



# **Waverly Community Schools**

## **Regular Meeting**

**Monday, June 10, 2013 6:30 PM**

# Agenda of Regular Meeting

## The Board of Education Waverly Community Schools

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A Regular meeting of the Board of Education of Waverly Community Schools will be held June 10, 2013, beginning at 6:30 PM in the Board Room, 515 Snow Road, Lansing, MI.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

- I. Call to Order and Pledge to the Flag
- II. Special Presentations
  - A. Legislative Update - Representative Abed and Representative Shor
- III. Correspondence
- IV. Public Comment
- V. Student Representative Report
- VI. Board Member Comment
- VII. Adoption of Meeting Agenda
- VIII. \*\*\*Approval of Minutes 4
- IX. Presentation of Reports
  - A. Finance/Personnel
    - 1. \*\*\*Recommendation to approve Report #12-79, Financial Recommendation 10
    - 2. \*\*\*Recommendation to approve Report #12-80, Certification of Summer Tax Levy - City of Lansing, Delta, Township and Lansing Township 12
    - 3. Recommendation to approve Report #12-81, Waverly Community Schools 2013-14 Proposed Budgets 16
    - 4. Recommendation to approve Report #12-82, State Aid Note Program Borrowing Resolution 23
    - 5. Recommendation to approve Report #12-83, 2013 Taxable Refunding Bonds Resolution 34
    - 6. Recommendation to approve Report #12-84, 2013 Building and Site Bonds Resolution 46
    - 7. Recommendation to approve Report #12-85, Personnel Recommendations 55
- X. Superintendent's Report
- XI. Public Comment

XII. Other Board Business

XIII. Adjournment

XIV. \*\*\*Consent Agenda

**WAVERLY COMMUNITY SCHOOLS  
BOARD OF EDUCATION  
REGULAR MEETING  
May 28, 2013**

***Opening of Meeting***

The regular meeting of the Waverly Community Schools Board of Education was called to order by President Britt Slocum at 6:30 p.m. in the Administrative Center Board Room, 515 Snow Road, Lansing, Michigan.

***Members Present:***

Mr. Britt Slocum, President  
Mrs. Angela Witwer, Vice President  
Mrs. Mary Ann Martin, Secretary  
Mr. Calvin L. Jones, Treasurer  
Mrs. Melissa Sherry, Vice Secretary/Treasurer  
Mr. Alan Wright, Trustee  
Mr. William Altimore, Trustee

***Staff Present:***

Terry Urquhart, Superintendent  
Dorothy Blackwell, Chief Academic Officer  
Evan Nuffer, Director of Finance  
Vincent C. Perkins, Director of Human Services  
Gloria Gonzalez, Student Services Administrator  
Al Momrik, Director of Technology  
Gretchen Mikula  
Matt Oppenheim  
Vickie Tisdale  
Bruce Henderson  
Tracy Mishler  
Becky McQuillan  
Ann Ferrin  
Kim Walker  
Linda Blair  
Patty Little  
Beth D'Mello  
Shawn Talifarro  
Rebecca Pease

***Others Present:***

Mary Jo White  
Tammy Thompson  
Arnold Weinfeld  
Stan Kogut  
Daryl Tilley  
Susan Owens  
Kyle Ranieri, Student Representative

***Pledge***

The pledge of allegiance was led by Beth D'Mello.

***Special Presentations***

Board President Britt Slocum presented a plaque and gift certificate to Kyle Ranieri in recognition of his year of service as the Board's Student Representative. He stated it was a pleasure having Kyle, with his positive attitude, at the table.

***Correspondence***

Secretary Martin reported Board members had received a couple of emails.

***Public Comment***

Addressing the Board during Public Comment were Gretchen Mikula and Arnold Weinfeld.

***Student Representative Report***

Student Representative Kyle Ranieri reported the Reflections will be having its annual Pops Concert on Friday at 7:00 p.m. in the High School Auditorium. The year's theme is "The Boys are Back", alluding to the return of the boys to the group in contrast with the all-girls group in the 2011-2012 school year.

The National Honor Society held a very successful blood drive recently. The blood drive, the first major event planned with the Class of 2014 Honor Society, exceeded its goal in blood collection. This accomplishment retained the high school in a status as one of the best high school donors in the area.

Commencement for the Class of 2013 will be held on Saturday, June 1 at 6:00 p.m. at the Wharton Center for the Performing Arts. The Orchestra and Reflections will perform and Student Senate and National Honor Society members are staffing the event. This is an event that truly brings together the Waverly Community.

The Class of 2013 had its last day of high school last week, filling the school with a mixture of emotions as students acknowledged their own growth and also the departure of those that they have looked up to as they fill their spots. The Class of 2014 is excited and ready to serve as the role model for the entire school and the entire student body is excited for the arrival of the Class of 2017 to the High School.

Students have some very big plans for the summer as the student body counts down the final days. Some students are traveling internationally, some are attending music programs, some are attending dance programs in major cities, and some are taking college classes. Many students are continuing with their artistic disciplines, with some even entering art competitions. Many students are planning to test out of various courses at the High School. Along with these major plans, some students are deciding to work, relax, and have fun. The summer of 2013 is shaping up to be an unforgettable summer.

***Board Member Comment***

Member Sherry said she looks forward to Commencement on Saturday.

Member Jones stated he is looking forward to Seniors Honors Night and Commencement.

Member Wright reported he had the opportunity to attend the final Orchestra Concert, with High School and Middle School students playing together.

Member Altimore thanked Member Wright for giving Board members a mandate to develop the best technology program we can for our kids. Our voters supported the District's bond request, while other technology proposals went down in defeat. Member Altimore stated he doesn't share the enthusiasm others do for joining the CAAC Blue Division. He wonders if it will support all programs and benefit everyone. Member Altimore is taking a wait and see attitude, noting he is a total sports program person. Member Altimore said the coaches of the spring sports are doing a great job hustling and putting players in a position to win. He indicated our sports facilities need to be at looked at and upgraded.

President Slocum thanked Member Wright for his insight into the Ingham ISD technology proposal. He reported there was one Waverly Senior Level team in the DI Globals in Knoxville, Tennessee. They didn't win, but also did not come in last—their mechanics broke down during their presentation. President Slocum said the one Senior on the team, his daughter Maggie, was recognized at a special graduation ceremony in Knoxville.

***Adoption of Agenda***

A motion was presented by Member Martin and supported by Member Witwer. MOTION: The Board of Education approves the adoption of the agenda as presented.

**Adoption of Agenda (cont.)**

Motion carried. VOTE: AYES – 7; NAYS – 0

**Approval of Minutes**

The minutes of the regular meeting of May 13, 2013 were approved as presented.

**Curriculum Committee Report**

Gloria Gonzalez, Student Services Administrator, reported the Curriculum Advisory Committee met on May 13 prior to the Board meeting. They reviewed a proposal for a model program for the High School which will provide a plan for continuum of services for Special Education in the co-teaching model. Also discussed was commitment to a three year old preschool program.

**Policy (1<sup>st</sup> Reading) – For Discussion**

A motion was presented by Member Altimore and supported by Member Martin. MOTION: The Board of Education approves the policies listed below at second reading. Member Wright provided clarification of bylaw 0122, Item V: *if it does impact a member of a collective bargaining unit, the impact is still on the Board.*

Bylaw 0122	Board Powers	Revised
Bylaw 0144.3	Conflict of Interest	Revised
Policy 2270	Religion in the Curriculum	Revised
Policy 2370.01	On-Line/Blended Learning Program	Revised
Policy 4162	<del>Drug</del> <b>Controlled Substance and Alcohol Testing Policy for of Commercial Motor Vehicle (CMV) Drivers CDL License Holders</b>	Revised
Policy 5112	Entrance Age	Revised
Policy 5113.01	Schools of Choice (Intra-District)	Revised
Policy 5340.01	Concussions and Athletic Activities	New
Policy 5515.01	Safe Operation of Motorized Utility Vehicles by Students	New
Policy 5610	Emergency Removal, Suspension, and Expulsion of Nondisabled Students	Revised
Revised 5610.01	<del>Permanent</del> <b>Expulsions/Suspensions – Required by Statute</b>	Revised
Policy 6550	Travel Payment & Reimbursement	New
Policy 7540.07	Personal Internet Account Privacy – Students	New
Policy 7540.08	Personal Internet Account Privacy – Staff	New
Policy 8800	Religious/Patriotic Ceremonies and Observances	Revised

Motion carried. VOTE: AYES – 7; NAYS – 0

**Variable Speed Drive Purchase – Report #12-74 – For Action**

A motion was presented by Member Wright and supported by Member Altimore. MOTION: The Board of Education approves the purchase of Variable Speed Drives to the lowest cost bidder(s), who meets minimum specifications, per Board Policy 6320 (Purchasing).

Motion carried. VOTE: AYES – 7; NAYS – 0

**Finance/Personnel Advisory Committee Report**

The Finance/Personnel Advisory Committee met on May 13 prior to the regular Board meeting. Director of Finance Evan Nuffer presented a 2012-2013 budget amendment recommendation as a result of increased expenditures and increased revenues pertaining to an additional \$550,000 award for the School Improvement Grant at the Middle School. Mr. Nuffer presented a preliminary presentation of the 2013-2014 General Fund Budget. The budget

***Finance/Personnel Advisory Committee Report (cont.)***

includes assumptions related to student enrollment and State Aid and anticipated savings from the alternative education program, reduction in capital expenditures, reduction in staff and replacement of certified teaching staff through retirement/resignation. Also included is an assumption for savings with the 2013 School Facility Improvement Bonds and additional revenue from the Special Education funding system with the Act 18 dollars through the ISD. Mr. Nuffer commended Gloria Gonzalez for her work in programming in a way that best serves our students while reducing the costs of our programs. This will be evidenced in the operation of an ASD program at Winans for the 2013-2014 school year.

Mr. Nuffer presented an update for the work in progress for the 2013 School Facility Improvement Bonds. We are currently under budget with the awards the Board has granted. Installation of boilers and lighting is expected to take place during the summer months and be completed before school begins in the fall. The full program is expected to be completed by December 2013.

The City of Lansing has requested an easement along the Windemere View property to extend the River Trail. Mr. Nuffer is checking to see if costs will be covered by the City of Lansing. Following discussion, Member Martin and Member Slocum concurred that we should move forward and bring this before the full Board once we have the appropriate resolution to present.

In the Personnel area, Vince Perkins presented the Preschool Wage and Benefit Schedule for the 2013-2014 school year. To receive the program funding for Great Start Readiness Program (GSRP), the program must complete a self-assessment and score a minimum of three (3) stars in each of the categories assessed. Included in the self-assessment is any preschool program housed in the same building as GSRP. The self-assessment showed a deficiency which could be corrected by adopting a wage/benefit structure for the tuition-based preschool program. Member Martin and Member Slocum recommended taking the schedule to the full Board for approval.

***Personnel Recommendations – Report #12-75 – For Action***

A motion was presented by Member Jones and supported by Member Witwer. MOTION: The Board of Education approves child care leave for Karen Berry (Winans 2<sup>nd</sup> Grade Teacher) and termination (job abandonment) of Nikole Huggins (Colt Lunch Assistant).

Motion carried. VOTE: AYES – 7; NAYS – 0

***Budget Amendment 2012-2013 (2<sup>nd</sup> revision) – Report #12-76 – For Action***

A motion was presented by Member Martin and supported by Member Witwer. MOTION: The Board of Education approves the 2012-2013 General Fund budget as presented, showing revenues of \$28,816,110 and expenditures of \$30,359,533.

Motion carried. VOTE: AYES – 7; NAYS – 0

***Wage Scale for Tuition Preschool – Report #12-77 – For Action***

A motion was presented by Member Martin and supported by Member Wright. MOTION: The Board of Education approves the Wage/Benefit Schedule for Waverly Tuition Preschool Lead Teachers and Associate Teachers.

Motion carried. VOTE: AYES – 7; NAYS – 0

***Presentation – 2013-2014 Proposed Budget***

Director of Finance, Evan Nuffer, provided a PowerPoint presentation on the proposed 2013-2014 budget representing the district's goal to eliminate the deficit over a 24 month period. A Public Hearing on the proposed budget will be held on Monday, June 10, 2013 at 6:00 p.m. The 2013-2014 Budget will be presented to the Board of Education for action at its regular 6:30 p.m. meeting on June 10.

***Ingham Intermediate School District General Education Fund 2013-2014 Proposed Budget – Report #12-78 – For Action***

A motion was presented by Member Jones and supported by Member Sherry. MOTION: The Board of Education supports the ISD Budget Resolution as presented in the support material.

Motion carried. VOTE: AYES – 7; NAYS – 0

***For Discussion – Technology Services***

Superintendent Urquhart announced Al Momrik, Waverly Director of Technology would be making a presentation to the Board regarding the current technology program. Following that presentation, the Board would have the opportunity to discuss and receive clarification on the technology proposal presented by Daryl Tilley of the Ingham Intermediate School District.

