

Ludington Board of Education
Public Meeting Notice

Please Post

Mission: The Ludington Area School District, in partnership with parents and community, will educate and empower students to adapt and succeed in their future.

Finance Committee Meeting

Date: November 14, 2019

Time: 5:30 p.m.

Place: Ludington Area School District Administration Office
809 East Tinkham Avenue, Ludington, Michigan

- 1) CALL TO ORDER & ROLL CALL
 - ☐ Josh Snyder ☐ Steve Carlson ☐ Scott Foster
- 2) CITIZEN PARTICIPATION
- 3) AGENDA MODIFICATION
- 4) DISCUSSION ITEMS
 - a) Employee Health Insurance Updates
 - i. Health Insurance Premium Quotes
 - b) Independent Third Party Property Appraisal
 - c) Traffic Study Approval - New Elementary Site
 - d) Timber Sale Bid Approval: Managed by Ecosystems Management, LLC
 - e) Financial Audit Updates
 - f) Updates from Other Committees
- 5) OTHER ITEMS OF BUSINESS & ANNOUNCEMENTS
- 6) ADJOURNMENT

This is a meeting of the Board of Education in public for the purpose of conducting the School District's business and is not to be considered a public community meeting. Official minutes of the Ludington Board of Education are available for public inspection during normal business hours at the Board of Education's Central Business Office, 809 E. Tinkham Avenue, Ludington, Michigan, 231-845-7303. The Ludington Area School District is an equal opportunity employer and provider. If you are an individual with a disability who is in need of special accommodations to attend or participate in a public meeting please contact Superintendent Jason J. Kennedy at 231-845-7303 at least 24 hours prior to the meeting or as soon as possible.

Memorandum - Office of the Superintendent

TO: Board of Education
FROM: Jason Kennedy, Superintendent
RE: Finance Committee Meeting ~ Agenda Notes

Employee Health Insurance Updates

Health Insurance Premium Quotes

In cooperation with the Ludington Education Association (LEA), the District has worked to seek competitive bids for health insurance benefits for our employees. We continue to do this annually. Effective January 1, 2020, the rates for our employees will increase above the cost of living adjustment in the state hardcap once again.

Blue Cross Blue Shield was not able to provide a quote until they were given the most recent claims data available. The information that MESSA, our current provider, had available on our portal was not current enough. A request to MESSA for more current data was requested. This data was forwarded to SET-SEG on the same day that we received the claims data. After reviewing the claims data, Blue Cross Blue Shield determined that it is not willing to provide a quote due to the amount of our claims. Blue Cross Blue Shield shared that MESSA is actually losing money insuring Ludington based on our current rates.

Priority Health has not responded to our request yet, but it is likely that they would come to the same conclusion and not provide a competitive quote. We are uncertain of this, however. For now, MESSA appears to be our best option to support the professional staff. We will continue to work with the bargaining team from the LEA to do what we can to provide cost effective options for our employees.

Independent Third Party Property Appraisal

Northern Michigan Real Estate Consultants (NMREC) has been recommended to conduct the independent third party appraisal of the school properties. The cost is \$2,500 per site and it will take approximately 6 weeks from the time of engagement with NMREC. Mark Faucher and NMREC have experience in assessing school properties in Cadillac and Traverse City, and they come highly recommended to the District, as they would be an outside provider of the service with experience in school property appraisals. I will recommend the Board approving the independent third party property appraisal of Lakeview Elementary, Foster Elementary, and Pere Marquette Early Childhood Center. This appraisal is important in moving forward with the development of our process to market these three (3) properties.

Traffic Study Approval - New Elementary Site

GMB Architecture and Engineering has recommended Wade Trim for the completion of the District's traffic study at the corners of Jebavy Dr. and Bryant Rd. and Jebavy Dr. and Johnson Rd. Wade Trim is experienced in providing all facets of transportation, planning, and traffic engineering services to both private developers and local, county, and state governments. In

addition, the firm has extensive experience working with traffic flow in and around public and private schools, and has worked on dozens of school sites across the country. The firm will work with the District and the design team to conduct a school traffic study that will enable us to address any traffic operation issues related to the proposed new elementary school. A description of the proposed traffic study, scope of services, proposed schedule, and study fee will be discussed with the committee, and with the Board on November 18, 2019.

Timber Sale Bid Approval: Managed by Ecosystems Management, LLC

Ecosystems Management, LLC prepared and circulated a timber sale notice, soliciting bids from prospective timber buyers in western lower Michigan. This notice has been on the District's website for the public as well. The District received bids for timber work through Ecosystems Management, LLC.

The District has closed the bid process for timber sales, as of October 31, 2019. Ecosystems Management, LLC has worked hard to get bids; however, we only received two (2) bids. The bid summary that was shared with the District has been posted on the school's web page for the community. The bids were based on the cost of 81 selected trees for bid comparison purposes. These trees were marked and bidders had the ability to walk the property to inspect the trees. Then, the bidder also had to agree to pay us for all other timber, including wood chipping debris.

Both bids were identical in the payment of timber, except in the cost of the 81 selected trees. Maple Ridge Hardwoods (Walhalla) bid \$7,000 on those trees, and Witteveen Tree Services (Pentwater) bid \$6,200. Both timber buyers agreed to have the trees cleared from the property by April 1, 2020. The bids are conservatively estimated to gross \$20,000. This all depends on the actual board footage that we will not know until the mill processes the timber and provides receipts for all of the timber that is sold. Also, the Cadillac Biomass Plant that was scheduled to accept the District's wood chips partially burned near the end of December, which likely will limit the proceeds that we will receive for wood chips from the project.

The bid has been awarded to the high bidder, Maple Ridge Hardwoods. The District has received half the money for the first 81 trees up front, and the second half will be received by the District within ten days of the trees being cut. The final payments will be made on a pay as we go basis. The timber will be cut, taken to the mill, a receipt will be issued from the mill, and the timber buyer will issue checks to the District as we work through the project.

Financial Audit Updates

Auditors from Hungerford Nichols have completed the financial audit for the year ending June 30, 2019. The audit report shows that there are no findings, and that we will be adding to the District's fund balance for the General Fund by \$5,155. The District received the highest level of assurance, or opinion, provided by the firm. A copy of the annual financial report and the financial statements will be provided electronically to the committee for your review prior to the audit exit conference that will be conducted by the auditors at the Board meeting on November 18, 2019. Our auditors will be available for questions and a presentation of the audit report via a distance connection on November 18, 2019.

Updates from Other Committees

We will review updates from each of the other committees in preparation for the Board meeting on November 18, 2019.