

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: Electronic/Virtual

Date: February 11, 2021

Time: 5:30 p.m.

Place: Ludington Area School District Administration Office
809 E. 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) Replacement Purchase of Waste Oil Heater - Bus Garage
 - b) Elementary Bond Project Application and Certificate for Payment #10
 - c) Review Bids Received for Vacant School Properties
 - d) Foster Elementary School Proposed Concepts
 - e) Update on Extended COVID-19 Continuity of Learning Plan
 - f) Contract Negotiations: Primer on the Essentials of Successful Bargaining
 - g) Oriole Foundation Grant Awards
 - h) IRS Closing Agreement on Taxability of Healthcare Contributions
 - i) 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 J. Kennedy, Superintendent
RE: Electronic/Virtual Committee Meeting

Meeting Notice and Meeting Access Information:

This notice is given and published pursuant to the Epidemic Emergency Order issued by the Director of the Michigan Department of Health and Human Services.

The Finance and Negotiations Committee of the Board of Education for Ludington Area School District will meet on Thursday, February 11, 2021 at 5:30 pm for a committee meeting as a virtual meeting (online and/or by phone) to protect the health, safety, and welfare of the citizens of Ludington Area School District from Coronavirus/COVID-19. This virtual meeting is authorized pursuant to the Michigan Open Meetings Act, MCL 15.263a.

Public comment will be handled using the participant controls of the Google Meet platform. These will be discussed at the start of the meeting. If you are listening by telephone only, you will be called upon by the host during the time for public participation in the meeting.

To comply with the Americans with Disabilities Act (ADA), any citizen requesting accommodation to attend this meeting and/or to obtain this notice in an alternative format, should contact Superintendent Jason Kennedy, Ludington Area School District at (231) 845-7303 at least twenty-four (24) hours prior to this meeting.

Google Meet Instructions for Participants

To join the conference by telephone:

1. On your phone, dial the teleconferencing number provided below:
 - Phone number: (US) +1 956-520-3638
2. Enter the meeting pin number below when prompted using your touch-tone (DTMF) keypad:
 - Pin number: 346 658 863#

Before the meeting:

1. You will need a computer, tablet, or smartphone with speakers or headphones. You will have the opportunity to check your audio immediately upon joining the meeting.

To join the meeting via video conference or technology device:

1. At the start time of the meeting, click on the link below to join via computer. You may be instructed to download the Google Meet application.

Meeting Link: meet.google.com/onm-itsk-ayt

Memorandum - Office of the Superintendent

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

CITIZEN PARTICIPATION

Review Board Policy 0167.3: Public Participation at Board Meetings

The Board of Education recognizes the value of public comment on educational issues and the importance of allowing members of the public to express themselves on District matters.

To permit fair and orderly public expression, the Board shall provide a period for public participation at every regular meeting of the Board and publish rules to govern such participation in Board meetings. The rules shall be administered and enforced by the presiding officer of the meeting.

The presiding officer shall be guided by the following rules:

- A. Public participation shall be permitted as indicated on the order of business, or at the discretion of the presiding officer.
- B. Participants must be recognized by the presiding officer and will be requested to preface their comments by an announcement of their name, address, and group affiliation, if and when appropriate.
- C. Each statement made by a participant shall be limited to three (3) minutes duration.
- D. No participant may speak more than once.
- E. Participants shall direct all comments to the Board and not to staff or other participants.
- F. The presiding officer may:
 1. interrupt, warn, or terminate a participant's statement when the statement is too lengthy, personally directed, abusive, obscene, or irrelevant;
 2. request any individual to leave the meeting when that person does not observe reasonable decorum;
 3. request the assistance of law enforcement officers in the removal of a disorderly person when that person's conduct interferes with the orderly progress of the meeting;
 4. call for a recess or an adjournment to another time when the lack of public decorum so interferes with the orderly conduct of the meeting as to warrant such action;
 5. waive these rules with the approval of the Board when necessary for the protection of privacy or the administration of the Board's business.
- G. The portion of the meeting during which the participation of the public is invited shall be limited to thirty (30) minutes, but the timeframe will be extended, if necessary, so that no one's right to address the Board will be denied.
- H. Tape or video recordings are permitted. The person operating the recorder should contact the Superintendent prior to the Board meeting to review possible placement of the equipment, and agrees to abide by the following conditions:
 1. No obstructions are created between the Board and the audience.
 2. No interviews are conducted in the meeting room while the Board is in session.

3. No commentary, adjustment of equipment, or positioning of operators is made that would distract either the Board or members of the audience while the Board is in session.
 - I. Each Board agenda will include the following statement, "Public participation shall be permitted only as indicated on the order of business."

Revised: January 21, 2019

Legal: M.C.L.A. 15.263(4)(5)(6), 380.1808

DISCUSSION ITEMS

Replacement Purchase of Waste Oil Heater - Bus Garage

The heat exchanger on the waste oil heater used in our bus garage has gone bad and is no longer working. The waste oil heater is 30 years old and in need of replacement. This device disposes of the used oil from our busses and converts it to heat energy that is used to heat our bus garage. This supplements and supports the natural gas heating units in the garage. Without the waste oil heater operating, the natural gas heaters in the building simply are not able to keep the building at a reasonable temperature in the extreme cold. This device also allows us to dispose of the oil in a proper manner so that we do not have to pay monthly oil disposal fees for the 800 or so gallons of oil that we use during the heating months, namely the months of October through April. Also, purchasing a new device will allow us to dispose of synthetic oil, of which the old unit did not do.

While Board policy does not require Board approval for the purchase of this device, as it is below the \$10,000 purchase threshold, the device has been quoted at \$9,711.68 from NAPA - Ludington, the local dealer for these units. The list price is \$21,347.66. I wanted the Board to be aware of this purchase due to the cost.

