To be approved at the Board of Education meeting December 9, 2008.

MINUTES OF THE NOVEMBER 5, 2008 REGULAR BOARD OF EDUCATION MEETING.

The Shaker Heights Board of Education met in regular session on Wednesday, November 5, 2008 at 8:01 p.m. at Shaker Heights Middle School, 20600 Shaker Boulevard, Shaker Heights, Ohio 44122.

Members present: Mr. Norman A. Bliss, Ms. Freda J. Levenson, Mr. Peter A. Robertson, Ms. Annette Tucker Sutherland and Mr. F. Drexel Feeling.

President F. Drexel Feeling presided.

President Feeling inquired of the audience as to any questions or comments pertaining to agenda items. There being none, the meeting continued.

Upon the presentation of the Minutes of the October 7, 2008 regular meeting, Ms. Levenson moved, seconded by Ms. Sutherland to approve the minutes as presented.

Roll Call: Ayes: Mr. Bliss, Ms. Levenson, Mr. Robertson, Ms. Sutherland, Mr. Feeling. The motion carried.

08-11-137

SUPERINTENDENT'S REPORT AND RECOMMENDATIONS

Upon the recommendation of Superintendent Mark Freeman, Mr. Bliss moved, seconded by Mr. Robertson that the following personnel items be approved.

PERSONNEL

Certified

Temporary Employees: Lunch Room Supervisors, Substitute Tutors, Home Instructors, Substitute Teachers, Substitute Nurses, Substitute Library Aides, Tutoring Center Tutors for the 2008-2009 School Year

- Beniseck, Gina
- Detorre, Susan
- Fisher, Cynthia
- Flox, Martin
- Goins, Brenda
- Kuster, Kurt
- Tennessen, Natasha

Salary Reclassification for the 2008-2009 School Year (pursuant to collective bargaining agreement)
Effective August 25, 2008

- Ahrens, Amanda – B.A., step d to B.A.+15, step d
- Black, Shana – B.A.+15, step g to M.A., step g
- Bonner, Shaunna – M.A., step l to M.A.+15, step l
- Canady, Regina – M.A., step h/i to M.A.+15, step h/i
- Child, Bryan – M.A., step g to M.A.+15, step g
- Clemente-Milne, Deanna – B.A., step f/g to B.A.+15, step f/g
- DiPiero, Jill – M.A., step i to M.A.+15, step i
- Doersen, Valerie – B.A.+15, step d to M.A., step d
- Fleming, Kathleen – M.A., step i to M.A.+15, step i
- Harrell, Angela – M.A.+15, step l to M.A.+30, step l
- Hayduk, Crystal – M.A., step k to M.A.+15, step k
- Johnson, Erik – B.A.+15, step e to M.A., step e
Koppitch, John – B.A.+15, step d to M.A., step e
Lotter, Blanca – M.A., step a to M.A.+15, step a
Marencik, Joseph – M.A.+15, step r-1 to M.A.+30, step r-1
Miller, Carolyn – B.A.+15, step e to M.A., step e
Reinhold, Jean – M.A.+30, step s-1 to M.A.+45, step s-1
Robbins, Laura – B.A.+15, step a to M.A., step a
Roth, Linda – M.A.+15, step m to M.A.+30, step m
Sanford, Aquita – B.A.+15, step h to M.A., step h
Settle, Katherine – B.A., step c, to B.A.+15, step c
Starks, Bobby – B.A.+15, step p-1 to M.A., step p-2
Strouse, Mary – M.A.+15, step r-4 to M.A.+30, step r-4
Taylor, Aaron – B.A., step d to B.A.+15, step d
Weiner, Susan – M.A.+30, step r-2 to M.A.+45, step r-2
Whidden, Annie – M.A., step g to M.A.+15, step g
Wigton, Erica – M.A., step h to M.A.+15, step h
Zucca, Matthew – M.A., step k to M.A.+15, step k

Curriculum Writing and Instructional Planning for the 2008-2009 School Year
Authorization is requested for staff members to participate in curriculum writing and
instructional planning. These activities will not exceed 10 units per individual. A unit
refers to approximately one-half day of service at $65.

Mentoring and Curriculum Mapping
Up to 2 units per individual

Adie, Jeffrey
Ahrens, Amanda
Bonner, Shaunna
Boyd, Carol
Brewster, Katherine
Brindza, Elizabeth
Campbell, Nicole
Candel, Charles
Clemens, Jason
Coelho, Luiz
Corbin, Sue
Culek, Kenneth
Derrick, William M.
Drosdeck, Carola
Flox, Cari
Foote, Leslie
Glickman, Andrea
Hannah, Amy
Hsu, Nathanael
Hu-Yan, Qun
Jackson, Susanna
Jones, Diana
Joyce, Sara
Kabay, Michael
Kalan, Timothy
Kapel, Jesse
Kulikowski, Joseph
Lawrence, Patricia
Lotter, Blanca
Manary, Sarah
Manuel, Renee
Markel, Caroline
McCauley, Tina
McDowell, David
Moore, John
Murphy, Nora
Nagal, Matthew
O’Verko, John
Pattie, Jeffrey
Pensky, Dorothy
Perlmutter, Robin
Pope, Joyce
Porter, Miriam
Rabatin, Amanda
Robbins, Laura
Roth, Linda
Saddler, Sondra
Schaedlrich, Brian
Schneider, Robert
Schumacher, Jill
Schwartz, Sara
Strouse, Mary
Tobey, Addie
Watkins, Daniel
White, Robert
Wiemer, Jeanne
Additional Assignments for the 2008-2009 School Year

Instructors/Child Abuse Seminar
Up to 8 hours per individual

Gesing, Timothy
Gholson, Jacqueline

Special Assignments for the 2008-2009 School Year
Authorization is requested for staff members to participate in the following activities:

Administering and Monitoring National Standardized Tests – (Special Testing/Rotary Funds/High School)
October 18, 2008

Arsham, Barbara - $80
Black, Shana - $70
Cheney, Robert - $80
Gholson, Jacqueline - $80
Grigsby, Allen - $230
Illes-Johnson, Beth - $80
Kelly, Ellen - $80
Moroney, William - $80
Rathbone, Joel - $80
Saddler, Sondra - $80

Language Arts Workshop Facilitator
Up to 5 hours per individual

Rimedio, Margaret

Local Professional Development Committee Planning
Up to 20 units per individual

Grim, Dorothy
Kelly, Ellen
O’Verko, John
Strickler, Elizabeth
Sweeney, Eileen
Weiss-Flynn, Penny

Technology In-service
Up to 1/2 unit per individual

Bednar, Jason (10)
Bendersky, Mara
Brittain, Donna
Brodsky, Amy (10)
Brown, Denise
Burns, Cecilia
Douglass, Jacqueline
Gillette, Bradley
Goulden, Jennifer
Hayward, Kristina
Jindra, Judith
Johnston, Nancy
Kalan, Timothy
Koenigsberger, Kristin
Leimsieder, Saree
Lum, Karen
McGuian, Martin
Mears, Susan
Presutti, Michaelene
Robbins, Laura
Steinbock, Jennifer
Thomas, Rebecca
Weiss-Flynn, Penny
White, Sarah

5th and 6th Grade Introductory Band Clinic/Jazz Band
Up to 10 units per individual

Braverman, Charlotte
Coelho, Luiz
Kulikowski, Joseph
Pocaro, Adrian
Supplemental Contracts for the 2008-2009 School Year

Fernway School

Lewis, Adrian – Safety Patrol – 1.0 x 1
McCord, Claudia – Student Council – 1.0 x 1
Morris, Sean – Teacher In Charge – 1.33 x 1
Morris, Sean – Scholars Coordinator – 2.0 x 1
Morris, Sean – Intramurals – 2.0 x 1
Morris, Sean – Student Council – 1.0 x 1
Reinhold, Jean – Mediation – 2.0 x 1
Zucca, Matthew – Teacher In Charge – 1.33 x 1
Zucca, Matthew – Scholars Coordinator – 2.0 x 1