A lengthy discussion took place resulting in the Board of Education asking for an accurate audit of technology services to be performed.

***Superintendent's Report***

Superintendent Urquhart reported we have come to the end of the year with Senior Honors Night and Commencement this week.

Superintendent Urquhart thanked the Board for being part of tough decisions and urged them to do the best they can for our kids based on the facts.

***Public Comment***

Addressing the Board during Public Comment were Bruce Henderson and Susan Owens.

***Other Board Business***

President Slocum announced the Board would be moving to closed session to conduct the Superintendent's evaluation, noting no action would be taken when the Board returns to open session.

A motion was presented by Member Martin and supported by Member Jones. MOTION: The Board of Education moves to closed session for the purpose of evaluating Superintendent Urquhart.

Roll call vote: AYES – Members Slocum, Witwer, Martin, Jones, Sherry, Wright, and Altimore  
NAYS - None

Motion carried 7-0.

***Closed Session***

The Board went into closed session at 8:45 p.m.

***Return to Open Session***

The Board returned to open session at 9:49 p.m. Superintendent Urquhart returned to the meeting and was given a verbal report from the Board.

***Adjournment***

The meeting adjourned at 10:14 p.m.

Respectfully submitted,

Mary Ann Martin, Secretary  
rlp

\*\*\*Consent Agenda

**WAVERLY COMMUNITY SCHOOLS  
BOARD OF EDUCATION  
REGULAR BOARD MEETING  
June 10, 2013**

**Report #12-79**

**FOR ACTION\*\*\***

**Subject:**

Financial Recommendation

**Recommendation:**

It is recommended the following be approved:

**Treasurer's Report:**

The cash balance as of April 30, 2013 was \$3,071,930.01. Receipts during May, consisting of property taxes, state aid and other revenues in the amount of \$1,917,918.76\*, minus disbursements during May of \$3,598,481.07, left the district with a General Fund cash balance, as of May 31, 2013, of \$1,391,367.70.

\*The fifth of five installments payments on the State Aid Note was deducted from May's receipt of State Aid.

**Waverly Community Schools  
Budgetary Comparison Schedule  
For the Month Ended May 31, 2013**

	Final Budget	Actual	Over (Under) Budget	% Available
<b>Revenue</b>				
Local sources	8,534,914	8,061,285	(473,629)	5.5%
State sources	15,583,174	11,376,227	(4,206,947)	27.0%
Federal sources	2,692,805	1,567,554	(1,125,251)	41.8%
Intergovernmental	1,918,002	1,400,227	(517,775)	27.0%
Transfers In	87,215	-	(87,215)	100.0%
<b>Total revenue</b>	<b>28,816,110</b>	<b>22,405,294</b>	<b>(6,410,816)</b>	<b>22.2%</b>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Basic program	14,564,948	11,624,718	(2,940,230)	20.2%
Added needs	3,388,293	2,692,052	(696,241)	20.5%
<b>Total instruction</b>	<b>17,953,241</b>	<b>14,316,770</b>	<b>(3,636,471)</b>	<b>20.3%</b>
<b>Support Services:</b>				
Pupil	1,829,056	1,493,580	(335,476)	18.3%
Instructional staff	2,196,030	1,560,629	(635,401)	28.9%
General administration	391,621	338,162	(53,459)	13.7%
School administration	1,860,849	1,611,678	(249,172)	13.4%
Business	422,219	410,092	(12,126)	2.9%
Operations and maintenance	3,110,274	2,713,667	(396,607)	12.8%
Pupil transportation services	966,122	793,293	(172,829)	17.9%
Central	648,947	579,886	(69,061)	10.6%
Other	57,850	29,016	(28,834)	49.8%
<b>Total support services</b>	<b>11,482,968</b>	<b>9,530,002</b>	<b>(1,952,966)</b>	<b>17.0%</b>
Athletics	396,571	368,137	(28,434)	7.2%
Community services	6,920	8,064	1,144	-16.5%
Non Publics	2,618	1,549	(1,069)	40.8%
<b>Debt service:</b>				
Principal	-	-	-	0.0%
Interest	-	-	-	0.0%
Capital outlay	287,445	298,736	11,291	-3.9%
Payments to other public schools	229,770	232,197	2,427	-1.1%
<b>Total expenditures</b>	<b>30,359,533</b>	<b>24,755,455</b>	<b>(5,604,078)</b>	<b>18.5%</b>
Excess of Revenue (Under)Over Expenditures	(1,543,423)	(2,350,161)	(806,738)	
Transfers Out	-	-	-	0.0%
Net Change in Fund Balance	(1,543,423)	(2,350,161)	(806,738)	
Fund Balance - Beginning of year	4,066,016	4,066,016		
Fund Balance - End of year	2,522,593	1,715,855	(806,738)	
	8.3%			

**WAVERLY COMMUNITY SCHOOLS  
BOARD OF EDUCATION  
REGULAR MEETING  
June 10, 2013**

**Report #12-80**

**FOR ACTION\*\*\***

**Subject:**

Certification of Summer Tax Levy – City of Lansing, Delta Township and Lansing Township

**Recommendation:**

The Superintendent recommends the Board of Education adopts the proposed summer tax levy for the City of Lansing, Delta Township and Lansing Township. A certified copy is affixed to the official minutes of this meeting. A copy of the certification (L-4029) is included in the support materials.

**Statement of Purpose:**

To certify the tax levy, allowing local taxing units to collect summer taxes for the district.

**Budget Impact:**

If the certification of tax levy is not adopted, taxing units will not collect summer taxes for the school district.

**Historical Perspective:**

Section 380.1213 of Michigan School Code provides that the Secretary of the Board of Education file a certified copy of a resolution adopted by the Board, stating the number of mills to be levied on taxable properties within the school district. This certification is to be filed with the appropriate township(s) and city clerk(s).

A breakdown of the summer tax levy is as follows:

<b>Operating –</b>	
<b>All – Voted (Hold Harmless)</b>	<b>2.2375</b>
<b>Commercial Personal – Voted</b>	<b>5.2375</b>
<b>Nonhomestead (All Other) – Voted</b>	<b>6.7625</b>
<b>Debt –</b>	
<b>All - Voted</b>	<b>2.9900</b>

The summer levy for the City of Lansing, Lansing Township and Delta Township is based upon fifty percent (50%) of the total levy.

**Discussion of Options:**

The Board may adopt the recommendation as presented, reject the recommendation or could reduce the amount of any of the above levies. Any reduction in tax levy will result in the loss of revenue for the District.

**Strategic Plan Reference:**

As the heart of the community, our mission is to educate and prepare each student to achieve her or his academic best, develop character, become a life long learner, and contribute as a citizen of our global society.

**2013 Tax Rate Request (This form must be completed and submitted on or before September 30, 2013)**

**MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS**

**Carefully read the instructions on page 2.**

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory; Penalty applies.

County(ies) Where the Local Government Unit Levies Taxes <b>Eaton County - Delta Township</b>	2013 Taxable Value for ALL Properties in the Unit as of 5-28-13. <b>573,732,004</b>
Local Government Unit Requesting Millage Levy <b>Waverly Community Schools</b>	For LOCAL School Districts: 2013 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. <b>"Not yet known"</b>

**This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2013 tax roll.**

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election, Charter, etc.	(5)** 2012 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2013 Current Year "Headlee" Millage Reduction Fraction	(7) 2013 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Extra Voted	Operating NON-HOME	05/2012	18.0000	18.0000	1.0000	18.0000	1.0000	18.0000	6.7625		12/2022
Hold Harmless Extra Voted	Operating ALL	05/2012	9.3000	9.3000	1.0000	9.3000	1.0000	9.3000	2.2375		12/2022
Extra Voted	DEBT-ALL	06/2000	5.4800	N/A	1.0000	N/A	1.0000	5.9800	2.9900		12/2020

Prepared by <b>Heather VanderMoere</b>	Telephone Number <b>(517) 244-1291</b>	Title of Preparer <b>Ingham ISD Accounting Specialist</b>	Date <b>05/30/13</b>
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**CERTIFICATION:** As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

<input type="checkbox"/> Clerk	Signature	Print Name	Date
<input checked="" type="checkbox"/> Secretary			
<input type="checkbox"/> Chairperson	Signature	Print Name	Date
<input checked="" type="checkbox"/> President			

\* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

\*\* **IMPORTANT:** See instructions on page 2 regarding where to find the millage rate used in column (5).

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 2 of 2013 for instructions on completing this section.	
Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	<b>Rate ***</b>
For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal	2.2375
For Commercial Personal	5.2375
For all Other	9.0000

**\*\*\* FOR JULY 1 LEVY**

**2013 Tax Rate Request (This form must be completed and submitted on or before September 30, 2013)**

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County(ies) Where the Local Government Unit Levies Taxes <b>Ingham County - City of Lansing</b>	2013 Taxable Value for ALL Properties in the Unit as of 5-28-13. <b>1,755,815</b>
Local Government Unit Requesting Millage Levy <b>Waverly Community Schools</b>	For LOCAL School Districts: 2013 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. <b>"Not yet known"</b>

**This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2013 tax roll.**

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election, Charter, etc.	(5)** 2012 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2013 Current Year "Headlee" Millage Reduction Fraction	(7) 2013 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Extra Voted	Operating NON-HOME	05/2012	18.0000	18.0000	1.0000	18.0000	1.0000	18.0000	6.7625		12/2022
Hold Harmless Extra Voted	Operating ALL	05/2012	9.3000	9.3000	1.0000	9.3000	1.0000	9.3000	2.2375		12/2022
Extra Voted	DEBT-ALL	06/2000	5.4800	N/A	1.0000	N/A	1.0000	5.9800	2.9900		12/2020

Prepared by <b>Heather VanderMoere</b>	Telephone Number <b>(517) 244-1291</b>	Title of Preparer <b>Ingham ISD Accounting Specialist</b>	Date <b>05/30/13</b>
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**CERTIFICATION:** As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

<input type="checkbox"/> Clerk	Signature	Print Name	Date
<input checked="" type="checkbox"/> Secretary			
<input type="checkbox"/> Chairperson	Signature	Print Name	Date
<input checked="" type="checkbox"/> President			

\* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

\*\* **IMPORTANT:** See instructions on page 2 regarding where to find the millage rate used in column (5).

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 2 of 2013 for instructions on completing this section.	
Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	<b>Rate ***</b>
For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal	2.2375
For Commercial Personal	5.2375
For all Other	9.0000

**\*\*\* FOR JULY 1 LEVY**

**2013 Tax Rate Request (This form must be completed and submitted on or before September 30, 2013)**

**MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS**

**Carefully read the instructions on page 2.**

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory; Penalty applies.

County(ies) Where the Local Government Unit Levies Taxes <b>Ingham County - Lansing Township</b>	2013 Taxable Value for ALL Properties in the Unit as of 5-28-13. <b>107,377,162</b>
Local Government Unit Requesting Millage Levy <b>Waverly Community Schools</b>	For LOCAL School Districts: 2013 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. <b>"Not yet known"</b>

**This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2013 tax roll.**

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election, Charter, etc.	(5)** 2012 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2013 Current Year "Headlee" Millage Reduction Fraction	(7) 2013 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Extra Voted	Operating NON-HOME	05/2012	18.0000	18.0000	1.0000	18.0000	1.0000	18.0000	6.7625		12/2022
Hold Harmless Extra Voted	Operating ALL	05/2012	9.3000	9.3000	1.0000	9.3000	1.0000	9.3000	2.2375		12/2022
Extra Voted	DEBT-ALL	06/2000	5.4800	N/A	1.0000	N/A	1.0000	5.9800	2.9900		12/2020

Prepared by <b>Heather VanderMoere</b>	Telephone Number <b>(517) 244-1291</b>	Title of Preparer <b>Ingham ISD Accounting Specialist</b>	Date <b>05/30/13</b>
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**CERTIFICATION:** As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

<input type="checkbox"/> Clerk	Signature	Print Name	Date
<input checked="" type="checkbox"/> Secretary			
<input type="checkbox"/> Chairperson	Signature	Print Name	Date
<input checked="" type="checkbox"/> President			

\* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

\*\* **IMPORTANT:** See instructions on page 2 regarding where to find the millage rate used in column (5).

