

Public Meeting of the *Cardinal Local* Board of Education

November 9, 2016 Cardinal Board Office 6:00 P.M. Regular Meeting

This meeting of the Board of Education in public is for the purpose of conducting the School District's business and is not to be considered a public community meeting. There is a time for public participation during the meeting as indicated in the agenda.

Ken Klima, President

Wendy Anderson, Vice-President

Greg McClain

Linda Smallwood

Katie Thomas

Dr. Scott J. Hunt, Superintendent

Merry Lou Knuckles, Treasurer

I. Roll Call:

__ Ken Klima __ Wendy Anderson __ Greg McClain __ Linda Smallwood __ Katie Thomas

Pledge of Allegiance

II. Student Recognition Liaison:

- What's Inside? Huskie Pride!
 - 7th Grade Volleyball Team – Undefeated (19-0)
 - Breana Abrajan, Olivia Barcikoski, Zoey Blystone, Haley Domen, Megan Ehrhart, Lindsay Hissa, Milanie Macayra, Gabrielle Nemeth, Jordan Rulong, Karalyn Rutkowski, Lauren Soltis, Grace Whitney
 - Bonnie Plants 3rd Grade Cabbage growers
 - Haylie Rosenberger
 - Brenna Simak
 - Sakena Wiley – Opinion Featured on NewsDepth
 - Phoenix LaDow – Invited for private cheerleading tryout at Youngstown State

III. Presentation:

1. Ben Clutter and Maureen Fowler – College Ready Ohio (CRO)
2. Margaret Lynch – Auburn Career Center, appoint member to JVS Board of Education

IV. Hearing of the Public:

A member of the public may address the Board of Education when recognized by the President of the Board. When recognized, please state your name, the group (if any) that you represent, the agenda item you wish to address and attempt to limit your remarks to three minutes.

V. Discussion Items:

1. Levy – next steps

VI. Superintendent's Report

1. Action Items: Human Resources/Personnel

Motion_____ Second_____ Vote_____

Motion to approve the following personnel matters:

A. Resignations

- **Shanna Miller**, JES Cafeteria Monitor, effective when replacement hired
- **Adam Johnson**, 8th Grade Boys Basketball Coach, effective October 11, 2016

B. Supplemental Contracts

- **Merry Lou Knuckles**, MS Cheerleading Advisor, Step 2. .07

C. Tutor

- **Ed Schmidtke**, home instruction, \$24.00/hour

D. School Counselor Evaluators

- **Andy Cardinal**
- **Jeremy Hunter**
- **Jennifer Sabol**

E. Substitute

- **Marilyn Percic**, nurse, necessary paperwork on file

Roll call vote: __Wendy Anderson __Greg McClain__ Linda Smallwood __Katie Thomas __Ken Klima

2. Action Items: Agreements

A. Motion_____ Second_____ Vote_____

Motion to approve the following Agreements:

- Facilities agreement with **Village of Middlefield Rec Department**, for \$10,522.00 effective September 1, 2016 – August 30, 2017
- Agreement with **Hauser Services, LLC** for snow plow services for the 2016-17 winter season at \$68.00 per hour per truck and \$100 per hour for loader with bucket for snow removal; \$150.00 per ton, spread for ice melt or grit costs

Roll call vote: __Greg McClain__ Linda Smallwood __Katie Thomas __Ken Klima __Wendy Anderson

3. Action Items: School Bus Use

A. Motion_____ Second_____ Vote_____

Motion to approve the use of a district **school bus** for the “Stuff the Bus” toy drive to be held at Middlefield Walmart on November 26, 2016

Roll call vote: __Linda Smallwood __Katie Thomas __Ken Klima __Wendy Anderson __Greg McClain

4. Action Items: Donations

A. Motion _____ Second _____ Vote _____

Motion to approve the disposal of the following donations:

- **Cardinal PTA**, \$2,469.00 for a three-year Accelerated Reader subscription
- **Middlefield Dairy Queen**, \$1,000 to the CMS art program to use to incorporate technology for graphic design and other art careers

Roll call vote: __ Ken Klima __ Wendy Anderson __ Greg McClain __ Linda Smallwood __ Katie Thomas

VII. Treasurer’s Report:

A. **Minutes**

Motion _____ Second _____ Vote _____

Motion to approve the minutes of October 12, 2016, regular meeting, and the October 26, 2016, work session/special meeting.