Fernway School Special Supplementals

Berggrun, Michelle – Fernway School Musical - .05 x 10
Lambert, Mary – Fernway Recorder Club - .05 x 10
Lambert, Mary – Fernway School Musical - .05 x 10
McCord, Claudia – Computers - .05 x 1
Reinhold, Jean – Fourth Grade Play - .05 x 26

Lomond School

Arrington, Darcel – Dance Club – 1.0x 1
Bannon, Patsy – Student Council/Service Clubs – 1.0 x 1
DiPiero, Jill - Scholars Coordinator – 2.0 x 1
Rucinski, Michell – Student Council/Service Clubs – 1.0 x 1
Wagner, Kevin – Dance Club – 1.0 x 1
Wigton, Erica – Scholars Coordinator – 2.0 x 1

Lomond School Special Supplementals

Sattelmeyer, Lee – Computers – .05 x 120
Smith, Stephen – Safety Patrol/Service Clubs - .5 x 2

Woodbury School Special Supplementals

Kobilis, Michael – Drama Club – 05 x 1
Steiner, Cynthia – D.R.U.M. – .05 X 30

Middle School Supplementals

Bishko, A.J. – Interscholastic Cross Country Assistant Coach – 1.2 x 1
Nlandu, Tamba – Interscholastic Soccer Coach – 6.0 x 1

Middle School Special Supplementals

Anderson, Kelly – Study Circle - .10 x 77.7
Lindsey, Dexter – Study Circle - .10 x 77.7

High School Special Supplementals

Klapholz, David – Study Circle - .10 x 77.7
Mitchell, Timothy – Study Circle - .10 x 77.7
Tournoux, Gene – Study Circle - .10 x 77.7
High School

Bradford, Alison – Pre-season Lacrosse Head Coach (Women) – 4.5 x 1
Bradford, Alison – Lacrosse Head Coach (Women) – 8.5 x 1
Glavic-Galosi, Bonita – Student Council – 1.0 x 1
Harger, Charles – Pre-season Soccer Assistant Coach (Men) – 2.5 x 1
Harger, Charles – Soccer Assistant Coach (Men) – 6.5 x 1
McIntyre, Hubert – Mac Coordinator (Men) – 5.0 x 1

High School Special Supplementals

Bradd, Andrea – Senior Projects Assistant Coordinator - .1 x 25
Lynn, Wendy – Production Support - .1 x 9
Lynn, Wendy – Fall Play Assistance - .1 x 30
Lynn, Wendy – Ensemble Consulting - .1 x 30
Rathbone, Joel – Production Support - .1 x 7.5
Schneider, Robert – Fall Musical Vocal Coach – .1 x 38

Classified

Appointments for the 2008-2009 School Year

Milliner, Billy – (Custodian Without License/High School) – step 1 – Effective October 29, 2008

Mitro, Catherine – (Communications Specialist/Administration) – 50% Communications Specialist, Class CC, grade 1 of the Supervisor, Classified Specialist, and Administrative Salary Schedule – Effective October 31, 2008

Perrin, Gabrielle – (Secretarial Technician/Onaway/9 1/2 month) – step 8 – 30 hours per week – Effective October 27, 2008

Shelton, Tamara – (Special Education Aide/Mercer School) – step 5 of the Teacher Aide Salary Schedule – Effective October 20, 2008

Changes in Assignment for the 2008-2009 School Year

Gayle, Victor – (Custodian Without License/High School) – from Building Assistant, Onaway, step 8, to Custodian Without License, High School, step 8 – Effective November 3, 2008

Richardson, Raeford – (Evening Head Custodian/High School) – from Fireman, step 12, to Evening Head Custodian I, High School, step 9 – Effective November 3, 2008

Temporary Employees: Building Monitors, Head Lunchroom Aides, Lunchroom Aides, Off-Duty Police Officers, Student Technology Aides, Student Aides, Substitute Bus Drivers, Substitute Bus Monitors, Substitute Cafeteria Workers, Substitute Custodians, Substitute Secretarial Technicians, Substitute Security, Substitute Teacher Aides, Technology Interns, Tutoring Center Study Assistants for the 2008-2009 School Year

Adams, Steven
Adkins, Elisa
Braswell, Felicia
Brown, Eileen
Burton, Tim
Calhoun, Darlene
Chelune, Rene
Coleman, Melissa
Donald, James
Donald, James
Ezell, Halbert
Fisher, Cynthia
Griffin, Sara
Keresman, Katelyn
McKissic, Christopher
Penney, Jane
Perrin, Gabrielle
Tufts, Shelton  
Tyree, Paul  

**Project Assistant for the 2008-2009 School Year**

Green, Andrea

**Special Assignments for the 2008-2009 School Year**

Authorization is requested for staff members to participate in the following activities:

Administering and Monitoring National Standardized Tests – (Special Testing/Rotary Funds/High School)

- Corbin, Pamela - $80  
- Johnson, Kathryn - $70  
- Kee-Dean, Jeraldine - $70  
- Patterson, Catherine - $70  
- Turner, Vivia - $80

Technology In-service

Up to ½ unit per individual

Wemer, Nancy

**Leave of Absence for the 2008-2009 School Year**

Taylor, Eleanor – (Bus Driver/Transportation) – Effective October 20, 2008, through January 20, 2009 (caregiver)

**Resignations**

Jezerski, Kelly – (Special Education Aide/Beachwood Schools) – Effective end of the 2007-2008 school year – 7 years of service

Russell, Saamya – (50% Communications Specialist/Administration) – Effective end of the day October 15, 2008 – 1 month of service

**ADDENDUM**

**Certified**

**Curriculum Writing and Instructional Planning for the 2008-2009 School Year**

Authorization is requested for staff members to participate in curriculum writing and instructional planning. These activities will not exceed 10 units per individual. A unit refers to approximately one-half day of service at $65.

Technology (Technology, Title II-D Grant)

Morris, Sean

**Supplemental Contracts for the 2008-2009 School Year**

Fernway School

- Lewis, Adrian – Safety Patrol – 1.0 x 1
- McCord, Claudia – Student Council – 1.0 x 1
- Morris, Sean – Teacher In Charge – 1.33 x 1
- Morris, Sean – Scholars Coordinator – 2.0 x 1
- Morris, Sean – Intramurals – 2.0 x 1
- Morris, Sean – Student Council – 1.0 x 1
Fernway School Special Supplementals

Berggrun, Michelle – Fernway School Musical – .05 x 10

Middle School Supplementals

Lichtman, Lillian – Department Chairperson: Special Education – 12.0 x 1
Nlandu, Tamba – Interscholastic Soccer Coach – 1.8 x 1

Middle School Special Supplementals

Freeman, Laurie – Science Olympiad Coach – .1 x 40
Lindsey, Dexter – North Central Accreditation Coach – .1 x 60
Oryl, Christopher – Science Olympiad Coach – .1 x 40
Pfeiffer, Erika – Power of the Pen – .1 x 30
Rathbone, Joel – Production Support – .1 x 7.5
Repasy, Paul – Science Olympiad Coordinator – .1 x 50
Schneider, Robert – Music Support – .1 x 7.5
Schwenn, Michael – Science Olympiad Coordinator – .1 x 50
Strauch, David – Golf Club – .05 x 15
Strauch, David – Science Olympiad Coach – .1 x 40

High School

Houser, Joseph – Pre-season Basketball Freshman Coach (Men) – 2.5 x 1
Houser, Joseph – Basketball Freshman Coach (Men) – 6.5 x 1
Kline, Daniel – Pre-season Tennis Head Coach (Women) – 3.5 x 1
Kline, Daniel – Tennis Head Coach (Women) – 7.0 x 1
Kline, Daniel – Pre-season Tennis Head Coach (Men) – 3.5 x 1
Kline, Daniel – Tennis Head Coach – (Men) – 7.0 x 1