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 2 of 2013 for instructions on completing this section.	
Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	<b>Rate ***</b>
For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal	2.2375
For Commercial Personal	5.2375
For all Other	9.0000

**\*\*\* FOR JULY 1 LEVY**

**WAVERLY COMMUNITY SCHOOLS  
BOARD OF EDUCATION  
REGULAR BOARD MEETING  
June 10, 2013**

**Report 12-81**

**FOR ACTION**

**Subject:**

Waverly Community Schools 2013-14 proposed budget(s)

**Recommendation:**

The Superintendent recommends the Board of Education approve the following resolutions:

The 2013-14 General Fund Resolution with revenues of \$28,152,657 and expenditures of \$28,811,193

The 2013-14 Debt Retirement Fund Resolution with revenues of \$4,633,546 and expenditures of \$4,468,000

The 2013-14 Special Revenue Funds Resolution with revenues of \$1,275,264 and expenditures of \$1,275,264

**Statement of Purpose:**

The chief administrative officer is required to provide the school board such information as the board requires for proper consideration of the recommended budget. (MCL 141.434)

**Budget Impact:**

The projected General Fund balance as of June 30, 2014 will be \$1,864,055, or 6.5% of current year operating expenditures.

The projected Debt Retirement Fund balance as of June 30, 2014 will be \$402,629, or 9.0% of current year operating expenditures.

The projected Special Revenue Funds balance as of June 30, 2014 will be \$335,790, or 26.3% of current year operating expenditures.

**Historical Perspective:**

School districts are required to adopt their 2013-14 budget(s) by June 30, 2013 for the fiscal year beginning July 1, 2013.

**Discussion of Options:**

The Board may adopt the resolutions collectively, reject the resolutions collectively, or take action on each individual resolution separately.

**Rationale for Recommendation:**

The Board of Education has the responsibility of reviewing the budget presented, holding a public hearing, modifying it as necessary, and approving it for implementation prior to the beginning of the fiscal year. (MCL 141.434)

**Strategic Plan Reference:**

As the heart of the community, our mission is to educate and prepare each student to achieve her or his academic best, develop character, become a life long learner, and contribute as a citizen of our global society.

**GENERAL FUND APPROPRIATIONS**  
**Resolution for Adoption by**  
**The Waverly Community Schools Board of Education**

**RESOLVED** that this resolution shall be the General appropriations of Waverly Community Schools for the 2013-2014 fiscal year; a resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all revenue received by the Waverly Community Schools.

**BE IT FURTHER RESOLVED**, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the General Fund of the school district for fiscal year 2013-2014 which includes 18.0000 operating mills to be levied on all property, except principal residence and other property exempted by law and 4.4749 supplemental (hold harmless) operating mills on all principal residences, qualified agricultural property, qualified forest property, industrial personal property and commercial personal property not otherwise exempted by law of ad valorem taxes to be used for operating purposes is as follows:

**Revenue:**

Local	\$8,583,316
State	15,523,543
Federal	2,037,160
Other Financing Sources	2,008,638
Total Revenue	\$28,152,657
Total Fund Balance, July 1 Available to Appropriate	\$2,522,591
Total Available to Appropriate	\$30,675,248

**BE IT FURTHER RESOLVED**, that \$28,811,193 of the total available to appropriate in the general fund is hereby appropriated in the amounts and for the purposes set forth below:

**Expenditures:**

Instruction	
Basic Programs	\$14,370,566
Added Needs	3,377,161
Support Services	
Pupil Support	1,803,265
Instructional Staff Support	1,526,857
General Administration	395,702
School Administration	1,830,907
Business Services	466,002
Operations and Maintenance	2,901,029
Transportation	950,154
Central Support	643,552
Other Support	481,162
Community Services	5,925
Nonpublic Schools	2,325
Facilities Acquisitions and Debt Service	56,585
Other Financing Uses	-0-
Total Appropriated	\$28,811,192

**BE IT FURTHER RESOLVED**, that no board of education member or employee of the school district shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the board of education and in keeping with the budgetary policy statement hitherto adopted by the board. Changes in the amount appropriated by the board shall require approval of the board.

Ayes: Members

Nays: Members

Resolution declared adopted.

\_\_\_\_\_  
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of \_\_\_\_\_, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board of Education at a \_\_\_\_\_ meeting held on \_\_\_\_\_, 2013, the original of which resolution is a part of the Board's minutes, and further certifies that notice of the meeting was given to the public under the Open Meetings Act, 1976 PA 267, as amended.

\_\_\_\_\_  
Secretary, Board of Education

**DEBT SERVICE FUNDS APPROPRIATIONS**  
**Resolution for Adoption by**  
**The Waverly Community Schools Board of Education**

**RESOLVED** that this resolution shall be the Debt Retirement appropriations of Waverly Community Schools for the 2013-2014 fiscal year; a resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all revenue received by Waverly Community Schools.

**BE IT FURTHER RESOLVED**, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the Debt Service Funds of the school district for fiscal year 2013-2014 which includes 5.98 debt service mills to be levied on all property not otherwise exempted by law is as follows:

<b>Revenue:</b>	
Local sources	\$4,633,546
Total Revenue	\$4,633,546
Total Fund Balance, July 1 Available to Appropriate	\$237,083
<b>Total Available to Appropriate</b>	<b>\$4,870,629</b>

**BE IT FURTHER RESOLVED**, that \$4,468,000 of the total available to appropriate in the Debt Service Funds is hereby appropriated in the amounts and for the purposes set forth below:

<b>Expenditures:</b>	
Principal	\$3,100,000
Interest	\$1,368,000
<b>Total Appropriated</b>	<b>\$4,468,000</b>

**BE IT FURTHER RESOLVED**, that no board of education member or employee of the school district shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the board of education and in keeping with the budgetary policy statement hitherto adopted by the board. Changes in the amount appropriated by the board shall require approval of the board.

Ayes: Members

Nays: Members

Resolution declared adopted.

\_\_\_\_\_  
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of \_\_\_\_\_, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board of Education at a \_\_\_\_\_ meeting held on \_\_\_\_\_, 2013, the original of which resolution is a part of the Board's minutes, and further certifies that notice of the meeting was given to the public under the Open Meetings Act, 1976 PA 267, as amended.

\_\_\_\_\_  
Secretary, Board of Education

**SPECIAL REVENUE FUNDS APPROPRIATIONS**  
**Resolution for Adoption by**  
**The Waverly Community Schools Board of Education**

**RESOLVED** that this resolution shall be the Special Revenue appropriations of Waverly Community Schools for the 2013-2014 fiscal year; a resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all revenue received by Waverly Community Schools.

**BE IT FURTHER RESOLVED**, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the Special Revenue Funds of the school district for fiscal year 2013-2014 is as follows:

<b>Revenue:</b>	
Local	\$377,107
State	46,157
Federal	852,000
Total Revenue	\$1,214,000
Total Fund Balance, July 1 Available to Appropriate	\$335,791
<b>Total Available to Appropriate</b>	<b>\$1,549,791</b>

**BE IT FURTHER RESOLVED**, that \$1,212,157 of the total available to appropriate in the Special Revenue Funds is hereby appropriated in the amounts and for the purposes set forth below:

<b>Expenditures:</b>	
Food Services	\$1,061,835
Community Services	63,107
Fund Modifications (Transfers Out)	87,215
<b>Total Appropriated</b>	<b>\$1,212,157</b>

**BE IT FURTHER RESOLVED**, that no board of education member or employee of the school district shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the board of education and in keeping with the budgetary policy statement hitherto adopted by the board. Changes in the amount appropriated by the board shall require approval of the board.

Ayes: Members

Nays: Members

Resolution declared adopted.

\_\_\_\_\_  
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of \_\_\_\_\_, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board of Education at a \_\_\_\_\_ meeting held on \_\_\_\_\_, 2013, the original of which resolution is a part of the Board's minutes, and further certifies that notice of the meeting was given to the public under the Open Meetings Act, 1976 PA 267, as amended.

\_\_\_\_\_  
Secretary, Board of Education

**WAVERLY COMMUNITY SCHOOLS  
BOARD OF EDUCATION  
REGULAR BOARD MEETING  
June 10, 2013**

**Report #12-82**

**FOR ACTION**

**Subject:**

State Aid Note Program Borrowing Resolution

**Recommendation:**

The Superintendent recommends the Board of Education approves the resolution to borrow money for school operations and issue its notes therefore pledging for the payment of moneys to be received by it pursuant to the State School Aid Act of 1979, Act 94 as amended

**Statement of Purpose:**

Based on a statement of cash flows prepared for upcoming 2013-2014 budget year, it is anticipated the District will need to borrow up to \$3,000,000 to maintain a minimum operating reserve cash balance of \$1,000,000 during the 2013-2014 fiscal year. \$1,000,000 is the approximate amount required to meet bi-weekly payroll and benefits.

**Budget Impact:**

Interest expense related to the short term borrowing is estimated at 1.5%, or approximately \$45,000. The interest rate for 2012-2013 was 0.4%.

**Historical Perspective:**

Under the terms of Section 1225 of Act 451, the School District is authorized to borrow money for school operations and issue notes pledging for the repayment of those notes. For the first time in 2012-2013 the District needed to borrow from the State Aid Note program to meet cash needs.

**Discussion of Options:**

The Board of Education can adopt the resolution as presented, or reject the resolution and seek an alternate source of short term borrowing for the upcoming fiscal year

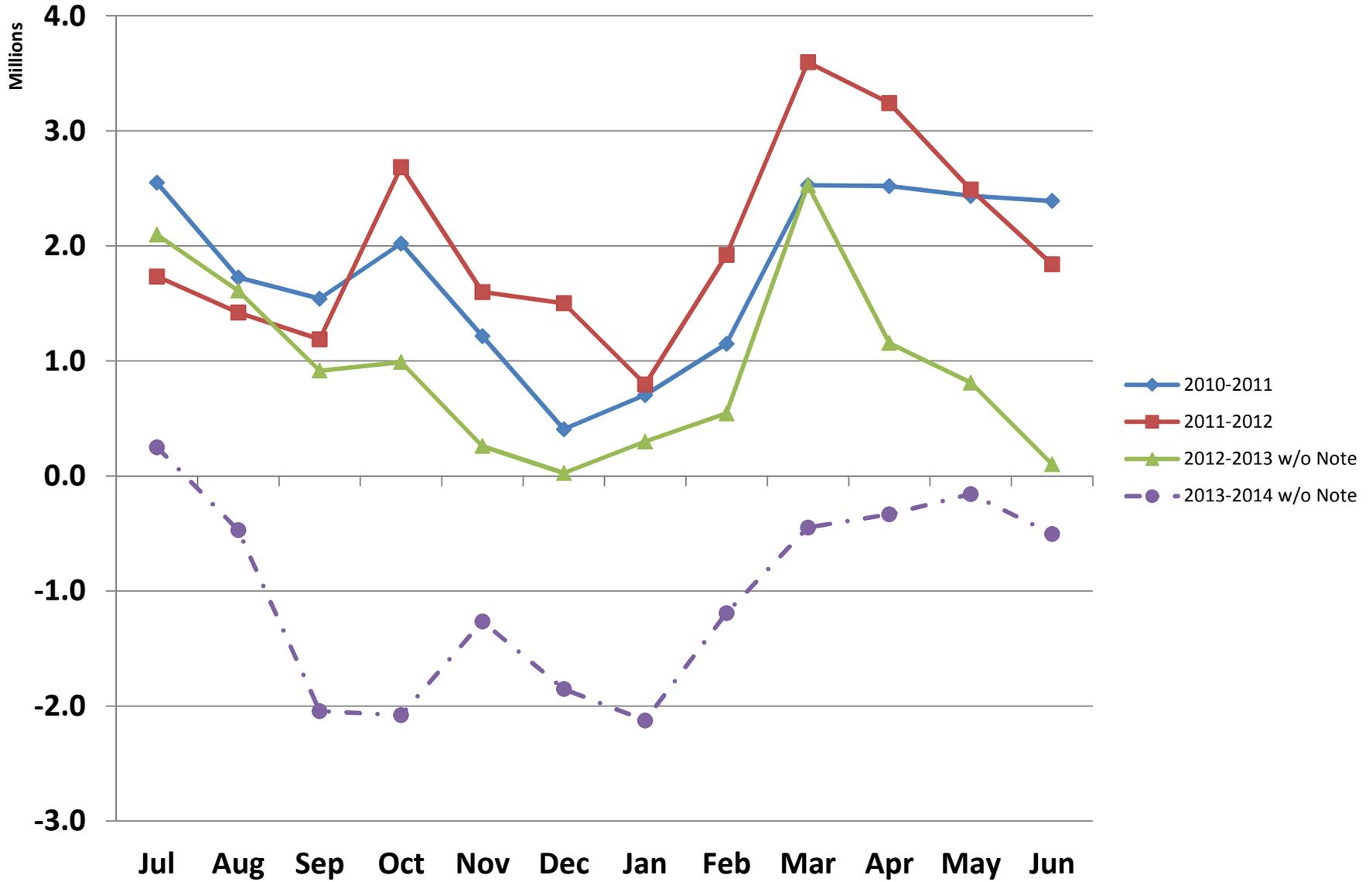
**Rationale for Recommendation:**

Short term borrowing will be necessary to pay the obligations of the School District during the 2013-2014 school year. The MFA offers a low cost financing opportunity to borrow money for school operations by pledging monies received pursuant to the "State Aid Act", which shall be the full faith and credit obligation of the School District.

