



MINUTES

Organizational Meeting of June 28, 2017

- 1. Call to Order.** President Loy called to order the meeting of the Livingston Educational Service Agency (LESA) Board of Education at 6:01 p.m. on Wednesday, June 28, 2017, at the LESA Education Center, 1425 W. Grand River, Howell, Michigan.

A. Pledge of Allegiance

B. Roll Call

Present were:

Board Members: President Loy,
Vice President Hill,
Treasurer Kaiser (arrived at 6:08),
Secretary Fryer,
Trustee Cortez

LESA Staff: Doug Haseley, Dr. Mike Hubert, Dr. Rachel Kopke, Sean LaRosa, Judy Paulsen, Michelle Radcliffe, Teresa Zigman

C. Approval of Agenda

It was moved by Hill and seconded by Cortez to approve the agenda as presented.

The motion carried unanimously.

- 2. Call to the Public/Correspondence.** The President asked if anyone wished to speak on any items or had received correspondence.

There was no correspondence or public comment at this time.

- 3. Adoption of Consent Agenda.**

It was moved by Fryer and seconded by Cortez to approve the Consent Agenda.

A roll call vote was taken. Hill voted YES, Fryer voted YES, Cortez voted YES, Kaiser was ABSENT, and Loy voted YES.

The motion carried unanimously.

A Approval: Superintendent's Recommendations

044-016-017

The Board approve the Head Start Budget Revision reallocating up to \$200,000 to purchase either one new bus or two used buses and needed replacement technology.

045-016-017

The Board approve the Head Start Budget Carry Over up to \$200,000 to purchase either one new bus or two used buses and needed replacement technology.

046-016-017

The Livingston Educational Service Agency Board of Ed Approve entering into contract with Child Plus in the amount of \$3,022.19 as the online Staff and Student Pupil accounting assessment tool for the 2016-2017 school year.

047-016-017

The Board approve submitting the COLA application to the Department of Health and Human Services to increase the LESA Early Childhood salary structure by 1%.

B Approval: Minutes

The following minutes were presented for approval:

- Regular Board Meeting of May 10, 2017
- Board Election of June 5, 2017
- Joint LESA/WISD Meeting of June 7, 2017

C Approval: Financial Information

The following financials were presented for approval:

- Check Register
- Purchase Card Transactions
- Financial Status Report

D. Personnel Board Report

The Personnel Board Report was presented for approval.

4. Action/Discussion Items - Organizational.

A. Election of Officers for 2017-2018

It was moved by Fryer and seconded by Hill to elect the 2017-2018 officers as follows:

President – LuAnn Loy
Vice President – Julie Hill
Secretary – Harold Fryer
Treasurer – Gary Kaiser
Trustee – Don Cortez

A roll call vote was taken. Fryer voted YES, Hill voted YES, Cortez voted YES, Loy voted YES, and Kaiser was ABSENT.

The motion carried unanimously.

B. Motion to Combine Organizational Items

It was moved by Hill and seconded by Fryer that the Board approve Items 4.B.1 through 4.B.8 with the ability to discuss each agenda items separately.

A roll call vote was taken. Hill voted YES, Fryer voted YES, Kaiser voted YES, Cortez voted YES, and Loy voted yes.

The motion carried unanimously.

B.1. Designation of Depositories, Authorized Signors, and Electronic Transfer Officer

Each year, the Revised School Code and Board Policy require the naming of depository accounts and authorized signatories. The attached resolution accomplishes the following:

1. Designates depositories for school funds
2. Designates those persons authorized to sign checks, contracts, agreements, and purchase orders
3. Designates the Electronic Transfer Officer for the Agency

Livingston Educational Service Agency
Naming of Depositories for Funds — 2016 - 2017

RESOLUTION

WHEREAS the naming of the depository accounts and authorized signatories is required by the Revised School Code and Board Policy.

