

MINUTES

Organizational Meeting of June 29, 2016

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 29, 2016, 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,
Secretary Fryer,
Trustee Cortez

LESA Staff: Dan Danosky, Doug Haseley, Mike Hubert, Tim Jackson,
Rachel Kopke, Sean LaRosa, Judy Paulsen, Lance
Siegwald, Lori Waite

C. Approval of Agenda

It was moved by Hill and seconded by Cortez to approve the agenda as amended, with the deletion of Item 6 - Executive Session, combine Items 4.B, C, D, E, H and J into one motion, change Item 7 to Item 5.Q, and change Item 8 to Item 7.

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 public comment. Early Childhood correspondence was shared.

The following staff were introduced to the Board and welcomed by the Board — Lori Waite, Doug Haseley, Lance Siegwald, and Rachel Kopke.

3. Adoption of Consent Agenda.

It was moved by Fryer and seconded by Cortez to approve the Consent Agenda with the revised personnel report.

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

The motion carried unanimously.

A Approval: Minutes

The following minutes were presented for approval:

- Special Meeting of June 22, 2016
- Board Retreat of June 27, 2016

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 2016-2017

It was moved by Fryer and seconded by Cortez to elect the 2016-2017 officers as follows:

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

The motion carried unanimously.

Items are in the order in which the Board voted upon them.

It was moved by Fryer and seconded by Cortez that the Board approve Items 5B, 5C, 5D, 5E, 5G, 5H, 5J.

The motion carried unanimously.

B. 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: _____

C. 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.

D. 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 2016-2017 fiscal year.

E. 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.

G. Schedule of 2016-2017 Board Meeting Dates

It was recommended that the Board approve the schedule of Board meetings for 2016-2017, as presented.

2016-2017 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

June 29, 2016 (Organizational Meeting)

August 10, 2016

September 14, 2016

October 5, 2016 – AdvancED Exit Review

November 9, 2016

December 14, 2016

January 11, 2017

February 8, 2017

March 8, 2017

March 29, 2017 – LCASB Annual Meeting

April 5, 2017 – Budget Workshop – 5:30 p.m.

April 19, 2017

May 3, 2017 – Special Meeting with Locals – Budget – 5:30 p.m.

May 10, 2017 – Budget Hearing – 5:45 p.m.

May 10, 2017 – Regular Board Meeting

June 5, 2017 – Board Election

June 7, 2017 – LESA/WISD Joint Board Meeting
5:30 p.m. – Location TBD

June 28, 2017 – Organizational Meeting and Regular Meeting

H. 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 estimated membership fees:

Michigan Association of School Boards (MASB)	\$4,260
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 Michigan Association of School Boards, the National School Boards Association, and the Southeastern Michigan Council of Governments for the 2016-2017 fiscal year.

J. Approval of Board Member Professional Development

Several professional development opportunities are available each year for Board members. Attendance is subject to budgetary constraints. Annual conferences include:

MASB Fall Conference
AESA Annual Conference
NSBA Annual Conference
FRN Annual Conference
MASB/MASA Joint Legislative Conference
MASB Governor's Education Summit

Items are in the order in which the Board voted upon them.

F. 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 Hill and seconded by Kaiser to approve item 4F.

The motion carried unanimously, with Don Cortez abstaining.

I. 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 2016-2017 fiscal year, the Board President makes the following appointments:

Head Start Policy Council: Gary Kaiser

Southeast Michigan Council of Governments: Harold Fryer

Alternate: Mike Hubert

Livingston County Association of School Boards: Don Cortez

K. Other Organizational Business

5. Action/Discussion Items - Regular.

A. 2015-16 Budget Amendment

As required by the State of Michigan, the 2015-2016 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 in the fall of 2015 when the budget was adopted.

The financial picture has improved since the fall budget revision in both the General Education Fund and the Special Education Fund for reasons noted below. The improved financial picture will position the Agency to be closer to the Board approved fund balance target of 10% of expenditures at the end of FY 2016-17.