**Strategic Plan Reference:**

As the heart of the community, our mission is to educate and prepare each student to achieve her or his academic best, develop character, become a lifelong learner and contribute as a citizen of our global society.

# Waverly Community Schools Cash Flow Analysis (Monthly Lows)



**RESOLUTION AUTHORIZING ISSUANCE OF NOTES  
IN ANTICIPATION OF STATE SCHOOL AID**

\_\_\_\_\_

Waverly Community Schools, Ingham, Eaton and Clinton Counties, Michigan (the "School District").

A \_\_\_\_\_ meeting of the Board of Education of the School District was held in the \_\_\_\_\_, in the School District, on the \_\_\_\_\_ day of \_\_\_\_\_, 2013, at \_\_\_\_\_ o'clock in the \_\_\_\_\_.

The meeting was called to order at \_\_\_\_\_ o'clock in the \_\_\_\_\_ by \_\_\_\_\_, President.

Present:       Members

Absent:        Members

The following preamble and resolution were offered by Member \_\_\_\_\_ and supported by Member \_\_\_\_\_:

**WHEREAS**, under the terms of Section 1225 of Act 451, Public Acts of Michigan, 1976, as amended (the "Act"), the School District is authorized to borrow money for school operations and issue its notes therefor, in one or more series, pledging for the payment thereof moneys to be received by it pursuant to the State School Aid Act of 1979, Act 94, Public Acts of Michigan, 1979, as amended (the "State Aid Act"), which notes shall be the full faith and credit obligation of the School District; and

**WHEREAS**, the estimated amount of the state school aid appropriations allocated or to be allocated to the School District for the fiscal year ending June 30, 2014 and expected to be received by the School District from October 2013 through August 2014, inclusive (the "2013/2014 State Aid" or the "Pledged State Aid"), is shown in paragraph 1 of Exhibit A; and

**WHEREAS**, the School District has the need to borrow the sum of not to exceed the amount shown in paragraph 2 of Exhibit A to pay operating expenses for the fiscal year ending June 30, 2014, which amount is estimated to be not more than 70% of the difference between the total state school aid funds apportioned or to be apportioned to the School District for the 2013/2014 State Aid and that portion of the 2013/2014 State Aid already received or pledged; and

**WHEREAS**, the School District plans to issue or has issued notes, bonds or other obligations subject to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), relating to arbitrage and the rebate thereof, including but not limited to federally tax-exempt obligations, Qualified School Construction Bonds and Qualified Zone Academy Bonds, not including this borrowing, during calendar year 2013 in the aggregate principal amount shown in paragraph 3 of Exhibit A; and



WHEREAS, the School District determines that it is in its best interest to borrow the sum of not to exceed the amount shown in paragraph 2 of Exhibit A and issue the general obligation notes in one or more series (the "Note" or "Notes") of the School District therefor.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. In the event that an Authorized Officer (defined below) determines that it is in the best interests of the School District to negotiate the sale of the Notes to the Michigan Finance Authority (the "Authority" or "MFA"), the following provisions shall apply:

A. The School District, pursuant to Section 1225 of the Act, shall issue its Notes in one or more series in order to borrow for the above purpose a sum not to exceed the amount shown in paragraph 2 of Exhibit A, the final amount and series designation to be determined by an officer designated in paragraph 4 of Exhibit A, or a designee who shall be a member of the administrative staff or board of education of the School District (each an "Authorized Officer"), prior to the sale of the Notes, or such portion thereof as the Michigan Department of Treasury (the "Treasury") may approve, if prior approval is necessary, and issue the general obligation Notes of the School District therefor in anticipation of the distribution of the Pledged State Aid.

B. The Notes shall be issued in one or more series, bear interest at the rate or rates determined on the sale thereof, which shall not exceed the maximum rate permitted by law at the time of sale, be dated as set forth in paragraph 5 of Exhibit A, or as of the date of delivery, and be due and payable on the date shown in paragraph 5 of Exhibit A. The Notes shall be payable in lawful money of the United States of America at a bank or trust company qualified to act as paying agent in the State of Michigan, as shall be designated by the Authority. The Notes shall be in denominations to be determined by an Authorized Officer prior to the sale of the Notes. The Notes shall not be subject to redemption prior to maturity.

C. The School District hereby appropriates a sufficient amount of the Pledged State Aid to repay the principal of and interest on the Notes. In addition, the full faith and credit of the School District is hereby irrevocably pledged for payment of the principal of and interest on the Notes and, in case of the insufficiency of the Pledged State Aid, the School District shall pay the Notes from any funds legally available therefor, and, if necessary, levy sufficient taxes on all taxable property in the School District for the payment thereof, subject to applicable constitutional and statutory tax rate limitations.

D. In the event any Authorized Officer determines that it is in the best interest of the School District to choose to pay all or a portion of the principal and interest on the Notes with set-aside installments, the following provisions in this paragraph 1(D) shall apply:

Moneys to pay the principal and interest on the Notes when due shall be set aside in a separate fund with the depository designated in the Purchase Contract described below (the "Depository") in three (3), five (5) or seven (7) equal consecutive monthly set-aside installments (the "Installment" or "Installments"), ending on July 21, 2014, and earlier on the 20th day of each month (or in the case of April, the 21st), or such other state school aid payment date as may be provided for under state law (each a "Payment Date"). If a Payment Date falls on a Saturday, Sunday or legal holiday, the Payment Date shall be the next regular business day. The payment to the Depository shall be made first from the Pledged State Aid received during the month of the Installment. If, for any reason, the Pledged State Aid received during the month of the Installment is insufficient to pay the Installment, then in that event

the School District pledges to use any and all other available funds to meet the Installment obligation. If the School District fails to set aside all or any portion of an Installment (the "Installment Shortfall") on the Payment Date, the Authority is authorized, pursuant to Section 17a(3) of the State Aid Act, to intercept 100% of the Pledged State Aid to be distributed to the School District beginning with the month following the School District's failure to meet the Installment obligation and all months thereafter, in accordance with the terms and conditions of the Purchase Contract (the "Purchase Contract") between the Authority and the School District. Beginning with the month following the Installment Shortfall, the Authority shall intercept 100% of the Pledged State Aid to be distributed to the School District and apply the intercepted amount on the following priority basis: (A) the Installment Shortfall; (B) the current month's Installment; and (C) any amounts remaining to be immediately distributed to the School District. The intercept process set forth above shall continue each month following the Installment Shortfall until sufficient funds are deposited with the Depository to pay the total principal and interest on the Notes. The maximum amount of each Installment will not exceed 50% of the amount of Pledged State Aid due to the School District in any set-aside month.

If the School District has failed to deposit all or a portion of an Installment by the last regular business day of the month of the Installment, the Depository is authorized and directed to give written notice to the Authority, the State Treasurer and the School District on the first regular business day following the last regular business day of the month of the failure to deposit all or a portion of the Installment. Upon receipt of such written notice from the Depository, the Authority shall promptly notify the School District that it will immediately commence to intercept 100% of the Pledged State Aid.

If on July 31, 2014, the funds with the Depository are insufficient to pay the principal of and interest on the Notes when due, the School District, pursuant to Section 17a(3) of the State Aid Act to the extent necessary to meet the payment obligation, assigns to the Authority and authorizes and directs the State Treasurer to advance all or part of any state school aid payment which is dedicated for distribution or for which the appropriation authorizing the payment has been made.

Any Authorized Officer is further authorized to agree, if required by the Authority, to assign to the Authority and authorize and direct the State Treasurer to intercept all or part of any state school aid payment which is dedicated for distribution or for which the appropriation authorizing the state school aid payment has been made pursuant to Section 17(a)(3) of the State Aid Act.

E. Any Authorized Officer is authorized to sell all or a portion of the Notes to the Authority without an Installment payment schedule (the "No Set-Aside Notes") pursuant to the provisions of this resolution. In that event: (a) any Authorized Officer is further authorized to agree, if required by the Authority, to assign to the Authority and authorize and direct the State Treasurer to intercept or advance all or part of any state school aid payment which is dedicated for distribution or for which the appropriation authorizing the state school aid payment has been made pursuant to Section 17a(3) of the State Aid Act; (b) the School District acknowledges that payment of the principal and interest on certain of the No Set-Aside Notes may be secured by a direct-pay letter of credit issued for the account of the Authority and the School District by one or more providers selected by the Authority (each a "Letter of Credit"; and each issuer a "Letter of Credit Bank"); (c) it shall not be deemed a default by the School District under the provisions of the Purchase Contract or the No Set-Aside Notes if the principal and interest on the No Set-Aside Notes shall have been paid in full when due to the Authority from proceeds of a drawing on the Letter of Credit and the drawing on the Letter of Credit is reimbursed by the School District on the designated date set forth in the reimbursement agreement relating to the Letter of Credit; and (d) the School District appoints the Authority as its agent to enter into the reimbursement agreement

for and on behalf of the School District, if required by the Authority, as well as on the Authority's own behalf, and the School District agrees to be referred to as an account party in the Letter of Credit obtained by the Authority to secure payment of the No Set-Aside Notes and a series of the Authority's State Aid Revenue Notes issued to finance the Authority's purchase of the No Set-Aside Notes.

F. The President and Secretary of the Board of Education shall execute the Notes on behalf of the School District, and the executed Notes shall be delivered to the Authority upon the receipt of the purchase price therefor. The Vice-President, Treasurer or Superintendent may execute the Notes instead of either the President or Secretary. The foregoing officials are hereby authorized to execute and deliver a temporary Note or Notes and exchange, when available, final printed Notes therefor at the request of the Authority.

G. Unless the Notes are issued as federally taxable, the School District hereby covenants for the benefit of all holders of the Notes to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be or continue to be excluded from gross income for federal income taxation purposes, including, but not limited to, requirements relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of Note proceeds and moneys deemed to be Note proceeds.

H. If necessary, any Authorized Officer or designee is hereby authorized to make application to Treasury for and on behalf of the School District for an order approving the issuance of the Notes and to pay any applicable fee therefor, or a post-issuance filing fee, as applicable.

I. The President, Vice-President, Secretary, Treasurer, Superintendent, individual acting in the capacity of the school business official, or designee and any Authorized Officer are further authorized to execute any documents or certificates necessary to complete the transaction including, but not limited to, any certificates relating to federal or state securities laws, rules or regulations.

J. The Notes shall be sold to the Authority and the following provisions shall apply:

(i) Any Authorized Officer or designee is hereby authorized to execute and deliver one or more Purchase Contracts with the Authority (which shall be determined by whether one or more series of Notes are issued hereunder) in substantially the form attached hereto as Exhibit B reflecting the terms and conditions of the borrowing with such additions, deletions or substitutions (including without limitation additions, deletions or substitutions required by any Letter of Credit Bank(s) or any original purchaser(s) of the State Aid Revenue Notes issued by the Authority to finance its purchase of the No Set-Aside Notes), as the Authority and any Authorized Officer or designee shall deem necessary and appropriate, including the number of set-asides, if any, and their dates and equal amounts, and not inconsistent with the provisions of this resolution. The choice of whether to make Installments for the Notes and/or the number, dates and amounts of Installments shall be conclusively evidenced by the Purchase Contract. The Purchase Contract shall include the School District's agreement with respect to any Installment not received by the Depository from the School District on the Payment Date, to pay the Authority an amount as invoiced by the Authority to recover its administrative costs and lost investment earnings attributable to that late payment.

(ii) Any Authorized Officer or designee is further authorized to approve the specific interest rate(s) to be borne by the Notes, not exceeding the maximum rate permitted by law, the purchase price of the Notes, not less than the price specified in paragraph 6 of Exhibit A, a guaranteed investment.

agreement or other permitted investment in accordance with state law for funds paid to the Depository, if applicable, direct payments of Pledged State Aid to and if required by the Authority, and other terms and conditions relating to the Notes and the sale thereof.

(iii) The form of the Notes shall contain the following language in substantially the form set forth below as applicable, with such additions, deletions or substitutions (not inconsistent with the Purchase Contract) as the Authority and any Authorized Officer or designee shall deem necessary and appropriate:

Series A-1 (with set-asides)

To the extent permitted by law, the principal of and interest on this Note which remains unpaid after this Note has matured shall bear interest until paid at an interest rate per annum based upon a 360-day year for the actual number of days elapsed equal to two percent (2%) above the stated interest rate on the Authority's State Aid Revenue Notes, Series 2013A-1.

Series A-2 and any additional Series (without set-asides)

To the extent permitted by law, the principal of and interest on this Note which remains unpaid after this Note has matured and all other outstanding and unpaid Payment Obligations shall bear interest until paid at an interest rate per annum based upon a [365/366 day year for the actual number of days elapsed] [or otherwise as provided in the Purchase Contract] equal to the Default Fee or the Default Interest Rate as such terms are defined in Schedule I to the Purchase Contract.

