



Waverly Community Schools

Regular Meeting

Monday, January 13, 2014 6:30 PM

Agenda of Regular Meeting

The Board of Education Waverly Community Schools

A Regular meeting of the Board of Education of Waverly Community Schools will be held January 13, 2014, 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. School Board Recognition Month - Superintendent Urquhart
- III. Correspondence
- IV. Public Comment
- V. Student Representative Report
- VI. Board Member Comment
- VII. Adoption of Meeting Agenda
- VIII. ***Approval of Minutes
- IX. Presentation of Reports
 - A. Facility/Policy
 - 1. For Discussion - Presentation of Building Improvements/Other Aspects of Technology Bond
 - B. Curriculum
 - 1. For Discussion - 2014-2015 Waverly High School Program of Studies 4
 - C. Finance/Personnel
 - 1. ***Recommendation to approve Report #13-42, Financial Report 5
 - 2. Recommendation to approve Report #13-43, 2013-2014 Budget Amendment 8
 - 3. Recommendation to approve Report #13-44, Best Practices Incentive Resolution 15
 - 4. Recommendation to approve Report #13-45, Amendment to the Waverly Community Schools Cafeteria Plan 18
 - 5. ***Recommendation to approve Report #13-46, Personnel Report 29
- X. Superintendent's Report
- XI. Public Comment

XII. Other Board Business

XIII. Adjournment

**WAVERLY COMMUNITY SCHOOLS
BOARD OF EDUCATION
REGULAR MEETING
January 13, 2014**

For Discussion

Subject: High School Program of Studies 2014-15

Recommendation:

It is recommended that the Board of Education approve the following changes to Waverly High School's Program of Studies:

Community Based Vocational Education and Instruction Yearly Goals

.5 to 3.0 credits per semester Prerequisite: Approval of Instructor and Caseload Teacher- This course is designed to teach students to establish transition goals which are needed to increase their independence in the areas of employment, adult living, recreation, post-secondary education, transportation/mobility. Community based activities will include unpaid/paid Work Based Learning (WBL) experiences and other types of instruction (such as use of public transit, banking, shopping, voting, exploration of community resources and linking with appropriate agencies). Instruction will focus on pre-employment/work activities, weekly/monthly planning, arranging transportation, paying bills, budgeting, menu planning, food preparation and clean-up. Transitional Community Living Experiences (TCLE) may be provided completely outside the building with approved service provider agreements and individualized student learning plans.

Statement of Purpose/Issue:

To keep our Curriculum Guide (Program of Studies) in compliance with Pupil Accounting measures when offering our Special Education students this service when establishing transition goals for their independence in the community.

Budget Impact:

None

Goals Addressed:

Strategy #1 We will enhance communications within the district and with the community to improve relationships among all key constituent groups to better achieve our mission.

Strategy #3 We will enhance the quality of classroom instruction.

**WAVERLY COMMUNITY SCHOOLS
BOARD OF EDUCATION
REGULAR BOARD MEETING
January 13, 2014**

Report #13-42

FOR ACTION***

Subject:

Financial Report

Recommendation:

It is recommended the following be approved:

Financial Report:

The cash balance as of November 30, 2013 was \$3,058,255.06. Receipts during December, consisting of property taxes, state aid and other revenues in the amount of \$1,709,158.39 minus disbursements during December of \$2,876,707.18, left the district with a General Fund cash balance, as of December 31, 2013, of \$1,890,706.27, including \$2,300,000.00 from the issuance of a State Aid Note.

Attached is a summary of year to date activity for the General Fund showing year to date expenditures exceeding revenues by \$2,937,695.

Attached is a summary of year to date activity for the 2013 School Facility Improvement Bonds showing \$326,941 remaining to be drawn down for the project.

