



MINUTES

Organizational Meeting of June 24, 2015

- 1. Call to Order.** President Loy called to order the meeting of the Livingston Educational Service Agency (LESA) Board of Education at 6:02 p.m. on Wednesday, June 24, 2015, 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 Cortez,
Secretary Fryer,
Trustee Hill

LESA Staff: Dawn Bentley, Jenn Damon, Dan Danosky, Mike
Hubert, Naomi Norman

Absent was:

Board Member(s): Treasurer Kaiser

C. Approval of Agenda

It was moved by Loy 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 public comment or correspondence.

- 3. Adoption of Consent Agenda.**

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

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

The motion carried unanimously.

A. Superintendent's Recommendations.

The Board approve the re-appointment of Ellen Mayle, LESA representative on the Special Education Parent Advisory Committee (PAC) for the period July 1, 2015 through June 30, 2018. Ms. Mayle's current term expires June 30, 2015.

B Approval: Minutes

The following minutes were presented for approval:

- Biennial Election of June 1, 2015 (as corrected)
- Special Meeting of June 1, 2015 (as corrected)
- WISD-LESA Joint Board Meeting of June 10, 2015

C Approval: Financial Information

The following financials were presented for approval:

- Check Register (as of April 30, 2015)
- Purchase Card Transactions (as of April 30, 2015)
- Financial Status Report (as of April 30, 2015)

D. Personnel Board Report

The Personnel Board Report (as of May 31, 2015) was presented for approval.

4. Architect Presentation

Construction ideas were presented by the architect.

5. Action/Discussion Items.

A. Election of Officers for 2015-2016

It was moved by Fryer and seconded by Cortez to elect the officers in the offices as follows for 2015-2016:

President – LuAnn Loy

Vice President – Julie Hill

Secretary – Harold Fryer

Treasurer – Gary Kaiser

Trustee – Don Cortez

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 — 2015 - 2016

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 Health Claims
First Merit Bank Dental Claims
First Merit Bank Capital Projects
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 First Merit Bank Accounts:

Board Treasurer
Board Secretary
Superintendent
Deputy Superintendent

FLAGSTAR BANK Investments

Authorized Signors:

Superintendent
Deputy Superintendent
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 Deputy Superintendent 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 Deputy 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 for legal matters.

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.

It was moved by Hill and seconded by Cortez that the Board approve Items 5B through 5E.

The motion carried unanimously.

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 Cortez to table Item 5F.

The motion carried unanimously.

G. Schedule of 2015-2016 Board Meeting Dates

It is recommended that the Board approve the schedule of Board meetings for 2015-2016, as presented.

2015-2016 Board Meeting Dates

The 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 24, 2015 (Organizational Meeting)

August 5, 2015

September 9, 2015

October 14, 2015

November 11, 2015

December 9, 2015

January 13, 2016

February 10, 2016

March 16, 2016

April 6, 2016 – Board Workshop??

April 13, 2016

May 11, 2016

June 1, 2016 – Board Retreat??

June 8, 2016 – LESA/WISD Joint Board Meeting
5:30 p.m. – LESA

June 29, 2016 (Organizational 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)	\$4,130 (actual)
National School Boards Association (NSBA)	\$2,700
Southeastern Michigan Council of Governments (SEMCOG)	\$1,899

It is 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 2015-2016 fiscal year.

It was moved by Hill and seconded by Cortez to approve Items 5G and 5H.

The motion carried unanimously.

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 Don Cortez.

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 Harold Fryer.

For the 2015-2016 fiscal year, the Board President makes the following appointments:

Head Start Policy Council: Kaiser

Southeast Michigan Council of Governments: Fryer

Alternate: Danosky

Livingston County Association of School Boards: Cortez

J. 2014-2015 Budget Amendment

As required by the State of Michigan, the 2014-2015 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 2014 when the budget was most recently revised.

The requisite budget resolutions are provided to support this report and include a narrative explanation for the changes. Two important items to highlight are noted below:

1. The budget resolution includes a distribution of approximately \$1.1 million to local districts as a supplement to the operational support distribution. \$400,000 will be distributed as part of the 2015-2016 budget for a total distribution of \$1.5 million. The purpose of the distribution is to liquidate a portion of the Special Education fund balance in an effort to bring it closer to a target of 10%.
2. The fund balance in the Special Education fund has \$1.9 million committed for future construction projects. Those funds are planned to support the re-construction of the Adult Transition and RAS buildings. Once the projects are approved and bid the funds will be transferred to the Capital Projects Fund.