K. By opting to issue its Notes to the Authority, the School District hereby determines that it is in the best interest of the School District to issue its Notes to the Authority rather than sell the Notes at a competitive sale based upon the historical performance of the Authority's note pool program whereby competitive interest rates and reduced costs of issuance are obtained by pooling several participating school districts in one or more series of notes.

L. Within fifteen (15) business days after issuance of the Notes, the Board hereby authorizes and directs the Superintendent to cause to be filed with Treasury any and all documentation required subsequent to the issuance of the Notes, along with any statutorily required fee.

M. The series of Notes issued hereunder are of equal standing as to the Pledged State Aid. The School District reserves the right to issue additional notes or other obligations of equal standing with the Notes as to the Pledged State Aid with the prior written consent of an authorized officer of the Authority. The School District further resolves that the amount payable as to principal and interest on the Notes plus the amount payable as to principal and interest on or prior to the maturity date of the Notes on any additional notes or other obligations of equal standing with the Notes as to payment from Pledged State Aid will not exceed 75% of the amount of Pledged State Aid.

2. In the event that an Authorized Officer determines that it is in the best interests of the School District to sell the Notes to a bank or financial institution through negotiation or by distributing a solicitation for bids, without publication, to obtain bids from banks and/or financial institutions for the purchase of the Note, the following provisions shall apply:

A. Based upon expense considerations associated with publishing a notice of sale, as specified in Section 309(2) of Act 34, Public Acts of Michigan, 2001, as amended, the Board authorizes the distribution of a solicitation for bids, without publication, to obtain bids under the terms of paragraph 2(F) of this resolution.

B. This Issuer shall borrow the sum of not to exceed Three Million Dollars (\$3,000,000) or such lesser amount as the Department of Treasury may approve or as reduced by a member of either the administrative staff or the Board of the Issuer, and shall issue its note or notes (the "Notes") therefor. The Issuer hereby appropriates a sufficient amount of state aid to repay the principal of and interest on the Notes. In addition, the full faith and credit of the Issuer is hereby irrevocably pledged for payment of the principal and interest on the Notes, and in case of insufficiency of state aid, the Issuer shall pay the Notes from any funds legally available therefor, and, if necessary, levy taxes on all taxable property in the Issuer for the payment thereof, subject to applicable constitutional and statutory tax rate limitations, all pursuant to Act 451. The pledge of full faith and credit is subordinate to any encumbrances or tax levies pledged or to be pledged for the payment of tax anticipation notes issued or to be issued by the Issuer pursuant to Act 34, Public Acts of Michigan, 2001, as amended.

It is hereby declared that said borrowing is necessary for the purpose of securing funds for school operations and it is agreed with the purchaser of said Notes that the proceeds thereof will be used exclusively for that purpose.

C. Book Entry. The ownership of one fully registered note for each maturity in the aggregate principal amount of such maturity, shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). So long as the Notes are in the book entry form only, the Paying Agent shall comply with the terms of the Blanket Issuer Letter of Representations to be entered into between the Issuer and DTC, which provisions shall govern registration, notices and payment, among other things, and which provisions are incorporated herein with the same effect as if fully set forth herein. The Superintendent is hereby authorized and directed to enter into the Blanket Issuer Letter of Representations with DTC in such form as determined by the Superintendent, in consultation with note counsel, to be necessary and appropriate. In the event the Issuer determines that the continuation of the system of book entry only transfer through DTC (or a successor securities depository) is not in the best interest of the DTC participants, beneficial owners of the Notes, or the Issuer, the Issuer will notify the Paying Agent, whereupon the Paying Agent will notify DTC of the availability through DTC of the note certificates. In such event, the Issuer shall issue and the Paying Agent shall transfer and exchange Notes as requested by DTC of like principal amount, series and maturity, in authorized denominations to be identifiable beneficial owners in replacement of the beneficial interest of such beneficial owners in the Notes, as provided herein.

D. Said Notes shall be dated as of August 20, 2013, or date of delivery, shall bear interest from the date thereof until paid at a rate not exceeding five percent (5%) per annum on the balance from time to time remaining unpaid, shall be in minimum denominations of \$100,000, shall be payable to the Registered Owner, in lawful money of the United States of America, at such bank or trust company in the State of Michigan as shall be designated by the original purchaser of the Notes, which paying agent qualifies as such under the statutes of the State of Michigan or of the Federal

Government, and shall be due and payable on August 20, 2014. If more than one note is issued, the Notes shall be numbered serially from 1 upwards. Such Notes may be designated, at the option of the purchaser thereof, as a "State Aid Note" or "State Aid Notes".

E. The form of the Notes shall be in substantially the form set forth and attached hereto as Exhibit C.

F. Once the Issuer has either achieved qualified status under Act 34, Public Acts of Michigan, 2001, as amended, or received prior approval for the issuance of the Notes from the authorized representative of the Department of Treasury, and based upon the determination of paragraph 2(A) of this resolution, a member of either the administrative staff or the Board of the Issuer is authorized to arrange for the sale of such Notes without the taking of competitive bids thereon, provided that when competitive bids are solicited and more than one bid received, such Notes shall be awarded to the lowest responsible bidder. The Notes shall be executed by the President and Secretary of the Board. In the absence of the President, the Superintendent may sign in the place of the President, and in the absence of the Secretary, the Treasurer of the Board may sign in place of the Secretary.

G. The form of solicitation for bids shall be in substantially the form set forth and attached hereto as Exhibit D.

H. If the Issuer has not achieved qualified status under Act 34, Public Acts of Michigan, 2001, as amended, a member of either the administrative staff or the Board of the Issuer is hereby authorized and directed to file a certified copy of this resolution with the authorized representative of the Department of Treasury for and on behalf of the Issuer and an application for an order approving such borrowing and issuance of said Notes, if applicable, and to pay any applicable fee therefor.

I. The Board covenants to comply with existing provisions of the Internal Revenue Code of 1986, as amended, necessary to maintain the exemption of interest on the Notes from federal income taxation.

J. A member of either the administrative staff or the Board of the Issuer is further authorized to approve the specific interest rate to be borne by the Notes, not exceeding the maximum rate permitted by law, the purchase price of the Notes, and other terms and conditions relating to the Notes and the sale thereof. A member of either the administrative staff or the Board of the Issuer is directed to execute a certificate accepting the interest rate and purchase price of the Notes on behalf of the Issuer.

3. Within fifteen (15) business days after issuance of the Notes, the Board hereby authorizes and directs the Superintendent to cause to be filed with the Department of Treasury any and all documentation required subsequent to the issuance of the Notes, along with any statutorily required fee.

4. The President, Vice President, Secretary, Treasurer, Superintendent and the individual acting in the capacity of the school business official are each further authorized to execute any documents or certificates necessary to complete the transaction. Any of those officers may designate, in writing, an individual to act in their place with respect to the powers conveyed in this paragraph.

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

Ayes: Members

Nays: Members

Resolution declared adopted.

\_\_\_\_\_  
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of Waverly Community Schools, Ingham, Eaton and Clinton Counties, Michigan hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board at a \_\_\_\_\_ meeting held \_\_\_\_\_, 2013, the original of which is a part of the Board's minutes and further certifies that notice of the meeting was given to the public pursuant to the provisions of the Open Meetings Act, 1976 PA 267, as amended.

\_\_\_\_\_  
Secretary, Board of Education

CJI:clw

## EXHIBIT A

1. Estimated 2013/2014 State Aid allocated or to be allocated for fiscal year ending June 30, 2014: \$ 15,513,238 (total amount estimated to be received from October 1, 2013 through August 31, 2014).
2. Amount of borrowing not to exceed: \$3,000,000.
3. Principal amount of Notes, bonds or other obligations subject to Section 148 of the Internal Revenue Code of 1986, as amended, relating to arbitrage and the rebate thereof, including but not limited to federally tax-exempt obligations, Qualified School Construction Bonds, and Qualified Zone Academy Bonds, not including this borrowing, issued or to be issued during the 2013 calendar year: \$ 34,925,000 (include plans for voted or non-voted bonds, refunding bonds, additional state aid notes, tax anticipation notes, installment purchase agreements, and lease-purchase agreements).
4. Authorized Officer: Superintendent, President or Vice President of the Board of Education, Assistant Superintendent or individual acting in the capacity of the school business official.
5. The Notes shall be dated August 20, 2013 and shall mature on August 20, 2014, or such other date as determined by any Authorized Officer.
6. Purchase price: Not less than 97% of the principal amount of the Notes.
7. Five percent (5%) of estimated fiscal year 2013/2014 operating expenses: \$ 1,440,560.

**WAVERLY COMMUNITY SCHOOLS  
BOARD OF EDUCATION  
REGULAR BOARD MEETING  
June 10, 2013**

**Report #12-83**

**FOR ACTION**

**Subject:**

2013 Taxable Refunding Bonds Resolution

**Recommendation:**

The Superintendent recommends the Board of Education approves the resolution to refund the callable portion of the 2005 Refunding Bonds.

**Statement of Purpose:**

The purpose is to authorize the sale of taxable refunding bonds, the proceeds of which will be used to repay the callable portion of the principal on the 2005 Refunding Bonds. The principal amount of the callable portion is \$23,220,000.

**Budget Impact:**

There is no impact to the General Fund of the District.

**Historical Perspective:**

Under the terms of Public Act 451 of 1976, as amended, the School District is authorized to issue bonds. The District authorized bonds in the amount of \$49,000,000 on June 12, 2000 and authorized an advance refunding of those bonds in 2005.

**Discussion of Options:**

The Board of Education can entertain a motion to adopt the resolution as presented, or reject the resolution.

**Rationale for Recommendation:**

The rationale for refunding the callable portions of the outstanding 2005 Refunding Bonds is to obtain interest rate savings on the existing callable portions of the 2005 Refunding Bonds. The current interest rates on the 2005 Refunding Bonds are 5.00%. The rates on the Taxable Refunding Bonds range from 0.60% - 2.30%, providing a net present value savings estimated at \$1,547,000 or 6.63% of the principal amount.

**Strategic Plan Reference:**

As the heart of the community, our mission is to educate and prepare each student to achieve her or his academic best, develop character, become a lifelong learner and contribute as a citizen of our global society.

## WAVERLY COMMUNITY SCHOOLS

### PROPOSED 2013 GENERAL OBLIGATION REFUNDING BONDS (Stifel Numbers)

### Gross Debt Service Comparison

Date	Principal	Coupon	Interest	New D/S	OLD D/S	Savings
05/01/2014	1,920,000.00	0.600%	241,245.69	2,161,245.69	1,049,000.00	(1,112,245.69)
05/01/2015	1,635,000.00	0.800%	314,495.00	1,949,495.00	1,049,000.00	(900,495.00)
05/01/2016	5,100,000.00	1.050%	296,352.50	5,396,352.50	4,384,000.00	(1,012,352.50)
05/01/2017	5,080,000.00	1.400%	242,068.75	5,322,068.75	4,367,250.00	(954,818.75)
05/01/2018	5,155,000.00	1.700%	170,447.50	5,325,447.50	4,283,000.00	(1,042,447.50)
05/01/2019	575,000.00	2.050%	95,053.75	670,053.75	4,079,250.00	3,409,196.25
05/01/2020	3,755,000.00	2.300%	72,805.00	3,827,805.00	3,881,750.00	53,945.00
05/01/2021	-	-	-	-	3,680,250.00	3,680,250.00
<b>Total</b>	<b>\$23,220,000.00</b>	<b>-</b>	<b>\$1,432,468.19</b>	<b>\$24,652,468.19</b>	<b>\$26,773,500.00</b>	<b>\$2,121,031.81</b>

#### PV Analysis Summary (Gross to Gross)

Gross PV Debt Service Savings	1,559,356.86
Contingency or Rounding Amount	(12,256.13)
Net Present Value Benefit	\$1,547,100.73
Net PV Benefit / \$20,980,000 Refunded Principal	7.374%
Net PV Benefit / \$23,220,000 Refunding Principal	6.663%

