of process.

ARTICLE IX
OPERATIVE EFFECT

This Trust Agreement, and any amendment thereto by all continuing Members of the Trust, and any amendment to the Bylaws, shall be filed with and approved by the Michigan Commissioner of the Office of Financial and Insurance Regulation before becoming operative.

IN WITNESS WHEREOF, this Trust Agreement has been executed on its Schedule A by the Trustees and the identified Members of the Trust acting through their respectively appointed Trustees.

SCHEDULE A

Member Districts

Trustees and Signatures

Allendale Public Schools
6561 Lake Michigan St.
Allendale, MI 49401

DAVID VANDER WALK
[Print]

Date: 11/11/08


[Signature]

Caledonia Community Schools
203 Main Street
Caledonia, MI 49316

RONALD L. ARTHUR
[Print]

Date: 11-11-08


[Signature]

Comstock Public Schools
3010 Gull Road
Kalamazoo, MI 49048

Todd D. Mora
[Print]

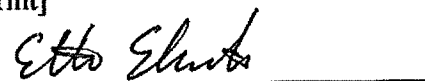
Date: 11/11/08


[Signature]

Comstock Park Public Schools
101 School Street NE
Comstock Park, MI 49321

Ethan Ebenstein
[Print]

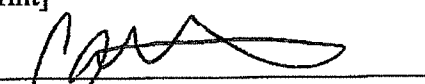
Date: 11/11/08


[Signature]

Coopersville Area Schools
198 East Street
Coopersville, MI 49404

CATHERINE L. KUSKA
[Print]

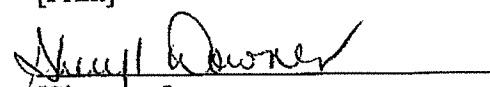
Date: 11/17/08


[Signature]

Delton Kellogg Public Schools
327 North Grove Street
Delton, MI 49046

Sheryl Downer
[Print]

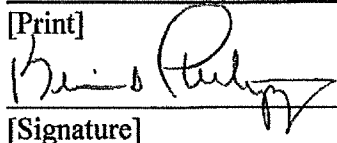
Date: 11/17/08


[Signature]

East Grand Rapids Public Schools
2915 Hall Street
East Grand Rapids, MI 49056

KEVIN PHILLIPS

[Print]



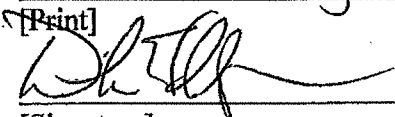
[Signature]

Date: 11/11/08

Fennville Area Schools
5 Memorial Drive
Fennville, MI 49408

Dirk Weeldreyer

[Print]



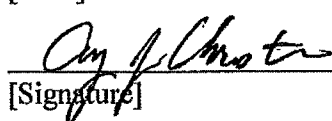
[Signature]

Date: 11/11/08

Gobles Public Schools
409 N. State Street
Gobles, MI 49055

Amy J Christman

[Print]



[Signature]

Date: 11/17/08

Godfrey Lee Public Schools
963 Joosten Street SW
Wyoming, MI 49509

Roxanne Claxton

[Print]



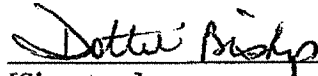
[Signature]

Date: 11-11-08

Grand Haven Area Public Schools
1415 South Beech Street
Grand Haven, MI 49417

Dottie Bishop

[Print]



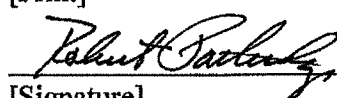
[Signature]

Date: 12/08

Grand Rapids Community College
143 Bostwick Ave. NE
Grand Rapids, MI 49503

ROBERT PARTRIDGE

[Print]



[Signature]

Date: 11/11/08

Hudsonville Public Schools
3886 Van Buren Street
Hudsonville, MI 49418

Brian Metcalf

[Print]



[Signature]

Date: 11/1/08

Kent City Community Schools
200 Clover Street
Kent City, MI 49330

Steven Lampe
[Print]

Date: 11/11/08

Steve Lampe
[Signature]

Kent ISD
2930 Knapp Street, NE
Grand Rapids, MI 49525-4518

Mike Hagerly
[Print]

Date: 11-11-08

Mike Hagerly
[Signature]

Lowell Area Schools
300 High Street
Lowell, MI 49331

John Zielinski
[Print]

Date: 11-11-08

John Zielinski
[Signature]

Muskegon Reeths Puffer Schools
991 W. Giles Street
Muskegon, MI 49445

Frank J. Verhoven
[Print]

Date: 11/11/08

Frank J. Verhoven
[Signature]

Ottawa Area ISD
13565 Port Sheldon Road
Holland, MI 49424

Darrie Burkett
[Print]

Date: 11/11/08

Darrie Burkett
[Signature]

Rockford Public Schools
350 N. Main Street
Rockford, MI 49341

MTCA CONDO
[Print]

Date: 11/10/08

[Signature]
[Signature]

South Haven Public Schools
554 Green Street
South Haven, MI 49090

Robin C. Mock
[Print]

Date: 11-11-08

Robin C. Mock
[Signature]

Spring Lake Public Schools
345 Hammond Street
Spring Lake, MI 49456

Debra A. Miller
[Print]

Date: 11/17/08

Debra A. Miller
[Signature]

Thornapple Kellogg School
10051 Green Lake Road
Middleville, MI 49333

Christine Marcy
[Print]
Christine Marcy
[Signature]

Date: 11.11.08

Van Buren ISD
490 South Paw Paw Street
Lawrence, MI 49064

Barbara Matthews
[Print]

Date: 12-3-08

Barbara Matthews
[Signature]

Vicksburg Community Schools
301 S. Kalamazoo Street
Vicksburg, MI 49097

STEPHEN GROSS
[Print]

Date: 11/10/2008

Stephen Gross
[Signature]

Wayland Union Schools
500 100th Street SW
Byron Center, MI 49315

James M. English
[Print]

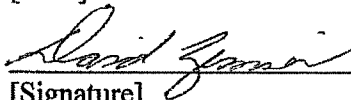
Date: 11/11/08

[Signature]
[Signature]

West Ottawa Public Schools
1138 136th Street
Holland, MI 49424

David Zimmer
[Print]

Date: 11-11-08


[Signature]

Wyoming Public Schools
3575 Gladiola, SW
Wyoming, MI 49509

SCOTT E. POWERS
[Print]

Date: 11/11/08


[Signature]

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Newaygo County
RESA

Jamie Carnes
Janine Carn

11/11/08

**WESTERN MICHIGAN
HEALTH INSURANCE POOL
BYLAWS**

As adopted on November 11, 2008

In connection with the Pool providing a

Public Employer Pooled Plan

[the “Western Michigan Health Insurance Pool (PEPP)"]

and amended through May 3, 2022

TABLE OF CONTENTS

PREAMBLES.....	1
ARTICLE I – DEFINITIONS FOR THE PEPP	3
1.1 Definitions.....	3
ARTICLE II - GENERAL STRUCTURE OF THE POOL	7
2.1 Trust Entity.....	7
2.2 Coverages	7
2.3 Operational Premise	8
2.4 Source and Investment of Funds.....	8
2.5 Cash Reserves in Reserve Fund.....	8
ARTICLE III - AUTHORITY AND DUTIES.....	9
3.1 Authority and Duties	9
ARTICLE IV - DURATION, COMMENCEMENT AND CYCLES	10
4.1 Formation and Continuation of Pool	10
4.2 Commencement of PEPP	11
4.3 Pool Cycles.....	11
4.4 Change in Cycle	12
ARTICLE V - MEMBERSHIP.....	12
5.1 Initial Members	12
5.2 New Members.....	12
5.3 New Membership Cycles.....	12
5.4 Membership Scope of Participation.....	13
ARTICLE VI - GOVERNANCE	13
6.1 Board of Trustees	13
6.2 Powers of Board of Trustees	14
6.3 Executive Committee.....	15
6.4 Actions of the Board of Trustees; Quorum	16
6.5 Meetings	16
6.6 Other Committees	17
ARTICLE VII - OFFICERS.....	18
7.1 Creation	18
7.2 Chairperson	18
7.3 Vice-Chairperson	18
7.4 Treasurer	18
7.5 Secretary	19
7.6 Removal and Vacancies	19