It was moved by Fryer and seconded by Cortez that the Board approve the attached General Appropriation Resolution as presented.

The motion carried unanimously.

2014-15 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, 2014 and ending June 30, 2015: 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, 2014 and ending June 30, 2015 is as follows. Included in Local Revenue is LESA's share of allocated millage in the amount of \$452,489:

Revenue:	Original Budget	1st Budget Revision	2nd Budget Revision
Local	\$578,619	\$571,589	\$591,020
State	3,497,394	4,783,598	4,450,304
Federal	2,013,684	2,040,359	2,053,405
Payments from Other Public Schools	9,109,024	8,838,422	8,798,669
Fund Modifications (Other Operating Transfers In)	60,000	60,000	60,000
Total Revenue	<u>\$15,258,721</u>	<u>\$16,293,968</u>	<u>\$15,953,398</u>
Fund Balance:			
Fund Balance, July 1, 2014	\$1,301,767	\$1,301,767	\$1,301,767
Less Non Spendable	(169,504)	(169,504)	(169,504)
Less Committed/Assigned	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned Fund Balance	<u>\$1,132,263</u>	<u>\$1,132,263</u>	<u>\$1,132,263</u>
Total Available to Appropriate	<u>\$16,390,984</u>	<u>\$17,426,231</u>	<u>\$17,085,661</u>

BE IT FURTHER RESOLVED, that \$15,927,185 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	\$1,730,627	\$1,963,541	\$1,804,271
Added Needs	0	68,283	68,283
Support Services:			
Pupil	649,016	752,703	715,263
Instruction Staff	1,190,275	1,303,578	1,414,324
General Administration	367,969	384,187	376,493
School Administration	550,038	495,647	525,423
Business	250,513	234,393	266,792
Operations/Maintenance	333,549	382,480	374,297
Transportation	7,261,447	7,220,129	7,047,241
Support Services-Central	1,663,634	1,646,026	1,636,545
Other (mostly food service)	373,540	378,351	344,129
Community Services	60,890	71,228	83,258
Payments to Other Public Schools	636,320	434,242	415,588
Payments to Other Gov't Agencies	42,537	803,238	714,347
Other Financing Uses	129,816	130,974	140,931
Total Appropriated	<u>\$15,240,171</u>	<u>\$16,269,000</u>	<u>\$15,927,185</u>
Ending Fund Balance:			
Total Fund Balance, July 1, 2015	\$1,320,317	\$1,326,735	\$1,327,980
Less Committed	0	0	0
Less Assigned (15-16 deficit)	0	0	(\$5,958)
Unassigned Fund Balance, July 1, 2015	<u>\$1,320,317</u>	<u>\$1,326,735</u>	<u>\$1,322,022</u>

BE IT FURTHER RESOLVED, that the total revenue and unappropriated fund balance estimated to be available for appropriation in the **Special Education Fund** of the Livingston Educational Service Agency for the fiscal year beginning July 1, 2014 and ending June 30, 2015 is as follows. Included in Local Revenue is LESA's voted millage for Special Education estimated at 2.2691 mills using a 1.0000 Millage Reduction Fraction which will provide an estimated \$15,362,790 in revenue:

Revenue:	Original Budget	1st Budget Revision	2nd Budget Revision
Local	\$16,564,720	\$16,642,095	\$16,589,441
State	8,888,549	8,996,024	8,814,217
Federal	5,834,339	5,983,901	5,975,162
Incoming Transfers & Other	58,600	67,823	62,823
Fund Modifications (Other Operating Transfers In)	565,000	427,000	427,000
Total Revenue	<u>\$31,911,208</u>	<u>\$32,116,843</u>	<u>\$31,868,643</u>
Fund Balance:			
Fund Balance, July 1, 2014	\$6,482,846	\$6,482,846	\$6,482,846
Less Non Spendable	(1,088)	(1,088)	(1,088)
Less Committed/Assigned	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned Fund Balance	<u>\$6,481,758</u>	<u>\$6,481,758</u>	<u>\$6,481,758</u>
Total Available to Appropriate	<u>\$38,392,966</u>	<u>\$38,598,601</u>	<u>\$38,350,401</u>