Roll call vote: __ Ken Klima __ Wendy Anderson __ Greg McClain __ Linda Smallwood __ Katie Thomas

B. **Approval of Bills**

Motion _____ Second _____ Vote _____

Motion to approve the bills in the amount of **\$1,092,134.28** (includes payroll) paid during October and those necessary for November.

Roll call vote: __ Wendy Anderson __ Greg McClain __ Linda Smallwood __ Katie Thomas __ Ken Klima

C. **Financial Reports**

Motion _____ Second _____ Vote _____

Motion to approve the Monthly Financial Reports and Cash Reconciliation for the month of June, as submitted. Also approve the amendments to the **Certified Revenues and Appropriations for the month of October** and those necessary for November. General Fund Certified Revenues are \$13,599,914. All Other Fund Certified Revenues are \$3,412,051.62. General Fund Appropriations are \$13,486,995. All Other Fund Appropriations are \$3,285,531.78.

Roll call vote: __ Greg McClain __ Linda Smallwood __ Katie Thomas __ Ken Klima __ Wendy Anderson

D. **Interest Income**

The School District earned **\$443.64** in interest income for the month of September fiscal year-to-date total is **\$1,927.01**. Interest rates are: Middlefield Bank – .30% .

E. Motion _____ Second _____ Vote _____

Motion to approve the resolution for the **Current Tax Revenues Notes, Series 2016-17**, for the amount \$500,000 in association with Middlefield Bank.

A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF CURRENT TAX REVENUE NOTES, SERIES 2016-17, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$500,000.

WHEREAS, this Board has determined, as provided in this resolution, that it is necessary for this School District to borrow money in anticipation of the collection of current ad valorem property tax revenues in and for the fiscal year that commenced on July 1, 2016 (Fiscal Year 2017), and to issue notes of the District to evidence that borrowing; and

WHEREAS, the Treasurer, as the fiscal officer of the School District, has certified that the maximum maturity of those notes is June 30, 2017;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Cardinal Local School District, Counties of Geauga and Trumbull, Ohio, that:

Section 1. This Board finds, determines and declares that it is necessary to borrow, pursuant to Section 133.10(C) of the Revised Code and for the purpose of paying current expenses of the School District in Fiscal Year 2017, an aggregate principal amount of \$500,000 in anticipation of the collection of current property tax revenues in and for Fiscal Year 2017 to be received from all settlements of those taxes for that purpose that are to be received in the remainder of that Fiscal Year, other than taxes to be received for the payment of debt charges, and less all advances, and to issue Current Tax Revenue Notes, Series 2016-17 (the Notes), of the District to evidence that borrowing. This Board further determines that the authorized aggregate principal amount of the Notes does not exceed, and on the date of issuance of the Notes will not exceed, one-half of the amount that the County Budget Commission estimates that this School District will receive from all property taxes that are to be distributed to the School District from all settlements of taxes that are to be made in the remainder of Fiscal Year 2017 after issuance of the Notes, other than such taxes to be received for the payment of debt charges, and less all advances; that the estimated amount is supported by the latest Official or Amended Official Certificate of Estimated Resources for Fiscal Year 2017 filed with this Board; and that the total appropriations by the Board from each fund for Fiscal Year 2017 do not exceed, and, on the date of issuance of the Notes, will not exceed, the certified estimated revenue available for expenditure from each fund.

Section 2. The Notes shall be issued in the aggregate principal amount of \$500,000; shall be dated the date of issuance; and shall mature on June 15, 2017. The Notes shall bear interest at the rate of 1.98% per year (computed on the basis of a 360-day year consisting of twelve 30-day months), payable at maturity and until the principal amount is paid or provided for.

The Notes shall be subject to prepayment prior to their maturity. Prepayment prior to maturity of all or a portion of the Notes shall be made by deposit with the Paying Agent designated pursuant to Section 3 hereof of the principal amount of the Notes to be prepaid, together with interest accrued thereon to the date of prepayment. The Board's right of prepayment shall be exercised by mailing a notice of prepayment, stating the date of prepayment and the name and address of the Paying Agent, by certified or registered mail to the original purchaser of the Notes to be prepaid not less than seven days prior to the date of that deposit, unless that notice is waived by the original purchaser of those Notes. If moneys for prepayment are on deposit with the Paying Agent on the specified prepayment date following the giving of that notice (unless the requirement of that notice is waived as stated above), interest on the principal amount prepaid shall cease to accrue on the prepayment date, and upon the request of the Treasurer the original purchaser of the Notes prepaid shall arrange for the delivery of those Notes at the designated office of the Paying Agent for prepayment and surrender and cancellation.

