

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: June 18, 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
 - a) Appointment of Audit Firm: Audit Engagement Letter - Hungerford Nichols
 - b) Elementary Bond Project Application and Certificate for Payment #2
- 4) MEETING PARTICIPANT CONTROLS
- 5) DISCUSSION ITEMS
 - a) Budget Amendment for Fiscal Year Ending June 30, 2020
 - b) Proposed Budget for 2020-2021 and Public Budget Hearing
 - c) Review of Taxable Value and L-4029 Form
 - d) Staffing Plan and Budget Expenditure Reductions
 - e) School Building Appraisals and Developing a Plan
 - f) Budget Status Detail Report for Elementary School Project
 - g) Authorizing Resolution of Summer 2021 Tax Levy
 - h) 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, June 18, 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) +1 224-970-0564
2. Enter the meeting pin number below when prompted using your touch-tone (DTMF) keypad: Pin number: 182 747 482#

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/rgp-ijjk-kbg

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

Appointment of Audit Firm: Audit Engagement Letter - Hungerford Nichols

We will need a motion to approve the appointment of the District's auditing firm for the 2020-2021 school year. It is the recommendation of the superintendent that the District continue to use the auditing services of Hungerford Nichols as the district's audit firm for the 2020-2021 school year. The approval of the firm will authorize the superintendent and the Board treasurer to sign and execute the audit engagement letter with Hungerford Nichols.

Elementary Bond Project Application and Certificate for Payment #2

We will need an action item to approve the certificate for payment on the elementary school bond project and to authorize the District to pay \$194,600.01, as certified by the architect and construction manager, and as outlined in the Certificate for Payment.

Budget Amendment for Fiscal Year Ending June 30, 2020 (2019-2020 School Year)

Jesse Rickard will discuss the final budget amendment for the year ending June 30, 2020 with the Finance Committee of the Board. The Board of Education will also review the final budget amendment and will be asked to approve the final budget amendment for the year ending June 30, 2020 at the Board of Education on June 22, 2020.

Proposed Budget for 2020-2021 and Public Budget Hearing

Jesse Rickard will present the 2020 - 2021 fiscal year budget in the public budget hearing to the Board on Monday, June 22, 2020. The Board is required to approve a budget prior to June 30, 2020. The committee will review the assumptions used to build the budget, as well as the preliminary budget build for the 2020 - 2021 fiscal year prior to the meeting on Monday.

Review of Taxable Value and L-4029 Form

We will review the taxable value information for 2020 from Mason County, as provided to Ludington Area School District, and will review Form L-4029, as approved by the Board of Education at the Board meeting on May 18, 2020.

The property tax millage rate proposed to be levied to support the proposed budget for 2020 - 2021 will be a subject of the District's budget hearing on Monday, June 22, 2020.

County(ies) Where the Local Government Unit Levies Taxes Mason County				2020 Taxable Value of ALL Properties in the Unit as of 5-26-2020 1,453,043,019							
Local Government Unit Requesting Millage Levy Ludington Area School District				For LOCAL School Districts: 2020 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. 988,363,212							
This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2020 tax roll.											
(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2019 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2020 Current Year "Headlee" Millage Reduction Fraction	(7) 2020 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Voted	Operating	5/6/14	18.3930	18.3930	1.0000	18.3930	1.0000	18.0000	18.0000	18.0000	12/23
Voted	Sinking	5/7/13	0.2500	0.2500	1.0000	0.2500	1.0000	0.2500	0.2500	0.2500	12/22
Voted	HS Debt	9/23/03	0.4000	N/A	N/A	N/A	N/A	N/A	0.4000	0.4000	12/22
Voted	Tech Bond	5/8/12	0.5900	N/A	N/A	N/A	N/A	N/A	0.5900	0.5900	12/21
Voted	Bus Bond	5/7/13	0.2100	N/A	N/A	N/A	N/A	N/A	0.2100	0.2100	12/21
Voted	Bldg & Site	5/7/19	2.1500	N/A	N/A	N/A	N/A	N/A	2.1500	2.1500	12/48

Staffing Plan and Budget Expenditure Reductions

We will discuss the staffing plan for the 2020-2021 school year and the staffing reductions and assumptions that were used in the development of the 2020-2021 budget.

School Building Appraisals and Developing a Plan

As discussed at the May 18, 2020 Board of Education meeting, 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. The table below outlines a brief summary of the appraisal for each building:

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

We will discuss the development of a plan to market each of the properties or seek alternative use for each building and/or property.

Budget Status Detail Report for Elementary School Project

We will review the budget status report for the elementary school project that has been provided to the District by the Christman Company for the month ending May 31, 2020.

Authorizing Resolution of Summer 2021 Tax Levy

We will discuss the annual authorizing resolution that the Board needs to consider 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.

Updates from Other Committees

We will review updates from each of the other committees in preparation for the Board meeting on June 22, 2020.