#### Refunding Bond Information

Refunding Dated Date	8/06/2013
Refunding Delivery Date	8/06/2013

**WAVERLY COMMUNITY SCHOOLS  
COUNTIES OF INGHAM, EATON AND CLINTON, STATE OF MICHIGAN**

**SUMMARY OF PROPOSED FINANCIAL PLAN**

Taxable Value Year	Fiscal Year Debt Service	Remaining 2005 Bonds [1]	2013		2016	2019	Total Debt Service	Taxable Value	Estimated Growth [6]	Debt Service Mills [7]	Budgeted Mills [8]	Difference
			School Building and Site Bonds [2]	Refunding Bonds [3]	School Building and Site Bonds [4]	School Building and Site Bonds [5]						
2013	2014	\$3,419,000	\$186,704	\$2,184,097			\$5,789,801	782,498,246 *	*	7.47	7.62	(0.15)
2014	2015	3,444,000	231,770	1,949,610			5,625,380	759,975,769 **	-1.00%	7.48	7.62	(0.14)
2015	2016		231,770	5,396,468			5,628,238	759,975,769 **	0.00%	7.48	7.62	(0.14)
2016	2017		231,770	5,322,184	\$76,788		5,630,742	759,975,769 **	0.00%	7.48	7.62	(0.14)
2017	2018		231,770	5,325,563	76,788		5,634,121	759,975,769 **	0.00%	7.49	7.62	(0.13)
2018	2019		4,936,205	670,169	76,788		5,683,162	767,575,527 **	1.00%	7.48	7.62	(0.14)
2019	2020		1,647,870	3,832,920	76,788	\$178,505	5,736,083	775,251,282 **	1.00%	7.47	7.62	(0.15)
2020	2021		2,381,790	-	2,550,799	875,408	5,807,997	783,003,795 **	1.00%	7.49	7.62	(0.13)
2021	2022		1,274,765		-	4,585,849	5,860,614	790,833,833 **	1.00%	7.49	7.62	(0.13)
2022	2023		774,190		-	308,963	1,083,153	798,742,171 **	1.00%	1.37	4.14	(2.77)
<b>Totals</b>		<b>\$6,863,000</b>	<b>\$12,128,604</b>	<b>\$24,681,011</b>	<b>\$2,857,951</b>	<b>\$5,948,725</b>	<b>\$52,479,291</b>			<b>68.70</b>	<b>72.72</b>	<b>(4.02)</b>
<b>Principal Amount</b>			<b>\$10,535,000</b>	<b>\$23,225,000</b>	<b>\$2,485,000</b>	<b>\$5,450,000</b>						
<b>Interest Rates</b>			<b>2.20%</b>	<b>.60 - 2.30%</b>	<b>2.20 - 3.15%</b>	<b>2.70 - 3.55%</b>						
<b>Assumed Bond Closing Date</b>			<b>07/11/13</b>	<b>07/11/13</b>	<b>05/01/16</b>	<b>05/01/19</b>						

[1] See page 5.

[2] See page 6.

[3] See page 7.

[4] See page 8.

[5] See page 9.

[6] Inserted for discussion purposes, does not include IFT's or final 2013 taxable values.

[7] Assumes a tax collection factor of : 99%

[8] Budget per final millage study report dated February 18, 2013.

\*Estimated detail shown below:

Taxable value	767,652,292
IFT's	<u>14,845,954</u>
<b>Total</b>	<b><u>782,498,246</u></b>

\*\*Does not include IFT's.

Technology equipment amortization area.

(Subject to the attached letter dated June 1, 2013)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**WAVERLY COMMUNITY SCHOOLS  
COUNTIES OF INGHAM, EATON AND CLINTON, STATE OF MICHIGAN**

**SCHEDULE OF AMORTIZATION OF \$23,225,000 PRINCIPAL AMOUNT  
OF PROPOSED 2013 REFUNDING BONDS**

**(General Obligation-Unlimited Tax)**

**(Federally Taxable)**

**Principal payable semi-annually on May 1st and November 1st.**

**Interest payable semi-annually on May 1st and November 1st.**

Payment Date	Principal Balance	Principal	Interest Rate	Interest	Total	Fiscal Year Total
	(----In \$1,000's----)		(%)	(-----In Dollars-----)		
05/01/14	23,225	\$1,920	0.600	\$264,097.36	\$2,184,097.36	\$2,184,097.36
11/01/14	21,305	490	0.700	158,162.50	648,162.50	
05/01/15	20,815	1,145	0.800	156,447.50	1,301,447.50	1,949,610.00
11/01/15	19,670	1,530	0.950	151,867.50	1,681,867.50	
05/01/16	18,140	3,570	1.050	144,600.00	3,714,600.00	5,396,467.50
11/01/16	14,570	1,525	1.250	125,857.50	1,650,857.50	
05/01/17	13,045	3,555	1.400	116,326.25	3,671,326.25	5,322,183.75
11/01/17	9,490	1,540	1.600	91,441.25	1,631,441.25	
05/01/18	7,950	3,615	1.700	79,121.25	3,694,121.25	5,325,562.50
11/01/18	4,335	175	1.850	48,393.75	223,393.75	
05/01/19	4,160	400	2.050	46,775.00	446,775.00	670,168.75
11/01/19	3,760	1,130	2.200	42,675.00	1,172,675.00	
05/01/20	2,630	2,630	2.300	30,245.00	2,660,245.00	3,832,920.00
Totals		<u>\$23,225</u>		<u>\$1,456,009.86</u>	<u>\$24,681,009.86</u>	<u>\$24,681,009.86</u>

(Subject to the attached letter dated June 1, 2013)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**WAVERLY COMMUNITY SCHOOLS  
COUNTIES OF INGHAM, EATON AND CLINTON, STATE OF MICHIGAN**

**SCHEDULE OF AMORTIZATION OF \$6,380,000 PRINCIPAL AMOUNT  
OF OUTSTANDING 2005 REFUNDING BONDS - AFTER REFUNDING**

(General Obligation-Unlimited Tax)

Principal payable annually on May 1st.

Interest payable semi-annually on May 1st and November 1st.

Bonds dated January 24, 2005

Payment Date	Principal Balance	Principal	Interest Rate	Interest	Total	Fiscal Year Total
	(---In \$1,000's---)		(%)	(-----In Dollars-----)		
11/01/13	\$6,380			\$159,500.00	\$159,500.00	
05/01/14	6,380	\$3,100	5.000	159,500.00	3,259,500.00	\$3,419,000.00
11/01/14	3,280			82,000.00	82,000.00	
05/01/15	3,280	<u>3,280</u>	5.000	<u>82,000.00</u>	<u>3,362,000.00</u>	<u>3,444,000.00</u>
Totals		<u><u>\$6,380</u></u>		<u><u>\$483,000.00</u></u>	<u><u>\$6,863,000.00</u></u>	<u><u>\$6,863,000.00</u></u>

Optional Redemption:

Non-Callable

Original Par Amount:

\$36,535,000

(Subject to the attached letter dated June 1, 2013)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**RESOLUTION AUTHORIZING THE ISSUANCE AND DELEGATING THE SALE OF  
WAVERLY COMMUNITY SCHOOLS  
2013 REFUNDING BONDS**

Waverly Community Schools, Ingham, Eaton and Clinton Counties, Michigan

A regular meeting of the board of education of the district (the "Board") was held in the Board Room in the Administrative Center, in the district, on the 10th day of June, 2013, at 6:30 o'clock in the evening.

The meeting was called to order by \_\_\_\_\_, President.

Present:       Members

Absent:        Members

The following preamble and resolution were offered by Member \_\_\_\_\_ and supported by Member \_\_\_\_\_:

**WHEREAS:**

1.       Part VI of Act 34, Public Acts of Michigan, 2001, as amended, the Revised Municipal Finance Act (the "Act"), permits Waverly Community Schools, Counties of Ingham, Eaton and Clinton, State of Michigan (the "Issuer"), to refund all or part of the bonded indebtedness of the Issuer; and

2.       The Issuer has received a proposal from Stifel, Nicolaus & Company, Incorporated, Okemos, Michigan (the "Underwriter"), to refund all or part of that portion of the outstanding 2005 Refunding Bonds of the Issuer, dated January 24, 2005, in the original amount of \$36,535,000 which are callable on or after May 1, 2015, and are due and payable May 1, 2016, through May 1, 2021, inclusive (the "Prior Bonds"); and

3.       The Board determines that it is in the best interest of the Issuer to consider refunding the Prior Bonds.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1.       Bonds of the Issuer designated 2013 Refunding Bonds (General Obligation - Unlimited Tax) (Federally Taxable) (the "Bonds") be issued in the aggregate principal amount of not to exceed \$24,380,000, as finally determined upon sale thereof, for the purpose of refunding all or a portion of the Prior Bonds. The Bonds shall be dated the date of delivery, or such other date as established at the time of sale; shall be numbered in the direct order of their maturities from 1

upwards; shall be fully registered Bonds as to principal and interest; shall bear interest at a rate or rates to be hereafter determined upon sale, payable on May 1, 2014, and semiannually thereafter on November 1 and May 1 in each year, or as otherwise determined at the time of the sale by the Superintendent of the Issuer (the "Superintendent"); and shall mature on May and November in each year to be subsequently determined by the Superintendent, in the final principal amounts determined upon sale and shall be subject to redemption in the amounts, times, in the manner and at the prices determined upon sale of the Bonds.

2. The Bonds may consist of serial or term Bonds or any combination thereof which may be issued in one or more series, all of which shall be determined upon sale of the Bonds.

3. The Bonds shall be in denominations of \$5,000 or any whole multiple thereof.

4. The principal of the Bonds and the interest thereon shall be payable in lawful money of the United States of America at or by a bank or trust company to be designated by the Superintendent at the time of sale (herein called the "Paying Agent"), which shall act as the paying agent and bond registrar or such successor paying agent-bond registrar as may be approved by the Issuer, on each semiannual interest payment date and the date of each principal maturity.

5. Book Entry. At the request of the Underwriter, the ownership of one fully registered bond for each maturity in the aggregate principal amount of such maturity, shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). So long as the Bonds are in the book entry form only, the Paying Agent shall comply with the terms of the Blanket Issuer Letter of Representations to be entered into between the Issuer and DTC, which provisions shall govern registration, notices and payment, among other things, and which provisions are incorporated herein with the same effect as if fully set forth herein. The Superintendent is hereby authorized and directed to enter into the Blanket Issuer Letter of Representations with DTC in such form as determined by the Superintendent, in consultation with bond counsel, to be necessary and appropriate. In the event the Issuer determines that the continuation of the system of book entry only transfer through DTC (or a successor securities depository) is not in the best interest of the DTC participants, beneficial owners of the Bonds, or the Issuer, the Issuer will notify the Paying Agent, whereupon the Paying Agent will notify DTC of the availability through DTC of the bond certificates. In such event, the Issuer shall issue and the Paying Agent shall transfer and exchange Bonds as requested by DTC of like principal amount, series and maturity, in authorized denominations to the identifiable beneficial owners in replacement of the beneficial interest of such beneficial owners in the Bonds, as provided herein.

So long as the book-entry-only system remains in effect, in the event of a partial redemption the Paying Agent will give notice to Cede & Co., as nominee of DTC, only, and only Cede & Co. will be deemed to be a holder of the Bonds. DTC is expected to reduce the credit balances of the applicable DTC Participants in respect of the Bonds and in turn the DTC Participants are expected to select those Beneficial Owners whose ownership interests are to be extinguished or reduced by

such partial redemptions, each by such method as DTC or such DTC Participants, as the case may be, deems fair and appropriate in its sole discretion.

6. In the event the Bonds are no longer in book entry form only, the following provisions would apply to the Bonds:

The Paying Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred on said books, Bonds as herein provided.

Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by a duly authorized agent, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall furnish or cause to be furnished a sufficient number of manual or facsimile executed Bonds and the Paying Agent shall authenticate and deliver a new Bond or Bonds for like aggregate principal amount. The Paying Agent shall require the payment of any tax or other governmental charge required to be paid with respect to the transfer to be made by the bondholder requesting the transfer.

7. If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bonds, shall furnish or cause to be furnished, and the Paying Agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution of the mutilated Bond, upon surrender to the Paying Agent of the mutilated Bond. If any Bond issued under this resolution shall be lost, destroyed or stolen, evidence of the loss, destruction or theft and indemnity may be submitted to the Paying Agent, and if satisfactory to the Paying Agent and the Issuer, the Issuer at the expense of the owner, shall furnish or cause to be furnished, and the Paying Agent shall authenticate and deliver a new Bond of like tenor and bearing the statement required by Act 354, Public Acts of Michigan, 1972, as amended, being sections 129.131 to 129.134, inclusive, of the Michigan Compiled Laws, or any applicable law hereafter enacted, in lieu of and in substitution of the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Paying Agent may pay the same without surrender thereof.

8. The President and Secretary be, and they are hereby authorized to provide the Bonds in conformity with the specifications of this resolution by causing their manual or facsimile signatures to be affixed thereto, and upon the manual execution by the authorized signatory of the Paying Agent, the Treasurer be and is hereby authorized and directed to cause said Bonds to be delivered to the Underwriter upon receipt of the purchase price and accrued interest, if any.

Blank bonds with the manual or facsimile signatures of the President and Secretary of the Board affixed thereto, shall, upon issuance and delivery and from time to time thereafter as

necessary, be delivered to the Paying Agent for safekeeping to be used for registration and transfer of ownership.

