1. CALL TO ORDER – QUORUM
President Mark Perry called the Special Meeting of the Board of Education to order at 5:30 p.m. on Monday, June 10, 2019, at 5780 W. Holt Road, Holt, Michigan. Bakken will be late, Halgren will not be in attendance, and Colligan will try to attend by phone.

Present: Mark Perry, Julie Bureau, Amy Dalton, Jennifer Robel, Ben Bakken, Laura Colligan (by phone), Dr. David Hornak, Superintendent; Student Representative Adele Colson

Absent: Isabel Abdouch

Central Office Staff present: Kevin Badge, Jessica Cotter, Steve Netzel, Kim Cosgrove, Susan Ward

Others in attendance who signed in: Janette Kowalski, Charlie and Sally Harrison

President Perry established the presence of a quorum

2. CHANGES/ADDITIONS TO THE AGENDA – Make 4.5 into 4.1

3. PUBLIC COMMENT
   • Three public members are in attendance; they declined to comment.

4. COMMITTEE OF THE WHOLE – work session:
   4.1 SWAP Refinance: Hornak noted engaging in conversation with our financial partners to step out of the SWAP agreements we have; there was not be enough savings in the past, however, currently there may be a savings of over $1 million for Holt Public Schools. Cosgrove introduced Paul Stauder, PFM Financial Advisors, LLC, attending from his Ann Arbor office; Stauder distributed supporting documentation; he is the municipal financial advisor acting as our agent. He stated that bonds are currently in a low rate mode. When last re-marketed a few years ago, PNC took bonds with a particular spread; that spread at the time was the going market. Now we are tighter and can do better regarding the spread by converting the bonds to pay a lower amount. Market ebbs and flows and numbers change daily – if we can achieve a level of savings or even a chunk of it, the thought is that this makes good sense for the district. For the remaining life of the bonds, a conversion is more favorable because when in a public market sale, the longest we can lock in is for 5 years, at a reasonable cost. Our bonds have about 11 years left (2030). Stauder recommended reviewing pages 6 and 7 of his documentation, which show the recommended transaction; page 6 reflects a snapshot of the market about two weeks ago. The market is currently producing over $1 million of benefit,
and he would like to get prepared and into the market before things change again; he can do that in about 6 days. Perry asked if savings is for 10 years or only for the term; Stauder responded it was 10 years, and that the annual monitoring fee of $3500 would also go away. Perry asked if all fees for all 10 years is incorporated; Stauder responded that it is. Perry asked about advisor fees; Stauder responded that a fee reduction would be negotiated. Perry asked if this was ‘best interest,’ to which Stauder responded it was. Stauder noted that Echo Financial is the group who did it in the past; his firm also does it, but Echo has knowledge of the transaction. Perry asked if the $3.6 million transaction is the payoff of the SWAP fixed rate; Cosgrove responded that it is. Bakken asked if it was ‘on call that day,’ to which Stauder responded there will be negotiation in advance, and a discount will be applied. Bakken asked if this is saying that $3.6 million is mid-market; Stauder responded that this was the opinion. Perry asked regarding the termination fee going up and down, wondering if that was balanced on the market rate. Stauder responded that ‘by and large, there is still variance on two markets and tax exempt markets when pricing these bonds.’ Perry noted that markets can move quickly, and asked if there was an opinion on the dollar amount. Bakken asked if we are assuming savings of more than ‘x’ to move forward. Cosgrove responded we are; we do know that we can put the brakes on at any time and move on into the conversion. Perry asked about costs we for which we may be liable. Stauder responded that there were none. It was noted by Stauder that within 2 weeks of the transaction, our credit rating would come into play. Bakken expressed his concerns over the volatility and lack of full transparency of the termination fee. Banks can “sneak in” a few basis points fees to add onto the fee at closing. Bakken asked how we would be sure that we were paying a true, fair, market driven swap fee on the day of termination; Stauder responded that part of Echo’s role would be to calculate the termination fee on our behalf to ensure the final charge is reasonable and accurate. Perry asked how many he had done, to which Stauder responded he had done two in the last year. Cosgrove noted that in the resolution on page 6, 3% equals $1.2 million. Bakken noted he wants 2% for flexibility on that day, and that he would approve that. Cosgrove responded that it would have to be reported to the market at any time in the next 10 years. Perry asked about the amount of bonds - $42 million. Stauder responded that the amount of bonds to be taken out is $37.9 million, then there is the termination fee on top of that. The bonds in the model are based on a very large premium being paid by investors when going to market – if sold at a discount. Cosgrove asked if there were any other second consequences. Bakken reminded leaving it at 1 percent, noting that we will know when we get close what the numbers are going to be, and if we are not happy, we will pull the plug. Cosgrove noted that within 2 weeks, they will be reporting what the market is. Cosgrove asked if Hornak would be involved in that call; Stauder noted that he would be involved when bonds are priced. Bakken reminded that ‘as long as savings is more than 380K (per the resolution); Stauder (Cosgrove?) responded that nothing will be done but will leave bonds with PNC another year and a half; the agreement will come to an end and will need to be renegotiated – then fees come with that; the conversion transaction would be for a 5-year period. Perry asked if there were any other questions; there were none. He offered thanks to all.
4.2 K-5 Science Curriculum Adoption: Cotter and Netzel presented, noting that this curriculum is different than usual curriculum adoptions – NextGen science will be accompanied by an instructional shift, wherein teachers go to a 5-day intensive instructor training. It is NextGen science exemplar training, a replication of training in not only core ideas but in science and engineering practices; it is very hands on. This curriculum will help to ensure that teachers will teach in this way; drawing models of what is happening, etc. Shared responses of teachers are included in provided documentation. Netzel noted that this is the best program and it also aligns with ISD; he referred to the accompanying spreadsheet, noting categories and feedback – their accompanying Word document also has transition time included. Teacher teams will be employed to implement the curriculum. Also see the documents for needs – a minimum of one kit per grade level per building (see list) is noted. There are no textbooks; see student journal samples to be utilized instead. It was suggested that this would allow teaching science at varying times of the day; the intention is to try to give some autonomy to teachers as to how to fit it into their day. Dalton asked if teachers also need PD regarding Amplify science. Netzel responded ‘kind of’ – they can attend a 2-hour materials orientation, and also see how it fits into the model. Netzel continued, noting that teachers will get to know materials very well; it is very professional instruction. Dalton asked about durables and consumables – noting a fear that we have had things like this that would eventually be discarded; what is the process? Netzel responded that teachers in general are hoarders, and that they will receive brand new kits; the big leap will come when it is time to refill all of those kits. The spreadsheet will provide hyperlinks that will allow teachers to directly order what they need. Dalton asked, ‘You don’t force the storage issue?’ Netzel responded they would not, and discussed where some teachers keep their things; it depends on the set up of given buildings; we need to find the best spots to keep this material. Perry asked how a 5th grader would jump into this program, for instance. Netzel responded that it would be through encouraging students, and in the formulation of the learning experience. It is all in the model of how teachers talk to kids about the learning, and it also plays on kids’ natural inclination to know how that happens. Perry asked if there is a net savings; Netzel answered $23,000 (discount), and that our net will be more like $70,000. Perry asked if this was all students; Netzel responded it would be K-5 students.