ARTICLE VIII - TRUSTEE AND OFFICER DUTIES/STANDARDS OF CONDUCT	20
8.1 Standard of Care	20
8.2 No Unlawful or Improper Interest.....	20
8.3 Compensation Restrictions.....	20
ARTICLE IX - ADMINISTRATION	21
9.1 Selection of Consultants, Administrators and Staff	21
9.2 Consulting/Management Firm Duties	22
9.3 Consulting/Management Firm Reports.....	22
9.4 Consulting/Management Firm and Third Party Administrator Bonds	22
9.5 Other Bonding and Fidelity Insurance	23
9.6 Administrative Charges to Members	23
9.7 Legal Counsel.....	23
9.8 Registered Address	24
ARTICLE X - THE BENEFIT FUND AND POOL FINANCES	24
10.1 Fiscal Year.....	24
10.2 Single Benefit Fund	24
10.3 Plan Year Contributions.....	25
10.4 Supplementary Contributions	26
10.5 Required Contributions	27
ARTICLE XI - PLAN OF BENEFITS	27
11.1 Plan of Benefits	27
ARTICLE XII - EXCESS INSURANCE	28
12.1 Excess Insurance	28
12.2 Additional Insurance	29
ARTICLE XIII - OBLIGATIONS OF MEMBERS	30
13.1 Obligations of Members.....	30
ARTICLE XIV - DISPUTES OVER COVERAGE 31	
14.1 Dispute of Pool Decision	31
ARTICLE XV - WITHDRAWAL OF MEMBERS.....	32
15.1 Withdrawal of Members.....	32
15.2 Benefit Claims of Withdrawing Member	33
15.3 Obligations of Withdrawing Members, Including Expelled Members	33

ARTICLE XVI - EXPULSION OF MEMBERS.....	33
16.1 Basis of Expulsion	33
16.2 Process of Expulsion	34
16.3 Cessation of Benefits.....	35
16.4 Fulfillment of Incurred Obligations	35
ARTICLE XVII - TERMINATION OF POOL.....	35
17.1 Events of Termination.....	35
17.2 Winding Up	36
ARTICLE XVIII - BYLAWS CONSTITUTE CONTRACT AMONG MEMBERS	36
18.1 Contractual Obligations	36
18.2 Evidence of Contract and Amendment.....	37
18.3 Limited Liability of Other Members	37
ARTICLE XIX - MISCELLANEOUS	38
19.1 Notice.....	38
19.2 Validity	38
19.3 Operative Effect.....	38

**THE BYLAWS OF THE
BOARD OF TRUSTEES OF THE
WESTERN MICHIGAN HEALTH INSURANCE POOL**

THESE BYLAWS ("Bylaws") are an integral part of the Trust Agreement by and among the Members and Trustees (all hereafter defined) of the Western Michigan Health Insurance Pool (the "Pool"), and set forth the provisions and procedures for the governance, finance, and administration of the Pool as follows:

PREAMBLES

A. Michigan Public Act 35 of 1951, as amended, §§ 5-12b; MCL, §§ 124.5-124.12b ("Act 35"), authorizes Michigan school districts and other defined municipal corporations by intergovernmental contract to establish a group self-insurance pool for the purpose of providing certain insurance coverages to its participating members and their employees.

B. Act 35 has authorized Michigan school districts and other defined municipal corporations to form a group self-insurance pool to provide hospital, medical, surgical or dental benefits as a multiple employer welfare arrangement ("MEWA") under Chapter 70 of the Michigan Insurance Code of 1956; MCL, §§ 500.7001 - 500.7090, and now additionally authorizes a group self-insurance pool formed by such school districts and municipal corporations to provide for hospital, medical, surgical, or dental benefits through a public employer pooled plan ("PEPP") as permitted under Act 106 of 2007 (the "Public Employees Health Benefit Act"), MCL §§124. 71 to MCL 124.85.

C. The Trustees have concluded the MEWA, and established a PEPP, which is now the Pool's only health insurance plan. All MEWA liabilities have been settled.

D. As empowered by Article III, section (e) of the Trust Agreement, and directed by Article VI of the Trust Agreement, the Trustees determine to adopt these Bylaws which provide for the governance, finance and administration of the Western Michigan Health Insurance Pool (PEPP) (hereafter the "PEPP").

NOW THEREFORE, the Trustees adopt the following Bylaws, as the same may be amended from time to time in accordance with their terms.

ARTICLE I **DEFINITIONS FOR THE PEPP**

1.1 **Definitions.** As used in the Bylaws, the following terms, whether or not capitalized and unless the context or term clearly implies otherwise, shall apply to all matters and transactions related to the PEPP, including all funds and accounts, excess insurance, and letter of credit, which are hereby established separately from the pre-existing funds and accounts, excess insurance and letter of credit for the MEWA, and shall have the meanings set forth:

"Administrative Charges" – Payments required by Members to cover the costs of administration of the Pool which shall be included in the monthly funding rates paid by each Member.

“Benefit Fund” – The single fund of moneys hereby established by the Members to collectively self-insure or otherwise insure, administer and pay Benefits granted by the individual Members under the PEPP to their respective Participants, and to purchase excess claim or other conventional insurance.

“Benefits” – Non-salary payments made to Participants under the PEPP to cover medical, surgical, hospitalization, dental, and vision costs, incurred by Participants for themselves and for their dependents. “Benefits” may also include fully-insured life and long term disability insurance benefits for Participants provided through third party insurance carriers (but never as a pooled, or insured product of the Pool itself). In order for life insurance and long term disability insurance benefits to be paid to or for Members’ participants, such insurance must be in force and effect of the time such Benefit claims arise, and payment of such insurance benefits shall be limited to the amount received by the Pool from the insurance carriers providing such insurance.

“Board of Trustees” – The governing body of the Pool.

“Consulting/Management Firm” – A qualified company retained by the Pool to advise, underwrite and manage all of the plans approved by the Board of Trustees.

“Contributions, including Supplemental Contributions” – Payments required by Members, and determined for each Member in accordance with these Bylaws, to cover (1) the costs of anticipated Benefit payments under the PEPP (including administration) for Participants and their dependents, (2) the cost of excess insurance and other insurance

required by the Board of Trustees, (3) sufficient sums to create and maintain a Reserve Fund and (4) the Pool's obligation to reimburse the issuer of any Letter of Credit for all amounts drawn under it.

"Director" – The Michigan Director of the Department of Insurance and Financial Services.

"Fiscal Year" – The twelve-month period commencing July 1 or as amended.