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

	Revised Budget Current Year	Actual	Over (Under) Budget	% Available
Revenue				
Local sources	8,676,979	3,704,810	(4,972,169)	57.3%
State sources	16,509,697	4,506,261	(12,003,436)	72.7%
Federal sources	2,041,856	404,065	(1,637,791)	80.2%
Intergovernmental	1,921,423	302,750	(1,618,673)	84.2%
Transfers In	87,215	-	(87,215)	100.0%
Total revenue	29,237,170	8,917,886	(20,319,284)	69.5%
Expenditures				
Current:				
Instruction:				
Basic program	14,908,962	5,460,787	(9,448,175)	63.4%
Added needs	2,970,523	1,096,340	(1,874,183)	63.1%
Total instruction	17,879,485	6,557,127	(11,322,358)	63.3%
Support Services:				
Pupil	2,194,999	808,874	(1,386,125)	63.1%
Instructional staff	1,498,572	749,772	(748,800)	50.0%
General administration	408,472	188,858	(219,614)	53.8%
School administration	1,854,783	831,298	(1,023,485)	55.2%
Business	442,287	212,874	(229,413)	51.9%
Operations and maintenance	2,962,429	1,368,295	(1,594,134)	53.8%
Pupil transportation services	968,622	368,330	(600,292)	62.0%
Central	566,305	309,772	(256,533)	45.3%
Other	57,850	14,776	(43,075)	74.5%
Total support services	10,954,319	4,852,849	(6,101,470)	55.7%
Athletics	429,488	198,831	(230,657)	53.7%
Community services	11,000	1,765	(9,235)	84.0%
Non Publics	2,325	158	(2,167)	93.2%
Debt service:				
Principal	30,000	-	(30,000)	100.0%
Interest	26,585	14,885	(11,700)	44.0%
Capital outlay	50,973	35,540	(15,433)	30.3%
Payments to other public schools	454,240	194,426	(259,814)	57.2%
Total expenditures	29,838,415	11,855,581	(17,982,834)	60.3%
Excess of Revenue (Under)Over Expenditures	(601,245)	(2,937,695)	(2,336,449)	
Transfers Out	-	-	-	0.0%
Net Change in Fund Balance	(601,245)	(2,937,695)	(2,336,449)	
Fund Balance - Beginning of year	3,139,665	3,139,665		
Fund Balance - End of year	2,538,420	201,970		
	8.5%			

Waverly Community Schools
2013 School Facility Improvement Bonds
As of December 31, 2013

	Budget	Actual	Encumbered	Balance Remaining
Construction and Engineering				
Lighting	71,180	92,798	-	(21,618)
Mechanical	420,000	393,900	13,285	12,815
Controls				
EMS Programming	124,619	-	-	124,619
VFD & CO2 & Controls Install & Electric	338,288	137,952	2,749	197,587
Project Management/Engineering	186,207	177,517	8,710	(20)
Bond Issuance Costs	14,165	16,148	-	(1,983)
Contingency	15,541	-	-	15,541
Totals	<u>1,170,000</u>	<u>818,315</u>	<u>24,744</u>	<u>326,941</u>

**WAVERLY COMMUNITY SCHOOLS
BOARD OF EDUCATION
REGULAR BOARD MEETING
January 13, 2014**

Report #13-43

FOR ACTION

Subject:

Waverly Community Schools 2013-14 amended budget(s); estimated 2014-15 budget

Recommendation:

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

The 2013-14 General Fund Resolution with revenues of \$29,237,170 and expenditures of \$29,838,415

The 2013-14 Debt Retirement Fund Resolution with revenues of \$5,890,360 and expenditures of \$5,411,560

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) Additionally, the District shall include revenue and expenditure projections for fiscal year 2013-2014 and fiscal year 2014-2015 (MCL 388.1622f(2)(g)) in order to receive an incentive payment equal to \$52.00 per pupil as part of the Best Practices Incentive Grants.

Budget Impact:

The projected General Fund balance as of June 30, 2014 will be \$2,538,420, or 8.5% of current year operating expenditures.

The projected Debt Retirement Fund balance as of June 30, 2014 will be \$594,299, or 11.0% of current year debt expenditures.

Historical Perspective:

The budget is amended as needed throughout the year in accordance with the Uniform Budgeting and Accounting Act

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:

In accordance with the Uniform Budgeting and Accounting Act, when revenues are going to be less than estimated or expenditures are going to be greater than estimated, the Superintendent is to make a recommendation to reduce expenditures or increase the amount of fund balance available to appropriate for current year expenditures.

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	\$8,676,979
State	16,509,697
Federal	2,041,856
Other Financing Sources	2,008,638
Total Revenue	\$29,237,170
Total Fund Balance, July 1 Available to Appropriate	\$3,139,665
Total Available to Appropriate	\$32,376,835

BE IT FURTHER RESOLVED, that \$29,838,415 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	\$15,138,638
Added Needs	3,004,083
Support Services	
Pupil Support	2,194,999
Instructional Staff Support	1,602,447
General Administration	408,472
School Administration	1,862,128
Business Services	442,287
Operations and Maintenance	2,963,780
Transportation	968,622
Central Support	695,711
Other Support	487,338
Community Services	11,000
Nonpublic Schools	2,325
Facilities Acquisitions and Debt Service	56,585
Other Financing Uses	-0-
Total Appropriated	\$29,838,415