High School Special Supplementals

Corbin, Pamela – Choregraphy – .1 x 7.5
Schneider, Robert – Music Support – .1 x 7.5

Disability Leave

Taylor, Jessica – (Science Teacher/High School) – Effective August 26, 2008 – 7 years of service (disability retirement) (correction to October 7, 2008 Board Agenda)

Classified

Appointments for the 2008-2009 School Year

Baskind, Noelle – (Cashier/Cook’s Helper/Fernway) – step 1 – 30 hours per week – Effective November 3, 2008
Eagleton, Katherine – (Special Education Aide/Boulevard) – step 4 of the Teacher Aide Salary Schedule – Effective November 5, 2008

Changes in Assignment for the 2008-2009 School Year

Sexton, James – (Custodian Without License/Woodbury) – from Building Assistant, Boulevard, step 17, to Custodian Without License, Woodbury, step B – Effective November 3, 2008
Vanderpool, Faith – (Head Cashier/Woodbury) – from Cook’s Helper, High School, step 4, to Head Cashier, Woodbury, step 4 – 35 hours per week – Effective November 3, 2008
Temporary Employees: Building Monitors, Head Lunchroom Aides, Lunchroom Aides, Off-Duty Police Officers, Student Technology Aides, Student Aides, Substitute Bus Drivers, Substitute Bus Monitors, Substitute Cafeteria Workers, Substitute Custodians, Substitute Secretarial Technicians, Substitute Security, Substitute Teacher Aides, Technology Interns, Tutoring Center Study Assistants for the 2008-2009 School Year

Bailey, Tyrone
Grafton, Timothy
Williams, Justin

Resignation

Van Ness, Nancy – (Administrative Secretary/Middle School) – Effective January 1, 2009 – 28 years, 1 month (retirement)

Roll Call: Ayes: Mr. Bliss, Ms. Levenson, Mr. Robertson, Ms. Sutherland, Mr. Feeling. The motion carried.

WELCOME – DR. RANDALL YATES, SHAKER HEIGHTS MIDDLE SCHOOL PRINCIPAL

At this time Superintendent Freeman introduced Dr. Randall Yates, Principal of the Shaker Heights Middle School. Dr. Yates extended a warm welcome to the Board and community.

DISTRICT HIGHLIGHTS

- A record 144 Shaker Heights High School students have been named Advanced Placement (AP) Scholars by The College Board in recognition of their outstanding performance on three or more AP examinations administered through May 2008.

  The College Board’s Advanced Placement program offers students the opportunity to take challenging college-level courses while still in high school and to receive college credit, advanced placement, or both for successful performance on the AP exams. The exams are graded on a scale of 1 to 5, with 5 being the highest, and most U.S. colleges will grant credit or upper-level placement for a grade of 3 or higher.

  Shaker Heights High School offers 23 Advanced Placement courses in subjects including English; foreign languages, including French, Spanish, German, and Latin; math, including calculus and statistics; science, including chemistry, biology, environmental science, and physics; music theory; and social studies, including American government, economics, modern European history, psychology, and U.S. history.

  In any given year, approximately one-third of Shaker sophomores, juniors, and seniors are enrolled in at least one AP course. In May 2008, 370 Shaker students took 882 AP examinations, with 79 percent earning a score of 3 or higher. The average Shaker score was 4.08.

  The students honored graduated in June 2008 unless otherwise noted.

  Fifty students were named AP Scholars by completing three or more AP exams with grades of 3 or higher. They are Robert Abrams, Horia Almasan ('09), Letizia Autieri, Dena Balk, Faith Bell, Carlye Bellamy, Sophia Bellin-Warren ('09), Thomas Bostwick, Julian Bruell, Lisa Buffo, Ke Feng ('09), Melissa Freilich
Thirty-four students qualified as AP Scholars with Honor by earning an average of at least 3.25 on all AP exams taken, and grades of 3 or higher on four or more of these exams. These students are: Meredith Boyd, Joshua Curry ('09), Kelsey Deforest ('09), Christopher Durbin, Stacy Feeling ('09), Margaret Green ('09), Joanna Hachtel, Audrey Hall ('09), Claire Hall, Natalie Haubrich ('09), Jacob Hutt ('09), Courtney Johnson, Isha Jones, Evan Kaufman, Dong Joo Kim, Hannah Lawrence, Allyson McClendon ('09), Kristen McCrae, Christopher Mok ('09), Daniel Murphy ('09), Julia Murphy, Dean Pohlman, Aaron Robbins, Elizabeth Seitz ('09), Rebecca Semel, Jeremy Shapero, Steven Silver, Kristen Sinicariello ('09), Robin Steiner-Malumphy ('09), Jack Sutorius, Robert Sweeney, Michael Triorzzi, James Urban, and Samuel Weir.

Sixty students qualified as AP Scholars with Distinction by earning an average of at least 3.5 on all AP exams taken and grades of 3 or higher on at least five exams. They are David Barach, Daniel Bardenstein ('09), Jared Beachy, Marita Beachy ('09), Brianna Blackwood-Mallory, Hartley Brody, Natalia Cabrera, Edward Cahill, Maria Casal, Alyssa Cohen, Michael Cowett ('09), Joshua Davidson, Alexandra Dimeff, Aaron Dunn, Simone Duval ('09), Eden Engel-Rebitzer, Megan Findling, Katherine Foster, Anne Gabriel, Kirsten Gassman, Ethan Gates, Alison Goodman, Alex Grossman-McKee, Brent Grossman-McKee ('09), Emily Janata, Eian Katz ('09), Juliet Kibbe, Nathan Langhinrichs, Christopher Mawhorter, Whitney Mercer, Samuel Miller, Lena Newman, Alison O'Connor, Margaret O'Connor, Margaret O'Halloran, Jason Oscar ('09), Robert Owen, Allison Paetz, Katherine Peter ('09), Gabriel Pincus ('09), Abigail Pink, Susanna Pretzer, Yue Qi, Emily Rogoff, Scott Rownd, Katherine Ryan, Justine Ryu ('09), Allison Scharfstein, Molly Shlaes, Kathryn Spilman, Daniel Strassfeld, Cyrus Taylor, Viveca Tress, Jefferson Triorzzi, Emily Tuttle, Gregory Van Lunteren, Christina Wang, Robert White, Julia Wilson, and Stephen Zawodzinski.

In addition to being designated AP Scholars with Distinction, fifteen Shaker students were named National AP Scholars. This designation is reserved for students earning an average grade of 4 or higher on all AP exams taken and grades of 4 or higher on at least eight exams. They are David Barach, Natalia Cabrera, Alyssa Cohen, Michael Cowett ('09), Anne Gabriel, Ethan Gates, Nathan Langhinrichs, Lena Newman, Alison O'Connor, Abigail Pink, Allison Scharfstein, Daniel Strassfeld, Cyrus Taylor, Robert White, and Julia Wilson.

- Joining a growing number of school districts nationwide, the Shaker schools moved the fall Professional Day this year from the traditional early October date to Election Day. The change was made, in consultation with employee organizations and the PTO, in order to reduce traffic and security concerns associated with holding classes while voters are in the schools.

Staff members in all categories participated in professional development activities. Topics included differentiated instruction, assessment techniques, uses of data for instruction and productivity, improvement of technical skills, and workplace safety.

As in the past, all Shaker schools except the High School were used as polling places. Work on sewer lines, water lines, and streets in the campus area was completed just in time to open the area for traffic and onstreet parking. In addition, District staff
members worked with the Shaker Heights Police Department and the Board of Elections to make logistical plans for the day. In general, voting at the schools proceeded without incident, in large part because an estimated 25% of Cuyahoga County voters had cast their ballots by mail or in person prior to Election Day.