"Governing Body" --- The governing body of a Member of the Pool.

"Letter of Credit" – Any letter of credit that the Pool obtains to secure any or all of its obligations for the PEPP under the Public Employees Health Benefit Act, §(9)(1)(a).

"Members" – A public entity purchasing medical benefits cooperatively through the Pool, admitted in accordance with the bylaws, including those identified in the Trust Agreement. Additionally, a member may also purchase dental or other ancillary benefits as offered through the Pool.

"Participants" – All persons working for a Member under the direction and control of that Member who meet that Member's eligibility requirements for coverage under its PEPP benefits program and, subject to such collective bargaining agreement, including persons who are covered by a collective bargaining agreement. Persons who are identified as "independent contractors", in contract or in fact, shall not be participants. "Participants" shall also include all former participants entitled to coverage pursuant to COBRA or any

other applicable law. For purposes of PEPP benefit coverage, “participants” shall also include all dependents of a Member’s participants, provided that such dependents have been specifically identified by the Member to the Pool as eligible for coverage.

“Plan” – The Public Employer Pooled Plan approved by the Board of Trustees under which Benefit programs are maintained for Participants of the Members.

“Plan Year” – January 1 through December 31 of any given year.

“Pool” – The Western Michigan Health Insurance Pool, which is a separate legal trust, established by the Trust Agreement and pursuant to the constitution and the laws of the State of Michigan.

“Reserve Fund” – A fund of money in a separate, identifiable account, which shall not be commingled with other Pool moneys, for the purpose of holding Pool money which is in excess of its Members’ current obligations under the PEPP and is anticipated to be an amount sufficient to pay the Benefit claims of the Members under the PEPP filed subsequent to conclusion of the PEPP, but attributable to the period of its existence, in compliance with Michigan Law.

“Specific Stop Loss Insurance” – Conventional insurance which reimburses the Benefit Fund for Benefits under the PEPP paid to Participants of Members which are in excess of a specific deductible amount per plan year. Specific stop loss insurance expressly includes any

specific stop loss "coverage" as may be offered under Act 350, Michigan Public Acts of 1980, in particular but not limited to, Section 211 thereof.

"Third Party Administrator" – A company organized as a non-profit health care corporation under Act 350, Michigan Public Acts of 1980, and/or otherwise qualified under the Public Employers Health Benefit Act, to provide claims administration, billing functions, and other functions as determined by the Board of Trustees, and retained by the Pool for such purposes.

"Trust Agreement" - Agreement among the Trustees and Members, dated on or about July 12, 2005, as amended and approved by the Director.

"Unreserved Net Assets" – (Formerly "Free Surplus Fund") The fund of moneys which have been paid by the Members to the Pool under the PEPP, plus all interest income earned, and which are in excess of Members current obligations to the Benefit Fund and the Reserve Fund.

ARTICLE II

GENERAL STRUCTURE OF THE POOL

2.1 **Trust Entity**. The Pool is a separate legal and administrative trust entity pursuant to Act 35, §§5(2)(a), 5(4), and 5.(5).

2.2 **Coverages**. The Pool shall offer to its Members a pooled self-insurance program for the payment of medical, surgical, hospitalization, dental and vision Benefits to

the Members' respective Participants, but the Pool alternatively may obtain some or all such coverages through third party insurance carriers in accordance with the Bylaws as may be amended. The Pool acting as a purchasing group shall also purchase from third party insurance carriers fully-insured life and long term disability insurance for the Members' respective Participants, but such insurance shall never be a pooled or insured product of the Pool. The Pool shall also process and pay Benefit claims and shall create the Benefit Fund to pay such Benefits, in excess of the deductibles, and in amounts up to certain levels over which claims shall be paid by specific stop loss insurance policies.

2.3 **Operational Premise.** The Members have determined not to purchase insurance coverage to pay claims for Benefits below certain limits, except for special coverages such as life insurance and long term disability insurance, but rather to rely upon their pooled funds and contribution obligations to pay benefits which occur and, when authorized by the Board of Trustees, to purchase insurance to protect against catastrophic and certain other benefit claims.

2.4 **Source and Investment of Funds.** All funds contained within the Pool are directly derived from its Members and from investment income. Pool funds shall only be invested in investments which would be permitted for the Members under Michigan Law, including the Insurance Code of 1956, MCL §§500.910, 500.912 and 500.914. The Members intend to pay Benefit claims by contributions of the Members into the Benefit Fund, in varying amounts per Member based upon Benefits offered, claims made and other factors. The Members intend to pay for the costs of administering the Pool by Administration Charges included in the monthly funding rates paid by each Member.

2.5 **Cash Reserves in Reserve Fund.** In accordance with the Public Employees Health Benefit Act §9(1)(a), the Reserve Fund shall contain cash reserves in an amount equal to a minimum of 2.5% of the immediately preceding year's claims plus its most recent designated reserve for incurred, but not reported claims, as indicated in the Pool's financial statement filed with the Commissioner, Up to 50% of this reserve requirement may be satisfied by an irrevocable and unconditional letter of credit.

ARTICLE III **AUTHORITY AND DUTIES**

3.1 **Authority and Duties.** The Pool shall have the authority and duty to accomplish the purposes of the Pool as set forth in, and as limited by, the Trust Agreement, within the financial budget limits of the Pool, and in accordance with the procedures set forth in the Bylaws, as follows:

- (a) Employ agents, employees, and independent contractors.
- (b) Obtain by loan, purchase or lease the facilities, machinery, equipment, or personal property necessary for the carrying out of the purpose of the Pool.
- (c) Carry out educational and other programs relating to health, accident and other claims reductions.
- (d) Cause the creation of at least a Benefit Fund and a Reserve Fund and the implementation of the powers for the administration of the Pool.
- (e) Direct the collection and receipt of Contributions, including Administration Charges from Members, to be used for the provision of Benefits and the administration of the Pool.

- (f) Purchase specific stop loss and other types of conventional insurance as approved by the Board of Trustees and as available to support the Benefits to be paid by the Pool.
- (g) Prepare and approve an annual rate renewal calculation (budget) for the Pool.
- (h) Prepare a quarterly report of the financial affairs of the Pool.
- (i) Prepare and submit to each Member monthly reports of Benefit claims filed and paid pursuant to that Member's plan.
- (j) Obtain and furnish to each Member annually an audited report of the financial affairs of the Pool, made by a certified public accountant at the end of each fiscal year in accordance with generally accepted accounting principles and any applicable law.
- (k) Carry out, within the budgetary limits established by the Members, such other activities as are necessarily implied or required to carry out the purposes of the Pool under the Trust Agreement and the Bylaws.
- (l) Comply with reporting requirements of the Director.

ARTICLE IV **DURATION, COMMENCEMENT AND CYCLES**

4.1 **Formation and Continuation of Pool.** The formation of the Pool became effective, following receipt of an initial certificate of authority by the Director, execution of the Trust Agreement, and adoption of the Bylaws, at 12:01 a.m. on September 1, 2005, (the "Formation Date"). The continuation of the Pool, shifting from provision of hospital, medical, surgical or dental benefits under a MEWA, to provision of hospital, medical, surgical or dental benefits under a public employer pooled plan as permitted under the Public

Employees Health Benefit Act took effect following receipt of an initial certificate of registration by the Director, at 12:01 a.m. on January 1, 2009 (the "Effective Date"). After the formation of the Pool, the Members may, in the manner provided in Article XVII, terminate the Pool. The Pool will continue in operation until the Members act to terminate it.