BE IT FURTHER RESOLVED, that \$32,744,922 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	\$4,548,394	\$4,592,427	\$4,465,855
Support Services:			
Pupil	14,430,684	14,617,425	14,650,406
Instruction Staff	1,943,893	1,984,965	1,960,741
General Administration	125,756	124,912	124,698
School Administration	0	0	0
Business	880,908	813,791	693,515
Operations/Maintenance	623,843	618,147	568,213
Transportation	3,715,126	3,639,394	3,401,430
Support Services-Central	452,909	473,544	444,596
Other	0	0	0
Community Services	35,000	82,000	82,564
Payments to Other Public Schools	4,370,640	4,380,199	5,488,346
Other Financing Uses	766,577	627,158	864,558
Total Appropriated	<u>\$31,893,730</u>	<u>\$31,953,962</u>	<u>\$32,744,922</u>

Ending Fund Balance:

Total Fund Balance, July 1, 2015	\$6,500,324	\$6,645,727	\$5,606,567
Less Committed	0	0	(1,900,000)
Less Assigned (15-16 deficit)	0	0	(364,609)
Unassigned Fund Balance, July 1, 2015	<u>\$6,500,324</u>	<u>\$6,645,727</u>	<u>\$3,341,958</u>

Explanation of Budget Changes

***Note:** The resolutions above are presented in the format required by the Michigan Department of Education. However, the required format is often difficult to interpret as grant expenditures are required to be included in a number of the line items. With all of the grants included in one resolution the ability to adequately explain the changes is lost. Therefore, the following narrative along with a program based budget comparison is presented for review.*

General Fund Revenue:

Significant Changes from Original Budget to 1st Budget Revision:

The increase in revenue of approximately \$1,035,000 is primarily attributable to an increase in the Great Start Readiness Program of \$885,000. The Agency was able to open more Great Start classrooms than originally anticipated. Additionally, State Section 81 funds are now projected at approximately \$65,000 more than the original budget due to a 4.8% funding increase and the addition of best practice categorical funds. Neither of these increases were anticipated when the original budget was recommended.

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

The decrease in revenue of approximately \$340,000 is primarily attributable to a decrease in the Great Start Readiness program. The decrease resulted from lower enrollment in community based partner programs than originally budgeted. The classroom programs operated by the Agency, however, remained consistent in size.

General Fund Expenditures:

Significant Changes from Original Budget to 1st Budget Revision:

The total expenditures increased by just over \$1 million. The expansion of the Great Start Readiness Program is the primary reason for this increase. Other changes in departmental budgets that exceeded \$50,000 include:

- \$82,000 increase in the Applied Technology Consortium
- \$60,000 increase to budget for the Nutrition Grant Carryover
- \$60,000 increase in the Technology Staffing Consortium
- \$85,000 decrease in the Photocopier Consortium
- \$140,000 decrease in the Regional Transportation Collaborative
- \$50,000 decrease in the Michigan Works Grant

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

The total expenditures decreased by approximately \$340,000 for the same reasons noted in revenues above.

Special Education Fund Revenue:

Significant Changes from Original Budget to 1st Budget Revision:

The Special Education fund revenues increased by approximately \$200,000. The largest budget change was an increase of approximately \$140,000 in the Agency's Federal Individual Education Improvement Act ("IDEIA") allocation.

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

The Special Education fund revenues decreased by approximately \$250,000 because of two significant items. First, there was an unexpected decrease of approximately \$200,000 in the Michigan Public Schools Employee Retirement System pass-through funding (147c and 147d revenue). The Governor changed this through executive order after the 1st budget revision was completed. The decrease was cost neutral to the Agency, as the related expenditures were reduced accordingly. Secondly, Medicaid revenue decreased by approximately \$50,000 after the final cost settlement was processed and received from the State.

Special Education Fund Expenditures:

Significant Changes from Original Budget to 1st Budget Revision:

The total expenditures increased by approximately \$60,000. The increase in the IDEIA revenues increased expenditures in the Special Education fund by the same amount noted in revenues above. The remaining change in expenditures is attributable to a variety of budgets that changed by amounts less than \$50,000 each.