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

The motion passed unanimously.

2015-16 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, 2015 and ending June 30, 2016: 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, 2015 and ending June 30, 2016 is as follows. Included in Local Revenue is LESA's share of allocated millage in the amount of \$472,863:

Revenue:	Original Budget	1st Budget Revision	2nd Budget Revision
Local	\$588,150	\$649,662	\$626,326
State	4,492,563	4,886,411	4,796,895
Federal	2,055,022	2,043,888	2,035,538
Payments from Other Public Schools	8,888,208	8,713,634	8,565,861
Fund Modifications (Other Operating Transfers In)	60,000	50,000	40,000
Total Revenue	16,083,943	\$16,343,595	\$16,064,620
Fund Balance:			
Total Fund Balance, July 1, 2015	\$1,327,980	\$1,337,293	\$1,337,293
Total Available to Appropriate	\$17,411,923	\$17,680,888	\$17,401,913

BE IT FURTHER RESOLVED, that \$15,937,950 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	\$1,913,491	\$1,640,827	\$1,608,694
Added Needs	68,283	68,283	72,369
Adult and Continuing	0	18,505	5,560
Support Services:			
Pupil	670,929	741,595	731,867
Instruction Staff	1,535,996	1,562,714	1,520,989
General Administration	392,628	409,349	401,091
School Administration	396,317	484,910	493,132
Business	244,898	231,991	218,440
Operations/Maintenance	365,395	375,188	343,824
Transportation	7,344,954	7,225,286	7,058,559
Support Services-Central	1,663,787	1,559,595	1,549,034
Other (mostly food service)	332,361	439,537	372,115
Community Services	84,959	100,172	89,707
Payments to Other Public Schools	885,044	1,288,082	1,294,846
Payments to Other Gov't Agencies	49,221	47,000	41,400
Other Financing Uses	141,638	131,536	136,323
Total Appropriated	\$16,089,901	\$16,324,570	\$15,937,950

Ending Fund Balance:			
Total Fund Balance, June 30, 2016	\$1,322,022	\$1,356,318	\$1,463,963

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, 2015 and ending June 30, 2016 is as follows. Included in

Local Revenues is LESA's voted millage for Special Education at 2.2665 mills using a 0.9989 Millage Reduction Fraction, which will provide an estimated \$16,019,089 in revenue:

Revenue:	Original Budget	1st Budget Revision	2nd Budget Revision
Local	\$17,029,910	\$17,187,923	\$17,215,873
State	9,392,149	9,337,207	9,334,154
Federal	6,008,328	6,005,941	5,990,941
Incoming Transfers & Other	58,600	59,750	70,579
Fund Modifications (Other Operating Transfers In)	387,000	389,000	389,000
Total Revenue	<u>\$32,875,987</u>	<u>\$32,979,821</u>	<u>\$33,000,547</u>
Fund Balance:			
Total Fund Balance, July 1, 2015	<u>\$3,706,567</u>	<u>\$3,753,052</u>	<u>\$3,753,052</u>
Total Available to Appropriate	<u>\$36,582,554</u>	<u>\$36,732,873</u>	<u>\$36,753,599</u>

BE IT FURTHER RESOLVED, that \$32,653,725 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	\$4,769,513	\$4,767,217	4,639,528
Support Services:			
Pupil	15,151,690	15,117,060	15,044,000
Instruction Staff	2,026,668	2,043,934	2,034,110
General Administration	127,055	123,533	231,656
School Administration	0	0	0
Business	788,098	931,164	711,792
Operations/Maintenance	581,488	584,770	535,076
Transportation	3,728,598	3,594,314	3,482,253
Support Services-Central	487,183	501,774	466,494
Other	0	0	0
Community Services	82,000	46,589	46,562
Payments to Other Public Schools	4,787,803	4,789,117	4,751,595
Operating Transfers	710,500	710,659	710,659
Total Appropriated	<u>\$33,240,596</u>	<u>\$33,210,131</u>	<u>\$32,653,725</u>
Ending Fund Balance:			
Total Fund Balance, June 30, 2016	<u>\$3,341,958</u>	<u>\$3,522,742</u>	<u>\$4,099,874</u>

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 Revenue:

Significant Changes from Original Budget to 1st Budget Revision:

The increase in revenue of approximately \$260,000 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:

- \$290,000 increase to the Applied Technology Consortium for a statewide increase in vocational education funding.
- \$150,000 decrease in the Regional Transportation Collaborative, updated for current fuel costs.

