

**LIVONIA PUBLIC SCHOOLS  
BOARD RESOLUTION**

At the regular meeting of the Board of Education of **LIVONIA PUBLIC SCHOOLS** ("District") was held at 15125 Farmington Rd, Livonia, Michigan on August 15, 2011 at 7:00 p.m.

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

Present:

Absent:

The following preamble and resolution was offered by Trustee \_\_\_\_\_ and supported by Trustee \_\_\_\_\_:

**WHEREAS**, the Board of Education has reviewed the food service cooperative agreement with Plymouth Canton Community Schools, a public school district in Wayne County, MI; and

**WHEREAS**, the food service cooperative agreement with Plymouth Canton Community Schools will provide management services to Livonia Public Schools;

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

1. The Board hereby adopts the food service cooperative agreement with Plymouth Canton Community Schools.

All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution shall be and are hereby rescinded.

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Resolution declared adopted.

IN WITNESS THEREOF, I have hereunto set my hand this 15<sup>th</sup> day of August, 2011.

\_\_\_\_\_  
Robert J. Freeman,  
Board of Education Secretary

**FOOD SERVICE COOPERATIVE AGREEMENT BETWEEN LIVONIA PUBLIC SCHOOLS AND PLYMOUTH-CANTON  
COMMUNITY SCHOOLS**

THIS AGREEMENT is made and entered into on this 15th day of August, 2011, by and between PLYMOUTH-CANTON COMMUNITY SCHOOLS, of Plymouth, Michigan, 48170, Party of the FIRST PART, and hereinafter referred to as P-CCS, and Livonia Public Schools, of Livonia, Michigan, the Party of the SECOND PART and hereinafter referred to as LPS.

RECITAL

The P-CCS and LPS desire to share services and work cooperatively to operate food service programs providing services that exceed the high expectations of its constituents, and whereas the districts believe working cooperatively will enhance operations to achieve this goal, the districts hereby agree to enter into a contract to:

1. Share the services of P-CCS's Director of Food Service
2. Purchase food supplies from common vendors
3. Training and professional development
4. Programming

The parties agree that this cooperative agreement will continue for a period of two years to include the 2011-12 and 2012-13 school years. Agreement will thereafter be renewed on year to year basis unless either party provides the other with written notice of its intent to terminate this agreement no later than April 1st of each year.

WITNESSETH:

The said P-CCS for and in consideration of the agreement and covenants hereinafter mentioned, THAT IT IS FURTHER MUTUALLY AGREED AND UNDERSTOOD AS FOLLOWS:

1. P-CCS shall not cause or allow any liens to be filed against said districts as a result of any of cooperative activities.
2. As consideration herein, P-CCS shall receive payment from LPS for:
  - a. Reimbursement of half of the P-CCS Director of Food Service's wages and benefits on the 10<sup>th</sup> and 25<sup>th</sup> of each month. The first payment for said reimbursement shall be due and owing as of the 10<sup>th</sup> day of August, 2011, and payment shall continue in a like manner during the term of this agreement.
  - b. Reimbursement of P-CCS Director of Food Service expenses associated with operation of LPS food service program
  - c. Reimbursement for agreed upon training and professional development
  - d. Share 50% of LPS revenue that exceeds expenditures annually (excess surplus) after consideration of:
    - i. Marketing and equipment expenditures for the food service program
    - ii. Any other mutually agreed upon expenditures or savings

iii. Attached Exhibit A will serve as an example of the calculation of excess surplus.