THEREFORE, LET IT BE RESOLVED, that the following institutions are designated as legal depositories of all monies belonging to the Livingston Educational Service Agency, herein known as LESA, County of Livingston, State of Michigan, and all monies belonging to said Agency shall be deposited in said financial institutions from time to time in the name of the Agency:

First Merit Bank General Fund
First Merit Bank Special Education Fund
First Merit Bank Special Education Savings
First Merit Bank Health Benefit Disbursement
First Merit Bank Capital Projects
First Merit Bank Capital Projects Bond Fund
First Merit Bank Payroll Account
First Merit Bank Payables Account
First Merit Bank Trust & Agency Account
First Merit Flex Benefits Account

Authorized Signors for the above Citizens Bank Accounts:

Board Treasurer
Board Secretary
Superintendent
Finance & Budget Director

FLAGSTAR BANK Investments

Authorized Signors:

Superintendent
Finance & Budget Director
Executive Assistant to the Deputy Superintendent

BE IT FURTHER RESOLVED, that the Livingston Educational Service Agency makes investments in accordance with Board policy and the School Code section 380.622.

BE IT FURTHER RESOLVED, that the Finance & Budget Director is authorized to sign purchase orders and the Superintendent is authorized to sign contracts and agreements that do not require Board of Education action.

BE IT FURTHER RESOLVED, that the Board hereby designates the Superintendent and the Finance & Budget Director as the Electronic Transfer Officers (ETO) as authorized agents to complete such transactions on behalf of the Board. The ETO is therefore responsible for the Agency's ACH agreements, including pre-payment approval, accounting, the internal system of internal accounting controls, reporting, and generally for overseeing compliance. The ETO shall provide documentation detailing the transactions when disbursing funds.

BE IT FURTHER RESOLVED, that the Treasurer of the Livingston Educational Service Agency, or his/her designee, be and is hereby authorized to draw funds from said accounts of the Livingston Educational Service Agency, signed as provided herein with signatures duly certified to said financial institutions by the secretary of the Livingston Educational Service Agency.

BY: _____
Secretary, LESA Board of Education

DATED: _____

B.2 Electronic Transaction Authorization and Designation of Electronic Transfer Officer

Livingston Educational Service Agency
Resolution Authorizing Electronic Transactions and
Designating an Electronic Transfer Officer — 2017 - 2018

RESOLUTION

WHEREAS in accordance with Board Policy 6144 the Board shall adopt a resolution at its annual organizational meeting, authorizing electronic fund transfers and the Treasurer or the Electronic Transfer Officer (ETO) as authorized agent(s) to complete such transactions on behalf of the Board.

THEREFORE, LET IT BE RESOLVED, that the Board hereby designates Laura Walters, Finance & Budget Director, as the Electronic Transfer Officer (ETO).

BE IT FURTHER RESOLVED, that the ETO is therefore responsible for the Agency's ACH agreements, including payment approval, accounting, reporting, and generally for overseeing compliance with the Board's ACH policy.

BE IT FURTHER RESOLVED, that the ETO shall maintain documentation in the general ledger software system detailing the goods or services purchased, the cost of the goods or services, the date of the payment, and the department levels serviced by payment.

BE IT FURTHER RESOLVED, that the ETO shall maintain a system of internal accounting controls to monitor the use of ACH transactions made by the Agency.

BE IT FURTHER RESOLVED, that the ETO shall approve ACH invoices before payment.

BE IT FURTHER RESOLVED, that the Finance & Budget Director is authorized to sign purchase orders and the Superintendent is authorized to sign contracts and agreements that do not require Board of Education action.

BY: _____
Secretary, LESA Board of Education

DATED: _____

B.3 Naming of Grant Signatories

Some governmental agencies, such as Head Start, require Board approval of signatories for grant applications and awards.

Legislation will no longer allow anyone but the Board Chair to sign any grant applications, certifications, etc. for Head Start. State grants require Superintendent's signature.

B.4 Designation of Legal Counsel

The Agency is required to use legal firms from time to time in order to appropriately represent its position on various matters. The following firms have provided satisfactory services in the past:

Thrun Law Firm – general counsel, special matters related to special education, personnel, labor relations, finance, litigation, and workers' compensation.

Dean & Fulkerson – special matters related to employee benefits.

It is recommended that the Board approve the use of Thrun Law Firm and Dean & Fulkerson as legal counsel for LESA for the 2017-2018 fiscal year.

B.5 Retention of Physician

It is recommended that the Board approve the use of RediCare, 4185 E. Grand River, Howell, MI as physicians for all routine Board-required examinations of employed personnel.