Significant Changes from 1st Budget Revision to 2nd Budget Revision:

General Fund revenue decreased by approximately \$275,000. This is primarily due to a decrease in the Regional Transportation Collaborative of \$240,000 related to a reduction in fuel costs. Fuel costs were estimated using a two-year historical average. Throughout the fiscal year, the price per gallon remained even lower than that average, resulting in significantly lower costs in the current year than originally budgeted.

General Fund Expenditures:

Significant Changes from Original Budget to 1st Budget Revision:

The total expenditures increased by just over \$230,000. This is attributable to the factors discussed above. Other changes in departmental budgets that exceeded \$50,000 include:

- \$90,000 increase to the Great Start Readiness Grant for additional transportation funding.
- \$60,000 decrease in the Nutrition Grant carryover because more expenditures were incurred near the close of the prior fiscal year.
- \$55,000 increase in the actual award for Nutrition Grant to be used on nutrition education programs within the region.

Significant Changes from 1st Budget Revision to 2nd Budget Revision:

The total expenditures decreased by approximately \$385,000. The majority of this decrease is due to the fuel variance discussed above. Other changes in departmental budgets that exceed \$50,000 include:

- \$95,000 decrease to the Great Start Readiness Grant, primarily attributable to a reduction in program assistant salaries and benefits and timing of the transportation funding transfer to partners being delayed until next fiscal year.

- \$82,000 decrease in the WAY program expenditures, due to lower student enrollment and reallocation of the WAY supervisor salary and benefits between funding sources based on the time worked in each program.
- Increase in the Homebound & Instructional Consortium of \$65,000, primarily attributable to an increase in the Seat-Time waiver program of \$43,000 and an increase of \$20,000 for PSAT testing paid for by LESA and billed to local districts.

Special Education Fund Revenue:

Significant Changes from Original Budget to 1st Budget Revision:

The Special Education fund revenue increased by approximately \$100,000. This increase was primarily attributable to the following changes:

- \$135,000 increase in property tax revenue because property tax values in the County increased by a higher percentage than initially estimated.
- \$50,000 increase in Medicaid revenue based on an updated analysis of reportable costs and estimated reimbursement percentages. The final reimbursement percentages will not be known until later in the fiscal year.
- \$140,000 increase in Section 147c revenue adjusted for the Agency's current year allocation published by the Michigan Department of Education.
- \$200,000 decrease in Special Education state revenue based on prior year actual costs, which were lower than estimated.

Significant Changes from 1st Budget Revision to 2nd Budget Revision:

The Special Education fund revenue increased by approximately \$20,000. No major variances were noted.

Special Education Fund Expenditures:

Significant Changes from Original Budget to 1st Budget Revision:

The total expenditures decreased by approximately \$30,000. Changes in departmental budgets that exceeded \$50,000 include:

- \$150,000 increase in support service expenditures for the Headlee Restoration election. *Note: Revenue to support this expenditure will be received in the 16-17 fiscal year when the additional millage is levied.*
- \$135,000 decrease in Specialized Transportation attributable to a reduction in estimated fuel & repair costs and a reduction in aide staffing costs.

Significant Changes from 1st Budget Revision to 2nd Budget Revision:

The total expenditures decreased by approximately \$550,000. The significant reductions are noted below:

- \$95,000 decrease in the Specialized Transportation expenditures, mostly due to a reduction in fuel costs of \$75,000. Fuel costs were estimated using a two-year historical average, but the price per gallon remained significantly lower than that average throughout the fiscal year.