Section 3. The debt charges on the Notes shall be payable, without deduction for the services of the paying agent, in lawful money of the United States of America, or in Federal Reserve funds of the United States of America if so requested by the original purchaser, at the principal office of The Middlefield Banking Company, Middlefield, Ohio (the Paying Agent).

The Notes shall be signed in their official capacities by the President or the Vice-President and the Treasurer of this Board, provided that one of those signatures may be a facsimile. The Notes shall be issued in the denominations and numbers as shall be requested by the original purchaser of the Notes and approved by the Treasurer, provided that the entire principal

amount of the Notes may be represented by a single note and that no Note shall be issued in a denomination less than \$100,000 or exchangeable for other Notes in denominations less than \$100,000. The Notes shall not have coupons attached, shall be

numbered as determined by the Treasurer and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to Chapter 133 of the Revised Code, Section 133.10 thereof and this resolution.

Section 4. The Notes shall be awarded and sold by the Treasurer to The Middlefield Banking Company at private sale at a purchase price of not less than par and any accrued interest, in accordance with law and the provisions of this resolution. The Treasurer shall cause the Notes to be prepared and have the Notes signed and delivered, together with a true transcript of the proceedings with reference to the issuance of the Notes, to the original purchaser upon payment of the purchase price of the Notes. The President, Vice-President and Treasurer of this Board and the Superintendent of Schools, as appropriate, are each authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this resolution.

Section 5. Any proceeds of the sale of the Notes representing premium and accrued interest shall be paid into the Bond Retirement Fund and credited to the separate account provided for in Section 8 of this resolution. The balance of the proceeds of the Notes shall be paid into the General Fund and shall be used only for the purposes for which the current property tax revenues anticipated are levied, collected and appropriated.

Section 6. The levy by this Board of the taxes anticipated by the Notes on all taxable property in this District on the tax lists and duplicates for the tax years 2015 and 2016, to be collected by this Board during Fiscal Year 2017, by resolutions previously adopted by this Board pursuant to law, is hereby acknowledged, confirmed and ratified. Those taxes are direct taxes during the period in which the Notes will be outstanding, and are in an aggregate amount at least sufficient to provide funds to pay the debt service on the Notes at maturity and therefore are not less than the interest and sinking fund tax required by Section 11 of Article XII of the Ohio Constitution. Those taxes have been computed, certified, levied and have been or will be extended upon the tax lists and duplicates for the tax years 2015 and 2016 for collection by the same officers, in the same manner and at the same times that all taxes for general purposes for Fiscal Year 2017 are collected. The proceeds of the taxes anticipated are to be applied to the extent required to the payment of debt service on the Notes at maturity. Pursuant to law and particularly Section 133.10(E) of the Revised Code, the amounts of the proceeds of those taxes required to pay that debt service are appropriated to pay that debt service and other appropriations from those sources shall be limited to the balance available after deducting the amounts required to pay the debt charges and financing costs of the Notes. This Board covenants that it will give effect to that appropriation, to the extent stated above, in resolutions it hereafter adopts appropriating money for expenditure or encumbrance in Fiscal Year 2017.

Section 7. In accordance with Section 133.10(E)(1) of the Revised Code, this Board requests, authorizes and directs the County Auditor of Geauga County to draw and issue at the time of each distribution (by advance, settlement or otherwise) to this School District of the proceeds of the taxes anticipated and levied for the purpose of paying current expenses in and for Fiscal Year 2017 (including any payments from the State pursuant to Sections 321.24(F) and 323.156 of the Revised Code) after the date of the Notes, that would otherwise have been paid to the General Fund of the School District, a separate warrant for payment into the separate account of the Bond Retirement Fund of the School District established under Section 8 of this resolution (the "CTRN Account"), to include that portion of that distribution needed to ensure payment of the debt charges on the Notes at maturity, and to draw and issue a separate warrant for payment into the General Fund for the balance of that distribution. The portion of each distribution to be included in a separate warrant for payment into the CTRN Account shall be the product of the following calculation: the total amount of that distribution multiplied by a fraction, the numerator of which is the aggregate amount of the debt service to their stated maturity on the Notes and the denominator of which is the total estimated net amount of the proceeds from the taxes anticipated and levied for the purpose of paying current expenses in Fiscal Year 2017 distributed and to be distributed to this School District between the date of the Notes and their stated maturity date. The portion of the last distribution to be so included in a separate warrant for payment into the CTRN Account shall be in the amount certified to the County Auditor by the Treasurer of the Board as the amount necessary, after taking into account amounts credited and to be credited to the CTRN Account provided for in Section 8 of this resolution, to make timely payment of debt service on the Notes.