B.6 Board Memberships

The Board belongs to regional, state, and national associations that deal with issues related to public education. It is recommended that the Board renew its memberships to the following groups for the membership fees listed:

Rotary Club of Brighton	\$574
Michigan Association of School Boards (MASB)	\$4,365
National School Boards Association (NSBA)	\$2,700
Southeastern Michigan Council of Governments (SEMCOG)	\$1,926

It was recommended that the Board approve memberships to the Rotary Club of Brighton, Michigan Association of School Boards, the National School Boards Association, and the Southeastern Michigan Council of Governments for the 2017-2018 fiscal year.

B.7 Approval of Board Member Professional Development

Several professional development opportunities are available each year for Board Members, including annual conferences and certification courses. Subject to the availability of budget funds, by action of the Board each Board Member is permitted to attend any of the following professional development opportunities:

- NSBA - April 7-9, San Antonio, Texas
- AESA - November 29 - December 2, San Antonio, Texas
- MASB Annual Leadership Conference - November 9 - 12, Lansing
- MASB Certified Board Member Award Program 100-, 200-, or 300-Level Certification Classes
- FRN – information not available at this time

It was recommended that the Board of Education approve attendance of interested Board members at the professional development opportunities listed during the 2017-18 school year, subject to budgetary constraints.

B.8 Schedule of 2017-2018 Board Meeting Dates

It was recommended that the Board approve the schedule of Board meetings for 2017-2018, as presented.

2017-2018 Board Meeting Dates

Unless otherwise noted, LESA Board Meetings are held at 6:00 p.m. in the Innovation Center at the LESA Education Center,
1425 West Grand River Avenue,
Howell, Michigan

- August 9, 2017 – Regular Meeting
- September 13, 2017 – Special Meeting (Topic: Strategic Planning Meeting – 1:00 p.m.)
- September 15, 2017 – Special Meeting (Topic: Strategic Planning Meeting – 8:00 a.m.)
- September 20, 2017 – Regular Meeting
- October 11, 2017 – Regular Meeting
- October 18, 2017 – Special Meeting (Topic: Strategic Planning Retreat)
- November 8, 2017 – Regular Meeting
- December 6, 2017 – Regular Meeting
- December 20, 2017 – Special Meeting (Topic: Superintendent Evaluation)
- January 10, 2018 – Regular Meeting
- February 14, 2018 – Regular Meeting
- February 21, 2018 – Special Meeting (Topic: Strategic Planning Retreat)
- March 14, 2018 – Regular Meeting
- April 11, 2018 – Regular Meeting
- April 18, 2018 – Special Meeting (Topic: LCASB Meeting & LESA Budget Presentation)
- May 9, 2018 – Regular Meeting (including LESA Budget Hearing)
- June 6, 2018 – Special Meeting (Topic: LESA/WISD Joint Board Meeting)
- June 27, 2018 – Special Meeting (Topic: Organizational Meeting & Strategic Plan Update)

- **C. Appointments to Committees/Organizations**

The Board President appoints Board members to serve on the Head Start Policy Council, the Southeast Michigan Council of Governments, and the Livingston County Association of School Boards.

The purpose of the Head Start Policy Council is to oversee the delivery of high quality services to children and families in accordance with Head Start legislation and policies. It meets from 10-11:30 a.m. the first Wednesday of the month beginning in October. A tentative meeting schedule is attached. The Board representative last fiscal year was Gary Kaiser.

The purpose of the Southeast Michigan Council of Governments is to improve the efficiency and effectiveness of the region's local governments and the quality of life in Southeast Michigan. The Board representative last fiscal year was Harold Fryer, and the superintendent served as Alternate.

The purpose of the Livingston County Association of School Boards is to provide opportunities for Board members to learn and share information and to network with each other. The Board representative last fiscal year was Don Cortez.

For the 2017-2018 fiscal year, the Board President makes the following appointments:

Head Start Policy Council: Gary Kaiser

Southeast Michigan Council of Governments: Harold Fryer

Alternate: Don Cortez

Livingston County Association of School Boards: Don Cortez

- **D. First Impression Print and Marketing Disclosure Statement**

First Impression Print and Marketing is owned by Board Member, Don Cortez. For many years, First Impression has performed many small jobs for different departments within the Agency. The Agency's attorney reviewed the business relationship in June of 2013 in light of conflict of interest law MCL 380.634(5). The attorney indicated that a substantial conflict of interest is rather vaguely defined but he found that no such conflict is likely to exist based on the present case. However, at that time he recommended that appropriate disclosures be made and that they be reflected in the meeting minutes.