- \$35,000 decrease in support service expenditures related to tax chargebacks. As taxable values have continued to stabilize, tax chargebacks have decreased accordingly.
- \$50,000 decrease in support service expenditures for Medicaid payments because of a lower than anticipated final settlement.
- \$55,000 decrease in support service costs for election fees. The actual fees charged by local municipalities totaled less than initial estimates budgeted during the election planning process.
- \$42,000 decrease in non-salary items in the Employee Services area, mainly professional services and supply line items in the Finance and HR areas.
- \$52,000 decrease in operations and maintenance expenditures, primarily due to fewer maintenance needs and equipment repairs than originally budgeted.
- \$60,000 decrease in the Early-On budget area for a Family Service Coordinator position that was originally budgeted for but not needed.
- The remaining changes to the budget are the result of normal variances in staff contracts including leaves of absence, vacant positions, or insurance election changes.

B. 2016-2017 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 16-17 Agency budget.

Budget assumptions and detailed budget information is posted on the LESA website for reference purposes. A few notable items regarding the Special Education fund are discussed below:

- Projected total revenues and expenditures in the Special Education Fund are greater than FY 2015-16 totals by over \$7 million. This is a result of additional revenue and expenditures generated by the Headlee Restoration millage approved in the fall of 2015. Although the total appropriation is larger, all additional revenue generated by these mills will be paid to local districts; therefore there is no net effect to the Agency's fund balance.

- It is also important to note that we have received new information regarding reimbursement provisions for personal property tax losses due to State PPT reform. We are continuing to track changes and updates to the law, which may result in additional property tax revenue recognized in FY 2016-17. As we continue to monitor this issue, we will work closely with the County and will provide you with updates. Any changes will be incorporated in the FY 2016-17 fall budget revision when amounts are known.

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 carried unanimously.

2016-2017 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 appropriations 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 \$472,863:

Revenue:	Original Budget
Local	\$644,008
State	4,852,408
Federal	1,988,057
Payments from Other Public Schools	8,766,977
Fund Modifications (Other Operating Transfers In)	50,000
Total Revenue	\$16,301,450
Fund Balance:	
Estimated Fund Balance, July 1, 2016	\$1,463,963
Less Non Spendable	0
Less Committed/Assigned	0
Fund Balance Available to Appropriate	\$1,463,963
Total Available to Appropriate	\$17,765,413

BE IT FURTHER RESOLVED, that \$16,290,359 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	\$1,757,886
Added Needs	68,283
Adult and Continuing	18,505
Support Services:	
Pupil	624,650
Instruction Staff	1,626,574
General Administration	412,431
School Administration	484,432
Business	233,599
Operations/Maintenance	300,982
Transportation	7,121,997
Central	1,551,995
Other (mostly food service)	551,830
Community Services	97,887
Payments to Other Public Schools	1,264,592
Payments to Other Government Agencies	47,000
Other Financing Uses	127,716
Total Appropriated	\$16,290,359

Ending Fund Balance:	
Total Estimated Fund Balance, July 1, 2017	\$1,475,054
Less Committed	0
Less Assigned	0
Unassigned Fund Balance July 1, 2017	\$1,475,054

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 3.31 mills, which will provide an estimated \$23,370,762 in revenue:

Revenue:	Original Budget
Local	\$24,647,762
State	9,715,351
Federal	6,105,941
Incoming Transfers & Other	179,750
Fund Modifications (Other Operating Transfers In)	389,000
Total Revenue	<u>\$41,037,804</u>
Fund Balance:	
Estimated Fund Balance, July 1, 2016	\$4,099,874
Less Non Spendable	0
Less Committed/Assigned	0
Fund Balance Available to Appropriate	<u>\$4,099,874</u>
Total Available to Appropriate	<u><u>\$45,137,678</u></u>