Section 8. The Board establishes, and covenants that it will maintain until the debt charges on the Notes are paid, the CTRN Account as a separate account of the Bond Retirement Fund. The Treasurer of this Board shall credit to that separate account that portion of each distribution to the School District of those anticipated current tax revenues (whether or not that portion is evidenced by or included in a separate warrant), calculated in accordance with Section 7 of this resolution, needed to ensure timely payment of the debt charges on the Notes at their stated maturity. So long as any portion of the debt charges on the Notes is unpaid, the moneys credited to the CTRN Account shall be used and are pledged and appropriated solely for the purpose of paying those debt charges. Should accumulated amounts credited to that Account produce an amount less than

the amount needed to make timely payment of the debt charges on the Notes, the full amount needed to make up any such deficiency shall be paid by the Treasurer into the Bond Retirement Fund and credited to the CTRN Account from the latest distribution or distributions to the School District of those anticipated current tax revenues received prior to the stated maturity

date of the Notes. Upon payment of all debt charges due on the Notes, any amounts remaining in the CTRNs Account of the Bond Retirement Fund may be returned to the General Fund as reimbursement for tax revenues advanced to the account to pay those debt charges.

Section 9. The Board and the School District covenant that they will use, and will restrict the use and investment of, the proceeds of the Notes in such manner and to such extent as may be necessary so that (a) the Notes will not (i) constitute private activity bonds or arbitrage bonds under Sections 141 or 148 of the Internal Revenue Code of 1986, as amended (the Code) or (ii) be treated other than as bonds the interest on which is excluded from gross income under Section 103 of the Code, and (b) the interest on the Notes will not be an item of tax preference under Section 57 of the Code.

The Board and the School District further covenant that (a) they will take or cause to be taken such actions that may be required of them for the interest on the Notes to be and remain excluded from gross income for federal income tax purposes, (b) they will not take or authorize to be taken any actions that would adversely affect that exclusion and (c) they, or persons acting for them, will, among other acts of compliance, (i) apply the proceeds of the Notes to the governmental purposes of the borrowing, (ii) restrict the yield on investment property, (iii) make timely and adequate payments to the federal government, (iv) maintain books and records and make calculations and reports and (v) refrain from certain uses of those proceeds and, as applicable, of property financed with such proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code.

The Notes are hereby designated as “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Code. In that connection, the Board and the School District hereby represent and covenant that they, together with all their subordinate entities or entities that issue obligations on behalf of the Board or the District, or on behalf of which the Board or the District issues obligations, in or during the calendar year in which the Notes are issued, (i) have not issued and will not issue tax exempt obligations designated as “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Code, including the Notes, in an aggregate amount in excess of \$10,000,000, and (ii) have not issued, do not reasonably anticipate issuing, and will not issue, tax exempt obligations (including the Notes, but excluding obligations that are private activity bonds as defined in Section 141 of the Code and excluding refunding obligations that are not advance refunding obligations as defined in Section 149(d)(5) of the Code) in an aggregate amount exceeding \$10,000,000, unless the Board and the District first obtain a written opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not adversely affect the status of the Notes as “qualified tax exempt obligations”. Further, the Board and the School District represent and covenant that, during any time or in any manner as might affect the status of the Notes as “qualified tax exempt obligations”, neither the Board nor the School District has formed or participated in the formation of, or benefited from or availed itself of, any entity in order to avoid the purposes of subparagraph (C) or (D) of Section 265(b)(3) of the Code, and will not form, participate in the formation of, or benefit from or avail itself of, any such entity. The Board and the School District further represent that the Notes are not being issued as part of a direct or indirect composite issue that combines issues or lots of tax exempt obligations of different issuers.