4.2 **Pool Cycles**. The Pool shall conduct its business, for the purpose of determining when Members may withdraw, in initial three-year cycles. The Members thereafter may continue operation of the Pool for additional membership cycles, each of which shall be for one year. If the Board of Trustees votes to continue the term of the Pool into a new one-year cycle, then any Member which does not give sufficient notice in accordance with Section 15.1, of its withdrawal from the Pool prior to the end of its initial Membership cycle, or the then current Pool one-year cycle, whichever is applicable, shall remain a Member for at least the new one-year cycle.

4.3 **Change in Cycle**. The Board of Trustees may in any one-year cycle during the duration of the Pool extend or reduce the length of the cycle by no more than six months in order to achieve a date for the commencement of a fiscal year more in keeping with the needs of the Members.

ARTICLE V **MEMBERSHIP**

5.1 **Initial Members** **[INTENTIONALLY LEFT BLANK]**

5.2 **New Members**. A new member may join the Pool upon at least two-thirds (2/3) vote of the Board of Trustees, or upon the majority vote of the Executive

Committee, provided, however, following January 1, 2009, the Pool shall accept for membership any entity allowed to become a member under PA 106 and that applies to become a Member, agrees to make the required payments, agrees to remain in the Pool for a minimum of three years, and satisfies other reasonable provisions of the plan. New Member contributions will be set in accordance with the underwriting standards established by the Consulting/Management Firm and approved by the Board of Trustees.

5.3 **New Membership Cycles.** New Members may be admitted at any time during a fiscal year and during a one-year cycle. Any new Member shall remain a Member for a minimum of three years. If such new Member does not give sufficient notice, as provided in Section 15.1, of its withdrawal from the Pool at the end of its initial Membership cycle, such Member shall thereafter continue its Membership in the Pool until the end of the Pool's then current one-year cycle. Thereafter, Membership shall continue for each successive one-year cycle until the Member gives sufficient notice of withdrawal prior to the end of a one-year cycle in accordance with Section 15.1.

5.4 **Membership Scope of Participation.** Except as otherwise specifically provided, all Members of the Pool shall be obligated to continue as Members for the Pool's initial three-year cycle and then current one-year cycle. In addition, a Member shall only be required to provide continuing participation for those persons within such classes of employees as are actually employed or working for the Member.

ARTICLE VI **GOVERNANCE**

6.1 **Board of Trustees.** There shall be established a Board of Trustees for the Pool. The Board of Trustees shall consist of one Trustee designated by each Member of

the Pool. Each such Trustee shall be appointed by the Governing Body of the Member. The Governing Body shall also appoint an Alternate Trustee to serve as Trustee when the initial person is not available or in attendance to carry out the Trustee's duties. Not less than 50% of the Trustees, or the amount required by law, shall be persons who are covered under the pooled plan. No Trustee or Alternate Trustee shall be an owner, officer, or employee of the Third Party Administrator(s) or any other third party providing services to the Pool. Each Trustee and Alternate Trustee shall serve until replaced by action of the Governing Body or the discontinuance of employment by the Trustee or Alternate Trustee. Once appointments are made known to the Pool, the persons appointed shall remain in office until the Pool receives evidence of appointment of other persons. Evidence of proper appointment of the Trustee and Alternate Trustee shall be a certified copy of the resolution passed by such Governing Body, indicating the names of the designated Trustee and/or Alternate Trustee. Failure of a Member to designate a Trustee, or the failure of that Trustee/Alternate Trustee to participate on the Board of Trustees, shall not affect the responsibilities or duties of a Member under the Trust Agreement.

6.2 **Powers of Board of Trustees.** The Board of Trustees shall determine the general policy of the Pool, which shall be followed by the officers, agents, employees, and independent contractors employed or retained by the Pool. Among its responsibilities, the Board of Trustees shall:

- (a) appoint Pool Executive Committee.
- (b)
- (c)
- (d)
- (e) approve amendments to the Bylaws,

- (f) approve acceptance of new Members and expulsion of Members, except that the approval of new Members and expulsion of Members may also be a power of the Executive Committee,
- (g) approve and amend the annual renewal calculation (budget),
- (h) establish, and if necessary, to the full extent of the law enforce payment of the annual and supplementary contributions, including administrative charges, and other payments by Members, and for each Member, to the Benefit Fund and the various other Pool funds, and the monthly rates of such payments,
- (i) establish such rules and regulations regarding the return of funds to current members as deemedl appropriate,

6.3 **Executive Committee.** There shall be an Executive Committee. The Executive Committee shall consist of the Chairperson, Vice-Chairperson, Treasurer, Secretary, the Immediate Past Chairperson, and the chairpersons of the standing committees. The minutes of the meetings of the Executive Committee shall be available to all Trustees upon request. The Executive Committee shall have such authority, powers and duties as are granted elsewhere in these Bylaws, or as granted and except as limited by the Board of Trustees, and also except (i) amendment to the Bylaws; and (ii) approval and amendments to the annual renewal calculation (budget), Actions by the Executive Committee shall be by a majority vote of the members of the Executive Committee. Among its responsibilitiies, the Executive Committee shall:

- (a) Appoint agents, employees, or independent contractors as appropriate.
- (b) Negotiate for the Pool the terms of retention and compensation of the Consulting/Management Firm,

- (c) Set compensation for the Third Party Administrator(s) and all other persons, firms, and corporations employed or retained by the Pool,
- (d) procure fidelity bonds for employees or other persons, as required by the Bylaws or applicable law,
- (e) set authority levels, powers and duties for committees, including the authority to settle disputes and expend the funds of the Pool,
- (f) resolve disputes over the Benefit coverages of the Pool,
- (g) approve educational and other programs and procedures relating to claim reduction,
- (h) approve additional cycles for the existence of the Pool.

6.4 **Actions of the Board of Trustees; Quorum.** Each Trustee shall be entitled to one vote. All actions taken by the Board of Trustees shall be by a majority vote of a quorum consisting of a majority of the voting members, either in person or by proxy in writing in accordance with Michigan Law, of the Board of Trustees, except as where otherwise expressly provided in the Bylaws, and except for any amendment to the Bylaws, which shall require a two-thirds (2/3) vote of the total number of Trustees on the Board of Trustees.

6.5 **Meetings.** Meetings of the Board of Trustees and Executive Committee shall be as follows:

- (a) Regular meeting of the Board of Trustees shall be held as often as necessary to carry out the purposes of the Pool, but no less than two times during each fiscal year. The dates and locations of regular meetings of the Board of Trustees shall be established no later than the annual meeting. Any item of business may be considered at a regular meeting.

- (b) An annual meeting of the Board of Trustees shall be held between the beginning of the Pool fiscal year and September 30.
- (c) Regular meetings of the Executive Committee shall be held at least once per calendar quarter on a day or date and at a time agreed upon by the Executive Committee, but subject to these Bylaws. Any item of business may be considered at a regular meeting.
- (d) Special meetings of the Board of Trustees and Executive Committee may be called by the Chairperson or any three Trustees. The time and location of special meetings of the Board of Trustees and the Executive Committee shall be determined by the Chairperson, or in that person's absence, the Vice-Chairperson. Business conducted at special meetings shall be limited to those items specified in the agenda.
- (e) The Chairperson, or in that person's absence, the Vice-Chairperson, shall give at least fifteen days' written notice of the annual meeting, at least seven days written notice of regular meetings, and at least eighteen hours written notice of special meetings to the Trustees and an agenda specifying the subject of any special meeting shall accompany such notice.
- (f) Rules of Order -- To the extent not contrary to the Bylaws, and except as modified by the Board of Trustees as special rules, Roberts Rules of Order, latest edition, shall govern all meetings of the Board of Trustees and the Executive Committee.
- (g) Minutes of all regular and special meetings of the Board of Trustees and the Executive Committee shall be available to all Trustees.