BE IT FURTHER RESOLVED, that \$40,841,264 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	\$4,783,265
Support Services:	
Pupil	15,610,985
Instruction Staff	2,062,337
General Administration	127,958
Building Administration	0
Business	765,164
Operations/Maintenance	581,026
Transportation	3,743,235
Central	506,852
Other	0
Community Services	46,711
Payments to Other Public Schools	11,593,247
Other Financing Uses	1,020,484
Total Appropriated	<u><u>\$40,841,264</u></u>

Ending Fund Balance:	
Total Estimated Fund Balance, July 1, 2017	\$4,296,414
Less Committed	0
Less Assigned	0
Unassigned Fund Balance July 1, 2017	<u><u>\$4,296,414</u></u>

C. Common School Calendar and Agency Calendar of Operations

The Agency is required under the provisions of MCL 380.1284a to develop a common school calendar for at least the next 5 school years in cooperation with its constituent districts. The attached calendar represents the recommendation of the Superintendent after working with the constituent district superintendents and human resource directors.

Additionally, the Agency has historically adopted a calendar of operations from which all other employee work calendars are created. The attached Agency calendar of operations is recommended by the Superintendent for implementation in the 2016-2017 academic year.

It was moved by Fryer and seconded by Cortez the Board of Education approve the common school calendar and the Agency calendar of operations as presented.

The motion carried unanimously.

2016-2017 (14 Days of Break)				
Winter Holiday Break - December/January				
M	Tu	W	Th	F
19	20	21	22	23
26	27	28	29	30
2	3	4	5	6
9	10	11	12	13
Spring Break - March/April				
M	Tu	W	Th	F
27	28	29	30	31
3	4	5	6	7
10	11 (SAT)	12	13	14
17	18	19	20	21
Good Friday: April 14th Easter Sunday: April 16th				

2018-2019 (14 Days of Break)				
Winter Holiday Break - December/January				
M	Tu	W	Th	F
17	18	19	20	21
24	25	26	27	28
31	1	2	3	4
7	8	9	10	11
Spring Break - March/April				
M	Tu	W	Th	F
25	26	27	28	29
1	2	3	4	5
8	9 (SAT)	10	11	12
15	16	17	18	19
Good Friday: April 19th Easter Sunday: April 21st				

2017-2018 (14 Days of Break)				
Winter Holiday Break - December/January				
M	Tu	W	Th	F
18	19	20	21	22
25	26	27	28	29
1	2	3	4	5
8	9	10	11	12
Spring Break - March/April				
M	Tu	W	Th	F
26	27	28	29	30
2	3	4	5	6
9	10 (SAT)	11	12	13
16	17	18	19	20
Good Friday: March 30 Easter Sunday: April 1st				

2019-2020 (15 Days of Break)				
Winter Holiday Break - December/January				
M	Tu	W	Th	F
16	17	18	19	20
23	24	25	26	27
30	31	1	2	3
6	7	8	9	10
Spring Break - March/April				
M	Tu	W	Th	F
23	24	25	26	27
30	31	1	2	3
6	7	8	9	10
13	14 (SAT)	15	16	17
Good Friday: April 10th Easter Sunday: April 12th				

2020-2021 (15 Days of Break)				
Winter Holiday Break - December/January				
M	Tu	W	Th	F
14	15	16	17	18
21	22	23	24	25
28	29	30	31	1
4	5	6	7	8
Spring Break - March/April				
M	Tu	W	Th	F
22	23	24	25	26
29	30	31	1	2
5	6	7	8	9
12	13 (SAT)	14	15	16
Good Friday: April 2nd Easter Sunday: April 4th				

Calendar of Operations
 2016 - 2017

JULY						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

NOVEMBER						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

MARCH						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

AUGUST						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

DECEMBER						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

APRIL						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

SEPTEMBER						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

JANUARY						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

MAY						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

OCTOBER						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

FEBRUARY						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

JUNE						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

= AGENCY CLOSED
 = STAFF OPENING DAY
 _____ = PAY DATE
 = AGENCY CLOSED - DESIGNATED STAFF REPORT

Important Notices

The last paycheck of 2016-17 is June 16th and the first paycheck of 2017-2018 is July 7th, which is a 3-week period of time.