9. There is hereby created a separate depository account to be kept with a bank located in the State of Michigan and insured by the Federal Deposit Insurance Corporation, previously approved as an authorized depository of funds of the Issuer, to be designated 2013 SCHOOL BOND DEBT RETIREMENT FUND (hereinafter referred to as the "DEBT RETIREMENT FUND"), all proceeds from taxes levied for the fund to be used for the purpose of paying the principal and interest on the Bonds authorized herein as they mature or are redeemed. DEBT RETIREMENT FUND moneys may be invested as authorized by law.

Commencing with the 2013 tax levy there shall be levied upon the tax rolls of the Issuer in each year for the purpose of the DEBT RETIREMENT FUND a sum not less than the amount estimated to be sufficient to pay the principal and interest on the Bonds as such principal and interest fall due prior to the next year's tax levy, the probable delinquency in collections being taken into consideration in arriving at the estimate. In determining the amount to be levied in 2013, there shall be taken into account any money in the DEBT RETIREMENT FUND. Taxes required to be levied to meet the principal and interest obligations may be without limitation as to rate or amount, as provided by Article IX, Section 6, of the Michigan Constitution of 1963.

10. The proceeds of the Bonds shall be used to pay the costs of issuance of the Bonds and to secure payment of those Prior Bonds set forth in the Bond Purchase Agreement. Upon receipt of the proceeds of sale of the Bonds, the accrued interest, if any, shall be deposited in the DEBT RETIREMENT FUND for the Bonds. From the proceeds of the Bonds there shall next be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated 2013 BOND ISSUANCE FUND. Moneys in the 2013 BOND ISSUANCE FUND shall be used solely to pay expenses of issuance of the Bonds. Any amounts remaining in the 2013 BOND ISSUANCE FUND after payment of issuance expenses shall be transferred to the DEBT RETIREMENT FUND for the Bonds.

11. The balance of the proceeds of the Bonds, together with any moneys transferred at the time of closing of the Bonds from the debt retirement fund for the Prior Bonds, shall be invested in direct obligations of the United States of America, or obligations, the principal and interest of which are unconditionally guaranteed by the United States of America; or other obligations the principal and interest of which are fully secured by the foregoing (the "Escrow Funds"), and used to pay principal, interest and redemption premiums on the Prior Bonds. The Escrow Funds shall be held by an escrow agent (the "Agent") in trust pursuant to an escrow agreement (the "Escrow Agreement") which shall irrevocably direct the Agent to take all necessary steps to call any Prior Bonds specified by the Superintendent upon sale of the Bonds for redemption, including publication and mailing of redemption notices, on the earliest date specified by the Superintendent that the respective series of Prior Bonds may be called for redemption. The investment held in the Escrow Funds shall be such that the principal and interest payments received thereon will be sufficient, without reinvestment, to pay the principal, interest and redemption premiums on the Prior Bonds as

they become due pursuant to maturity or the call for redemption required by this paragraph. Following establishment of the Escrow Funds, any amounts remaining in the debt retirement fund for the Prior Bonds shall be transferred to the DEBT RETIREMENT FUND for the Bonds.

12. The Superintendent is authorized to select an Escrow Agent to serve under the Escrow Agreement.

13. The Bonds shall be in substantially the form attached hereto and incorporated herein as Exhibit A.

14. Stifel, Nicolaus & Company, Incorporated, Okemos, Michigan, is hereby named as senior managing underwriter for the Bonds herein authorized and further that the Superintendent, Director of Finance, or designee is authorized to negotiate and execute a Bond Purchase Agreement with the Underwriter, subject to the requirements of paragraph 17 below. Based upon information provided by the Issuer's financial consulting firm and the Underwriter, a negotiated sale allows flexibility in timing, sale and structure of the Bonds in response to changing market conditions and flexibility in sizing the defeasance escrow necessary to accomplish the refunding of the Prior Bonds.

15. The Superintendent is authorized to approve circulation of a Preliminary Official Statement describing the Bonds.

16. The Superintendent, or designee if permitted by law, is hereby authorized to:

- a. File with the Department of Treasury (the "Department") an application for approval to issue the Bonds, if required, and to pay any applicable fee therefor and, further, within fifteen (15) business days after issuance of the Bonds, file any and all documentation required subsequent to the issuance of the Bonds, together with any statutorily required fee.
- b. If deemed advisable by the Issuer's financial consultant, request a waiver of the maturity limitations as set forth in the Application for Waiver and/or a waiver of the Department's requirement that ratings be obtained from a nationally recognized ratings agency.
- c. Execute and deliver the Continuing Disclosure Agreement (the "Agreement") in substantially the same form as set forth in Exhibit B attached hereto, or with such changes therein as the individual executing the Agreement on behalf of the Issuer shall approve, his/her execution thereof to constitute conclusive evidence of his/her approval of such changes. When the Agreement is executed and delivered on behalf of the Issuer as herein provided, the Agreement will be binding on the Issuer and the officers, employees and agents of the Issuer, and the officers, employees and agents of the Issuer are hereby authorized, empowered and directed to do all such

acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Agreement as executed, and the Agreement shall constitute, and hereby is made, a part of this resolution, and copies of the Agreement shall be placed in the official records of the Issuer, and shall be available for public inspection at the office of the Issuer. Notwithstanding any other provision of this resolution, the sole remedies for failure to comply with the Agreement shall be the ability of any Bondholder or beneficial owner to take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Agreement.

17. The authorization of the Superintendent or Director of Finance to accept and execute a Bond Purchase Agreement with the Underwriter is subject to the following parameters:

- a. the Underwriter spread shall not exceed \$10.00 per \$1,000 (1%);
- b. the average true interest rate on the Bonds shall not exceed 5%;
- c. the present value savings from the refunding shall not be less than 2.75% of the par of the Prior Bonds; and
- d. the receipt of express written recommendation of the Issuer's financial consulting firm identified below to accept the terms of the Bond Purchase Agreement.

18. The Superintendent or Director of Finance is further authorized and directed to (i) execute any and all other necessary documents required to complete the approval and sale of the Bonds to the Underwriter in accordance with the terms of the Bond Purchase Agreement; (ii) appoint a paying agent for the Bonds; (iii) select a bond insurer, accept a commitment therefore and authorize payment of a bond insurance premium to insure any or all of the Bonds if recommended in writing by the Financial Advisor; (iv) deem the Preliminary Official Statement for the Bonds final for purposes of SEC Rule 15c2-12(b)(1); and (v) execute and deliver the final Official Statement on behalf of the Issuer.

19. The President or Vice President, the Secretary, the Treasurer, the Superintendent, the Director of Finance and/or all other officers, agents and representatives of the Issuer and each of them shall execute, issue and deliver any certificates, statements, warranties, representations, or documents necessary to effect the purposes of this resolution, the Bonds or the Bond Purchase Agreement.

20. The officers, agents and employees of the Issuer are authorized to take all other actions necessary and convenient to facilitate sale and delivery of the Bonds.

21. Thrun Law Firm, P.C., is hereby appointed as bond counsel for the Issuer with reference to the issuance of the Bonds authorized by this resolution. Further, Thrun Law Firm, P.C., has informed this Board that it represents no other party in the issuance of the Bonds.

22. The financial consulting firm of H.J. Umbaugh & Associates, Certified Public Accountants, LLP is hereby appointed as financial consultants to the Issuer with reference to the issuance of the Bonds herein authorized.

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

Ayes: Members

Nays: Members

Resolution declared adopted.

\_\_\_\_\_  
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of Waverly Community Schools, Ingham, Eaton and Clinton Counties, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board of Education at a regular meeting held on June 10, 2013, the original of which resolution is a part of the Board's minutes, and further certifies that notice of the meeting was given to the public under the Open Meetings Act, 1976 PA 267, as amended.

\_\_\_\_\_  
Secretary, Board of Education

CJI/klg

**WAVERLY COMMUNITY SCHOOLS  
BOARD OF EDUCATION  
REGULAR BOARD MEETING  
June 10, 2013**

**Report #12-84**

**FOR ACTION**

**Subject:**

2013 Building and Site Bonds Resolution

**Recommendation:**

The Superintendent recommends the Board of Education approves the resolution to issue bonds for the purpose of acquiring and installing instructional technology for school buildings; equipping and re-equipping school buildings for instructional technology; partially remodeling, equipping and re-equipping and furnishing and refurbishing school facilities; purchasing school buses; and developing, improving and equipping sites.

**Statement of Purpose:**

The purpose of this resolution is to authorize the sale of unlimited tax bonds, the proceeds of which will be used to fund the building and site projects outlined in the May 7, 2013 ballot proposal.

**Budget Impact:**

There is no impact to the General Fund of the District.

**Historical Perspective:**

Under the terms of Public Act 451 of 1976, as amended, the School District is authorized to issue bonds. The District previously authorized bonds in the amount of \$49,000,000 on June 12, 2000 for construction related activities.

**Discussion of Options:**

The Board of Education can entertain a motion to adopt the resolution as presented, or reject the resolution.

**Rationale for Recommendation:**

On May 7, 2013 a special election was held for the purpose of proposing a ballot question to authorize Waverly Community Schools to borrow the sum of \$18,470,000 and issue its general obligation unlimited tax bonds therefor, in one or more series. The ballot proposal having received sufficient votes was approved. In order to begin work on the technology improvements, we must obtain bond proceeds to fund the projects.

**Strategic Plan Reference:**

As the heart of the community, our mission is to educate and prepare each student to achieve her or his academic best, develop character, become a lifelong learner and contribute as a citizen of our global society.

**WAVERLY COMMUNITY SCHOOLS  
COUNTIES OF INGHAM, EATON AND CLINTON, STATE OF MICHIGAN**

**SCHEDULE OF AMORTIZATION OF \$10,535,000 PRINCIPAL AMOUNT  
OF PROPOSED 2013 SCHOOL BUILDING AND SITE BONDS, SERIES I**

(General Obligation-Unlimited Tax)

Principal payable semi-annually on May 1st and November 1st.

Interest payable semi-annually on May 1st and November 1st.

Payment Date	Principal Balance	Principal	Interest Rate	Interest	Total	Fiscal Year Total
	(---In \$1,000's---)		(%)	(-----In Dollars-----)		
05/01/14	\$10,535		2.200	\$186,703.61	\$186,703.61	\$186,703.61
11/01/14	10,535		2.200	115,885.00	115,885.00	
05/01/15	10,535		2.200	115,885.00	115,885.00	231,770.00
11/01/15	10,535		2.200	115,885.00	115,885.00	
05/01/16	10,535		2.200	115,885.00	115,885.00	231,770.00
11/01/16	10,535		2.200	115,885.00	115,885.00	
05/01/17	10,535		2.200	115,885.00	115,885.00	231,770.00
11/01/17	10,535		2.200	115,885.00	115,885.00	
05/01/18	10,535		2.200	115,885.00	115,885.00	231,770.00
11/01/18	10,535	\$1,415	2.200	115,885.00	1,530,885.00	
05/01/19	9,120	3,305	2.200	100,320.00	3,405,320.00	4,936,205.00
11/01/19	5,815	460	2.200	63,965.00	523,965.00	
05/01/20	5,355	1,065	2.200	58,905.00	1,123,905.00	1,647,870.00
11/01/20	4,290	690	2.200	47,190.00	737,190.00	
05/01/21	3,600	1,605	2.200	39,600.00	1,644,600.00	2,381,790.00
11/01/21	1,995	375	2.200	21,945.00	396,945.00	
05/01/22	1,620	860	2.200	17,820.00	877,820.00	1,274,765.00
11/01/22	760	230	2.200	8,360.00	238,360.00	
05/01/23	530	530	2.200	5,830.00	535,830.00	774,190.00
Totals		\$10,535		\$1,593,603.61	\$12,128,603.61	\$12,128,603.61

(Subject to the attached letter dated June 1, 2013)

(Preliminary - Subject to Change)

(Internal Use Only)

**RESOLUTION AUTHORIZING ISSUANCE OF BONDS,  
DELEGATION OF THE SALE AND OTHER MATTERS RELATING THERETO**

Waverly Community Schools, Ingham, Eaton and Clinton Counties, Michigan

A regular meeting of the board of education of the district (the "Board") was held in the Board Room in the Administrative Center, in the district, on the 10th day of June, 2013, at 6:30 o'clock in the evening.

The meeting was called to order by \_\_\_\_\_, President.

Present:       Members

Absent:        Members

The following preamble and resolution were offered by Member \_\_\_\_\_ and supported by Member \_\_\_\_\_:

**WHEREAS:**

1.       On May 7, 2013, the qualified electors of Waverly Community Schools, Ingham, Eaton and Clinton Counties, Michigan (the "Issuer"), voted in favor of the following bond proposition:

**BONDING PROPOSAL**

Shall Waverly Community Schools, Ingham, Eaton and Clinton Counties, Michigan, borrow the sum of not to exceed Eighteen Million Four Hundred Seventy Thousand Dollars (\$18,470,000) and issue its general obligation unlimited tax bonds therefor, in one or more series, for the purpose of:

acquiring and installing instructional technology for school buildings; equipping and re-equipping school buildings for instructional technology; partially remodeling, equipping and re-equipping and furnishing and refurbishing school facilities; purchasing school buses; and developing, improving and equipping sites?