6.6 **Other Committees.** The Board of Trustees or Executive Committee shall have the power to establish both standing and ad hoc committees. . The Chairperson may establish committee chairs and their membership.

ARTICLE VII **OFFICERS**

7.1 **Creation.** The Board of Trustees shall elect, from among the Trustees, a Chairperson, Vice-Chairperson, Secretary, and Treasurer. Positions shall be elected for a two-year term and officers may be re-elected no more than twice to their respective positions. The Board of Trustees may from time-to-time establish other officers as it deems necessary for the transaction of the business of the Pool, and may elect members of the Board of Trustees to serve in such offices.

7.2 **Chairperson.** The Chairperson shall preside at all meetings of the Board and the Executive Committee at which the Chairperson is present. The Chairperson shall vote on all matters that come before the Board or committee on which the Chairperson serves. The Chairperson shall be a non-voting ex-officio member of all committees of the Pool on which the Chairperson does not directly serve. The Chairperson shall have such other powers as are set forth in the Bylaws and such other powers as are granted from time-to-time by the Board of Trustees.

7.3 **Vice-Chairperson.** The Vice-Chairperson shall carry out all duties of the Chairperson during the absence or inability of the Chairperson, shall succeed to the office of Chairperson in the event of a vacancy in that office for the remainder of such term of office, and shall perform such duties and shall carry out such other functions as are assigned by the Chairperson or the Board of Trustees.

7.4 **Treasurer.** The Treasurer shall (i) maintain the financial books and records of the Pool; (ii) have charge and custody of and be responsible for all funds and securities of the Pool; (iii) receive and give all receipts for moneys due and payable to the Pool from any source whatsoever; and (iv) deposit all such moneys in the name of the Pool in such banks, savings and loan associations or other depositories as the Board of Trustees shall specifically or generally select from time to time. Provided, however, that all investments of the Pool funds shall be made only in those financial investments which may be purchased by the Members in accordance with Michigan law. The Treasurer shall perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board of Trustees.

7.5 **Secretary.** The Secretary shall record and sign the minutes of meetings, orders, resolutions and other proceedings of the Board of Trustees and the Executive Committee. The Secretary shall file and maintain, at the registered address of the Pool, the original signed counterparts of the Trust Agreement and the Bylaws, and any amendments thereto, the resolutions of Member Governing Bodies approving the Trust Agreement and the Bylaws, or designating their Trustees on the Pool Board of Trustees, and a roster of current Members and Trustees, together with copies of all other reports, books, papers and other documents of the Pool, and shall deliver them to a successor in office. Records may be maintained electronically.

7.6 **Removal and Vacancies.** Any officer may be removed by the Board of Trustees whenever, in its judgment, the business interests of the Pool will be served thereby. If a vacancy should occur in the office of Vice-Chairperson, Treasurer, Secretary

or other office established by the Board of Trustees, the Chairperson shall select a person to fill that vacancy by a temporary appointment until the Board of Trustees selects a person to fill the vacancy until the end of the predecessor's term.

ARTICLE VIII
TRUSTEE AND OFFICER DUTIES AND STANDARDS OF CONDUCT

8.1 **Standard of Care.** The Trustees and officers of the Pool shall give the attention and exercise the vigilance, diligence, care, and skill that prudent persons use in like or similar circumstances. Trustees shall be responsible for all operations of the Pool, and shall take all necessary precautions to safeguard the assets of the Pool. To the extent permitted by law, no Trustee shall be held liable for any delinquency under this section after six (6) years from the date of the delinquency, or after two (2) years from the time when the delinquency is discovered by a person complaining of the delinquency, whichever occurs sooner. The funds of the Pool shall be used to defend, and hold harmless, any Trustee or officer for actions taken by the Board or performed by the Trustee or officer within the scope of that Trustee or officer's authority for the Pool. The Pool may purchase insurance, including but not limited to errors and omissions coverage, providing liability coverage for such Trustees or officers.

8.2 **No Unlawful or Improper Interest.** A Trustee or officer of the Pool shall not knowingly and intentionally, directly or indirectly, receive any money or valuable thing for negotiating, procuring, recommending, or aiding in any purchase by or sale to the Pool or any property or any loan from the Pool, or be peculiarly interested, either as principal, co-principal, agent, or beneficiary in any such purchase, sale or loan.

8.3 **Compensation Restrictions.** The Pool shall not pay any salary, compensation, or emolument to any officer or Trustee of the Pool. Any salary, compensation, or payment of other expenses for a Trustee, shall be paid by the Member represented by that Trustee. Provided, however, that the Chairperson, and such other officers as may be previously authorized, may submit to the Executive Committee for their approval reimbursement of expenses incurred in the pursuit of their position as officers of the Pool. The reimbursement for such expenses shall include amounts advanced on behalf of the Pool either by that officer or by the Member represented as Trustee by that officer.

ARTICLE IX **ADMINISTRATION**

9.1 **Selection of Consultants, Administrators and Staff.** The Board of Trustees or Executive Committee shall select a Consulting/Management Firm to manage the Pool and underwrite the plans, as well as other services as the Board of Trustees may determine. The Board of Trustees may also assign functions of officers of the Pool to the Consulting/Management Firm. The Consulting/Management Firm shall assist the Board of Trustees in its selection of Third Party Administrators qualified pursuant to Michigan law. The Pool may also employ staff to carry out administrative functions who shall be selected by the Board of Trustees. The Board of Trustees shall determine which administrative support functions will be carried out by the Consulting/Management Firm and the Third Party Administrator(s), respectively, and which may be assigned to staff personnel. Pool contracts with the Consulting/Management Firm and the Third Party Administrator(s), respectively, and for staffing shall be reviewed by the Board of Trustees at least annually as part of the budgetary review process. Pool contracts with the Consulting/Management Firm and the Third Party Administrator(s) shall provide that such contracts may be terminated by

the Board of Trustees whenever in their judgment the business interests of the Pool will be served thereby.

9.2 **Consulting/Management Firm Duties.** Among the Consulting/Management Firm's duties may be the following:

- (a) Sign, with such other person as authorized by the Board of Trustees, any instruments which the Board of Trustees has authorized to be executed; and, in general perform all duties as may be prescribed by the Board of Trustees.
- (b) Prepare a proposed annual renewal calculation (budget) and proposed allocation and schedule of Member administration charges and Member contributions and supplemental contributions to the Benefit Fund.
- (c) As requested by the Board of Trustees, make recommendations regarding policy decisions, the creation of other Pool officers, and the employment of staff and independent contractors.
- (d) Act as a non-voting member on such standing or ad hoc committees as the Chairperson shall direct.

9.3 **Consulting/Management Firm Reports.** Periodically, but not less than quarterly, the Consulting/Management Firm shall prepare and distribute to the Board of Trustees a report on the status of the Pool. Such report shall include, but not necessarily be limited to, such items as the status of major claims; status of major projects or progress on specific objectives of the Board of Trustees; status of new Member activities; Members' compliance with claim reduction programs as set by the Board; recommendations for improvements in Pool operations; status of insurance renewal activities; and status of legislation which may influence Pool operations.

