

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

Electronic / Virtual Meeting: Finance Committee

Date: May 14, 2020

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) MEETING PARTICIPANT CONTROLS
- 5) DISCUSSION ITEMS
 - a) Calendar Negotiations with the LEA
 - b) Bond Project Bid Package #3 Schedule
 - c) CARES Act Final Allocations Issued
 - d) School Building Appraisals
 - e) Taxable Value and L-4029 Form
 - f) Authorizing Resolution of Summer 2021 Tax Levy
 - g) Budget Planning Process for 2020-2021
 - h) WSESD General Fund Budget
 - i) Updates from Other Committees
- 6) OTHER ITEMS OF BUSINESS & ANNOUNCEMENTS
- 7) 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

Meeting Notice and Meeting Access Information:

This notice is given and published pursuant to Executive Order 2020-75 issued by Gretchen Whitmer, Governor of the State of Michigan.

The Finance/Negotiations Committee of the Board of Education for Ludington Area School District will meet on Thursday, May 14, 2020 at 5:30 pm for its monthly 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, pursuant to law and Executive Order issued by Governor Gretchen Whitmer.

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) +1 707-435-3652
2. Enter the meeting pin number below when prompted using your touch-tone (DTMF) keypad:
 - Pin number: 479 319 543#

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/gkc-qvup-rcr

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

Calendar Negotiations with the LEA

We will discuss the process used to conduct calendar negotiations with the Ludington Education Association (LEA) in preparation for the 2020-2021 school year. The first round of calendar negotiations will begin on May 12, 2020 and May 14, 2020, and will focus on the development of a calendar according to the current requirement to attend school for 180 days and 1,098 hours of instruction. Effective October 1, 2019, a school may count up to 38 hours of qualifying professional development (QPD) for teachers as hours of student instruction for state school aid. Multiple calendar scenarios will be discussed so that the District is prepared in the event that the return to school in the fall is different than normal.

Bond Project Bid Package #3 Schedule

We will discuss the bond project bid package #3 schedule and timeline with the committee and Board of Education. The bid package #3 due date is May 19, 2020 at 1:00 pm, with the public opening of bids to take place that same day. Post bid interviews will be scheduled with the low bidders for each bid category all day on Wednesday, May 20, Thursday, May 21, and Friday May 22, 2020.

CARES Act Final Allocations Issued

The final allocations for the CARES Act has been posted to the Michigan Department of Education website. Ludington Area Schools is eligible to apply for up to \$409,725 dollars to offset costs associated with implementing our COVID-19 Response Plan and Continuity of Learning Plan. The application went live in the MEGS+ grant system on May 8, 2020. Please know that we are not able to supplant current services that the District has already been providing; however, this is one time money that can be used to help the District offset supplemental costs.

To receive funds, districts must submit an application that includes a brief narrative of their most important educational needs; information on how they will provide equitable access to students, teachers, parents, and families; and a budget that outlines their intended use of allocated funds. There will be additional reporting requirements associated with this grant program, many of which are yet to be defined by the United States Department of Education. The District is working on developing a plan for the use of this one-time money.

According to the guidance handed down from USED, local school districts may use ESSER funds for activities that align with the following:

1. Any activity authorized by the ESEA of 1965, including the Native Hawaiian Education Act and the Alaska Native Educational Equity, Support, and Assistance Act, the Individuals with Disabilities Education Act (IDEA), the Adult Education and Family Literacy Act, the Carl D. Perkins Career and Technical Education Act of 2006, or subtitle B of title VII of the McKinney-Vento Homeless Assistance Act.
2. Coordination of preparedness and response efforts of local school districts with state, local, tribal, and territorial public health departments, and other relevant agencies, to