4.3 Superintendent Evaluation: Rescheduled

4.4 Additional pay rate recommendations: Pay increase recommendations are noted in documentation; increases recommended also supported by the grant. Crandall noted that the budget is for a set amount, but workers are hourly. Cosgrove stated we are fully staffed for the first time in a year. Dalton noted there was quite a discrepancy between GSRP and preschool – seems like positions remain unfilled, there is turnover, etc. Will the discrepancy be a problem toward keeping staffed? Badge noted that GSRP has different qualifications. There was a 50 cent raise per hour for other child care employees; some are district employees and some are third party. Dalton noted that sick days got her attention – and asked for confirmation regarding the three personal days, as well. Badge responded that for Holt preschool employees, the answer was ‘yes,’ for EduStaff employees, it is ‘no.’ Dalton asked about frequency of employee evaluations, to which Badge responded they are not done annually. Dalton recommended changing wording to reflect that all employees will be evaluated once per year, then every other year thereafter. Robel asked why we are not doing evaluations every year. Crandall responded that evaluation tools are actually utilized three
times per year; all others have a more standard evaluation. Robel stated that we need to evaluate day care teachers every year. Discussion of changing wording ensued wherein Dalton recommended that it should read ‘how we want it to read,’ and that there should be an overall evaluation once per year, plus three times using the evaluation tool.