9.4 **Consulting/Management Firm and Third Party Administrator Bonds.**

The Consulting/Management Firm and the Third Party Administrator(s) shall each deliver to the Pool a fidelity bond in an amount approved by the Michigan Director of the Department of Insurance and Financial Services to protect against the misappropriation or misuse of any money handled by the Consulting/Management Firm or the Third Party Administrator(s).

9.5 **Other Bonding and Fidelity Insurance.** The Pool shall purchase a blanket fidelity bond in an amount to be determined by the Board of Trustees to assure the fidelity of all officers and employees of the Pool who have authority to receive or authorize by their signature or order the payment, transfer or investment of Pool funds. Additional fidelity and similar coverages, as determined by the Board of Trustees, may be procured by the Pool.

9.6 **Administrative Charges to Members.** The cost of administering the Pool shall be charged to each Member in direct proportion of the number of Participants covered by such Member whose Benefits are to be administered by the Pool to the total numbers of such Participants served by the Pool. Member payments for administrative charges shall be paid into the Benefit Fund as part of contributions, and Pool payments to cover its administrative expenses shall be paid from the Benefit Fund.

9.7 **Legal Counsel.** The Pool may employ legal counsel to represent the Pool in actions brought for or against the Pool and to render other legal services for the welfare of the Pool. The Board of Trustees or the Executive Committee may consult with counsel concerning any questions or matters which may arise with reference to the duties and powers of either body or on any other matter with reference to the Bylaws or the Pool.

The opinion of such counsel shall be given full and complete authorization and protection in respect to any action taken or by the Board of Trustees or the Executive Committee under the Bylaws in good faith in accordance with the opinion of such attorney, and the Board of Trustees and the Executive Committee shall not be liable therefor.

9.8 **Registered Address.** The registered address of the Pool shall be:

Western Michigan Health Insurance Pool (PEPP)
c/o Gallagher Benefit Services of Michigan, Inc.

300 Ottawa NW, Suite 301
Grand Rapids, Michigan 49503-2308

As provided in Section 7.5, the Secretary shall be responsible for maintaining all Pool documents, records and papers at the registered address of the Pool

ARTICLE X **THE BENEFIT FUND AND POOL FINANCES**

10.1 **Fiscal Year.** The fiscal year of the Pool shall commence on July 1 and end on June 30 of each year, or such other fiscal year as the Board of Trustees may establish.

10.2 **Single Benefit Fund.** The Benefit Fund will be administered for each fiscal year as a single fund without regard to the amount of Benefit payments made to the Participants of a particular Member.

10.3 **Plan Year Contributions.** At the close of each plan year an accounting will take place to determine whether the Participants listed by each Member have received total Benefit payments in excess of the actuarially predetermined claim cost for such Member.

This information will be made available to the Board of Trustees. Member contributions into the Benefit Fund will be determined in the following manner:

- (a) At least 90 days prior to the start of each plan year, the Consulting/Management Firm shall determine, on the basis of actuarial data, the amount of total contributions from Members necessary to fund anticipated benefit payments, the cost of excess and other insurance required by the Board of Trustees in accordance with the Bylaws, plus sufficient sums to maintain the Reserve Fund.
- (b) The Consulting/Management Firm shall recommend how this total amount for Benefits and insurance should be divided among the Members. In the usual course the Consulting/Management Firm shall recommend Member contributions for the next plan year utilizing the rate protection formula included in the annual renewal calculation (budget). However, at the request of the Board of Trustees and in accordance with reasonable standards directed by the Board of Trustees, the Consulting/Management Firm may, in the alternative, recommend a different division among Members of the total contributions necessary for the subsequent plan year.
- (c) Any alternate to the rate protection formula will be included in the annual renewal calculation (budget) and voted upon by the board. (d) The Board of Trustees, at least forty-five days prior to the start of each plan year, will approve Member contributions for the next plan year. A failure of the Board of Trustees to so approve Member contributions shall not invalidate such action taken at a later date, provided that no Member shall have less than fifteen days' prior notice of contributions due the Pool as a result of such delayed action.

10.4 **Supplementary Contributions.**

- (a) If during or for any fiscal year, the funds on hand in the Benefit Fund are not sufficient to pay benefits, or other costs of the Pool which are not covered by administrative charges to Members, then:
 - (1) The Board of Trustees shall first utilize the Unreserved Net Assets (formerly "Free Surplus Fund") and if such fund is not sufficient, the Board of Trustees shall require supplementary contributions.
 - (2) The supplementary contributions to be paid by Members shall be computed utilizing the same method for that fiscal year under which contributions by Members were required to be paid into the Benefit Fund. To the extent that supplementary contributions are to be utilized to pay benefits, they shall be distributed in the order in which claims are received and approved for payment by the Third Party Administrator(s).
 - (3) If, after all amounts in the Unreserved Net Assets (formerly "Free Surplus Fund") are exhausted, and supplementary contributions have been called for and not fully received, the Pool may loan sums from the Reserve Fund, but only up to the amount expected to be received from the call for supplementary contributions. When the supplementary contributions are received, the Reserve Fund shall be promptly credited with the amount necessary to repay the loan.
- (b) For purposes of this Section 10.4, "costs of the Pool" may include the Pool's obligation to reimburse the issuer of any Letter of Credit for all amounts drawn under it.

10.5 **Required Contributions.** During any plan year, a Member shall only be required to make contributions into the Benefit Fund for those Participants within those covered classes established at the beginning of each month of such fiscal year who are from time to time employed by the Member.

ARTICLE XI **PLAN OF BENEFITS**

11.1 **Plan of Benefits.** A Member may, if more than one Plan is offered by the Pool, change its Plan, or adopt an additional Plan. The Pool shall be notified of such new or additional Plan not less than thirty days prior to its effective date, and any such change shall subject the Member to a redetermination on an actuarial basis of its contributions to the Pool. The Consulting/Management Firm shall determine the amount of contributions increase or decrease resulting from such change.

ARTICLE XII **EXCESS INSURANCE**

12.1 **Excess Insurance.** The Board of Trustees shall cause to be purchased excess insurance (or "excess loss coverage" under Act 350, Michigan Public Acts of 1980) from a company and in an amount approved by the Director . For each fiscal year, the amounts and types of excess insurance (or "excess loss coverage" under Act 350, Michigan Public Acts of 1980) shall be, subject to any prior review requirements of the Director, established by the Board of Trustees at the time the amounts of Member contributions into the Benefit Fund for such year are established and approved by the Board of Trustees.

12.2 **Additional Insurance.** The Board of Trustees, acting as a purchasing group, may cause to be purchased fully-insured life insurance and long term disability insurance for Member's Participants from companies qualified to provide such insurance in Michigan, but never as a pooled or insured product of the Pool itself. The Board of Trustees may purchase other insurance as it deems necessary to carry out the purposes of the Pool. The Pool, through the distribution of the minutes of the Board of Trustees or through other means, shall inform all Members of the scope and amount of insurance in force from time to time. Membership in the Pool shall not preclude any Member from purchasing any insurance coverage above those amounts purchased by the Pool or providing insurance or self-insurance for benefits not included in the Plan or Plans of Benefits approved by the Board of Trustees. The Pool shall, through the Consulting/Management Firm, advise Members of the types of additional or different benefits or insurance coverage available to the Members.