- improve coordinated responses among such entities to prevent, prepare for, and respond to coronavirus.
3. Providing principals and other school leaders with the resources necessary to address the needs of their individual schools.
 4. Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth, including how outreach and service delivery will meet the needs of each population.
 5. Developing and implementing procedures and systems to improve the preparedness and response efforts of local school districts.
 6. Training and professional development for staff of the local school district on sanitation and minimizing the spread of infectious diseases.
 7. Purchasing supplies to sanitize and clean the facilities of a local school district, including buildings operated by such agency.
 8. Planning for and coordinating during long-term closures, including for how to provide meals to eligible students, how to provide technology for online learning to all students, how to provide guidance for carrying out requirements under the Individuals with Disabilities Education Act, and how to ensure other educational services can continue to be provided consistent with all federal, state, and local requirements.
 9. Purchasing educational technology (including hardware, software, and connectivity) for students who are served by the local school district that aids in regular and substantive educational interaction between students and their classroom instructors, including low-income students and students with disabilities, which may include assistive technology or adaptive equipment.
 10. Providing mental health services and supports.
 11. Planning and implementing activities related to summer learning and supplemental afterschool programs, including providing classroom instruction or online learning during the summer months and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care.
 12. Other activities that are necessary to maintain the operation and continuity of services in local school districts and continuing to employ existing staff of the local school district.

School Building Appraisals

The District has received the appraisals of Foster School, Lakeview Elementary School, and Pere Marquette Early Childhood Center. The appraisals were conducted by Northern Michigan Real Estate Consultants, and was based on market value being defined in the Agencies' appraisal regulations as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;

- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The property appraisals will be posted to the District’s website and will be provided to the Board. The table below outlines a brief summary of the appraisal:

Building	Highest and Best Use	Conclusion of Market Value	Estimated Marketing Time
Foster	<u>If vacant</u> : Hold for future development <u>As improved</u> : Use of existing building for neighborhood compatible purpose	\$220,000	12 months or less
Lakeview	<u>If vacant</u> : Hold for future development <u>As improved</u> : Use of existing building for neighborhood compatible purpose	\$165,000	12 months or less
Pere Marquette	<u>If vacant</u> : Hold for future development <u>As improved</u> : Use of existing building for neighborhood compatible purpose	\$100,000	12 months or less

Taxable Value and L-4029 Form

The District received the taxable value information for 2020 from Mason County on May 5, 2020. As was expected, the growth in taxable value within Ludington Area Schools has been extraordinary, due in large part to the significant growth in PM Township (namely investments in the Pumped Storage Facility). The District's taxable value grew by approximately 5%, and the non-homestead taxable value increased by approximately 5.5%. These growth percentages are at the top of the chart that was developed and discussed earlier in the year to help the Board understand the likelihood of the District going out of formula for the 2020-2021 school year.

The taxable value of all of Mason County grew by \$72,695,758 from 2019 to 2020. The taxable value of the properties in the Ludington Area School District grew by \$70,104,960. More than \$52 million in taxable value increase in the county was in Pere Marquette Township.

Importantly, non-homestead property values in our District continue to remain significant. 66.8% of the total taxable value in our District was accounted for by non-homestead properties on the 2019 tax roll. This will increase to 68% for the 2020 tax roll. This is the property tax value that we levy the 18 mill non-homestead tax rate against. To put this in perspective, the percentage of non-homestead property tax valuation is 33.5% and 46.7% for Mason County Central and Mason County Eastern, respectively.

This is significant as there are very few scenarios where the District stays in formula next year. While this will likely mean significant increased revenue over what we have been collecting from the state in years to come, this year will be difficult because we must overcome losing about \$574,000 in at-risk money that the District uses to support programs for some of our neediest children. There is a lot to learn and understand yet before we begin developing our budget.

We will also need to discuss and approve the tax levy once again at the May meeting so that the county has the information to generate summer tax bills. The Board will need to approve Form L-4029, the tax rate request form, used to authorize the 2020 tax roll levy.

Authorizing Resolution of Summer 2021 Tax Levy

We will discuss the annual authorizing resolution that the Board considers to levy a summer tax collection. The Board has already approved the resolution to levy a summer 2020 tax collection, and will need to consider adopting the authorizing resolution to levy the summer of 2021 tax collection.

Budget Planning Process for 2020-2021

We will discuss the process for developing the budget for the 2020-2021 school year, and the use of multiple budget scenarios so that the District is prepared for as many scenario possibilities as it can be.

WSESD General Fund Budget

On April 20, 2020, Dr. Jeffrey from WSESD shared an electronic budget presentation with Districts to review, along with a video message from him reviewing the General Fund Budget for WSESD. This information will be reviewed with the committee. The District will need to vote on the General Fund Budget at the Board meeting on Monday, so we will discuss this budget recommendation from WSESD with the committee and the Board in preparation for that action.

Updates from Other Committees

We will review updates from each of the other committees in preparation for the Board meeting on May 18, 2020.