MINUTES

Organizational and Regular Meeting of June 11, 2025

1. Call to Order

President Loy called to order the meeting of the Livingston Educational Service Agency Board of Education at 6:01 p.m. on Wednesday, June 11, 2025 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 Treasurer Kaiser Secretary Fryer Trustee Marcella-O'Leary
LESA Staff:	Doug Haseley, Rebecca Holman, Dr. Michael Hubert, Alice Johnson, Judy Paulsen, Michelle Radcliffe, Jonathan Tobar (joined via Zoom), Melissa Marie, Stephanie Weese
Guest(s):	Emma Heaton, Deb Kaiser, Carson MacMillan, Cindy Michniewicz, Noah Rochon

C. Approval of Agenda

It was moved by Kaiser 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. Special Presentation

Emma Heaton, assistant to State Representative Jennifer Conlin, presented a resolution to outgoing Board member Gary Kaiser in appreciation of his 24 years of service to LESA and his many years of service to the Pinckney School Board. Mr. Kaiser shared the following closing thoughts on his years of Board service:

"Now that the time has come for me to step back from my membership on the LESA Board, I want to thank all of you for providing me the honor to be associated with such an excellent organization. I'm clearly aware that without the outstanding, dedicated staff and administrative leadership at all levels, the impact that this organization has on our community would be far less realized.

Each of you, on a daily basis, working as a large and complex team, enrich the lives of many students and community members. Your efforts continue to make Livingston County, and beyond, a better place to live.

During my twenty-four years as a member of the Board, I have received many compliments on the accomplishments of this organization. I want to let you know that I realize mine has been only a small part of what each of you contribute to the agency's success.

I am so grateful to have had the opportunity to be associated with this world class, outstanding organization!"

Members of the Board and Dr. Hubert expressed their gratitude to Gary for his years of service.

4. Approval of Consent Agenda

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

A roll call vote was taken. Cortez voted YES, Fryer voted YES, Marcella-O'Leary voted YES, Kaiser voted YES, and Loy voted YES.

The motion carried unanimously.

A. Superintendent's Recommendations
021-024-025
The Board approve the following:
The re-appointment of Breanne Green, Howell representative on the Special Education Parent Advisory Committee for the period July 1, 2025 through June 30, 2028. Current term expires June 30, 2025.

022-024-025
The Board approve the following overnight travel:
Dr. Michael Hubert, AESA Conference, Colorado Springs, CO, December 3-5, 2025

023-024-025
The Board approve the following overnight travel:
Dr. Michael Hubert, AASA Conference, Nashville, TN, February 12-14, 2026

024-024-025
The Board approve the following overnight travel:
Dr. Michael Hubert, MASA Fall Conference, Traverse City, MI, September 23-25, 2026

B. Personnel Board Report
The Personnel Board Report was presented for approval.

C. Approval: Financial Information
The following financials were presented for approval:
- Check Register
- Purchase Card Transactions
- ACH Transactions

D. Approval: Minutes
The following minutes were presented for approval:
- Special Board Meeting of May 21, 2025
- Closed Session Minutes of May 21, 2025
- Board Election of June 2, 2025

E. Approval: Superintendent's Reimbursement of Expenses

4. Action/Discussion Items - Organizational

A. Election of Officers for 2025-2026

It was moved by Fryer and seconded by Kaiser to elect the following officers for the 2025-2026 year. They are:

President – LuAnn Loy
Vice President – Don Cortez
Secretary – Harold Fryer
Treasurer – Lisa Marcella-O'Leary

The motion carried unanimously.

B. Motion to Combine Organizational Items

It was moved by Fryer and seconded by Kaiser that the Board approve Items 5.B.1 through 5.B.7 with the ability to discuss each agenda item separately.

1. Designation of Depositories, Authorized Signors, and Electronic Transfer Officer
2. Naming of Grant Signatories
3. Designation of Legal Counsel
4. Retention of Physician(s)
5. Board Memberships
6. Approval of Board Member Professional Development
7. Schedule of 2025-2026 Board Meeting Dates

A roll call vote was taken. Cortez voted YES, Kaiser voted YES, Marcella-O'Leary voted YES, Fryer 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

The Depositories named for the 2025-2026 school year include both General Banking and Investing institutions.

It was recommended that the Board approve the resolutions as presented.

Livingston Educational Service Agency
Naming of Depositories for Funds — 2025-2026

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:

General Banking

- Bank of Ann Arbor General Fund
- Bank of Ann Arbor Special Education Fund
- Bank of Ann Arbor Health Benefit Disbursement
- Bank of Ann Arbor Capital Projects
- Bank of Ann Arbor Payroll Account
- Bank of Ann Arbor Payables Account
- Bank of Ann Arbor Flex Benefits Account
- Bank of Ann Arbor LCASB
  - Authorized Signors for the above Bank of Ann Arbor Accounts:
    - Board Treasurer
    - Board Secretary
    - Superintendent
    - Finance & Budget Director
    - Finance Supervisor

Investing

- Michigan Class Special Education
- Michigan Class Capital Projects
  - Authorized Signors:
    - Superintendent
    - Finance & Budget Director
    - Assistant Superintendent for Administrative Services
    - Finance Supervisor
- Michigan Liquid Asset Fund
  - Authorized Signors:
    - Superintendent
    - Assistant Superintendent for Administrative Services
    - Finance Supervisor

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 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.