The improvements described above to be referred to as the "Project"; and

2.       It has been determined by the Board of the Issuer that there be issued at this time the total authorized issue in an aggregate principal amount not to exceed Ten Million Five Hundred Thirty-Five Thousand Dollars (\$10,535,000); and

3. The Board has received a proposal from Fifth Third Securities, Inc., to act as placement agent for the bonds (the "Placement Agent"); and

4. Prior to the issuance of bonds, the Issuer achieved qualified status from the Michigan Department of Treasury (the "Department") pursuant to Act 34, Public Acts of Michigan, 2001, as amended.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

1. The first series of bonds of the Issuer aggregating the principal sum of not to exceed Ten Million Five Hundred Thirty-Five Thousand Dollars (\$10,535,000) shall be issued for the purpose of funding a portion of the Project. The bonds shall be designated 2013 School Building and Site Bonds, Series I (General Obligation - Unlimited Tax) (the "Bonds").

2. The Bonds shall be dated the date of delivery, or such other date as established at the time of sale; shall be fully registered bonds as to principal and interest; shall be numbered consecutively in the direct order of maturity from 1 upwards; and shall bear interest at a rate or rates to be hereafter determined not exceeding the maximum rate permitted by law.

3. The Bonds may consist of serial or term Bonds or any combination thereof which may be issued in one or more series, all of which shall be determined upon sale of the Bonds. The Bonds shall be in denominations of \$5,000 or any whole multiple thereof and shall mature semiannually on May 1 and November 1 in each year, beginning in the year determined upon sale and in the final principal amounts determined upon sale with interest thereon payable on May 1, 2014, or as otherwise determined at the time of sale, and semiannually thereafter on November 1 and May 1 in each year.

4. The Bonds shall otherwise be subject to redemption at the times, in the amounts, manner and at the prices as determined upon sale of the Bonds.

5. The Bonds and the interest thereon shall be payable in lawful money of the United States of America at or by a bank or trust company to be designated by the superintendent of the Issuer (the "Superintendent") at the time of sale (herein called the "Paying Agent"), which shall act as the paying agent and bond registrar or such successor paying agent-bond registrar as may be approved by the Issuer, on each semiannual interest payment date and the date of each principal maturity.

6. Book Entry. At the request of the Placement Agent, the ownership of one fully registered bond for each maturity in the aggregate principal amount of such maturity, shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). So long as the Bonds are in the book entry form only, the Paying Agent shall comply with the terms of the Blanket Issuer Letter of Representations to be entered into between the Issuer and DTC, which provisions shall govern registration, notices and payment, among other things, and which provisions

are incorporated herein with the same effect as if fully set forth herein. The Superintendent is hereby authorized and directed to enter into the Blanket Issuer Letter of Representations with DTC in such form as determined by the Superintendent, in consultation with bond counsel, to be necessary and appropriate. In the event the Issuer determines that the continuation of the system of book entry only transfer through DTC (or a successor securities depository) is not in the best interest of the DTC participants, beneficial owners of the Bonds, or the Issuer, the Issuer will notify the Paying Agent, whereupon the Paying Agent will notify DTC of the availability through DTC of the bond certificates. In such event, the Issuer shall issue and the Paying Agent shall transfer and exchange Bonds as requested by DTC of like principal amount, series and maturity, in authorized denominations to the identifiable beneficial owners in replacement of the beneficial interest of such beneficial owners in the Bonds, as provided herein.

So long as the book-entry-only system remains in effect, in the event of a partial redemption the Paying Agent will give notice to Cede & Co., as nominee of DTC, only, and only Cede & Co. will be deemed to be a holder of the Bonds. DTC is expected to reduce the credit balances of the applicable DTC Participants in respect of the Bonds and in turn the DTC Participants are expected to select those Beneficial Owners whose ownership interests are to be extinguished or reduced by such partial redemptions, each by such method as DTC or such DTC Participants, as the case may be, deems fair and appropriate in its sole discretion.

7. In the event the Bonds are no longer in book entry form only, the following provisions would apply to the Bonds:

The Paying Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred on said books, Bonds as herein provided.

Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by a duly authorized agent, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall furnish or cause to be furnished a sufficient number of manual or facsimile executed Bonds and the Paying Agent shall authenticate and deliver a new Bond or Bonds for like aggregate principal amount. The Paying Agent shall require the payment of any tax or other governmental charge required to be paid with respect to the transfer to be made by the bondholder requesting the transfer.

8. If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bonds, shall furnish or cause to be furnished, and the Paying Agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution of the mutilated Bond, upon surrender to the Paying Agent of the mutilated Bond. If any Bond issued under this resolution shall be lost, destroyed or stolen, evidence of the loss, destruction or theft and indemnity may be submitted to the Paying

Agent, and if satisfactory to the Paying Agent and the Issuer, the Issuer at the expense of the owner, shall furnish or cause to be furnished, and the Paying Agent shall authenticate and deliver a new Bond of like tenor and bearing the statement required by Act 354, Public Acts of Michigan, 1972, as amended, being sections 129.131 to 129.134, inclusive, of the Michigan Compiled Laws, or any applicable law hereafter enacted, in lieu of and in substitution of the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Paying Agent may pay the same without surrender thereof.

9. The President and Secretary be, and they are hereby authorized to provide the Bonds in conformity with the specifications of this resolution by causing their manual or facsimile signatures to be affixed thereto, and upon the manual execution by the authorized signatory of the Paying Agent, the Treasurer be and is hereby authorized and directed to cause said Bonds to be delivered to the purchasing entity identified by the Placement Agent in the Placement Agreement upon receipt of the purchase price and accrued interest, if any.

Blank bonds with the manual or facsimile signatures of the President and Secretary of the Board affixed thereto, shall, upon issuance and delivery and from time to time thereafter as necessary, be delivered to the Paying Agent for safekeeping to be used for registration and transfer of ownership.

10. There is hereby created a separate depository account to be kept with a bank located in the State of Michigan and insured by the Federal Deposit Insurance Corporation, previously approved as an authorized depository of funds of the Issuer, to be designated 2013 SCHOOL BOND DEBT RETIREMENT FUND (hereinafter referred to as the "DEBT RETIREMENT FUND"), all proceeds from taxes levied for the fund to be used for the purpose of paying the principal and interest on the Bonds authorized herein as they mature or are redeemed. Upon receipt of the Bond proceeds from the sale of the Bonds, the accrued interest, if any, shall be deposited in the DEBT RETIREMENT FUND. DEBT RETIREMENT FUND moneys may be invested as authorized by law.

Commencing with the 2013 tax levy there shall be levied upon the tax rolls of the Issuer in each year for the purpose of the DEBT RETIREMENT FUND a sum not less than the amount estimated to be sufficient to pay the principal and interest on the Bonds as such principal and interest fall due, the probable delinquency in collections and funds on hand being taken into consideration in arriving at the estimate. Taxes required to be levied to meet the principal and interest obligations may be without limitation as to rate or amount, as provided by Article IX, Section 6, of the Michigan Constitution of 1963.

11. From the proceeds of the Bonds there shall be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated 2013 BOND ISSUANCE FUND. Moneys in the 2013 BOND ISSUANCE FUND shall be used solely to pay expenses of issuance of the Bonds. Any amounts remaining in the 2013 BOND ISSUANCE FUND after payment of issuance expenses shall

be transferred to a fund designated as the 2013 CAPITAL PROJECTS FUND. All remaining funds shall be deposited in the 2013 CAPITAL PROJECTS FUND.

12. The Bonds shall be in substantially the form attached hereto as Exhibit A.

13. Fifth Third Securities, Inc., is hereby named as Placement Agent and, further, that the Superintendent, Director of Finance, or designee is authorized to negotiate and execute a Placement Agreement with the Placement Agent will, among other things, identify the institution purchasing the Bonds and the terms of that placement, subject to the requirements of paragraph 16 below. Based upon information provided by the Issuer's financial consulting firm and the Placement Agent, a negotiated sale allows flexibility in timing, sale and structure of the Bonds in response to changing market conditions.

14. The Superintendent is authorized to approve circulation of a Preliminary Official Statement describing the Bonds.

15. The Superintendent, or designee if permitted by law, is hereby authorized to:

- a. File with the Department an application for approval to issue the Bonds, if required, and to pay any applicable fee therefor and, further, within fifteen (15) business days after issuance of the Bonds, file any and all documentation required subsequent to the issuance of the Bonds, together with any statutorily required fee.
- b. If deemed advisable by the Issuer's financial consultant, request a waiver of the maturity limitations as set forth in the Application for Waiver and/or a waiver of the Department's requirement that ratings be obtained from a nationally recognized ratings agency.
- c. Make application for municipal bond insurance if, upon advice of the financial consulting firm of the Issuer, the purchase of municipal bond insurance will be cost effective. The premium for such bond insurance shall be paid by the Issuer from Bond proceeds.
- d. Execute and deliver the Continuing Disclosure Agreement (the "Agreement") in substantially the same form as set forth in Exhibit B attached hereto, or with such changes therein as the individual executing the Agreement on behalf of the Issuer shall approve, his/her execution thereof to constitute conclusive evidence of his/her approval of such changes. When the Agreement is executed and delivered on behalf of the Issuer as herein provided, the Agreement will be binding on the Issuer and the officers, employees and agents of the Issuer, and the officers, employees and agents of the Issuer are hereby authorized, empowered and directed to do all such

acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Agreement as executed, and the Agreement shall constitute, and hereby is made, a part of this resolution, and copies of the Agreement shall be placed in the official records of the Issuer, and shall be available for public inspection at the office of the Issuer. Notwithstanding any other provision of this resolution, the sole remedies for failure to comply with the Agreement shall be the ability of any Bondholder or beneficial owner to take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Agreement.

16. The authorization of the Superintendent or Director of Finance to accept and execute a Placement Agreement is subject to the following parameters:

- a. the Placement Agent fee shall not exceed \$10.00 per \$1,000 (1%);
- b. the average true interest rate on the Bonds shall not exceed 5%;
- c. the private placement purchaser's fee/cost charged to the Issuer shall not exceed \$5.00 per \$1,000 (0.50%); and
- d. the receipt of express written recommendation of the Issuer's financial consulting firm identified below to accept the terms of the Placement Agreement.

17. The Superintendent is further authorized and directed to (i) execute any and all other necessary documents required to complete the approval and sale of the Bonds to the purchasing entity identified by the Placement Agent in accordance with the terms of the Placement Agreement; (ii) appoint a paying agent for the Bonds; (iii) select a bond insurer, accept a commitment therefore and authorize payment of a bond insurance premium to insure any or all of the Bonds if recommended in writing by the Financial Advisor; (iv) deem the Preliminary Official Statement for the Bonds final for purposes of SEC Rule 15c2-12(b)(1); and (v) execute and deliver the final Official Statement on behalf of the Issuer.

18. The President or Vice President, the Secretary, the Treasurer, the Superintendent, the Director of Finance, and/or all other officers, agents and representatives of the Issuer and each of them shall execute, issue and deliver any certificates, statements, warranties, representations, or documents necessary to effect the purposes of this resolution, the Bonds or the Placement Agreement.

19. The officers, agents and employees of the Issuer are authorized to take all other actions necessary and convenient to facilitate sale and delivery of the Bonds.

20. Thrun Law Firm, P.C., is hereby appointed as bond counsel for the Issuer with reference to the issuance of the Bonds authorized by this resolution. Further, Thrun Law Firm, P.C., has informed this Board that it represents no other party in the issuance of the Bonds.

21. The financial consulting firm of H.J. Umbaugh & Associates, Certified Public Accountants, LLP, is hereby appointed as financial consultants to the Issuer with reference to the issuance of the Bonds herein authorized.

22. The Board covenants to comply with existing provisions of the Internal Revenue Code of 1986, as amended, necessary to maintain the exclusion of interest on the Bonds from gross income.

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

Ayes: Members

Nays: Members

Resolution declared adopted.

\_\_\_\_\_  
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of Waverly Community Schools, Ingham, Eaton and Clinton Counties, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board of Education at a regular meeting held on June 10, 2013, the original of which resolution is a part of the Board's minutes, and further certifies that notice of the meeting was given to the public under the Open Meetings Act, 1976 PA 267, as amended.

\_\_\_\_\_  
Secretary, Board of Education

CJI/klg

WAVERLY COMMUNITY SCHOOLS  
BOARD OF EDUCATION  
REGULAR MEETING  
June 10, 2013

Report #12-85

**FOR ACTION**

**Subject: Personnel Recommendations**

A.	<u>Termination – Non Certified</u>		
<u>Name</u>	<u>Position</u>		<u>Effective</u>
Janice Huhn	Bus Driver		5/31/13