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

The total expenditures increased by approximately \$800,000. The most significant changes can be explained by the increase in operational support to local districts of \$1,100,000 and the decrease of \$115,000 for tax chargebacks and the 147c/d expenditures noted in revenues above.

K. 2015-2016 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. Each of the local boards passed a resolution approving the budget.

Staffing levels are essentially the same as in the prior year and increases in employer costs for retirement have been budgeted based on estimates.

The taxable values are projected to increase by approximately 3.5% for this coming fiscal year. The increase of this revenue source has allowed the Agency to allocate additional funds both within the Agency and to the local districts in the form of a wage increase and an increase in operational support. The wage increase is the first increase budgeted since the 2010-2011 fiscal year.

The special education fund is structurally balanced as presented. Although the special education fund shows a deficit of \$365,000, there is actually a small \$15,000 recurring surplus. The deficit shows because of a one-time payment of operational support to the local districts of \$380,000. That payment brings the total supplement to \$1.5 million.

It was moved by Hill and seconded by Cortez the Board approve the attached General Appropriation Resolution.

The motion carried unanimously.

2015-2016 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 appropriations 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 \$469,050:

Revenue:	Original Budget
Local	\$588,150
State	4,492,563
Federal	2,055,022
Payments from Other Public Schools	8,888,208
Fund Modifications (Other Operating Transfers In)	60,000
Total Revenue	\$16,083,943
Fund Balance:	
Estimated Fund Balance, July 1, 2015	\$1,327,980
Less Non Spendable	0
Less Committed/Assigned	0
Fund Balance Available to Appropriate	\$1,327,980
Total Available to Appropriate	\$17,411,923

BE IT FURTHER RESOLVED, that \$16,089,901 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	\$1,913,491
Added Needs	68,283
Support Services:	
Pupil	670,929
Instruction Staff	1,535,996
General Administration	392,628
School Administration	396,317
Business	244,898
Operations/Maintenance	365,395
Transportation	7,344,954
Central	1,663,787
Other (mostly food service)	332,361
Community Services	84,959
Payments to Other Public Schools	885,044
Payments to Other Government Agencies	49,221
Other Financing Uses	141,638
Total Appropriated	\$16,089,901
Ending Fund Balance:	
Total Estimated Fund Balance, July 1, 2016	\$1,322,022
Less Committed	0
Less Assigned	0
Unassigned Fund Balance July 1, 2016	\$1,322,022

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 estimated at 2.2665 mills using a 0.9989 Millage Reduction Fraction, which will provide an estimated \$15,860,387 in revenue:

Revenue:	Original Budget
Local	\$17,029,910
State	9,392,149
Federal	6,008,328
Incoming Transfers & Other	58,600
Fund Modifications (Other Operating Transfers In)	387,000
Total Revenue	<u>\$32,875,987</u>
Fund Balance:	
Estimated Fund Balance, July 1, 2015	\$5,606,567
Less Non Spendable	0
Less Committed/Assigned	(1,900,000)
Fund Balance Available to Appropriate	<u>\$3,706,567</u>
Total Available to Appropriate	<u>\$36,582,554</u>

BE IT FURTHER RESOLVED, that \$33,240,596 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	\$4,769,513
Support Services:	
Pupil	15,151,690
Instruction Staff	2,026,668
General Administration	127,055
Building Administration	0
Business	788,098
Operations/Maintenance	581,488
Transportation	3,728,598
Central	487,183
Other	0
Community Services	82,000
Payments to Other Public Schools	4,787,803
Other Financing Uses	710,500
Total Appropriated	<u>\$33,240,596</u>

Ending Fund Balance:	
Total Estimated Fund Balance, July 1, 2016	\$5,241,958
Less Committed	(\$1,900,000)
Less Assigned	0
Unassigned Fund Balance July 1, 2016	<u>\$3,341,958</u>

L. Other Organizational Business

There was no other organizational business.

M. Fuel Bid Recommendation

The Agency has historically initiated the proposal process for diesel fuel and gasoline for the districts that participate in the Regional Transportation Collaborative. The contract with the current vendor is expiring soon, so that process was once again undertaken by the Agency.