ARTICLE XIII **OBLIGATIONS OF MEMBERS**

13.1 **Obligations of Members.** In addition to obligations of Members stated elsewhere in the Bylaws and the Trust Agreement, the obligations of Members shall be as follows:

- (a) To pay promptly all contributions, including administrative charges and supplemental contributions and any other payments due to the Pool at such times and in such amounts as shall be established by the Board of Trustees in accordance with the Bylaws. Any delinquent payments shall be paid with an interest charge, the rate for which shall be determined by the Board of Trustees.

- (b) To designate a Trustee to serve on the Board of Trustees and an Alternate Trustee.
- (c) To allow the Pool reasonable access to all facilities of the Member and all records including, but not limited to, financial records which relate to the purpose or powers of the Pool.
- (d) To allow legal counsel employed by the Pool to represent the Member in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the Member within the scope of loss protection furnished by the Pool.
- (e) To furnish full cooperation with the Pool's legal counsel and any agent, employee, officer, or independent contractor of the Pool relating to the purpose and powers of the Pool.
- (f) To report to the Pool as promptly as possible all claims made to it within its Plan of Benefits as administered by the Pool.
- (g) To provide through the Pool all benefits which the Pool requires its Members to so provide, and to furnish the Consulting/Management Firm with a copy of changes to its Plan of Benefits, which are permitted by the Bylaws, at least thirty days prior to the effective date of such change.
- (h) To promptly notify all of its Plan participants of any withdrawal or expulsion of such Member from the Pool.
- (i) In the event that the Pool is required to expend funds for administrative, legal or other costs arising from the failure of the Member to make annual contributions, including administrative charges and supplemental contributions, and all other payments owed the Pool, including costs for the legal enforcement of payment thereof, such amounts expended by the Pool

for such costs, including attorneys' fees, litigation costs and other fees or charges, shall be added to the Member payments due the Pool and shall be payable by the Member.

ARTICLE XIV **DISPUTES OVER COVERAGE**

14.1 **Dispute of Pool Decision.** Except to the extent that an appeal to, or review by, the Executive Committee has already occurred under the Plan itself or applicable law, any Participant in any Plan who has been denied a benefit, or feels aggrieved by any action taken by or on behalf of the Pool, and who has exhausted the appeals procedure under the terms of such Plan, shall be entitled to request a review by the Executive Committee of any denial or action taken by or on behalf of the Pool. All such requests shall be made, in writing, within thirty (30) days from the date a written denial has been issued by the entity administering claims on behalf of the Pool. The request for such appeal shall be made to the Board Chair and shall state the reason(s) supporting the allegation that the claim was interpreted incorrectly or resulted in an improper denial of payment. Any supporting documentation or comments must be provided. No dispute shall be considered by the Executive Committee unless the Participant complies with this requirement.

The Executive Committee shall review the action taken, and based on the provisions of such Plan, may uphold, reject or modify the action taken and shall render its final decision with respect thereto within thirty (30) days of the receipt of such request and such decision shall thereupon be promptly communicated, in writing, to the Participant. Subject to the applicable law, the decision of the Executive Committee shall be final.

ARTICLE XV
WITHDRAWAL OF MEMBERS

15.1 **Withdrawal of Members.** Any Member of the Pool which has completed the initial three-year cycle or a subsequent one-year cycle may withdraw from Membership by giving written notice of such intention to withdraw to the Chairperson and to the Consulting/Management Firm at least thirty days prior to January 1. Any Member which withdraws from the Pool shall not be considered for re-admission to membership for at least three years after it has withdrawn.

15.2 **Benefit Claims of Withdrawing Member.** If a Member properly withdraws from the Pool in the manner authorized by the Bylaws, and is not in financial arrears, the Pool shall pay properly presented benefit claims of the withdrawing Member, which were incurred prior to the withdrawal date, and not previously paid, excluding amounts paid or to be paid by specific stop loss insurance

15.3 **Obligations of Withdrawing Members, Including Expelled Members.** Under no circumstances shall a withdrawing Member or expelled Member be entitled to a refund of any payment made to the Pool for any reason. All withdrawing or expelled Members shall remain fully obligated for their portion of all expenses of and claims against the Pool incurred during the period of their Membership. Amounts owed by a withdrawing Member or expelled Member shall be immediately due and payable and shall, if delinquent more than fifteen days, be payable with interest as provided in Section 13.1 (a).

ARTICLE XVI
EXPULSION OF MEMBERS

16.1 **Basis of Expulsion.** By the vote of two-thirds (2/3) of the total number of Trustees on the Board of Trustees if a hearing is requested, or by the vote of at least two-thirds (2/3) of the Executive Committee if no hearing is requested, any Member may be expelled for failure to fulfill any obligation of that Member under the Bylaws and the Trust Agreement.

16.2 **Process of Expulsion.** A Member may be expelled from the Pool for failure to comply with these Bylaws or for nonpayment. The Executive Committee must first provide written notice of the alleged failure, along with a reasonable opportunity of not less than thirty days to cure the alleged failure. The notice shall specify that the Member shall be expelled unless the failure is cured and the date upon which expulsion shall occur if no hearing is requested.

The Member may request a hearing before the Board of Trustees. Such request must be made in writing and received by the Board of Trustees before expiration of the time to cure.

The date for a requested hearing will be set by the Chairperson, who shall set a Board of Trustees meeting for such purpose. The date for a hearing shall not be less than seven days after the expiration of the time to cure has passed.

A decision by the Board of Trustees under this Section shall be final unless a court determines that the Board of Trustees has committed a gross abuse of discretion.

The Board of Trustees may effectuate the expulsion of a Member under this Section at any time not less than sixty days after the vote expelling the Member has been made. If the expulsion is for a failure to make payments due to the Pool, the effective date of the expulsion may be at any time after the vote expelling the Member. If the date of expulsion is less than sixty days before the beginning of the next fiscal year, the date of expulsion

may be at the end of the fiscal year. If the expulsion vote or subsequent action of the Board of Trustees does not state the time at which the expulsion shall take place, such expulsion shall take place sixty days after the vote expelling the Member, or at the beginning of the next fiscal year, whichever date is sooner.

16.3 **Cessation of Benefits.** The Pool shall have no obligation with respect to claims incurred under the Plan of an expelled Member after the effective date of such expulsion. The obligation of the Pool to administer claims incurred under the Plan of an expelled Member prior to the effective date of expulsion shall continue for such claims as may have been or may be properly filed under the Plan, provided that if payment of such claim results in the expelled Member having a debit balance in the Benefit Fund, the expelled Member shall promptly reimburse the Benefit Fund the amount of such debit balance. Within one hundred twenty days after the filing of the last claim of an expelled Member which the Pool is obligated to pay, a final accounting of funds shall occur and any amount determined to be owed by the expelled Member shall be immediately paid into the Benefit Fund by the expelled Member, and shall it be delinquent more than fifteen days, be payable with interest as provided in Section 13.1(a).

16.4 **Fulfillment of Incurred Obligations.** After expulsion, the former Member shall continue to be fully obligated for all obligations which were created during the term of its Membership as if it were still a Member of the Pool. The expelled Member shall, after expulsion, no longer be entitled to participate or vote on the Board of Trustees.