BE IT FURTHER RESOLVED, that upon the designation by the Board of a new Treasurer for the Livingston Educational Service Agency the former Treasurer shall be authorized to continue to sign checks until the necessary documents can be processed and equipment modified, not to exceed ninety (90) days from the effective date of change,

BY: ____________________________________ DATED: _____________

Secretary, LESA Board of Education

Livingston Educational Service Agency
Resolution Authorizing Electronic Transactions and
Designating an Electronic Transfer Officer — 2025-2026

RESOLUTION

WHEREAS 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, or designee, is authorized to sign purchase orders and the Superintendent or designee, is authorized to sign contracts and agreements that do not require Board of Education action.

BY: ______________________________ DATED: _____________
Secretary, LESA Board of Education

B.2. 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.

It was recommended that the Board authorize the Superintendent to sign grant applications and awards on its behalf.

B.3. 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.

Bodman PLC – special matters related to employee benefits.

Miller Johnson – special matters related to personnel, labor relations, finance, litigation, workers' compensation and board policies.

Clark Hill - Special matters related to special education.

It was recommended that the Board approve the Thrun Law Firm, Bodman PLC, Miller Johnson and Clark Hill as legal counsel for LESA for the 2025-2026 fiscal year.

B.4. Retention of Physician

It is recommended that the Board approve the use of IEP Urgent Care located at 8273 Grand River Ave #140, Brighton MI, Concentra, located at 7960 W Grand River Rd Ste. 100, Brighton, MI and Ouch Urgent Care, located at 4185 E. Grand River, Howell, MI, as physicians for all routine Board-required examinations of employed personnel.

It was recommended that the Board approve IEP, Concentra and OUCH as physicians to be used as noted above for employed personnel for the 2025-2026 fiscal year.

B.5. 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. The fees listed may be approximate as some of the invoices have not yet been received for the new fiscal year.

Michigan Association of School Boards (MASB)	$5,183.42
National School Boards Association (NSBA)	$2,700
Association of Educational Service Agencies (AESA)	$1,500

It was recommended that the Board approve memberships to the Michigan Association of School Boards, National School Boards Association and the Association of Educational Service Agencies for the 2025-2026 fiscal year.

B.6. Approval of Board Member Professional Development

Several professional development opportunities are available each year for Board members. Annual conferences include:

- AESA – December 3-5, 2025, Colorado Springs, CO
- MASB Annual Leadership Conference – October 23-26, 2025, Grand Traverse Resort, MI
- NSBA Advocacy Institute – February 2026, Washington, D.C.
- NSBA – April 10-12, 2026, San Antonio, TX
- MASB/MASA Joint Legislative Conference (late May)
- Governor's Education & Talent Summit (March)
- MASB Spring Institute

It was recommended that the Board of Education approve attendance of interested Board members at the professional development opportunities listed during the 2025-2026 school year, subject to budgetary constraints.

B.7. Schedule of 2025-2026 Board Meeting Dates

It was recommended that the Board approve the schedule of Board of Education meetings for the 2025-2026 fiscal year, as presented.

2024-2025 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 13, 2025 – Regular Meeting
- September 10, 2025 – Regular Meeting
- October 8, 2025 – Regular Meeting
- November 12, 2025 – Regular Meeting
- December 10, 2025– Regular Meeting
- January 14, 2026 – Regular Meeting
- February 18, 2026– Regular Meeting
- March 11, 2026 – Regular Meeting and Budget Work Session
- April 8, 2026 – Regular Meeting
- May 13, 2026 – Regular Meeting and Budget Hearing
- June 10, 2026 – Regular Meeting and Organizational Meeting

C. Appointments to Livingston County School Board Association

The Board President appoints Board members to serve on the Livingston County School Board Association.

The purpose of the Livingston County School Boards' Association 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 2025-2026 fiscal year, the Board President makes the following appointments:

Livingston County School Boards' Association: Don Cortez

D. First Impression Print and Marketing Disclosure Statement

First Impression Print and Marketing is owned by Board Vice-President, Don Cortez. For many years, First Impression has performed print and marketing jobs for different departments within the Agency. To comply with Public Act 317 of 1968, MCL 15.321 et seq and MCL 380.634, Board Policy 1001, as stated in part below, shall be followed:

<u>Conflict of Interest:</u>

If a relative (father, mother, son, daughter, sister, brother, or spouse; father-in-law, mother-in-law, son-in-law, daughter-in-law, sister-in-law, brother-in-law; step-father, step-mother, step-son, step-daughter; step- or half-brother; step- or half-sister; or, any other persons who reside at the same location as a Board member) of a Board member is already an employee of the ESA, such Board member shall abstain from voting on any matter affecting the employment status of the employee. In addition, Board Members are prohibited from using ESA funds or other public funds under the control of the ESA for purchasing alcoholic beverages, jewelry, gifts, fees for golf, or any item which the purchase or possession of is illegal. If a Board member has a substantial conflict of interest, as the phrase is defined under **Section 634 of the Revised School Code**, in a proposed contract for services, supplies or equipment, the Board will not enter into that contract.