- Five school districts in Cuyahoga County passed levies in Tuesday’s election, and five failed. In most cases, the ballot issues were repeat efforts following previous losses. Based on unofficial returns available from the County Board of Elections this morning, results are as follows:

<table>
<thead>
<tr>
<th>District</th>
<th>Type of issue</th>
<th>Result (unofficial)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bedford</td>
<td>5.9 mills, new, operating</td>
<td>Fail</td>
</tr>
<tr>
<td>Brecksville-Broadview Heights</td>
<td>6.8 mills, renewal, operating</td>
<td>Pass</td>
</tr>
<tr>
<td>Brecksville-Broadview Heights</td>
<td>6.3 mills, renewal, operating</td>
<td>Pass</td>
</tr>
<tr>
<td>Brooklyn</td>
<td>6.6 mills, new, operating</td>
<td>Pass</td>
</tr>
<tr>
<td>Euclid</td>
<td>6.9 mills, emergency</td>
<td>Pass</td>
</tr>
<tr>
<td>Mayfield</td>
<td>9.9 mills, operating and capital</td>
<td>Pass</td>
</tr>
<tr>
<td>North Royalton</td>
<td>4.9 mills, emergency</td>
<td>Fail</td>
</tr>
<tr>
<td>Olmsted Falls</td>
<td>4.9 mills, new, operating</td>
<td>Fail</td>
</tr>
<tr>
<td>Olmsted Falls</td>
<td>Income tax</td>
<td>Fail</td>
</tr>
<tr>
<td>Parma</td>
<td>5.5 mills, new, operating</td>
<td>Fail</td>
</tr>
<tr>
<td>Richmond Heights</td>
<td>6.5 mills, new, operating</td>
<td>Fail</td>
</tr>
<tr>
<td>South Euclid/Lyndhurst</td>
<td>5.4 mills, new, operating</td>
<td>Pass</td>
</tr>
</tbody>
</table>

Statewide, 146 school issues passed and 90 failed, for a success rate of 62% according to the Ohio School Boards Association.

- **Marcia Fudge** ('71), **Peter Lawson Jones** ('71), and **Lance Mason** ('85) were victorious in Tuesday’s elections. Fudge, the Mayor of Warrensville Heights, will succeed the late Stephanie Tubbs Jones in Congress. Her district, the 11th, includes Shaker Heights. Jones was re-elected as a Cuyahoga County Commissioner. Mason, a former state legislator representing Shaker and neighboring communities, was elected judge in the Cuyahoga County Court of Common Pleas.

**Upcoming Events**

The Shaker Heights High School Theatre Arts Department, in collaboration with the Music Department, presents *Ragtime: the Musical*. Directed by Theatre Department Chair **Christine McBurney** with music direction by Music Department Chair **Robert Schneider**, the production includes more than 120 students in a variety of roles ranging from performers to musicians, managers, designers and fundraisers. Performances of *Ragtime* are at 8 p.m. on Thursday, December 4, Friday, December 5, and Saturday December 6, 2008, in the Large Auditorium at Shaker Heights High School. Tickets are $10 for adults and $5 for students and senior adults, and may be purchased by calling the box office at 216-295-4287.

Other upcoming events:

- November 12: HS Fall Orchestra Concert, 7:30 p.m.
- November 13: MS Fall Band Concert, 7:00 p.m.
- November 14: Conference Day K-12
- November 17: Conference Day K-8
- November 20: MS Choral Concert, 7:30 p.m.
- November 26-28: Thanksgiving Recess
At this time, Superintendent Freeman introduced Dale Whittington, Director of Research and Evaluation, who provided the Board with an overview of the 2007-08 Accountability Report and Fact Book, a compendium of data about the School District from the 2007-08 school year. Covering a variety of topics including demographics, resources, and academic performance, the book was initially issued for the 1996-97 academic year and has been issued annually since 2000. It is available on the web at www.shaker.org/about/FactBook. Comments, questions, answers and discussion by the Board members followed the presentation.

FINANCIAL UPDATE

At this time the Board discussed various aspects of the Treasurer’s report and preliminary Finance & Audit Committee recommendation on levy alternative scenarios including the pros and cons of deferring an operating levy beyond May 2009. Board members noted that if delayed beyond 2009, it then becomes a critical necessity of passing a levy in 2010.

Pursuant to the Board’s discussion of the District’s financial position, Board President F. Drexel Feeling issued the following statement:

Consistent with the preliminary recommendation of the Finance and Audit Committee, the Board has concluded that the District will not seek an operating levy in May 2009 as planned.

There are two reasons for deferring the levy:

- The District’s financial position is better than expected, because of unanticipated one-time revenue and successful cost-containment measures.
- The state of the economy makes a levy particularly burdensome at this time.

Our hope is that we can defer a levy until 2010, but we must be open to the possibility of going on the ballot in November 2009 if the financial picture worsens significantly due to state cuts or other circumstances. With or without a levy, the District must and will continue to contain expenses without sacrificing the quality of the curriculum and instruction.

We deeply appreciate the community’s high level of support for the schools, and we pledge to continue to provide the children of Shaker Heights with a top-quality education while exercising fiscal responsibility.

BOARD OF EDUCATION

APPROVING REVISIONS TO BOARD POLICIES

(No action required by State Law) (Note: In accordance with Board Policy, no action is required at this time for this the second of three required readings of these Policy amendments. First reading was October 7, 2008.)

WHEREAS, a Board Policy Review Committee was appointed to review the District’s entire set of Board Policies and present suggested revisions as appropriate to the entire Board; and

WHEREAS, the Board Policy Review Committee has reviewed such Board Policies and has a preliminary set of minor revisions to be submitted for the approval of the Board;
NOW, THEREFORE, BE IT RESOLVED by the Board of Education that the Board Policy Review Committee recommended revisions to existing Board Policies as delineated in the attached Item A be hereby approved.

Upon the recommendation of Superintendent Mark Freeman, Policy ACA is deleted from the list. No action by the Board of Education is necessary at this time.

TREASURER’S REPORT AND RECOMMENDATIONS

Upon the recommendation of Mr. Bryan Christman, Treasurer, Mr. Bliss moved, seconded by Mr. Robertson that the financial statements for September 2008 (Exhibit T-1) be accepted and placed on file for audit.

President Feeling asked Mr. Christman to review the highlights of the financial statements. He commented on items as delineated in the financial and miscellaneous briefs and as follows:

- **Real Estate Taxes** - $1,734,023 or 7.0% more than taxes received through September 2007, which is attributed to the varying amounts received in the tax advances as compared to last year.
- **Investment Earnings** - $238,202 received this year, which is $156,602 or 39.7% less than received at this time last year. The Fed left the Fed funds rate at 2.0% again as expected at their meetings on August 5th and on September 16th. Then on October 8th, in response to crisis in the financial markets, the Fed lowered the targeted Fed funds rate 50 basis points from 2.0% to 1.50%. At their meeting on October 28-29th, the Fed lowered the targeted Fed funds rate another 50 basis points.
- **Other Local Revenue** - $182,421 or 72.8% less than the amount received at this time last year. Due to a delay in State processing, last years YTD receipts included $194,413 for the handicapped SF-14 tuition payment for the first semester of fiscal 2006-07. The same payment for the first semester of fiscal 2007-08 was received in May 2008.
- **Other State Sources** – The current and prior year months include a semi-annual public utility property tax reimbursement of $387,972 and $387,952 respectively, which is to help offset the reduction in real estate taxes collected due to the lower assessed value applied to the electric and natural gas industry properties.
- **Expenditures – Salaries & Wages** – Payroll expenses as of 30th represent a 1.8% increase from last year’s payrolls for the same number of year-to-date pay dates. Excluding sick leave severance payments, however, the increase is 3.7% over the prior year, which reflects the cumulative effect of the contractual and step increases that went into effect over the last 12 months. Classified overtime paid in September 2008 was $27,616 more than September 2007, while the cumulative YTD classified overtime amounted to $66,988 over prior YTD. Sick leave severance payments this YTD totaled $252,699, representing a $206,642, or 45.0% decrease from the prior year YTD total of $459,341.
- **Fringe Benefits** – $268,795 or 6.6% more this YTD than the amount paid through September 2007. This variance is primarily attributable to a $167,201 or 8.5% increase in health insurance which is due to the combination of the overall Anthem and prescription drug 5.34% increase effective January 1, 2008 and the 19% increase in Kaiser premiums effective July 1, 2008. Superintendent Freeman commented that the law use to require that we offer an HMO. That’s no longer the case that will make this an important consideration in future labor negotiations.
- **Total Expenditures** – On a cash basis, total expenses were $467,509 or 2.3% more than the YTD expenditure level for the prior fiscal year. This variance is due to a combination of increased costs and timing differences in payments.
- **Other Items – Bus Bond Anticipation Notes** - We received the proceeds from the issuance of the bus notes in the principal amount of $500,000 from the bid winner, Wachovia Securities, on October 16th. The winning bid with a coupon rate of 3.0% and a premium of $385, resulted in an effective net interest rate of 2.92% for a one-year maturity (due 10/15/09). For comparison, last year’s winning bid, by Sweeney...
Cartwright & Co., was for an effective net interest rate of 3.66%. Such issuance as approved in September by the Board, reflects a renewal of last year’s $500,000 note amount. Due to the current market conditions, we received only three bids with effective net interest rates ranging from 2.92% to 3.49%.

- **Banking Industry Update** - We continue to monitor the instabilities that plague the banking and other financial industries in both the United States and abroad. The Federal Government has undertaken many unprecedented steps to assure continued liquidity in the markets, including the implementation of the Troubled Asset Relief Program (TARP). As a result we have already seen the demise (via acquisition by PNC) of the Cleveland-based National City Bank (NCB). In accordance with my discussions with our NCB account representative, we anticipate no negative implications to our continued use of NCB as our lead bank for payroll operations. Because we MICR encode our own check stock, we could print paychecks on our Charter One account in the unlikely event NCB was unable to continue serving as our payroll distribution bank.

As I have stated at recent Board meetings, our investments are safe. The monthly investment portfolio report details our holdings, which currently include a substantial portion held in deposit accounts with our lead commercial bank, Charter One. While our deposits in banking institutions exceed the newly increased threshold of $250,000 eligible for FDIC insurance, the remaining portion of our deposit accounts are collateralized by the banks in accordance with Ohio Revised Code requirements for public deposits.

Our non-bank deposit investments consist of general obligations of FNMA & Freddie Mac, which are now under conservatorship of the U.S. Federal Government and enjoy the full backing of the U.S. Government. Other investments include other Federal Government Agency securities and U.S. Treasury notes. We continue to monitor the financial markets and consult regularly with our investment advisors and accordingly, will keep you informed.

Mr. Christman also commented on the following legislative items.

- **Governor’s Round 2 State Budget Reductions** - In September, the Governor announced an additional $540 million in State budget reductions effective for fiscal 2009. The reductions will be 4.75% across-the-board for all agencies and became effective October 1st. While this Round 2 of cuts continues to protect the primary funding programs for school districts (foundation, transportation, gifted, special education and vocational education), other peripheral state funding reductions will impact the District. A preliminary assessment based on limited available information indicates direct impact reductions approximating $10,000. The amount of additional indirect impacts to the District (e.g. reductions in subsidy payments to the informational technology center in which the District participates) are yet to be determined.

Roll Call: Ayes: Mr. Bliss, Ms. Levenson, Mr. Robertson, Ms. Sutherland, Mr. Feeling. The motion carried.

Upon the recommendation of Mr. Bryan Christman, Treasurer, Mr. Bliss moved, seconded by Ms. Levenson that in accordance with Section 135.14 of the Ohio Revised Code, the interim investments listed below be ratified.
### FEDERAL & OTHER SECURITIES:

<table>
<thead>
<tr>
<th>Purchase Date</th>
<th>Maturity Date</th>
<th>Investment Amount</th>
<th>Bond Equiv.</th>
<th>Type of Investment</th>
<th>Interest to be Earned</th>
<th>Dealer/Issuer</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/1 - 9/30/08</td>
<td>Each Business Day</td>
<td>$114,000 - $2,864,000</td>
<td>1.90%</td>
<td>Overnight Sweep</td>
<td>$601.73</td>
<td>National City Bank (Payroll)</td>
</tr>
<tr>
<td>10/30/08</td>
<td>04/15/09</td>
<td>$1,000,730.00</td>
<td>2.835%</td>
<td>FHLB</td>
<td>$13,020.00</td>
<td>Fifth Third Bank</td>
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</table>

### OTHER DEPOSIT ACCOUNTS:

<table>
<thead>
<tr>
<th>Account</th>
<th>Balance at 10/31/08</th>
<th>Avg. Annual Interest Rate for Month</th>
<th>Interest Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Star Ohio - General</td>
<td>$614,903.67</td>
<td>2.32%</td>
<td>$3,457.21</td>
</tr>
<tr>
<td>Charter One - High Balance Ckg</td>
<td>$47,180.93</td>
<td>1.40%</td>
<td>$48.66</td>
</tr>
<tr>
<td>Charter One - Money Market</td>
<td>$7,200,091.34</td>
<td>2.42%</td>
<td>$13,105.37</td>
</tr>
<tr>
<td>Huntington - DVP S/K</td>
<td>$10,003.46</td>
<td>0.20%</td>
<td>$1.67</td>
</tr>
</tbody>
</table>

Roll Call: Ayes: Mr. Bliss, Ms. Levenson, Mr. Robertson, Ms. Sutherland, Mr. Feeling. The motion carried.

08-11-140

Upon the recommendation of Mr. Bryan Christman, Treasurer, Ms. Levenson moved, seconded by Ms. Sutherland that the Board of Education approve the attached resolution (Exhibit T-3) authorizing the issuance of bond anticipation notes.

This resolution is a precautionary measure that will enable the District to repay the current outstanding $5 million of bond anticipation notes that mature on December 2, 2008 by issuing new bond anticipation notes for the same amount in the unlikely event the District is unable to issue the long-term bonds at an acceptable interest rate. This precautionary measure is taken given the current condition in the financial markets and allows flexibility should the unforeseen occur.

Mr. Christman commented that last month the Board authorized the issuance of Bonds for the final $5 million of the 2004 $23.5 million Bond issue. Such bond proceeds would go toward repaying the BAN’s we issued in June that are due in December. Given the uncertainties in the financial markets, this resolution authorizes the District to issue BAN’s if we don’t get a good and/or acceptable rate when we price the bonds on November 6th. Per discussions with our underwriter, the market has improved and we could be at a total interest cost of less than 4.5% average with no coupons over 4.5%.
A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF $5,000,000 OF NOTES, IN ANTICIPATION OF THE ISSUANCE OF BONDS, FOR THE PURPOSE OF PROVIDING AND IMPROVING SCHOOL DISTRICT BUILDINGS AND FACILITIES BY RENOVATING, REMODELING, ADDING TO, FURNISHING, EQUIPPING AND OTHERWISE IMPROVING SCHOOL BUILDINGS AND OTHER FACILITIES FOR SCHOOL DISTRICT PURPOSES AND IMPROVING AND EQUIPPING THEIR SITES.