Badge noted the high turnover in security personnel in the senior and junior high schools, and that there is a need to create structure to support more longevity; also need a lead position established to give new people in the security group something to aspire to; it would be a Holt employee. The creation of a 5-step program was noted – this would expand the workday and adjust federal holidays to be included, and take advantage of snow days, etc. Bureau noted a potential need for training for all of this. Robel referred Badge to friend of Brad Case, Safety and Security Counsel, who would be a good resource for training. Badge noted we are making adjustments in trying to bring the ‘bottom end up,’ and still compete for talent; staying ahead of minimum wage, and staying competitive. Perry noted the range of pay for Edustaff employees, and expressed concern regarding motivation by looking at the pay rate versus the jobs to be filled by potential employees. Robel asked regarding Robertson’s budget and wants Hornak to come up with bigger discrepancy in pay for cashiers, kitchen coordinators, and cooks pay rates - to help keep them here – it’s ‘a destination for people who want to work and get paid,’ and Robel also noted that she does not want to ‘see the head cook crying again.’ Badge responded, citing the struggles between people jumping from food service, parapro work, etc. Robel recommended putting any extra money in the Food Service budget to good use instead of having all the turnover. Robel remarked that we should ‘pay them to be there’ if we have a ‘pot of money.’

Robel noted that cashiers can do more than just cashier work; they can help with the salad bar or with recess or even do custodial work. Perry noted that if he was coming to work for only 3 hours, though, how would he make money at $10.75 per hour? Cosgrove noted that we have 7 bus drivers who also work for Food Service, stating that they travel to work quite a bit, and that it’s been a ‘good fit’ for them. Crandall stated that Child Care also has some 3-hour shifts. Hornak suggested a deeper analysis be performed for Food Service rates and have recommended increases be ready for the next meeting. Bakken asked about voting, and also asked Badge if those rates are competitive, or not, and also wanted to know about the homework done for that. Badge noted the struggle to keep positions filled.

Robel asked Badge if he thought that a quarter ($ .25) overall increase per hour would retain workers. Badge responded that he was trying to maintain consistency throughout that group. Bakken noted that some rates went up fifty cents ($ .50). Bakken questioned a change in the overtime language and if we were paying overtime based on a weekly basis or bi-weekly average. Cosgrove responded that it would not be correct to average a two-week period; 40 hours per week is necessary as suggested. Bakken asked if there might be a way to do this in steps. Perry noted that a step would not be needed; everything would be reallocated. Bakken stated that he did not understand. Dalton asked if EduStaff pay rates, sub pay increases, are still an incentive; there is ‘some confusion’ amount parapros – this is part of the parapro issue;
no one wants to take a parapro sub job, so why take the parapro position when one can take a teacher sub position? It was noted that this could be why it is so difficult to find parapro subs.

**Administrative Recommendation:** Target date is June 2020 for replacement for Finance position – Dalton expressed concern about not including ‘CPA’ in the job description. Hornak stated that he believes that it was intended to be generic; Dalton also feels it is broad, and understands; Dalton inquired about who is a member of the cabinet? Hornak responded by stating ‘district administrators.’ Bureau stated that she understood it, but has questions with this, and suggested ‘Director of Operations and Administrative Services.’ Bakken noted, ‘…instead of Deputy Superintendent.’ Hornak noted he would like to focus on Operations and Administrative Services. Bakken remarked that sometimes one sees dual titles, and asked if this happens in education. Cosgrove responded that it relates to hierarchy or common language.

4.5 Enrollment Update – School of Choice, Part II: Moved to the Regular meeting

5. **CLOSED SESSION** – No closed session.

6. **ADJOURNMENT**

The motion was made by Bakken and seconded by Dalton to adjourn the Special Meeting of June 10, 2019. The motion carried unanimously and the meeting was adjourned by Perry at 6:45 PM.

Respectfully submitted,

Julie A. Bureau, Secretary
Holt Public Schools Board of Education