LESA may continue to do business with First Impression Print and Marketing, as it has for many years pre-dating Don's service on the Board, with the following conditions:

1. This disclosure statement will be voted upon annually by the Board.
2. Don Cortez cannot vote on this statement of disclosure.
3. At least 2/3 of the full Board (4 members) must approve it to be considered valid.
4. This statement covers small contracts up to \$1,000.

5. Any contracts over \$1,000 would need individual board approval with 2/3 of the Board approving (4 members with Don not voting). Meeting minutes would need to reflect what was purchased, that Don owns First Impression Print and Marketing and the results of the vote.

It was moved by Fryer and seconded by Hill to approve item 4.D.

A roll call vote was taken. Kaiser voted YES, Fryer voted YES, Hill voted YES, Loy voted YES, and Cortez abstained.

The motion carried unanimously, with Don Cortez abstaining.

E. Other Organizational Business

There was no additional organizational business.

5. Recommended Action Items.

A. 2016-17 Second Budget Revision

As required by the State of Michigan, the 2016-2017 Budget is presented for amendment by the Board of Education. This amendment is intended to update the budget based on more current financial information than was known when the budget was adopted.

It was moved by Fryer and seconded by Kaiser that the Board approve the General Appropriation Resolution.

A roll call vote was taken. Fryer voted YES, Kaiser voted YES, Hill voted YES, Cortez voted YES, and Loy voted YES.

The motion passed unanimously.

2016-17 General Appropriation Resolution

RESOLVED, that this resolution shall be the general appropriations of the Livingston Educational Service Agency for the fiscal year beginning July 1, 2016 and ending June 30, 2017: A resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all income received by the Livingston Educational Service Agency.

BE IT FURTHER RESOLVED, that the total revenue and unappropriated fund balance estimated to be available for appropriation in the **General Education Fund** of the Livingston Educational Service Agency for the fiscal year beginning July 1, 2016 and ending June 30, 2017 is as follows. Included in Local Revenue is LESA's share of allocated millage in the amount of \$478,623:

Revenue:	Original Budget	1st Budget Revision	2nd Budget Revision
Local	\$644,008	\$620,823	\$646,236
State	4,852,408	5,381,934	5,416,174
Federal	1,988,057	1,826,466	1,865,817
Payments from Other Public Schools	8,766,977	8,510,244	8,591,193
Fund Modifications (Other Operating Transfers In)	50,000	50,000	48,000
Total Revenue	<u>\$16,301,450</u>	<u>\$16,389,467</u>	<u>16,567,420</u>
Fund Balance:			
Total Fund Balance, July 1, 2016	<u>\$1,463,963</u>	<u>\$1,524,674</u>	<u>1,524,674</u>
Total Available to Appropriate	<u>\$17,765,413</u>	<u>\$17,914,141</u>	<u>\$18,092,094</u>

BE IT FURTHER RESOLVED, that \$16,554,085 of the total available to appropriate in the **General Education Fund** is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:	Original Budget	1st Budget Revision	2nd Budget Revision
Instruction:			
Basic Programs	\$1,757,886	\$1,723,846	\$1,809,753
Added Needs	68,283	157,880	\$136,049
Adult and Continuing	18,505	5,000	14,945
Support Services:			
Pupil	624,650	679,060	667,549
Instruction Staff	1,626,574	1,549,628	1,628,575
General Administration	412,431	462,681	451,433
School Administration	484,432	545,671	528,557
Business	233,599	229,189	217,243
Operations/Maintenance	300,982	305,510	272,192
Transportation	7,121,997	7,178,854	7,351,336
Support Services-Central	1,551,995	1,582,538	1,590,901
Other (mostly food service)	551,830	434,703	397,277
Community Services	97,887	94,384	80,764
Payments to Other Public Schools	1,264,592	1,233,998	1,217,931
Payments to Other Gov't Agencies	47,000	92,239	92,239
Other Financing Uses	127,716	101,316	97,341
Total Appropriated	<u>\$16,290,359</u>	<u>\$16,376,497</u>	<u>\$16,554,085</u>
Ending Fund Balance:			
Total Fund Balance, June 30, 2017	<u>\$1,475,054</u>	<u>\$1,537,644</u>	<u>\$1,538,009</u>