WHEREAS, at an election held in this School District on November 2, 2004, on the question of issuing bonds in the amount of $23,500,000 for the purpose stated in Section 1 and of levying taxes outside the ten-mill limitation to pay the debt charges on those bonds and any anticipatory securities, the requisite majority of those voting on the question voted in favor of it; and

WHEREAS, pursuant to Resolution No. 04-12-149 adopted by this Board on December 14, 2004, the School District issued its $3,000,000 Building and Facilities Improvement Notes, Series 2004, dated December 29, 2004 (the 2004 Notes), as the first installment of the securities authorized at that election; and

WHEREAS, pursuant to Resolution No. 05-02-39 adopted by this Board on February 15, 2005, the School District issued its $9,999,995.25 Building and Facilities Improvement Bonds, Series 2005, as a part of a consolidated issue of $11,324,994.00 School Facilities Improvement and Refunding Bonds, Series 2005, dated April 5, 2005, to provide funds to retire the 2004 Notes and an additional $6,999,995.25 for the purpose stated in Section 1, being the second installment of the securities authorized at that election; and

WHEREAS, pursuant to Resolution No. 06-11-137 adopted by this Board on November 8, 2006, the School District issued its $6,000,000 Building and Facilities Improvement Notes, Series 2006, dated December 20, 2006 (the 2006 Notes), as the third installment of the securities authorized at that election; and

WHEREAS, pursuant to Resolution No. 07-02-40 adopted by this Board on February 13, 2007, the School District issued its $8,498,959.80 Building and Facilities Improvement Bonds, Series 2007A, as a part of a consolidated issue of $14,200,581.80 School Facilities Improvement and Refunding Bonds, Series 2007, dated April 18, 2007, to provide funds to retire the 2006 Notes and an additional $2,500,000 for the purpose stated in Section 1, being the fourth installment of the securities authorized at that election; and

WHEREAS, pursuant to Resolution No. 08-05-77 adopted by this Board on May 13, 2008, the School District issued its $5,000,000 Building and Facilities Improvement Notes, Series 2008, dated June 3, 2008 (the Outstanding Notes), as the fifth installment of the securities authorized at that election, which Outstanding Notes are to mature on December 2, 2008; and

WHEREAS, this Board finds and determines that the School District should issue the Notes described in Section 3 to provide funds to retire the Outstanding Notes at their maturity and an additional $4.75 for the purpose stated in Section 1, being the final authorized installment of the securities authorized at that election; and

WHEREAS, the Treasurer of this Board, as the fiscal officer of the School District, has certified that the estimated life or period of usefulness of each class of the improvements described in Section 1 is at least five years; that the estimated maximum maturity of the Bonds described in Section 1 is twenty years, and that the maximum maturity of the Notes described in Section 3, to be issued in anticipation of those Bonds, is June 3, 2028;
NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Shaker Heights City School District, County of Cuyahoga, State of Ohio, that:

Section 1. It is necessary to issue bonds of this School District in the aggregate principal amount of $5,000,000 (the Bonds) for the purpose of providing and improving School District buildings and facilities by renovating, remodeling, adding to, furnishing, equipping and otherwise improving school buildings and other facilities for School District purposes and improving and equipping their sites, being the fifth installment of the bonds approved at the election identified in the first preamble of this Resolution.

Section 2. The Bonds shall be dated approximately December 1, 2009, shall bear interest at the now estimated rate of 5½% per year, payable semiannually until the principal amount is paid, and are estimated to mature in twenty annual principal installments that are in such amounts that the total principal and interest payments on the Bonds in each fiscal year in which principal is payable are substantially equal to the total principal and interest payments in each other such year. The first installment of interest on the Bonds is estimated to be payable on June 1, 2010, and the first installment of principal of the Bonds is estimated to be payable on December 1, 2010.

Section 3. It is necessary to issue and this Board determines that notes in the aggregate principal amount of $5,000,000 (the Notes) shall be issued in anticipation of the issuance of the Bonds and, together with other funds available to the School District, to retire the Outstanding Notes. The Notes shall be dated the date of their issuance and shall mature one year from the date of their issuance; provided that the Treasurer of this Board may, if he determines it to be necessary or advisable in connection with the sale of the Notes, establish a different maturity date that is not more than 90 days prior to one year from the date of issuance, by setting forth that date in his certificate awarding the Notes in accordance with Section 6 of this Resolution (the Certificate of Award). The Notes shall bear interest at a rate not to exceed 6% per year (computed on the basis of a 360-day year consisting of twelve 30-day months), payable at maturity and until the principal amount is paid or payment is provided for. The rate of interest on the Notes shall be determined and specified by the Treasurer in the Certificate of Award in accordance with Section 6.

Section 4. The debt charges on the Notes shall be payable in lawful money of the United States of America, or in Federal Reserve funds of the United States of America if so requested by the original purchaser, and shall be payable, without deduction for services of the School District’s paying agent, at the principal corporate trust office of The Huntington National Bank, Columbus, Ohio, or at the principal office of a bank or trust company requested by the original purchaser of the Notes, provided that such request shall be approved by the Treasurer of this Board after determining that the payment at that bank or trust company will not endanger the funds or securities of the School District and that proper procedures and safeguards are available for that purpose.

Section 5. The Notes shall be signed by the President or the Vice President of this Board and by the Treasurer of this Board, in the name of the School District and in their official capacities, provided that one of those signatures may be a facsimile. The Notes shall be issued in the denominations and numbers as requested by the original purchaser and approved by the Treasurer; provided that no Note shall be issued, or be exchangeable for other Notes, in a denomination less than $100,000; and provided further that the entire principal amount may be represented by a single note. The Notes may be issued as fully registered securities (for which the Treasurer will serve as note registrar) and in book entry or other uncertificated form in accordance with Section 9.96 and Chapter 133 of the Revised Code, with a single physical note certificate representing the entire issue, if it is determined by the Treasurer that issuance of fully registered securities in that form will facilitate the sale and delivery of the Notes. The Notes shall not have coupons attached, shall be numbered as determined by the Treasurer and shall express upon their faces the purpose, in summary terms, for which they are issued and that they are issued pursuant to the provisions of Chapter 133 of the Revised Code, the approval of the electors at the election identified in the first preamble of this Resolution and this Resolution.
As used in this Section and this Resolution:

“Book entry form” or “book entry system” means a form or system under which (i) the ownership of beneficial interests in the Notes and the principal of, and interest on, the Notes (book entry interests) may be transferred only through a book entry, and (ii) a single physical Note certificate is issued by the School District and payable only to a Depository or its nominee, with such Note deposited with and retained in the custody of the Depository or its agent for that purpose. The book entry maintained by others than the School District is the record that identifies the owners of book entry interests in the Notes and that principal and interest.

“Depository” means any security depository that is a clearing agency under federal law operating and maintaining, with its Participants or otherwise, a book entry system to record ownership of book entry interests in the Notes or the principal of, and interest on, the Notes and to effect transfers of the Notes, in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Participant” means any participant contracting with a Depository under a book entry system and includes security brokers and dealers, banks and trust companies, and clearing corporations.

The Notes may be issued to a Depository for use in a book entry system and, if and as long as a book entry system is utilized, (i) the Notes may be issued in the form of a single Note made payable to the Depository or its nominee and deposited with and retained in the custody of the Depository or its agent for that purpose; (ii) the owners of book entry interests shall have no right to receive the Notes in the form of physical securities or certificates; (iii) ownership of book entry interests shall be shown by book entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of book entry interests shall be made only by book entry by the Depository and its Participants; and (iv) the Notes as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the School District.

If any Depository determines not to continue to act as a Depository for the Notes for use in a book entry system, the Treasurer may attempt to establish a securities depository/book entry relationship with another qualified Depository. If the Treasurer does not or is unable to do so, the Treasurer, after making provision for notification of the book entry interest owners by the then Depository and any other arrangements deemed necessary, shall permit withdrawal of the Notes from the Depository, and shall cause the Notes in bearer or payable form to be signed by the officers authorized to sign the Notes and delivered to the assigns of the Depository or its nominee, all at the cost and expense (including any costs of printing), if the event is not the result of School District action or inaction, of those persons requesting such issuance.