The Agency Administrative Offices are open during Spring Break except for the 1st two days.

Certain Agency Staff (Administrators & Classified) are required to report when the Agency is closed.

LESA Student Programs follow the local district calendars covering the district in which the programs are located.

The Agency is closed on certain Friday's during the summer for energy conservation. Those are unpaid days for staff.

D. 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 Fryer 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, 2016.

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

The motion carried unanimously.

E. Photocopier Consortium Bid Award

The Agency has recently led a countywide consortium effort to bid photocopiers. This was first undertaken in 2009 and has been a great success. There was a great deal of interest in this bidding opportunity and from the proposals initially submitted, four were selected to provide presentations to members of the consortium. Two firms were then selected to provide equipment demos, pricing, and detailed responses to questions. The favored vendor from the site visits is Konica/Minolta.

It was moved by Cortez and seconded by Kaiser that the Board of Education approve Konica/Minolta as the vendor of choice for the photocopier consortium bid and that the Superintendent be authorized to negotiate a final contract for the leasing or purchase of the units ordered by the consortium members.

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

The motion carried unanimously.

F. Resolution to Purchase and Finance School Buses

The districts participating in the Regional Transportation Collaborative have requested that the Agency purchase and deploy new school buses as part of our transportation

services agreement with them for the 2016-2017 school year. The exact number of units will be determined after the State Police School Bus inspections are complete.

The Michigan School Business Officials competitive bid process for school buses will be used and Holland Bus Company will be the vendor of choice to achieve consistency with the current fleet.

The Agency will initially pay for the school buses but as part of the Regional Transportation Agreement the Agency will bill the district for the full cost of the bus purchase plus costs of financing, if any.

It was moved by Hill and seconded by Fryer that the Board of Education authorize the superintendent to negotiate the purchase and associated financing of up to fifteen school buses from Holland Bus Company for 2016-2017 using the Michigan School Business Officials competitive bid process and bill the local district in accordance with the Regional Transportation Agreement with the Agency.

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

The motion carried unanimously.

G. EDUStaff Contract

The Howell Public Schools changed service providers for substitute teachers and other staff hired through a third-party employment arrangement. EDUStaff was selected as their new vendor. During this school year the Agency along with the other four constituent districts interviewed EDUStaff and have concluded that it would be beneficial to make the same change. Washtenaw ISD and many other school organizations have made the same change over the past 18 months.

EDUStaff has an excellent reputation in the marketplace and their service rates are very competitive. The leadership team at EDUStaff is very responsive and has an excellent customer service attitude.

The contract recommended for consideration is the same contract that is in place at Washtenaw ISD. The agreement is a 3-party agreement for substitute teacher services between the Agency, EDUStaff, and the Agency's constituent districts. All invoices for services will be sent from EDUStaff directly to the constituent district so no funds will flow through the Agency. Should a constituent district desire to use EDUStaff for other services such as coaches or administrators the district and EDUStaff will create a 2-party agreement and the Agency will not be a part of that arrangement.

It was moved by Fryer and seconded by Kaiser that the Board approve the EDUStaff Agreement as presented.

The motion carried unanimously.

H. Policy Updates – First Reading

NEOLA provides, under contract, semi-annual updates to board policy that recommends changes as required by law or practice. Deputy Superintendent Mike Hubert and Superintendent Dan Danosky met with NEOLA representative Dick Halik to review those updates and presented the recommended adoptions and amendments for consideration of the Board of Education. Although not required as part of the Agency By-laws, the recommendations were presented 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.

The summary of the proposed changes is authored by NEOLA and provides the rationale for the recommended changes, Also included was the complete proposed “Revised Policy” - #1240 Evaluation of the Superintendent.

That the Board of Education approves the recommended changes to the following LESA policies:

- 0175.1 – Board Conferences, Conventions, and Workshops
- 1240 – Evaluation of the Superintendent
- 1420 – School Administrator Evaluation
- 3131 – Staff Reductions/Recalls
- 3220 – Professional Staff Evaluation
- 6146 – Post-Issuance Compliance for Tax-Exempt and Tax-Advantaged Obligations
- 6424 – Purchasing Cards
- 7217 – Weapons
- 8142.01 – Weapons

It was moved by Kaiser and seconded by Cortez to accept the policies for a first reading.