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriations in the **Special Education Fund** of the Livingston Educational Service Agency for the fiscal year beginning July 1, 2016 and ending June 30, 2017 is as follows. Included in Local Revenues is LESA's voted millage for Special Education estimated at 3.292 mills using a 0.9946 Millage Reduction Fraction, which will provide an estimated \$23,735,287 in revenue:

Revenue:	Original Budget	1st Budget Revision	2nd Budget Revision
Local	\$24,647,762	\$25,233,632	\$25,377,481
State	9,715,351	10,303,685	10,281,662
Federal	6,105,941	6,178,692	6,170,692
Incoming Transfers & Other	179,750	243,600	285,600
Fund Modifications (Other Operating Transfers In)	389,000	444,000	444,000
Total Revenue	\$41,037,804	\$42,403,609	\$42,559,435
Fund Balance:			
Total Fund Balance, July 1, 2016	\$4,099,874	\$4,125,296	\$4,125,296
Total Available to Appropriate	\$45,137,678	\$46,528,905	\$46,684,731

BE IT FURTHER RESOLVED, that \$42,170,383 of the total available to appropriate in the **Special Education Fund** is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:	Original Budget	1st Budget Revision	2nd Budget Revision
Instruction:			
Added Needs	\$4,783,265	\$4,735,165	\$4,636,710
Support Services:			
Pupil	15,610,985	16,056,009	15,935,482
Instruction Staff	2,062,337	2,233,005	2,257,792
General Administration	127,958	143,475	147,738
School Administration	0	0	0
Business	765,164	744,760	678,661
Operations/Maintenance	581,026	697,953	576,573
Transportation	3,743,235	3,765,531	3,655,216
Support Services-Central	506,852	527,566	577,153
Other	0	0	0
Community Services	46,711	67,670	67,670
Payments to Other Public Schools	11,593,247	11,713,160	12,225,231
Operating Transfers	1,020,484	1,412,157	1,412,157
Total Appropriated	\$40,841,264	\$42,096,451	\$42,170,383

Ending Fund Balance:			
Total Fund Balance, June 30, 2017	\$4,296,414	\$4,432,454	\$4,514,348
Less Committed	0	0	0
Less Assigned	0	0	(304,345)
Unassigned Fund Balance, June 30, 2017	\$4,296,414	\$4,432,454	\$4,210,003

Explanation of Budget Changes

Note: *The resolutions above are presented in the format required by the Michigan Department of Education, which are different from the monthly board budget reports. The monthly budget reports are presented to show individual grants and programs. The total budget amounts, therefore, are the same but the reporting structure is different.*

General Fund Budget

The final Amendment for the General Fund for 2016-17 reflects changes to grant and consortium program adjustments. No other material changes were made from the previous amendment.

General Fund Revenue:

Significant Changes from Original Budget to 1st Budget Revision:

The increase in revenue of approximately \$90,000 is the result of adjustments to the grant and consortium budgets, which change for reasons unable to predict at the time of original budget adoption. These budgets require modified estimates throughout the year based on updated state and federal grant allocations and changes in local district consortium needs. The most notable changes in General Fund Revenue include:

- \$150,000 increase in state funding for Career & Technical Education, including new grants such as Early/Middle College Planning grants and the Skilled Trade Initiative grant.
- \$217,000 increase in state revenue for a Teacher Evaluation grant through MDE, provided to assist with the cost of implementing evaluation tools used by the Agency and local districts.
- \$250,000 decrease in the Photocopier Consortium. Photocopiers were purchased directly from the vendor and are no longer being leased. Local districts will facilitate all payments for copies directly with the vendor. The revenue and expenditures have decreased accordingly.

General Fund Expenditures:

Significant Changes from Original Budget to 1st Budget Revision:

The total expenditures increased by approximately \$90,000. This is primarily attributable to the factors discussed above.