The Treasurer is also hereby authorized and directed, to the extent necessary or required, to enter into any agreements determined necessary in connection with the book entry system for the Notes, after determining that the signing thereof will not endanger the funds or securities of the School District.

Section 6. The Notes shall be sold by the Treasurer of this Board at private sale at a purchase price not less than par and any accrued interest in accordance with law and the provisions of this Resolution. In accordance with his determination of the best interest of the School District and based on conditions then existing in the financial markets, the Treasurer shall sign the Certificate of Award to determine and specify the interest rate the Notes are to bear, the final purchase price of the Notes and other final terms of the Notes in accordance with the provisions of this Resolution and to evidence the sale of the Notes to the original purchaser. The Treasurer shall then cause the Notes to be prepared, and have the Notes signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Notes if requested by the original purchaser, to the original purchaser.
upon payment of the purchase price. Any member of this Board, the President and the Vice President of this Board, the Treasurer and the Superintendent of Schools, as appropriate, are each authorized and directed to sign any transcript certificates, financial statements and other documents and instruments and to take such actions as are necessary or appropriate to consummate the transactions contemplated by this Resolution.

Section 7. The proceeds from the sale of the Notes, except any premium and accrued interest, shall be paid into the proper fund or funds, and those proceeds are appropriated and shall be used for the purpose for which the Notes are being issued. Any portion of those proceeds representing premium and accrued interest shall be paid into the Bond Retirement Fund.

Section 8. The par value to be received from the sale of the Bonds or of any renewal notes and any excess funds resulting from the issuance of the Notes shall, to the extent necessary, be used to pay the debt charges on the Notes and the Bonds and are pledged for that purpose.

Section 9. During the year or years in which the Notes are outstanding, there shall be levied on all the taxable property in the School District, in addition to all other taxes, the same tax that would have been levied if the Bonds had been issued without the prior issuance of the Notes. The tax shall be unlimited as to amount or rate, shall be and is ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of those years are certified, levied, extended and collected, and shall be placed before and in preference to all other items and for the full amount thereof. The proceeds of the tax levy shall be placed in the Bond Retirement Fund, which is irrevocably pledged for the payment of the debt charges on the Notes or the Bonds when and as the same fall due.

Section 10. The Board and the School District covenant that they will use, and will restrict the use and investment of, the proceeds of the Notes in such manner and to such extent as may be necessary so that (a) the Notes will not (i) constitute private activity bonds, arbitrage bonds or hedge bonds under Sections 141, 148 or 149 of the Internal Revenue Code of 1986, as amended (the Code), or (ii) be treated other than as bonds to which Section 103(a) of the Code applies, and (b) the interest on the Notes will not be an item of tax preference under Section 57 of the Code.

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

The Board and the School District represent that the Outstanding Notes were designated as “qualified tax exempt obligations” pursuant to Section 265(b)(3) of the Code. The Board and the School District hereby covenant that the School District will redeem the Outstanding Notes from proceeds of, and within 90 days after issuance of, the Notes, and represent that all other conditions are met for treating an amount of the Notes not in excess of the amount of the Outstanding Notes as “qualified tax exempt obligations” and as not to be taken into account under subparagraph (D) of Section 265(b)(3) of the Code, without necessity for further designation, by reason of subparagraph (D)(ii) of Section 265(b)(3) of the Code. Any amount of the Notes in excess of the amount of the Outstanding Notes, determined in accordance with Section 265(b)(3) of the Code (the Designated Amount), is hereby designated as “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Code. In that connection, the Board and the School District hereby represent and
covenant that they, together with all their subordinate entities or entities that issue obligations on behalf of the Board or the District, or on behalf of which the Board or the District issues obligations, in or during the calendar year in which the Notes are issued, (i) have not issued and will not issue tax exempt obligations designated as “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Code, including the Designated Amount of the Notes, in an aggregate amount in excess of $10,000,000, and (ii) have not issued, do not reasonably anticipate issuing, and will not issue, tax exempt obligations (including the Designated Amount of the Notes, but excluding obligations, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code, that are private activity bonds as defined in Section 141 of the Code and excluding refunding obligations that are not advance refunding obligations as defined in Section 149(d)(5) of the Code) in an aggregate amount exceeding $10,000,000, unless the Board and the District first obtain a written opinion of nationally recognized bond counsel that such designation or issuance, as applicable, will not adversely affect the status of the Notes as “qualified tax exempt obligations”. Further, the Board and the School District represent and covenant that, during any time or in any manner as might affect the status of the Notes as “qualified tax exempt obligations”, neither the Board nor the School District has formed or participated in the formation of, or benefited from or availed itself of, any entity in order to avoid the purposes of subparagraph (C) or (D) of Section 265(b)(3) of the Code, and will not form, participate in the formation of, or benefit from or avail itself of, any such entity. The Board and the School District further represent that the Notes are not being issued as part of a direct or indirect composite issue that combines issues or lots of tax exempt obligations of different issuers.

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

Each covenant made in this Section with respect to the Notes is also made with respect to all issues any portion of the debt service on which is paid from proceeds of the Notes (and, if different, the original issue and any refunding issues in a series of refundings), to the extent such compliance is necessary to assure exclusion of interest on the Notes from gross income for federal income tax purposes, and the officers identified above are authorized to take actions with respect to those issues as they are authorized in this Section to take with respect to the Notes.

Section 11. The legal services of the law firm of Squire, Sanders & Dempsey L.L.P. be and are hereby retained. Those legal services shall be in the nature of legal advice and recommendations as to the documents and the proceedings in connection with the authorization, sale and issuance of the Notes and rendering at delivery a related legal opinion, all as set forth in this Resolution and the form of engagement letter dated as of
November 5, 2008, now on file in the office of the Treasurer. In providing those legal services, as an independent contractor and in an attorney-client relationship, that firm shall not exercise any administrative discretion on behalf of this Board in the formulation of public policy, expenditure of public funds, enforcement of laws, rules and regulations of the State, any county or municipal corporation or of this Board, or the execution of public trusts. For those legal services that firm shall be paid just and reasonable compensation and shall be reimbursed for actual out-of-pocket expenses incurred in providing those legal services. The Treasurer is authorized and directed to sign and deliver the engagement letter, and to make appropriate certification as to the availability of funds for those fees and any reimbursement and to issue an appropriate order for their timely payment as written statements are submitted by that firm.

If in his judgment it is appropriate, the Treasurer is authorized to request a rating for the Notes from Moody’s Investors Service, Inc. or Standard & Poor’s Ratings Service, or both, as he determines is in the best interest of the School District.

The expenditure of the amounts necessary to secure those legal services and any such ratings, as well as to pay the other financing costs (as defined in Section 133.01 of the Revised Code) in connection with the Notes, is hereby authorized and approved, and the amounts necessary to pay those costs, to the extent not paid by the original purchaser in accordance with its agreement with the School District, are hereby appropriated from the proceeds of the Notes and other moneys in the construction fund for the improvements.

Section 12. The Treasurer is directed to deliver a certified copy of this Resolution to the Cuyahoga County Auditor.

Section 13. This Board determines that all acts and conditions necessary to be done or performed by the Board or the School District or to have been met precedent to and in the issuing of the Notes in order to make them legal, valid and binding general obligations of the Shaker Heights City School District have been performed and have been met, or will at the time of delivery of the Notes have been performed and have been met, in regular and due form as required by law; that the full faith and credit and general property taxing power (as described in Section 9) of the School District are pledged for the timely payment of the debt charges on the Notes; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Notes.