The motion carried unanimously.

I. Revision/Addition of EDGAR-Related Board of Education Policies

NEOLA, the Board’s policy service, has issued a special release of updated policies and administrative guidelines to address the updates to the Education Department of General Administrative Regulations (EDGAR). These updates cover compliance measures the Agency must meet regarding federally funded programs and are required for the FY 15-16 audit. The Agency has always functioned in accordance with grant-specific rules and regulations, and already has many of these policies in place at a

procedural level, but the Department of Education now requires that they be formalized into policy. NEOLA has reviewed and proposed the attached policies, which cover all the federal requirements. We will continue to monitor compliance with these policies and provide updates to all grant directors each fiscal year. As per Board procedures, they were presented for approval. If approved, the changes will be forwarded to the NEOLA offices for finalization and inclusion in the Agency's on-line policy manual.

The policies recommended for amendment or adoption are:

- Bylaw 0144.3 – Conflict of Interest
- Policies 1130, 3110, and 4110– Conflict of Interest
- Policy 6110 – Grant Funds (Uniform Grant Guidance)
- Policies 6111 – Internal Controls
- Policies 6112 – Cash Management of Grants
- Policy 6114 – Cost Principles – Spending Federal Funds
- Policy 6115 – Time & Effort Reporting
- Policies 6325 – Procurement – Federal Grants
- Policy 6550 – Travel Payment & Reimbursement
- Policy 7300 – Disposition of Real Property
- Policy 7310 – Disposition of Surplus Property
- Policy 7450 – Property Inventory
- Policy 8500 – Food Services

It was moved by Fryer and seconded by Cortez that the Board of Education approve the recommended changes to the following LESA policies: Bylaw -0144.4 and Policies 1130, 3110, 4110, 6110, 6111, 6112, 6114, 6115, 6325, 6550, 7300, 7310, 7450, and 8500.

The motion carried unanimously.

J. Livingston ESA Plan for the Delivery of Special Education Programs and Services

The School Code at §380.1711(1)(a) and the revised Michigan Administrative Rules for Special Education at R340.1831 (MARSE) charge Michigan's 56 intermediate school districts to coordinate, develop, establish, and evaluate a Plan for the Delivery of Special Education Programs and Services that is approved by Michigan's state Superintendent of Public Instruction (Superintendent). This plan is known as the "ISD Plan," and has been a requirement in state law since 1971. The existing LESA ISD plan, last updated in 2011, no longer reflects the services and programs the agency and our local districts currently provide.

Throughout the spring of 2016, representatives from LESA, constituent local districts (including charter schools/public school academies), and our LESA Parent Advisory Committee provided input to our ISD plan revision, as required by the MARSE. Additionally, we submitted a draft copy to the Michigan Department of Education,

Office of Special Education for feedback, which we received and incorporated prior to finalizing.

The significant changes in this document include:

- Updates to Appendices A and B, which outline the current scope of services and programs LESA provides, as well as those that each of our local districts provide
- Inclusion of a parent component in our early childhood special education programs that can be counted towards required instructional hours
- Allowance for an Autism Spectrum Disorder teaching endorsement for teachers assigned to our Pathway Moderate Cognitive Impairment (MoCI) and Severe Cognitive Impairment (SCI) programs (currently we are limited to hiring teachers with a Cognitive Impairment, or CI, endorsement)
- Formatting changes (i.e. section headers with applicable MARSE references) to increase transparency and clarity

Subsequent to LESA Board approval, our ISD plan will be submitted to the Michigan Department of Education for consideration and ultimately approval. Until approved, our existing ISD plan, approved by the Michigan Department of Education in 2011, remains in effect.