The competitive component of the proposals is the delivery cost and the cost of additives during the winter months. The fuel itself and associated taxes are the same for all responders because they are based on the published terminal net rack price at the time of purchase.

There were four bids submitted and those bids are noted on the attached bid tabulation. The low bidder was deemed non-compliant because they based their bid on a different market index than was specified by the Agency. Therefore, the second low bidder, Super Flite Oil, was contacted and their references were good and the specifications noted in their proposal were compliant.

The proposal from Super Flite Oil would begin on August 1, 2015 and there are options to extend the agreement beyond June 30, 2016 if they meet the expectations of the Agency and the members of the Regional Transportation Collaborative.

It was moved by Hill and seconded by Cortez that the Board award the bid for diesel fuel and gasoline to Super Flite Oil and authorize the Superintendent to negotiate and sign a contract to begin on August 1, 2015.

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.

N. Finance Department Reorganization

The Finance & Budget Director has requested to reduce her work schedule to a 0.6 Full-Time Equivalent ("FTE"). Based on her excellent work record, that request is supported by the administration.

As a matter of background, the finance department had 4.8 FTE in June of 2014 and has since been operating with 4.5 FTE. The recommendations noted below would further lower the department FTE to 4.1.

Rather than hire an external candidate, the recommendation below would shift responsibilities around within the department to cover the needed work. These changes will result in about a \$30,000 initial savings to the Agency:

- The Deputy Superintendent will directly oversee the payroll department and will be responsible for the RFP documents, handle the treasury and cash management functions, and annual summer tax collections.
- The Accounting Coordinator will change title to Accounting Supervisor and will directly supervise the Financial Specialist for Fringe Benefits and Accounts Payables. The Accounting Supervisor will also serve as the security administrator for the Wayne RESA finance system, administer the Agency’s purchase card program, review bank reconciliations, review the cash deposits for accuracy and coding, and the monthly fringe benefit reconciliations. At the recommendation of our auditors, the Accounting Supervisor will also perform specific compliance reviews of the bi-weekly payroll and will communicate findings to the Payroll Specialist and Deputy Superintendent at the end of every payroll cycle.
- The Payroll Specialist will begin doing more review of payroll transactions as opposed to direct data entry, as much of the data entry work will be decentralized and input at the school building and department level.
- The Financial Analyst for Accounts Payable and Fringe Benefits will be promoted to a Financial Specialist job. She will retain her current assigned work and will assume some new responsibilities previously completed by the Accounting Coordinator such as completing the fringe benefit reconciliations and coordinating and journalizing the purchase card transactions. Additionally, she will process and maintain compliance with the new Affordable Care Act, and the new accounts payable protocol that will permit her to approve small dollar accounts payable transactions.

To address the changes in responsibilities, the wages are recommended for adjustment to reflect the increased higher-level responsibilities. Should the Board take separate action to increase the wages for the Classified Employee Group, the new wage scale amounts will not be further adjusted.

	Steps →	1	2	3	4	5
Accounting Supervisor	NEW	55,000	57,750	60,638	63,670	66,854
Accounting Coordinator		\$19.34	\$20.31	\$21.33	\$22.40	\$23.52
Lead Payroll Specialist	NEW	\$18.57	\$19.50	\$20.47	\$21.50	\$22.57
Lead Payroll Specialist Human Resource Specialist Finance Specialist		\$17.57	\$18.41	\$19.25	\$20.08	\$20.92

For information only.

O. 2015-2016 LIPSA & AFSCME Teacher Assistant Wage Increase

The Agreement between LIPSA and the Board includes a wage reopener for the final year. The negotiating teams for LIPSA and the Board met this spring and have reached a tentative agreement on the Wage Scale for 2015-2016.

The recommendation is to increase the wage scale by 1.5% and include a supplemental 0.5% off-scale payment. The hope is that this recommendation will be sensitive to the taxable value projections that are stable at 4% for 2015-2016 but expected to increase by only 1% in 2016-2017.

It should also be noted that the Agency's budget for 2015-2016 includes the last payment for the distribution of \$1.5 million of accumulated fund balance to the local districts during the summer of 2015.

The AFSCME Teacher Assistant Agreement has a clause in it that if the Board provides a wage increase equal to or great than 1% for another recognized bargaining group that is not directly attributable to a concession, the wage scale shall be modified as of such date. The recommendation of the Administration is to provide the same 1.5% on-scale increase and 0.5% off-scale payment.