ARTICLE XVII

TERMINATION OF POOL

17.1 **Events of Termination.** If the withdrawal of Members prior to the start of any one-year cycle shall reduce the number of covered Participants of the remaining Members, and any new Members legally committed to Membership for the next one-year cycle, to less than 400 persons, the Pool shall, except for winding up its affairs, cease its operations at the end of the then-concluding fiscal year. If, during any fiscal year, the number of covered Participants and officers should be reduced to below 300 persons, any Member may call a special meeting to discuss the feasibility of terminating the Pool prior to the close of that fiscal year.

17.2 **Winding Up.** In the event the Board of Trustees approves termination of the Pool, the Board of Trustees shall continue to meet on such a schedule as shall be necessary to carry out the winding up of the affairs of the Pool. After all valid claims of the Pool have been paid and all administrative expenses have been paid, any remaining funds in any account shall be distributed to those Members of the Pool which continued to be Members upon termination, which had been Members for at least five years, and which have submitted to the Pool assurances satisfactory to the Pool that such distributed funds shall be dedicated to hospital, medical, surgical or dental benefits for its Participants and their beneficiaries. Payments shall be made to those Members in proportion to their contributions to the Pool.

ARTICLE XVIII **BYLAWS CONSTITUTE CONTRACT AMONG MEMBERS**

18.1 **Contractual Obligations.** The Bylaws, together with the Trust Agreement, of which the Bylaws are an integral part, shall constitute an intergovernmental contract among the Members of the Pool in accordance with Act 35. The obligations and responsibilities of

the Members set forth herein, including the obligation to take no action inconsistent with the Bylaws or the Trust Agreement of which the Bylaws are in integral part, as either may be amended, shall be a continuing obligation and responsibility of each Member. Each Member and its Governing Body acknowledges that its contractual obligations as set forth in the Bylaws may be modified by amendments to the Bylaws by the Board of Trustees. The terms of the Bylaws and the Trust Agreement of which the Bylaws are an integral part, may be enforced in a court of law by the Pool. The consideration for the duties herewith imposed upon the Members to take certain actions and to refrain from certain other actions shall be based upon the mutual promises and agreements of the Members set forth herein.

18.2 **Evidence of Contract and Amendment.** The Bylaws, either original or as amended, may be executed in duplicate originals or counterparts by sufficient Trustees for their amendment, or additionally, the Bylaws as amended may be evidenced by such amendments to the Bylaws approved by the Board of Trustees as certified by the Secretary, with the date of Director approval.

18.3 **Limited Liability of Other Members.** Except to the extent of the limited financial payments or contributions, including administrative charges and supplemental contributions, to the Pool itself, as expressly agreed to in the Bylaws, no Member agrees or contracts to be held responsible for any claims in tort or contract made against the Pool itself (a separate legal entity) or any other Member. The Members intend in the creation of the Pool to establish an organization for intergovernmental self-insurance only within the scope herein set out and have not herein created as between Member and Member any relationship of surety, indemnification, or responsibility for the debts or claims against any Member.

ARTICLE XIX
MISCELLANEOUS

19.1 **Notice.** All notices, bills, or other communications required or permitted by the Bylaws shall be in writing and shall be deemed to have been given on the day of service if served personally, or on the business day after delivery to the United States Post Office for regular mail service, and addressed, if to a Member, to the head of the Member's public body, and/or the Trustee designated by, that Member at the address listed with the signature, or such other address of which the Member provides notice, and if to the Pool, then to:

Western Michigan Health Insurance Pool (PEPP)
c/o Gallagher Benefit Services of Michigan, Inc.
300 Ottawa NW, Suite 301
Grand Rapids, Michigan 49503-2308

19.2 **Validity.** If any provision of the Trust Agreement, including the Bylaws, shall be determined to be unconstitutional or invalid under state statutes, the remainder of the Trust Agreement, including the Bylaws, shall not be affected thereby.

19.3 **Operative Effect.** The Bylaws and any amendment thereto shall be filed with and approved by the Director before becoming operative.

IN WITNESS WHEREOF, the approval and adoption of these Bylaws by the Board of Trustees with respect to its PEPP is evidenced by the attached certificate of the Secretary of the Pool indicating such approval, and the date thereof, by not less than two-thirds (2/3) of the total number of Trustees on the Board of Trustees, and the date of their approval by the Michigan Director of the Department of Insurance and Financial Services

BOARD OF _____ OF

(the "Public Entity")

**RESOLUTION AUTHORIZING PUBLIC ENTITY MEMBERSHIP
IN THE WEST MICHIGAN HEALTH INSURANCE POOL ("WMHIP") FOR A MINIMUM
THREE-YEAR PERIOD**

PREMISES

A. The Western Michigan Health Insurance Pool ("WMHIP") is a Public Employer Pooled Plan ("PEPP") that provides pooled self-funded health insurance coverage, as authorized by the Public Employees Health Benefit Act, Act 106 of 2007.

B. WMHIP has received from the Michigan Department of Insurance and Financial Services ("DIFS") a certificate of registration authorizing establishment of the PEPP.

C. The Board has had opportunity to consider the obligations of the Public Entity to WMHIP and PEPP plans, and services available to the Public Entity by WMHIP, and has carefully reviewed the WMHIP Amended Trust Agreement and Bylaws.

D. The Board desires to authorize membership of the Public Entity in the WMHIP for a minimum period of three years.

NOW, THEREFORE, the Board of the Public Entity hereby resolves:

1. The Board approves the WMHIP Amended Trust Agreement and bylaws, and accepts WMHIP provision of Public Entity self-funded, pooled health insurance coverage under the PEPP plan.

2. The Superintendent, Manager, or CFO of the Public Entity or, with their approval, the person appointed by the Board as WMHIP Trustee or Alternate Trustee, is hereby authorized to

execute all documents necessary for the Public Entity to become a Member in the WMHIP PEPP plan.

3. The Board hereby confirms its appointment of the following persons as Trustee and Alternate Trustee to serve as Trustee when the initial Trustee is not available or in attendance to carry out the Trustee's duties:

[Insert Trustee's Name]

[Insert Alternate Trustee's Name]

As required by law, neither the Trustee nor the Alternate Trustee is an owner, officer, or employee of any third-party administrator or any other third party providing services to WMHIP. The Trustee and Alternate Trustee shall serve until replaced by action of the Board. Once appointments are made known to the WMHIP, the persons appointed shall remain in office until the WMHIP receives evidence of appointment of other persons. Evidence of proper appointment of the Trustee and Alternate Trustee shall be a certified copy of the resolution passed by the Board, indicating the names of the designated Trustee and/or Alternate Trustee. Failure of the Public Entity to designate a Trustee, or the failure of that Trustee/Alternate Trustee to participate on the Board of Trustees, shall not affect the responsibilities or duties of the Public Entity under the Amended Trust Agreement.

4. The Public Entity shall continue participation in the WMHIP for a minimum of three full years under its PEPP plan.

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

CERTIFICATE

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of _____ of the _____ Public Entity, _____ County(ies), State of Michigan, at a _____ meeting held on _____, 20____, and that this meeting was conducted and public notice of this meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of this meeting were kept and will be or have been made available as required by this Act.

I further certify that the following Members were present at this meeting:

_____ and that the following Members were absent _____.

I further certify that the foregoing resolution was moved by Member _____ and seconded by Member _____.

I further certify that the following Members voted for adoption of the foregoing resolution: _____ and that the following Members voted against adoption of this resolution:

_____.

Secretary