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 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 _____ meeting held on _____, 2014, 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
Budget Amendment - General Fund
January 13, 2014

	Proposed Budget Next Year	Revised Budget Current Year	Original Budget Current Year	Difference (Original - Revised)
Revenue				
Local sources	8,572,979	8,676,979	8,583,316	93,663
State sources	15,579,550	16,509,697	15,523,543	986,154
Federal sources	583,039	2,041,856	2,037,160	4,696
Intergovernmental	1,921,423	1,921,423	1,921,423	-
Transfers In	87,215	87,215	87,215	-
Total revenue	26,744,206	29,237,170	28,152,657	1,084,513
Expenditures				
Current:				
Instruction:				
Basic program	13,925,010	14,908,962	14,175,505	733,457
Added needs	2,890,059	2,970,523	3,343,601	(373,078)
Total instruction	16,815,069	17,879,485	17,519,106	360,379
Support Services:				
Pupil	2,084,047	2,194,999	1,803,265	391,734
Instructional staff	875,077	1,498,572	1,505,247	(6,675)
General administration	433,444	408,472	395,702	12,770
School administration	1,781,753	1,854,783	1,823,562	31,220
Business	438,507	442,287	466,002	(23,715)
Operations and maintenance	2,912,621	2,962,429	2,899,678	62,752
Pupil transportation services	944,454	968,622	950,154	18,468
Central	462,785	566,305	643,552	(77,247)
Other	57,850	57,850	57,850	-
Total support services	9,990,537	10,954,319	10,545,013	409,306
Athletics	424,275	429,488	423,312	6,176
Community services	-	11,000	5,925	5,075
Non Publics	2,325	2,325	2,325	-
Debt service:				
Principal	135,000	30,000	30,000	-
Interest	22,100	26,585	26,585	-
Capital outlay	15,273	50,973	15,893	35,080
Payments to other public schools	459,629	454,240	243,034	211,206
Total expenditures	27,864,208	29,838,415	28,811,193	1,027,223
Excess of Revenue (Under)Over Expenditures	(1,120,002)	(601,245)	(658,536)	57,290
Transfers Out	-	-	-	-
Net Change in Fund Balance	(1,120,002)	(601,245)	(658,536)	57,290
Fund Balance - Beginning of year	2,538,420	3,139,665	3,139,665	
Fund Balance - End of year	1,418,418	2,538,420	2,481,129	
	5.1%	8.5%	8.6%	

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 7.62 debt service mills to be levied on all property not otherwise exempted by law is as follows:

Revenue:	
Local sources	\$5,890,360
Total Revenue	\$5,890,360
Total Fund Balance, July 1 Available to Appropriate	\$115,498
Total Available to Appropriate	\$6,005,858

BE IT FURTHER RESOLVED, that \$5,411,560 of the total available to appropriate in the Debt Service Funds is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:	
Principal	\$4,395,000
Interest	\$1,016,560
Total Appropriated	\$5,411,560

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 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 _____ meeting held on _____, 2014, 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
2013 Taxable Values and Tax Revenue Calculations
Taxable Values as of October 21, 2013**

<u>Debt Service</u>	<u>Taxable Valuation</u>	<u>IFT @ 50%</u>	<u>Total</u>	2013 Debt Retirement Fund ⁽¹⁾ <u>7.62</u>
Watertown Twp	60,189,395	7,315,448	67,504,843	509,243
Delta Twp	573,732,004	7,530,506	581,262,510	4,384,928
Windsor Twp	22,788,342	-	22,788,342	171,911
Lansing Twp	107,377,162	-	107,377,162	810,032
City of Lansing	<u>1,755,815</u>	<u>-</u>	<u>1,755,815</u>	<u>13,246</u>
Total	<u>765,842,718</u>	<u>14,845,954</u>	<u>780,688,672</u>	<u>5,889,359</u>

⁽¹⁾ Estimated collections @ 99%

Total Debt Collection	5,889,359
Estimated Interest	1,000
Beginning Fund Balance 7/1/2013	<u>115,499</u>
Total Available	6,005,858
Interest 11/2013	334,114
Principal 11/2013	1,295,000
Interest 5/2014	682,446
Principal 5/2014	<u>3,100,000</u>
Total Debt Service	5,411,560
Estimated Fund Balance 6/30/14	<u>594,298</u>

**WAVERLY COMMUNITY SCHOOLS
BOARD OF EDUCATION
REGULAR BOARD MEETING
January 13, 2014**

Report #13-44

FOR ACTION

Subject:

Best Practices Incentive Resolution

Recommendation:

The Superintendent recommends the Board of Education approve the Best Practices Incentive Resolution as presented.