The website for Energy Logic is listed below so that you can learn more about these units if you have any additional questions:

- <https://www.energylogic.com/waste-oil-heaters/>

Elementary Bond Project Application and Certificate for Payment #10

We will need an action item at the Board meeting on Monday to approve the certificate for payment on the elementary school bond project and to authorize the District to pay the certificate for payment in the amount of \$2,421,050.55, as certified by the architect and construction manager, and as outlined in the Certificate for Payment. The District received the pay application information from the construction manager to process on February 9, 2021. This information will be shared with the committee prior to the committee meeting.

Review Bids Received for Vacant School Properties

We will review and discuss the remaining bids that the District received for Lakeview Elementary School. We will discuss a course of action with the remaining bids and determine a recommendation for each of those bids that will be made to the whole Board of Education at its meeting on Monday, February 15, 2021.

Foster Elementary School Proposed Concepts

We will discuss two concepts for the Foster Elementary School property that have been discussed with the District. These are just concepts at this point, but we will update the Board committee.

Update on Extended COVID-19 Continuity of Learning Plan

On August 20, 2020, Governor Whitmer signed House Bill 5913 into law as Public Act 149. Section 98a states that in order to receive state aid for 2020-2021, districts must provide for instruction under an extended COVID-19 Learning Plan (“Plan”) that has been approved by an intermediate district or authorizing body. The Plan does not replace the District’s/PSA’s COVID-19 Preparedness and Response Plan, it is an additional plan that includes new assurances and sections on educational goals, instructional delivery, grading, and equitable access.

Section 98a(1)(c) states, “Thirty days after the approval of the plan under subsection (2), and every 30 days thereafter, the district must, at a meeting of the board or board of directors, as applicable, of the district, reconfirm how instruction is going to be delivered during the 2020-2021 school year. Public comment must be solicited from the parents or legal guardians of the pupils enrolled in the district during a meeting described in this subdivision.” Section 98a(1)(i) states, “The district shall publicly announce its weekly interaction rates under this subdivision at each reconfirmation meeting described in subdivision (c) and make those rates accessible through the transparency reporting link located on the district’s website each month.”

We will review the Extended Continuity of Learning Plan Reconfirmation Meeting template and reconfirm how instruction is going to be delivered during the 2020-2021 school year, accept public comment during the meeting from parents and/or guardians on the Extended Learning Plan, and review weekly 2-way interaction rates. We will also discuss any changes to the plan. We will also complete each of these tasks at the Board meeting on Monday so that the Board can reconfirm the District’s Extended Continuity of Learning Plan.

Collective Bargaining and Negotiations: Primer on the Essentials of Successful Bargaining

As we prepare for the collective bargaining process, we will discuss a primer and refresher on successful collective bargaining that was provided to Districts this week by the Michigan Negotiators Association (MNA) and attorney Robert Schindler from Miller Johnson Attorneys, a law firm representing schools throughout Michigan.

Oriole Foundation Grant Awards

The Oriole Foundation has met to review the grant applications that were received for winter funding. All awards that were received were funded by either the Foundation or by the District. The fund balance of the Foundation has grown to \$1.27 million dollars. Ten (10) grant requests were reviewed, and nine (9) of them were approved by the Foundation, totaling \$11,599.62. Heidi Urka’s requested \$1,000 for literacy resources was covered by an earmarked donation to the Foundation in her name. The Foundation is able to award \$41,672 in grants between the winter and fall grant rounds. This leaves \$30,072.38 that can be funded for the fall 2021 grant cycle. A list of the winter grant awards can be found below:

Teacher’s Name	Title of Grant Project	Amount Awarded
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Heidi Urka	Literacy Resources	\$1,000
Sarah Calhoun	Interlocking Base Ten Math Blocks	\$1,509.84
Katie Eisinger	Bookworm Book Vending Machine	\$5,845
Chaz Dila	3-D Printing Pens	\$500
Sara Roesler	STEAM Connections	\$870.90
Tanya Gasaway	Gimkit	\$59.88
Theresa Shoop and Tracy Lenz	Educreations	\$198
Rich Kirby	Core Developer	\$1,722
Erik Bratschi	Outdoor Picnic Tables	\$894
Alison Helminski	HeartZone Blinks	\$5,000*

* District funded project

IRS Closing Agreement on Taxability of Healthcare Contributions

For the past several years, the FICA taxability of the 3% healthcare contributions (RHC) that Districts are required to make to the retirement system, on behalf of its employees, has been in question. Recently, ORS indicated that it is in position to get a favorable ruling from the IRS that these contributions are exempt from both federal and FICA taxes and are inviting districts to sign onto a closing agreement by granting power of attorney. By being part of the closing agreement, districts can pursue any applicable refunds in employer and employee taxes.

Although Ludington Area Schools did not treat RHC as FICA taxable, while most other schools in our region did, professional guidance from a variety of sources advocate that all districts sign the power of attorney no matter their situation. However, significant questions remain unanswered about the effect and mechanics of the proposed closing agreement which could have material impacts on school districts and affected employees. Additionally, signing of the closing agreement will commit LASD to the finalized terms and, as currently proposed, we will not have a chance to review the closing agreement at any stage before execution. Given all of this, further research is needed to determine whether we officially proceed with granting power of attorney before the March 1, 2021 deadline, nonetheless, we ask for your approval to proceed in the event we determine this action to be prudent.

It is my recommendation that the Board approves the legal firm of, W. Alan Wilk of Dykema Gossett, PLLC (counsel for the ORS) as LASD's representative before the IRS, and authorize him to finalize the Closing Agreement and sign on our behalf, as deemed appropriate by administration.

Updates from Other Committees

We will review updates from each of the other committees in preparation for the Board meeting on February 15, 2021.