The Treasurer, as the fiscal officer, or any other officer of this Board having responsibility for issuance of the Notes is hereby authorized (a) to make or effect any election, selection, designation, choice, consent, approval, or waiver on behalf of the School District with respect to the Notes as the School District is permitted to or required to make or give under the federal income tax laws, including, without limitation thereto, any of the elections provided for in Section 148(f)(4)(C) of the Code or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Notes or interest thereon or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments or penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by the officer, (b) to take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of this Board and the School District, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Notes, and (c) to give one or more appropriate certificates of the Board and the School District, for inclusion in the transcript of proceedings for the Notes, setting forth the reasonable expectations of the Board regarding the amount and use of all the proceeds of the Notes, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Notes.

Section 10. The Treasurer is directed to forward a certified copy of this resolution to the Geauga and Trumbull County Auditors.

Section 11. This Board finds, determines and declares that all acts and conditions necessary to be done or to exist precedent to and in the issuing of the Notes in order to make them legal, valid and binding special obligations of the Cardinal Local School District have been performed and exist, or will at the time of delivery of the Notes have been performed and exist, in regular and due form as required by law; and that the amount of indebtedness to be incurred by the issuance of the

Notes does not exceed any limitation of indebtedness as fixed by law or the amount of borrowing permitted by Section 133.10 of the Revised Code.

Section 12. The legal services of the law firm of Squire Patton Boggs (US) LLP be and are hereby retained. Those legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the authorization, sale and issuance of the Notes and rendering at delivery a related legal opinion, all as set forth in the form of engagement letter dated as of November 9, 2016, now on file in the office of the Treasurer. In providing those legal services, as an independent contractor and in an attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of this Board in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, any county or municipal corporation or of the School District, or the execution of public trusts. For those legal services that firm shall be paid just and reasonable compensation and shall be reimbursed for actual out-of-pocket expenses incurred in providing those legal services. The Treasurer is authorized and directed to sign and deliver the engagement letter and to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm.

Section 13. This Board finds and determines that all formal actions of this Board and any of its committees concerning and relating to the adoption of this resolution were taken, and that all deliberations of this Board and of any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with the law

Section 14. This resolution shall be in full force and effect immediately upon its adoption.

Roll call vote: __ Linda Smallwood __ Katie Thomas __ Ken Klima __ Wendy Anderson __ Greg McClain

VIII. Information:

- November 10-12: CHS Fall Play, *Murder's in the Heir*
- November 10: CHS Blood Drive, 9:00 a.m. – 2:00 p.m.
- November 14-16: OSBA Capital Conference
- November 16: Early Release Day
- November 16: Fall Sports Awards Banquet, CHS, 6:30 p.m.
- November 17: JES/CIS Parent Teacher Conferences, 4:00 p.m.
- November 18: Picture retake day – All buildings
- November 23-25: No School
- November 30: Early Release Day
- December 7: Early Release Day
- December 14: Early Release Day
- December 14: BOE Meeting, 6:00 p.m.
- December 15-16: JES/CIS Holiday Headquarters
- December 15: CHS Winter Concert, 7:00 p.m.

IX. Meetings:

- December 14, 2016 – Regular Meeting, 6:00 p.m.

X. Discussion Items:

- NEOLA Policy 35-1, Second Reading

XI. Legislative Update:

XII. Auburn Career Center:

XIII. Executive Session:

A motion to retire to executive session for the purpose of discussion of:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Personnel matter
Topic: Contract | <input type="checkbox"/> Negotiations |
| <input type="checkbox"/> Investigation of charges/complaint | <input type="checkbox"/> Confidential matters |
| <input type="checkbox"/> Purchase/sale of property | <input type="checkbox"/> Security/Emergency protocols |
| <input type="checkbox"/> Legal dispute | <input type="checkbox"/> Economic development assistance |

Motion _____ Second _____ Vote _____

___ Ken Klima ___ Wendy Anderson ___ Katie Thomas ___ Linda Smallwood ___ Greg McClain

Motion Approved at _____ P.M. Time Retired: _____ P.M.

Time Returned from Executive Session _____ P.M.

XIV. Adjournment:

Motion _____ Second _____ Vote _____

Meeting adjourned at _____ P.M.

Roll call vote: ___ Ken Klima ___ Wendy Anderson ___ Greg McClain ___ Linda Smallwood ___ Katie Thomas