It was moved by Fryer and seconded by Cortez that the Board of Education approve the revised LESA Plan for the Delivery of Special Education Programs and Services.

The motion carried unanimously.

K. Early Childhood Handbook

The Early Childhood department has completed a year long review of their staff handbook which included a in-depth study of the wage scale. The objectives were to create a handbook that is acceptable to employees, supports a more efficiently run department and to develop a wage scale that allows us to attract and retain highly qualified employees, therefore enabling us to increase our program quality. Many people were involved in the review and development of the new handbook, providing feedback and input along the way. Our objectives have been met and we believe that the new handbook and wage scale will support our moving forward in a positive direction. Head Start requires that the Board of Education review and vote to adopt all Head Start employee handbooks and wage scales.

It was moved by Hill and seconded by Kaiser that the Board approve and adopt the Early Childhood Employee Handbook and wage scale to be effective as of July 1, 2016.

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.

L. Specialized Transportation Handbook and Wage Scale – Information Only

The Teamsters Local 214 provided notice via a letter dated June 20, 2016 that they will no longer be representing the employees in the regional transportation collaborative. The current collective bargaining agreement expires on June 30th and so the attached handbook is intended to replace that agreement as of July 1, 2016.

The Handbook has been reviewed with the designated leaders within the employee group and meetings to review the handbook with representatives from the Agency were offered to all members. The objective in creating the handbook was to make it acceptable to all employees and yet also make the operations within the department efficient while also allowing a certain variation in procedures between the four locations.

The Handbook will be provided at place due to the very short notice given by the Teamsters to the Agency and the employees of the Regional Transportation Collaborative.

No motion necessary, this item for information only.

M. 2016-2017 Non-Union Wage Increases

The Agency has historically increased wages and benefit offerings for non-union employee groups to match that of the union employee groups. In a continuation of that practice it is recommended that the employee handbooks for Administrators, Classified Employees, Specialized Bus Drivers and Assistants, and the Regional Transportation Collaborative be updated to embrace the changes for compensation and benefits contained in the LIPSA Agreement for 2016-2017.

The Early Childhood wage increases will be addressed in a separate recommendation to the Board of Education.

It was moved by Fryer and seconded by Kaiser that the employee handbooks for non-union employee groups (excluding early childhood) be modified to reflect the changes for compensation and fringe benefits contained in the LIPSA Agreement for 2016-2017.

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

The motion carried unanimously.

N. Server Hardware Purchase

The Agency's current server and storage equipment are quite outdated and in need of replacement. Bob Hodges, LESA Network Engineer, and Mark Rogers, LESA Network Administrator, have put together a list of equipment required to update the hardware in the server room and virtualize servers as needed.

Wayne RESA competitively and appropriately bid the equipment.

Capital Project funds designated for technology replacement will be used to pay for the upgrade.

It was moved by Cortez and seconded by Kaiser that the Board approve the purchase of \$30,787.36 of equipment from Optio Data to be used to replace the Agency's servers.

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.

O. Reports

Staff Reports

Updated the Board on progress toward LESA strategic plan goals.

Superintendent's Report

Superintendent Danosky thanked the Board for the opportunity to serve LESA. He indicated he would like the opportunity to return for the dedication of the new building. The Board expressed their appreciation to Dan for his exemplary work at LESA.

Incoming Superintendent Hubert shared that Mary Dare recently completed certification as Business Office Specialist.

Incoming Superintendent Hubert shared information on the school finance study, and provided a written summary to the Board members.

P. Board Discussion

There was no discussion at this time.

Q. LIPSA Contract

The LIPSA successor agreement was presented under separate cover for the Board of Education to consider along with a summary of changes. The Agreement has been ratified by the LIPSA membership.

It was moved by Fryer and seconded by Kaiser that the Board of Education approve the LIPSA Agreement as presented.

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.

6. Executive Session – This item was deleted.

– LIPSA Contract

7. Adjournment. Loy declared the meeting adjourned at 7:04 p.m.

Respectfully submitted,

Harold E. Fryer
Secretary

HEF/jp