3. Where applicable and deemed appropriate, P-CCS and LPS shall reimburse the other party for actual percentage cost of shared purchases or services. These purchases and/or services may occur from time to time where volume discounts apply to bulk or volume discounts.
4. P-CCS and LPS shall pay all operating expenses relating to such food service operations within their individual districts, and shall furnish all labor, equipment and all other equipment and supplies necessary to provide meal services in accordance with the usual food service practices in this area, and shall comply with all government programs and regulations as applicable.
5. This agreement is not to be assigned, in part or in whole, by P-CCS or LPS, without the written permission of the other party.
6. This agreement shall be binding upon and inure to the benefit of and be obligatory upon the parties hereto.
7. This agreement is not intended to create nor does it create any partnership or joint venture between P-CCS and LPS, and neither party hereto is liable for the debts of any other party hereto.
8. It is agreed that this agreement shall be governed by, construed, and enforced in accordance with the laws of the state of Michigan.
9. LPS agrees not to hire any P-CCS staff assigned to provide services associated with this agreement for a period of not less than two years after the expiration of agreement.
10. P-CCS agrees not to recruit any LPS staff for potential opportunities at P-CCS for a period of not less than two years after the expiration of agreement.
11. In the event that any action is filed in relation to this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney's fees.
12. P-CCS and LPS, at its their own cost and expense during the term of this agreement, shall maintain and keep in effect liability insurance, workers compensation, unemployment and all necessary agreements to pay obligations and defend itself against claims
13. This agreement shall not in any way interfere with any non-food service operations present or future of either party.
14. This agreement may be terminated in the event of default by any party hereto, by giving notice of such default, in writing, served upon the offending party by mailing, giving the offending party thirty (30) days in which to correct the default; and if not so corrected, the agreement terminates. The parties hereto may also avail themselves of any remedy provided for under the then existing laws of the State of Michigan.
15. The invalidity of any provision of this agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this agreement is held to be invalid, the parties agree that the

remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.

16. This agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this agreement shall not be binding upon either party except to the extent incorporated in this agreement.

17. Any modification of this agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in writing signed by either party or any authorized representative of each party.

IN WITNESS WHEREOF, both parties have hereunto set their hands on this 15th day of August, 2011.

By: \_\_\_\_\_ Livonia Public Schools

By: \_\_\_\_\_ PLYMOUTH-CANTON COMMUNITY SCHOOLS

Witness:

By: \_\_\_\_\_

## Exhibit A

# LPS FOOD SERVICE FUND BUDGET

	Note 1 FY 11 Actual	Note 2 FY 12 w/out P-CCS	Note 3 FY 12 with P-CCS
<b>REVENUES</b>			
Local Sales	\$ 1,913,716	\$ 1,913,716	\$ 2,331,290
State Reimbursement	129,221	129,221	129,221
Federal Reimbursement	1,467,751	1,467,751	1,467,751
General Fund Support	244,480	200,000	200,000
<b>Total Revenue</b>	<b>\$ 3,755,168</b>	<b>\$ 3,710,688</b>	<b>\$ 4,128,262</b>
<b>EXPENDITURES</b>			
Wages & Benefits	\$ 1,483,342	\$ 1,399,417	\$ 1,551,811
Contracted Services	280,412	282,400	282,400
Food Costs	1,621,065	1,663,448	1,553,744
Non-Food Cost	141,325	142,400	333,505
<b>Total Expenditures</b>	<b>\$ 3,526,144</b>	<b>\$ 3,487,665</b>	<b>\$ 3,721,460</b>
<b>SURPLUS (DEFICIT)</b>	<b>\$ 229,024</b>	<b>\$ 223,023</b>	<b>\$ 406,802</b>
<b>Note 4</b>	Marketing and Equipment cost		146,905
	Adjusted Surplus		553,707
	LPS 2012 Anticipated Surplus		(223,023)
	Excess Surplus to allocate between P-CCS and LPS		330,684
	Amount to P-CCS(50%)		165,342

**See page 2 for explanation of Notes**

**EXHIBIT A – PAGE TWO**  
**Explanation of Budget Calculations**  
**Plymouth Canton – Livonia Public Schools Cooperative Agreement**

Note 1 – Fiscal Year 2011 Actual

LPS is currently completing 2010-2011 and final amounts are dependent on audited amounts.

Note 2 – Fiscal year 2012 Without P-CCS

The projected budget for LPS provided food service program is updated to include estimates for changes in revenues and expenditures including employee contracts, and other costs based on the final 2010-2011 amounts.

Note 3 – Fiscal Year 2012 with P-CCS

This is the projected budget for Food Service with P-CCS providing management services.

Increase in revenues include an estimated increase in participation of 20%

Change in expenditures includes:

.5 P-CCS Food Service Director

1.0 LPS Assistant Director

2 hour LPS Food Service employee at 10 elementary schools (schools with one employee currently)

3.75 hour LPS Food Service employee at 3 high schools

Equipment and marketing costs of approximately \$147,000

Overall savings in food costs due to bulk purchasing and operating efficiencies

Note 4 – Calculation of excess surplus

Estimated costs for marketing and equipment are added back to the budgeted surplus.

The FY 2012 budget without P-CCS (Note 2 above) is deducted from the surplus. This is the surplus LPS expected to earn with the current Food Service program.

The result is the excess surplus that will be shared 50/50 between P-CCS and LPS.