Special Education Fund Budget

The final Amendment for the Special Education Fund for 2016-17 reflects updates made due to additional property tax collections for the year along with salary adjustments, remaining budget in allocated line items and an adjustment to operational support to the local school districts.

Special Education Fund Revenue:

Significant Changes from Original Budget to 1st Budget Revision:

The Special Education fund revenue increased by approximately \$1.4 million. This increase was primarily attributable to the following changes:

- \$450,000 increase in property tax revenue as a result of property tax values in the County increasing by a higher percentage than initially estimated. In addition, losses from personal property tax reform were reimbursed by the State at a higher than anticipated amount.
- \$275,000 increase in Medicaid revenue based on an updated analysis of reportable costs and estimated reimbursement percentages. The Agency has worked diligently to review and update the billing method to maximize revenue.
- \$200,000 increase in Section 147c revenue adjusted for the Agency's current year allocation published by the Michigan Department of Education.
- \$200,000 increase in Special Education state revenue based on prior year actual costs, which were higher than estimated.
- \$73,000 increase in Federal Special Education grants, awarded at higher amounts than projected.

Special Education Fund Expenditures:

Significant Changes from Original Budget to 1st Budget Revision:

The total expenditures increased by approximately \$1.3 million. This increase was primarily attributable to the following changes:

- \$340,000 increase in transfer to Capital Projects, designated for an upcoming bond payment.
- \$200,000 increase in retirement expenditures, adjusted for the updated 147c retirement rate, which is based on the Agency's current year allocation published by the Michigan Department of Education.
- \$110,000 increase in equipment and computers for Pathway classrooms and staff.
- \$100,000 increase for required updates to the Agency Security System.
- \$570,000 Reserve for salary and benefit increases.

B. 2017-2018 Original Budget Adoption

In accordance with PA 621, the Uniform Budget and Accounting Act, the Board must adopt a budget by June 30th after a public hearing.

Presentation documents explaining the LESA General Education and Special Education Fund budgets have been posted on the Agency's website and a presentation for local districts has been made. Subsequently, resolutions have been passed by each of the local boards approving the FY 17-18 Agency budget.

It was moved by Fryer and seconded by Kaiser that the Board approve the General Appropriation Resolution.

A roll call vote was taken. Kaiser voted YES, Fryer voted YES, Cortez voted YES, Hill voted YES, and Loy voted YES.

The motion carried unanimously.

2017-2018 General Appropriation Resolution

RESOLVED, that this resolution shall be the general appropriations of the Livingston Educational Service Agency for the fiscal year beginning July 1, 2017 and ending June 30, 2018: A resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all income received by the Livingston Educational Service Agency.

BE IT FURTHER RESOLVED, that the total revenue and unappropriated fund balance estimated to be available for appropriations in the **General Education Fund** of the Livingston Educational Service Agency for the fiscal year beginning July 1, 2017 and ending June 30, 2018 is as follows. Included in Local Revenue is LESA's share of allocated millage in the amount of \$483,422:

Revenue:	Original Budget
Local	\$611,622
State	5,088,481
Federal	2,106,497
Payments from Other Public Schools	8,791,904
Fund Modifications (Other Operating Transfers In)	50,000
Total Revenue	\$16,648,504
Fund Balance:	
Estimated Fund Balance, July 1, 2017	\$1,538,009
Less Non Spendable	0
Less Committed/Assigned	0
Fund Balance Available to Appropriate	\$1,538,009
Total Available to Appropriate	\$18,186,513

BE IT FURTHER RESOLVED, that \$16,647,509 of the total available to appropriate in the **General Education Fund** is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:	Original
Instruction:	
Basic Programs	\$1,828,543
Added Needs	80,992
Adult and Continuing	5,000
Support Services:	
Pupil	636,098
Instruction Staff	1,623,393
General Administration	450,005
School Administration	464,824
Business	253,253
Operations/Maintenance	295,114
Transportation	7,404,643
Central	1,365,123
Other (mostly food service)	653,835
Community Services	86,442
Payments to Other Public Schools	1,306,390
Payments to Other Government Agencies	92,238
Other Financing Uses	101,616
Total Appropriated	\$16,647,509
Ending Fund Balance:	
Total Estimated Fund Balance, July 1, 2018	\$1,539,004
Less Committed	0
Less Assigned	0
Unassigned Fund Balance July 1, 2018	\$1,539,004