It was moved by Hill and seconded by Fryer that the Board approve the tentative agreement with LIPSA for the 2015-2016 wage increase and extend the same agreement to the AFSCME Teacher Assistants.

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

The motion carried unanimously.

P. 2015-2016 Classified Employee Wage Increase

The wage scale noted below is recommended by the Administration for adoption by the Board for 2015-2016. There are a few notable changes in the scale, summarized as follows:

- The Accounting Coordinator, Transportation Supervisors, Great Start Collaborative Director, and Career & Technical Education Coordinator will be transferred to the "Administrator and Supervisor" employee group so they have been excluded from the wage scale noted below.
- The increases referenced in this report refer to the top-step of the scale with steps one through four created with a 5% step increment.

- The general wage scale increase is 2% except for Division 1, Scales 1 – 4 and Division 3 employees will receive a 4% wage increase based on a review of job responsibilities, job performance, and comparative wages for like positions within Livingston County.
- The technology staff will be brought to the Board later this summer with a revised wage scale recommendation. Discussions within the technology collaborative are not yet complete with regard to this group of employees.
- The General Education Transportation Dispatchers have been moved to the Specialized Transportation Dispatchers wage level so there will now be just one Transportation Dispatcher wage amount.
- The Payroll Analyst and Nurse – LPN have been removed from the wage scale as there are currently no employees in those assignments and they are not budgeted for the 2015-2016 fiscal year.

For information purposes only.

Q. 2015-2016 Administrator Employee Group Name Change & Wage Increase

It was recommended that the employee group name be changed to “Administrators and Supervisors” and the scope of the employee group be expanded to include the following positions:

- Accounting Supervisor
- Transportation Supervisor
- Great Start Collaborative Director
- Career & Technical Education Coordinator

Consistent with the LIPSA & Teacher Assistant wage increase, it is recommended that the wage scale be increased by 1.5% and a 0.5% off-scale increase be approved for employees in the Administrators and Supervisors as noted on the following page.

The following specific changes are recommended within the wage scale:

- The Director of Alternative & Adult Education wage scale be modified to include a revised 1st step and the addition of steps comparable to the other administrative positions and that the Director be placed on step #1 for the 2015-2016 fiscal year.
- The Career & Technical Education Coordinator salary be moved to the new wage scale with the Director of Alternative & Adult Education and be placed on step #5.

- The Regional Transportation Director wage scale be modified to include a new first step with the same step structure, and that the Director be placed on step #3 for the 2015-2016 fiscal year.
- The top-end of the Executive Director wage scale be increased to \$118,000 based on comparable compensation levels at neighboring ISD's. The starting level would only increase by the 1.5% applicable to the scale in general. The Executive Directors will be compensated at the discretion of the Superintendent within that range based on job responsibilities, performance, and seniority with the Agency.

For information purposes only.

R. Specialized Transportation Handbook and Wage Scale Adoption

The AFSCME Specialized Transportation Group is in the process of decertifying their union affiliation. The current collective bargaining agreement expires on June 30th and so the attached handbook is recommended to replace that agreement as of July 1, 2015.

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. Based on feedback received at the meetings noted above and discussions with supervisor personnel that objective has been achieved.

The Wage Scale in the handbook has been increased by the 1.5% recommended for other employee groups.

It was moved by Hill and seconded by Cortez that the Board approve and adopt the Specialized Transportation Employee Handbook and wage scale to be effective as of July 1, 2015.

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

The motion carried unanimously.

S. Approval of Board Member Professional Development

Several professional development opportunities are available each year for Board members. 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

It was moved by Fryer and seconded by Hill that the Board of Education approve attendance of interested Board members at the professional development opportunities listed during the 2015-16 school year, subject to budgetary constraints.

The motion carried unanimously.

T. Reports

Staff Reports

Updated the Board on progress toward LESA strategic plan goals.

Superintendent's Report

Superintendent Danosky shared information about the Headlee Restoration issue.

U. Board Discussion

There was no discussion at this time.

6. Adjournment. Loy declared the meeting adjourned at 8:03 p.m.

Respectfully submitted,

Harold E. Fryer
Secretary

HEF/jp