Section 14. This Board finds and determines that all formal actions of this Board and of any of its committees concerning and relating to the adoption of this Resolution were taken, and that all deliberations of this Board and of any of its committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

Section 15. This Resolution shall be in full force and effect immediately upon its adoption.

Roll Call: Ayes: Mr. Bliss, Ms. Levenson, Mr. Robertson, Ms. Sutherland, Mr. Feeling. The motion carried.

08-11-141

Upon the recommendation of Mr. Bryan Christman, Treasurer, Ms. Levenson moved, seconded by Ms. Sutherland that the Board of Education approve the following resolution adopting a Section 403(b) Plan and appointing the Treasurer to administer the plan. Mr. Christman provided the following information to the Board prior to the vote.

As a result of a Board member inquiry, this agenda item was tabled at the October Board meeting, so that additional information could be obtained about the degree of legal liability the Board was assuming as a result of taking such action.

As a point of reference, a total of $1.9 million was contributed by about 300 Shaker Heights City School District employees to Section 403(b) plan accounts (the “Plans”) for calendar 2007. Such contributions, in accordance with the Internal Revenue Code, are
treated as tax deferred for both federal and state income tax purposes (i.e. such contributions reduce the amount of currently taxable federal and state income for the contributing employee).

The primary thrust of the issue is that the IRS issued regulations that become effective January 1, 2009 that lays out additional requirements on employees, employers, and 403(b) plan providers, including the adoption by the employer of a written 403(b) Plan. Since the District cannot prohibit employees from participating in the Plans (since Ohio Revised Code authorizes employees to participate in such deferral plans) a problem results if the District does not adopt a plan. If we fail to adopt such a plan, the District can be held liable for the non-withheld taxes, plus penalties and interest charges.

Greg Viviani of Squire, Sanders & Dempsey has built safeguards into the design of this plan so as to protect the District. Greg designed this Plan to comply with the tax law and also has gone the extra mile to add provisions in the design of this Plan that will otherwise protect the Board as much as is humanly possible. This is largely done via the Provider Agreements. They put the compliance burden on the providers as much as is possible (they are the ones selling these products to the employees); and, as is permitted under Ohio law, there is an indemnity to the Board if the providers do not comply with the requirements of the tax law. In addition, the Plan, Provider Agreements, and various employee communications all point out that these 403(b) products are employee selected investments; and that the Board is not responsible for investment results, provider insolvency, or anything else the providers do that is bad (e.g. hidden fees).

WHEREAS, Internal Revenue Code (“IRC”) Section 403(b) and applicable regulations thereunder provide that (i) contributions made by the Board on behalf of its employees (including contributions made pursuant to salary reduction agreements) to insurance companies and certain other entities which are to be held under certain annuity contracts or custodial account agreements described therein (“403(b) Contracts”) will not be currently treated as gross income for federal income tax purposes, and (ii) such contributions and earnings thereon will not be subject to federal income tax until distributed to the employee or other beneficiary of such contract; and

WHEREAS, Ohio Revised Code (“ORC”) Section 9.90 provides that the Board may make contributions on behalf of employees to annuity contracts and/or custodial accounts described in IRC Section 403(b) (including contributions made pursuant to a salary reduction agreement); and

WHEREAS, ORC Section 9.91 provides that, subject to certain restrictions that the Board may impose, employees may request that the Board make contributions on their behalf to a 403(b) Contract designated by such employees, under salary reduction agreements or other terms and conditions as determined by the Board; and

WHEREAS, ORC Section 9.91 provides that the Board may require a 403(b) Contract provider, or broker who offers 403(b) Contracts, to enter into a reasonable agreement protecting the Board from any liability attendant to procuring, or making contributions to, a 403(b) Contract for its employees; and

WHEREAS, the Board wishes to make contributions under one or more 403(b) Contracts on behalf of employees, who elect to have such contributions made thereto pursuant to salary reduction agreements, provided that the provider of the 403(b) Contract, or the broker for the 403(b) Contract, executes an agreement protecting the Board from liability attendant thereto; and

WHEREAS, Treasury Department Regulations under IRC Section 403(b) require that the Board, among other things, adopt a plan document that will reflect its policies and procedures in regard to contributions to 403(b) Contracts, and that otherwise provide that such policies and procedures will comply with the requirements of IRC Section 403(b), as interpreted by such regulations; and
WHEREAS, pursuant to, and in accordance with, the provisions of IRC Section 403(b) and the regulations thereunder, and certain other provisions of the federal income tax law, the Board wishes to establish a Section 403(b) Plan that will permit employees to make elective deferrals under the Plan; and

WHEREAS, the Board has consulted with outside legal counsel in regard to the tax consequences of the 403(b) Plan; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Shaker Heights City School District, County of Cuyahoga, State of Ohio, that:

Section 1. The Board hereby adopts the Shaker Heights City School District Section 403(b) Plan that is attached hereto as Exhibit A (the “403(b) Plan”).

Section 2. The Treasurer of the School District is hereby authorized to formally execute, on behalf of the Board, the attached 403(b) Plan, and any and all other legal documents that may be required to establish and maintain the 403(b) Plan, including, without limitation, the agreements that are included as Exhibits to the 403(b) Plan, and any required filings with the Internal Revenue Service or other governmental agencies. Further, the Treasurer is hereby appointed to act on behalf of the Board as the Administrator of the 403(b) Plan. Accordingly, the Treasurer may adopt rules and regulations relating to plan administration as, in the Treasurer’s sole judgment, shall be necessary or desirable for 403(b) Plan administration and compliance with applicable law.

Section 3. This Board finds and determines that all formal actions of this Board and of any of its committees concerning and relating to the adoption of this resolution were taken, and that all deliberations of this Board and of any committees that resulted in those formal actions were held, in meetings open to the public in compliance with the law.

Section 4. This Resolution shall be in full force and effect as of January 1, 2009.

Roll Call: Ayes: Mr. Bliss, Ms. Levenson, Mr. Robertson, Ms. Sutherland, Mr. Feeling. The motion carried.

COMMITTEE REPORTS

President Feeling asked for Board committee reports. Ms. Sutherland reported on the school finance forum sponsored by the Sun Press on October 22, 2008. Ms. Levenson and Mr. Robertson also attended. Several experts in school finance across the state spoke about the outlook for the changes that might occur (especially now that the results of the recent election are known and the Governor now has his political party controlling the house). There were speakers from groups lobbying for changes to the education funding formula, several superintendents talking about the impact of the current system on their district, and a panel of experts who answered questions from the audience. In summary, the State has shifted costs from the State to the districts; that the State has diverted tax resources that use to supplement school district education funds and reverted them for State purposes and that nothing is going to change unless the legislators think about education as a bigger priority and see the long term impact of starving public schools. The voters should let the legislators know that they are unhappy with what has been happening. Mr. Robertson added that one of the co-sponsors of the session is a group called the Education Voters of America, which has a new Ohio chapter. They are focused on trying to build public support for education issues at the ballot.
Mr. Bliss gave a brief update on his attendance at a meeting with The Moreland on the Move community group wherein he learned of some of the changes in their leadership and structure. Mr. Bliss informed them about the District’s strategic planning process, the International Baccalaureate program and the National Merit Scholars.

Mr. Feeling reported on the Finance & Audit Committee meeting. A report is expected from the F&A Committee for presentation to the Board.

At this time President Feeling asked if there were any questions or comments from the audience. There being none, Ms. Levenson moved, seconded by Mr. Robertson that the meeting be adjourned.

Roll Call: Ayes: Mr. Bliss, Ms. Levenson, Mr. Robertson, Ms. Sutherland, Mr. Feeling. The motion carried.

08-11-143

The regular meeting of the Board of Education adjourned at 10:11 p.m.

F. Drexel Feeling, President

Bryan C. Christman, Treasurer