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriations in the **Special Education Fund** of the Livingston Educational Service Agency for the fiscal year beginning July 1, 2017 and ending June 30, 2018 is as follows. Included in Local Revenues is LESA's voted millage for Special Education estimated at 3.292 mills, which will provide an estimated \$24,025,024 in revenue:

Revenue:	Original Budget
Local	\$25,541,024
State	10,716,737
Federal	6,305,602
Incoming Transfers & Other	243,600
Fund Modifications (Other Operating Transfers In)	444,000
Total Revenue	<u>\$43,250,963</u>
Fund Balance:	
Estimated Fund Balance, July 1, 2017	\$4,514,348
Less Non Spendable	0
Less Committed/Assigned	0
Fund Balance Available to Appropriate	<u>\$4,514,348</u>
Total Available to Appropriate	<u><u>\$47,765,311</u></u>

BE IT FURTHER RESOLVED, that \$43,424,010 of the total available to appropriate in the **Special Education Fund** is hereby appropriated in the amounts and for the purposes set forth below:

Expenditures:	Original
Instruction:	
Added Needs	\$4,966,113
Support Services:	
Pupil	16,781,486
Instruction Staff	2,320,686
General Administration	142,935
Building Administration	0
Business	803,322
Operations/Maintenance	580,341
Transportation	3,841,449
Central	514,925
Other	0
Community Services	67,670
Payments to Other Public Schools	12,288,090
Other Financing Uses	1,116,993
Total Appropriated	<u><u>\$43,424,010</u></u>
Ending Fund Balance:	
Total Estimated Fund Balance, July 1, 2018	\$4,341,301
Less Committed	0
Less Assigned	0
Unassigned Fund Balance July 1, 2018	<u><u>\$4,341,301</u></u>

C. Fuel Bid Extension

The Agency has historically facilitated the procurement of diesel fuel and gasoline for the districts that participate in the Regional Transportation Collaborative. The contract with the current vendor is expiring soon, and the Agency has the option to extend the existing contract.

Super Flite Oil has performed in accordance with the contract since they started providing fuel to the Agency in August of 2015 and the local districts are satisfied with their services.

It was moved by Hill and seconded by Cortez that the Board extend the contract for diesel fuel and gasoline with Super Flite Oil for one year and authorize the Superintendent to negotiate and sign a contract to begin on July 1, 2017.

A roll call vote was taken. Fryer voted YES, Kaiser voted YES, Hill voted YES, Cortez voted YES, and Loy voted YES.

The motion carried unanimously.

D. Policy Updates Volume 31, Number 2 and Special Releases – First Reading

NEOLA provides, under contract, semi-annual updates to board policy that recommends changes as required by law or practice. Dr. Hubert met with NEOLA representative Dr. Halik to review those updates and is presenting the recommended adoptions and amendments for consideration by the Board of Education. Although not required as part of the Agency By-laws, the recommendations are presented here for a “first reading” because of the breadth of changes in the recommendations. As part of the August agenda, the Board will be asked to approve the updates that are being presented in June. However, because the Board of Education does not meet again until August, it may consider a motion to approve the policy changes as presented.

It was moved by Hill and seconded by Cortez that the Board approve NEOLA Policy Update Volume 31, Number 2, including the Special Releases, as presented.

A roll call vote was taken. Hill voted YES, Cortez voted YES, Kaiser voted YES, Fryer voted YES, and Loy voted YES.

The motion carried unanimously.

E. Michigan Works! Memorandum of Understanding

The purpose of this Memorandum of Understanding (MOU) is to demonstrate a working partnership between LESA and Michigan Works! Southeast. 3 local Michigan Works!

agencies recently merged into Michigan Works! Southeast which covers Livingston, Washtenaw, Jackson, Lenawee and Hillsdale. Being a Perkins Grant recipient and anticipating Title II Adult Education funding, we are a required partner per the Workforce Innovation and Opportunity Act (WIOA). We work together with referrals, education, human service, job training and other workforce services and mutually support workforce development in our region.

It was moved by Fryer and seconded by Cortez that the Board of Education approve the Memorandum of Understanding between the Agency and Michigan Works! for the 2017-2018 fiscal year.