Statement of Purpose:

Section 22f of the State School Aid Act provides \$52 per pupil one-time grants to districts that satisfy at least 7 of 8 best practices criteria not later than June 1, 2014 [MCL 388.1622f]

Budget Impact:

The Best Practices Incentive provides a one-time \$52 per pupil grant or approximately \$145,200 for the 2013-2014 school year.

Historical Perspective:

In 2011-2012 the Best Practices Incentive provided a one-time \$100 per pupil grant for meeting 4 out of 5 best practices. Beginning in 2012-2013, the Best Practices Incentive declined to \$52 per pupil for meeting 7 out of 8 best practices. The State has continued its practice of utilizing this section of the State Aid Act as a one-time funding source that has no guarantee of any future award.

Discussion of Options:

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

Rationale for Recommendation:

The rationale for this recommendation is to allow Waverly Community Schools to receive \$52 per pupil under Section 22f of the State School Aid Act. The implementation of these best practices ensures that the District continues to provide certain educational opportunities, transparency reporting and fiscal responsibility.

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.

BEST PRACTICE INCENTIVE, SECTION 22F
Resolution for Adoption by
Waverly Community Schools, Ingham, Eaton and Clinton Counties, Michigan

A regular meeting of the Board of Education of the district was held in the Waverly Administrative Center, Board Room, in the District, on the 13th day of January, 2014 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, Section 22f of the State School Aid Act provides \$52 per pupil one-time grants to districts that satisfy at least 7 of 8 best practices criteria not later than June 1, 2014 [MCL 388.1622f]

WHEREAS, the Board of Education of Waverly Community Schools desires to receive the \$52 per pupil incentive payment.

WHEREAS, the Board of Education of Waverly Community Schools has satisfied at least 7 of 8 best practices criteria.

WHEREAS, eligibility for the incentive payment is contingent upon adopting a resolution that states the district has complied with the following 7 of 8 best practice criteria.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Board of Education of Waverly Community Schools certifies that the district has complied with the following requirements:
 - The district is the designated policy holder for medical benefit plan(s) pursuant to Section 22f(2)(a).
 - The district has obtained a competitive bid for the provision of 2012-13 non-instructional services, namely technology support services, pursuant to Section 22f(2)(b).
 - The district accepts applications for enrollment by non-resident applicants under Section 105 or 105c (MCL 388.1705) pursuant to Section 22f(2)(c).

- The district supports opportunities for pupils to receive postsecondary credit while attending secondary school pursuant to Section 22f(2)(e).
 - The district offers online instructional programs or blended learning opportunities to all eligible pupils pursuant to Section 22f(2)(f).
 - The district provides a link on the district’s home page to the url for the MiSchoolData Portal which will contain the required dashboard indicators pursuant to Section 22f(2)(g). If certain data elements for our district are unavailable from State data collections, we agree to provide those data in the form and manner determined by MDE.
 - The district provides physical education pursuant to Section 22f(2)(h):
2. The Board of Education of Waverly Community Schools authorizes and directs its secretary to file this resolution with the State Aid and School Finance Office of the Michigan Department of Education.
 3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

Ayes:

Nays:

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 constitutes a true and complete copy of a resolution adopted by said Board of Education at a regular meeting held on January 13, 2014, the original of which is part of the Board’s minutes. The undersigned further certifies that notice of the meeting was given to the public pursuant to the provisions of the “Open Meetings Act” (Act 267, PA 1976, as amended).

Secretary, Board of Education

**WAVERLY COMMUNITY SCHOOLS
BOARD OF EDUCATION
REGULAR MEETING
January 13, 2014**

Report #13-45

FOR ACTION

Subject:

Amendment to the Waverly Community Schools Cafeteria Plan

Recommendation:

The Superintendent recommends the Board of Education ratify and affirm the amendment to the Waverly Community Schools Cafeteria Plan, effective as of January 1, 2014.