A roll call vote was taken. Hill voted YES, Kaiser voted YES, Fryer voted YES, Cortez voted YES, and Loy voted YES.

The motion carried unanimously.

Michelle Radcliffe shared a "big check" for \$97,500, received through a grant for career and college readiness.

F. LESA and Howell Public Schools Land Lease Agreement

The Agency and Howell Public Schools (HPS) entered into a Land Lease Agreement in August 1989 for the site that our Specialized Transportation operations is currently located. That original lease was for a period of 20 years, expiring in August 2019. The Agency and HPS have been in discussions to extend the lease for another 10 years, with revised lease payments beginning in the 2016-17 year in order to restructure the total lease payments made to HPS for both the land lease and leased classroom space (for ECSE and GRSP programs). This amendment will continue to decrease the overall lease payments made to HPS from 2016 through 2029, allowing both agencies to plan for the revenue/expenditure impacts for the coming years.

It was moved by Hill and seconded by Fryer that the Board approve the Superintendent (or designee) the authority to approve the lease agreement as presented.

A roll call vote was taken. Cortez voted YES, Hill voted YES, Kaiser voted YES, Fryer voted YES, and Loy voted YES.

The motion carried unanimously.

G. Off-Scale Wage Adjustment

As the Agency has prepared the final amendment for the 2016-17 year we have had a number of adjustments that have allowed us to reconsider staff wages for the year. For a number of years, we have had instances where wages were frozen and in recent years'

minimal increases were given to the staff. We value the staff members that work for the agency and feel that they continue to have to take on additional tasks as State and Federal regulations continue to increase. In addition, this year we are dealing with a 53-week year for payroll; as such no paycheck was scheduled for our staff on June 30th. Given our anticipated financial position for this year, we would recommend a 1% off-scale payment to be made to our AFSCME, LIPSA, Classified and Administrative staff on June 30, 2017 for the 2016-17 year. In addition, we recommend continuing the off-scale wage payments for the 2017-18 year.

It was moved by Fryer and seconded by Hill that the Board approve the off-scale wage adjustments for AFSCME, LIPSA, Classified and Administrative staff for the 2016-17 year and 2017-18 year.

A roll call vote was taken. Cortez voted YES, Fryer voted YES, Hill voted YES, Kaiser voted YES, and Loy voted YES.

The motion carried unanimously.

Closed Session

It was moved by Hill and seconded by Kaiser to move into closed session for the purpose of discussing strategy and negotiations connected with the negotiation of a collectively bargained AFSCME Teacher Assistant agreement.

A roll call vote was taken. Hill voted YES, Kaiser voted YES, Cortez voted YES, Fryer voted YES, and Loy voted YES.

The motion carried unanimously.

The Board moved into Closed Session at 7:01 p.m. for the purpose of discussing strategy and negotiations connected with the negotiation of a collectively bargained AFSCME Teacher Assistant agreement. No action was taken and the Board returned to Open Session at 7:51 p.m.

H. AFSCME – Teacher Assistant Agreement – 2017-2020

It was moved by Hill and seconded by Kaiser that that Board approve the AFSCME Teacher Assistant agreement as presented.

A roll call vote was taken. Fryer voted YES, Hill voted YES, Cortez voted YES, Kaiser voted YES, and Loy voted YES.

The motion carried unanimously.

6. Communications/Informational Reports.

A. Reports

Executive Reports

Updated the Board on progress toward LESA strategic plan goals.

Superintendent's Report

Dr. Hubert thanked the Board and the staff for their support as he completes his first year in the superintendent position.

B. Board Discussion

There was no discussion at this time.

7. Closed Session.

It was moved by Fryer and seconded by Cortez to move into closed session for the purpose of considering the Quarterly Evaluation of the Superintendent.

A roll call vote was taken. Hill voted YES, Kaiser voted YES, Cortez voted YES, Fryer voted YES, and Loy voted YES.

The motion carried unanimously.

The Board moved into Closed Session at 8:07 p.m. for the purpose of considering the Quarterly Evaluation of the Superintendent. No action was taken and the Board returned to Open Session at 9:37 p.m.

8. Adjournment. Loy declared the meeting adjourned at 9:38 p.m.

Respectfully submitted,

Harold E. Fryer
Secretary

HEF/jp