Statement of Purpose:

The District has collectively bargained with its Employees' representatives to implement a high deductible health plan (HDHP) option along with Employer and Employee health savings account (HSA) contributions effective as of January 1, 2014 and the current Cafeteria Plan does not allow for HSA contributions as of January 1, 2014, thereby making those Employees HSA-ineligible. The amendment to the plan would terminate the Flexible Spending Plan option and make Employees eligible for HSA contributions as of January 1, 2014

Budget Impact:

Not applicable

Discussion of Options:

The Board has the following options:

- 1) To ratify and affirm the Amendment to the Waverly Community School Cafeteria Plan
- 2) To reject the recommendation to ratify and affirm, disallowing the implementation of the Amendment to the Cafeteria Plan

**AMENDMENT OF TERMINATION OF
THE RESTATED WAVERLY COMMUNITY SCHOOLS
HEALTH CARE REIMBURSEMENT PLAN**

The Waverly Community Schools, a Michigan government entity (the "Employer"), having approved and adopted the Restated Waverly Community Schools Health Care Reimbursement Plan (the "Plan"), effective July 1, 2005, does hereby approve and adopt this Amendment of Termination, effective as of December 31, 2013.

WHEREAS, the Board of Education of the Employer approved and adopted the restatement of the Plan, with an effective date of July 1, 2005, and the Plan has been previously amended twice to comply with changes in the law governing the Plan;

WHEREAS, the Employer has collectively bargained with its Employees' representatives to implement a high deductible health plan (HDHP) option along with Employer and Employee health savings account (HSA) contributions effective as of January 1, 2014;

WHEREAS, the Employer and the Employees' bargaining representatives want the HDHP/HSA option to be available to all Employees effective as of January 1, 2014;

WHEREAS, the Plan constitutes impermissible insurance for some Employees wishing to make HSA contributions as of January 1, 2014, thereby making those Employees HSA-ineligible; and

WHEREAS, the Employer wishes to terminate the Plan in accordance with Section 7.2 of the Plan.

NOW, THEREFORE, the Employer hereby adopts this Amendment of Termination of the Plan, as follows:

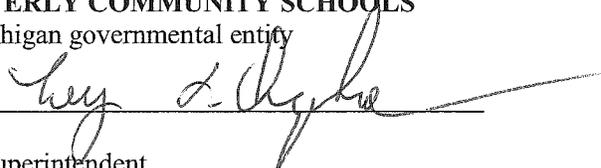
1. In accordance with Section 7.2 of the Plan, the Plan shall terminate effective as of 11:59 p.m., on December 31, 2013.

2. Section 4.6 of the Plan is amended in its entirety to read, as follows:

4.6 Run-Out of Claims Following Termination of the Plan. A Participant may submit claims for reimbursement of Eligible Medical Expenses incurred between July 1, 2013 and December 31, 2013 (the Run-Out Period), until the close of the Employer's business office on March 31, 2014. Claims submitted during the Run-Out Period shall be processed in accordance with Article 4.0 of the Plan (as amended hereby). Any balance remaining in a Participant's Health Care Reimbursement Account after the payment of all claims properly submitted with respect to the period from July 1, 2013 to December 31, 2013, on or before March 31, 2014, will be deemed forfeited.

IN WITNESS WHEREOF, the Employer has caused this Amendment of Termination to be executed on the 20 day of December, 2013.

WAVERLY COMMUNITY SCHOOLS
a Michigan governmental entity

By: 

Its: Superintendent

FIRST AMENDMENT TO
THE WAVERLY COMMUNITY SCHOOLS
CAFETERIA PLAN

The Waverly Community Schools, a Michigan government entity (the "Employer"), having approved and adopted the Waverly Community Schools Cafeteria Plan (the "Plan"), effective July 1, 2005, does hereby approve and adopt this First Amendment to the Plan, effective as of January 1, 2014.

WHEREAS, the Board of Education of the Employer approved and adopted the Plan, with an effective date of July 1, 2005; and

WHEREAS, the Employer now wishes to amend the Plan to modify the Plan's Benefits and to make other amendments.

NOW, THEREFORE, the Employer hereby adopts this First Amendment to the Plan, effective January 1, 2014, as follows:

1. Exhibit A (Benefit Schedule) to the Plan is amended and replaced in its entirety by the Exhibit A that is attached to this First Amendment.

2. Section 2.24 of the Plan is amended in its entirety to read, as follows:

2.24 Salary -- The wages or salary paid to an Employee by the Employer, determined prior to (a) any Salary Reduction election under this Plan; (b) any salary reduction election under any other cafeteria plan; and (c) any compensation reduction under any Code § 132(f)(4) plan; but determined after (d) any salary deferral elections under any Code § 401(k), 403(b), 408(k), or 457(b) plan or arrangement. Thus, "Salary" generally means wages or salary paid to an Employee by the Employer, as reported in Box 1 of Form W-2, but adding back any wages or salary forgone by virtue of any election described in (a), (b), or (c) of the preceding sentence.

3. Subsection C of Section 4.2 is amended, in its entirety, to read, as follows:

C. A Participant may not amend or revoke the Participant's election on or after the first day of the Plan Year for which the election is intended to be effective; except that a Participant may prospectively amend or revoke an election on or after the first day of the relevant Plan Year, for the remainder of the Plan Year, if the amendment or revocation is a "permitted election change" as more fully described in Section 4.3 of this Plan. If this Plan includes a Health Savings Account (HSA) Contribution Benefit, then a Participant may amend or revoke the Participant's election relative to that Benefit as provided in the description of the Health Savings Account (HSA) Contribution Benefit contained in the attached Benefit Schedule (Exhibit A).

4. Subsection A of Section 4.3 is amended, in its entirety, to read, as follows:

A. HIPAA Special Enrollment Rights. A Participant may change an election under the Plan if the Participant or his or her Spouse or Dependent is entitled to special enrollment rights under a group health plan (other than an excepted benefit), as required by HIPAA under Code § 9801(f), permitting the Participant to revoke a prior election for group health plan coverage and to make a new election (including, when required by HIPAA, an election to enroll in another benefit package under a group health plan), provided that the election change under this Plan corresponds with such HIPAA special enrollment rights. As required by HIPAA, a special enrollment right will arise in the following circumstances:

1. A Participant or his or her Spouse or Dependent declined to enroll in group health plan coverage because he or she had coverage, and eligibility for such coverage is subsequently lost because: (i) the coverage was provided under COBRA and the COBRA coverage was exhausted; or (ii) the coverage was non-COBRA coverage and the coverage terminated due to loss of eligibility for coverage or the employer contributions for the coverage were terminated;

2. A new Dependent is acquired as a result of marriage, birth, adoption, or placement for adoption;

3. The Participant's or Dependent's coverage under a Medicaid plan or state children's health insurance program is terminated as a result of loss of eligibility for such coverage; or

4. The Participant or Dependent becomes eligible for a state premium assistance subsidy from a Medicaid plan or through a state children's health insurance program (SCHIP) with respect to coverage under the group health plan.

An election to add previously eligible Dependents as a result of the acquisition of a new Spouse or Dependent child shall be considered to be consistent with the special enrollment right. An election change on account of a HIPAA special enrollment attributable to the birth, adoption, or placement for adoption of a new Dependent child may, subject to the provisions of the underlying group health plan, be effective retroactively (up to 30 days).

For purposes of this sub-section, the term "loss of eligibility" includes (but is not limited to) loss of eligibility due to legal separation, divorce, cessation of dependent status, death of an employee, termination of employment, reduction of hours, or any loss of eligibility for coverage that is measured with reference to any of the foregoing; loss of coverage offered through an HMO that does not provide benefits to individuals who do not reside, live, or work in the service area because an individual no longer resides, lives, or works in the service area (whether or not within the choice of the individual), and in the case of HMO coverage in the group market, no other benefit package is available to the individual; a situation in which an individual incurs a claim that would meet or exceed a lifetime limit on all benefits; and a

situation in which a plan no longer offers any benefits to the class of similarly situated individuals that includes the individual.

5. New Section 4.5 is added, as follows:

4.5 Group Health Coverage: COBRA. Notwithstanding any provision to the contrary in this Plan, to the extent required by COBRA, a Participant and his or her Spouse and Dependents, as applicable, whose coverage terminates under any group health plan sponsored by the Employer because of a COBRA qualifying event (and who is a qualified beneficiary as defined under COBRA), shall be given the opportunity to continue on a self-pay basis the same coverage that he or she had under the group health plan the day before the qualifying event for the periods prescribed by COBRA. Such continuation coverage shall be subject to all conditions and limitations under COBRA. Contributions for COBRA coverage may be paid on a pre-tax basis for current Employees receiving taxable compensation (as may be permitted by the Plan Administrator on a uniform and consistent basis, but may not be prepaid from contributions in one Plan Year to provide coverage that extends into a subsequent Plan Year) where COBRA coverage arises either (a) because the Employee ceases to be eligible because of a reduction in hours; or (b) because the Employee's Dependent ceases to satisfy the eligibility requirements for coverage. For all other individuals (e.g., Employees who cease to be eligible because of retirement, termination of employment, or layoff), contributions for COBRA coverage shall be paid on an after-tax basis (unless may be otherwise permitted by the Plan Administrator on a uniform and consistent basis, but may not be prepaid from contributions in one Plan Year to provide coverage that extends into a subsequent Plan Year).

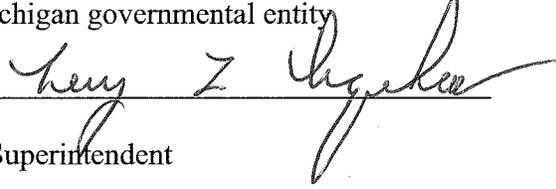
6. Section 5.6 is amended in its entirety, to read, as follows:

5.6 Forfeiture of Unused Benefits. Amounts of reduced Salary credited to Participants' accounts during a Plan Year that are not used to pay Benefits for eligible expenses incurred during that same Plan Year will be forfeited. This provision does not apply to a Health Savings Account (HSA) Contribution Benefit if such a Benefit is included in this Plan. In the Administrator's discretion, forfeited amounts may be used to: offset experience losses under a health care flexible spending account plan maintained in connection with this Plan; pay the administrative expenses of the Plan; reduce Employer contributions for the following Plan Year; or reduce Employer contributions funded through all Participants' Salary reductions for the following Plan Year. Forfeited amounts may not be paid to Participants in cash or otherwise made available to Participants.

7. Except as specifically affected by this First Amendment, all of the terms and provisions of the Plan, as previously amended, shall remain in full force and effect, the same and unchanged.

IN WITNESS WHEREOF, the Employer has caused this First Amendment to be executed on the 20 day of December, 2013.

WAVERLY COMMUNITY SCHOOLS
a Michigan governmental entity

By: 

Its: Superintendent

**THE WAVERLY COMMUNITY SCHOOLS
CAFETERIA PLAN
[Amended Effective January 1, 2014]**

EXHIBIT A

BENEFIT SCHEDULE

Medical Plan Coverage

Each Participant who wants coverage under an insured Medical Plan maintained by the Employer for a Plan Year will receive coverage under the Policy or Policies maintained by the Employer to provide such coverage as designated by the Participant in the election form or forms executed by the Participant for the Plan Year under the terms of such Policy or Policies. The coverage available to the Participant will be in accordance with the pertinent provisions of the Collective Bargaining Agreement between the Employer and the bargaining unit that represents the Participant, or in the case of non-organized Participants, in accordance with the terms of the Participant's employment with the Employer.

Medical Insurance Premium, Employee Portion

The Salary of each Participant electing this Benefit will be reduced in accordance with a Salary Reduction Agreement to pay the Participant's contribution to the Premium under the Policy or Policies maintained by the Employer to provide health coverage to the Participant in the amount, when added to the Employer's portion, that is required for the coverage designated by the Participant in the Participant's election form, and amounts so reduced in each pay period during the relevant Plan Year will be credited to the Participant's Medical Insurance Premium Account. Premiums will be paid from the Participant's Medical Insurance Premium Account in accordance with the terms of the Policy. Amounts credited to a Participant's Medical Insurance Premium Account may only be used to pay medical insurance Premiums, and any amounts credited to that Account within a Plan Year that are not so used before the end of that Plan Year will be deemed forfeited.

Waiver of Health Insurance; Cash Option

Each Participant who does not want coverage under the Employer's insured medical plan may elect to not receive such coverage for a Plan Year by executing a Waiver form provided by the Administrator within the relevant Election Period. A Participant who elects to waive coverage under the Employer's insured medical plan will receive cash in lieu of health insurance coverage in an amount and at the times determined by referencing the pertinent provisions of the Collective Bargaining Agreement between the Employer and the bargaining unit that represents the Participant, or in the case of non-organized Participants, the terms of the Participant's employment with the Employer. Unless otherwise provided, a Participant's waiver of health insurance shall apply to major medical coverage for which the Participant is eligible, and shall not apply to other insured benefits such as dental or vision coverage.

Dependent Care Assistance Flexible Spending Account Plan

The Salary of each Participant electing this Benefit will be reduced in accordance with a Salary Reduction Agreement to fund the Participant's Dependent Care Reimbursement Account established for the Participant under the Employer's Dependent Care Assistance Plan. The amount and payment of Benefits will be determined under the Dependent Care Assistance Plan.

Other Insurance Benefits

In addition to the health insurance coverage referenced above, each Participant may elect from among other qualified accident and health benefits, disability benefits or other similar insured benefits as provided in the Collective Bargaining Agreement between the Employer and the bargaining unit that represents the Participant, or if the Participant is not covered by a Collective Bargaining Agreement, as the Employer determines shall be offered in connection with this Plan from time to time, either taxable or non-taxable as the case may be, in amounts and to persons determined by the Participant each Plan Year. The Salary of a Participant electing other insurance benefits will be reduced in accordance with a Salary Reduction Agreement to fund the Participant's cost of those selected benefits.

Health Savings Account (HSA) Contributions

- a. A Participant who is HSA-eligible as provided in Code Section 223(c)(1) can elect to pay HSA contributions on a pre-tax basis via a Salary Reduction Agreement. The Participant's HSA must be established and maintained outside the Plan with a trustee/custodian to whom the Employer can forward contributions derived from the Participant's Salary Reduction, to be deposited into the Participant's HSA. Notwithstanding anything to the contrary contained in the Plan regarding permitted election changes, the Participant may increase, decrease or revoke prospectively the Participant's HSA contribution election at any time during the Plan Year, effective no later than the first day of the next calendar month following the date that the election change was filed.
- b. A Participant is HSA-eligible, with respect to any month, if:
 - (i) such Participant is covered under a high deductible health plan as of the 1st day of such month, and
 - (ii) such individual is not, while covered under a high deductible health plan, covered under any health plan:
 - (1) which is not a high deductible health plan, and
 - (2) which provides coverage for any benefit which is covered under the high deductible health plan (other than disregarded coverage).

- c. A Participant may elect up to the maximum allowable contribution, as provided by Code Section 223 (adjusted for cost-of-living) for the Participant's coverage level under the High Deductible Health Plan sponsored by the Employer; provided, however, that the maximum annual contribution shall be:
- (i) reduced by any Employer contribution (other than the contributions made pursuant to the Participant's Salary Reduction Agreement) made on the Participant's behalf (described in subparagraph d hereof); and
 - (ii) prorated for the number of months in which the Participant is an HSA-Eligible Individual.
- d. The Employer will make HSA contribution to the HSA of each Participant who elects coverage under the high deductible health plan offered by the Employer. The amount of the Employer's HSA contribution on behalf of a Participant shall be in accordance with the pertinent provisions of the Collective Bargaining Agreement between the Employer and the bargaining unit that represents the Participant, or in the case of non-organized Participants, in accordance with the terms of the Participant's employment with the Employer. The Employer's HSA contribution on behalf of a Participant for a Plan Year shall as of the first day of the Plan Year for which such contribution is made, or as soon thereafter as is reasonably practicable.
- e. The Plan Administrator shall maintain records of contributions forwarded to the HSA trustee/custodian of each Participant's HSA. The Plan Administrator will not, however, create a separate fund or otherwise segregate assets for this purpose. Other than forwarding contributions through its payroll system to each Participant's HSA trustee/custodian, the Employer has no authority or control over the funds deposited in a HSA. Furthermore, the establishment of each Participant's HSA is completely voluntary on the part of the Participant and the Employer does not:
- (i) limit the ability of the Participant to move his/her funds to other HSAs, beyond the restrictions imposed by the Code;
 - (ii) impose conditions on utilization of HSA funds beyond those permitted under the Code;
 - (iii) make or influence the investment decisions with respect to funds contributed to an HSA;
 - (iv) represent that the Participant's HSA is an employee welfare benefit plan established or maintained by the Employer;
 - (v) have any authority or responsibility whatsoever to determine whether distributions from the Participant's HSA are for qualified medical expenses, because only the Participant or the account beneficiary may determine how HSA distributions will be used; or

- (vi) receive any payment or compensation in connection with an HSA.
- f. The tax treatment of Participants' contributions to their HSAs is governed by Code Section 223.

Cash.

Participants not electing any of the nontaxable Benefits provided under this Plan will receive Salary, in cash, without any reduction.

**WAVERLY COMMUNITY SCHOOLS
BOARD OF EDUCATION
REGULAR MEETING
January 13, 2014**

Report #13-46

FOR ACTION***

Subject: Personnel Report

A. Coaching – High School/Middle School

<u>Name</u>	<u>Assignment</u>	<u>Step</u>	<u>Stipend</u>	<u>Effective</u>
Craig Fields	Boys Varsity Basketball Coach	3	\$5,739	Winter Season
James Tolbert	8 th Grade Boys Basketball Coach	3	\$2,731	Winter Season