If the financial interest pertains to a proposed contract with the Agency, the following requirements must be met:

a) The Board member shall disclose the financial interest in the contract to the Board with such disclosure made a part of the official Board minutes. If his/her direct pecuniary interest amounts to $250 or more or five percent (5%) or more of the contract cost to the Agency, the Board member shall make the disclosure in one of two (2) ways:

1. In writing, to the Board president (or if the member is the Board president, to the Board secretary) at least seven (7) days prior to the meeting at which the vote on the contract will be taken. The disclosure shall be made public in the same manner as the Board's notices of its public meetings. (See Bylaw 0165.)

2. By announcement at a meeting at least seven (7) days prior to the meeting at which a vote on the contract is to be taken. The Board member must use this method of disclosure if his/her pecuniary interest amounts to $5,000 or more.

b) If an educational service agency board member or educational service agency administrator has a substantial conflict of interest in a proposed contract, the educational service agency board shall not enter into that contract and the administrator or board member shall not present that contract. As used in this subsection, "substantial conflict of interest" means a conflict of interest on the part of an educational service agency board member or educational service agency administrator in respect to a contract with the educational service agency that is of such substance as to induce action on his/her part to promote the contract for his/her own personal benefit. Excluded from substantial conflict are the situations described in MCL 380.634(5).

c) Any contract in which there is a conflict of interest as defined by this bylaw and the related statute (MCL 380.1203) must be approved by a majority vote of the full Board without the vote of any Board member with a financial interest.

However, if a majority of the members of the Board are required to abstain from voting on a contract or other financial transaction due to a financial interest, then for the purposes of that contract or other financial transaction, the members who are not required to abstain constitute a quorum of the board and only a majority of those members eligible to vote is required for approval of the contract or financial transaction.

d) The official minutes of the Board disclose the name of each party involved in the contract, the nature of the financial interest, and the terms of the contract including the duration, financial consideration between the parties, facilities or services of the Agency included in the contract, and the nature and degree of assignment of Agency staff needed to fulfill the contract.

e) A Board member with a financial interest in a contract may participate in discussion, vote on the contract to the extent that the Board member's participation is required by law, or two-thirds (2/3) of the members are not eligible to vote and his/her vote is needed to constitute a quorum, providing the financial interest is less than $250 and five percent (5%) of the contract cost to the Agency and the Board member files a sworn affidavit to that effect with the Board. Such affidavit is to be made a part of the official minutes of the Board.

It was moved by Marcella-O’Leary and seconded by Kaiser that the Board reaffirms Board Policy 1001, Conflict of Interest provisions, and that it be reflected in the minutes of this meeting.

A roll call vote was taken. Marcella-O’Leary voted YES, Kaiser voted YES, Fryer voted YES, Loy voted YES, and Cortez ABSTAINED.

The motion carried unanimously.

E. Other Organizational Business

There was no additional organizational business.

6. Presentation(s)

Due to technical issues, item 6.B. was shared prior to 6.A.

B. Early Middle College Graduate Student Presentations

Dr. Hubert introduced Rebecca Holman, and she introduced Noah Rochon and Carson MacMillan, who are recent Early Middle College graduates.

Noah received his certification in welding and fabrication, and he shared his experiences at Washtenaw Community College and stated his goal is to work for Lincoln Electric in Ohio.

Carson is a Howell High School graduate and took classes at Cleary. He found that marketing is his passion, has participated in DECA, is the DECA president at Cleary University, and competed in DECA at the national level. He is furthering his education at U-M.

Noah and Carson both expressed their gratitude for the Early Middle College program and the many opportunities afforded them through this experience.

A. Multilingual Learning in Livingston County

Jonathan Tobar joined the meeting remotely, as he was attending the GELN Conference in Traverse City. He shared information about multilingual learning in Livingston County, and enlightened everyone on the importance and value of the multilingual programs being offered county-wide.

7. Information Item(s)

A. Child Plus Software Renewal

The Early Childhood department is renewing its annual software license agreement with ChildPlus, effective July 1, 2025.

ChildPlus is a comprehensive data management system used to support 100% of enrollment applications for Early Head Start, Head Start, and GSRP programs across the county. Beyond enrollment, the software supports year-round program operations for Head Start and Early Head Start, including:

- Daily child and meal attendance
- Parent communication
- Child data tracking
- State and federal reporting
- Overall program management

The renewal cost is $25,300, which supports the current 820 early childhood students enrolled in the system and allows for the unlimited addition of new students. Costs will be allocated across the three grant funding streams based on program-specific enrollment.

B. Playground Sunshade – LESA Early Head Start in Hartland

The Early Head Start (EHS) program received a start-up grant from the Office of Head Start earmarked for the costs associated with starting our three EHS classrooms. The Hartland EHS classroom located in the Hartland Consolidated Schools Education Services Building on M-59 began operations utilizing the existing preschool playground located on the south side of the building. The playground is in full sun throughout the day. EHS requires classrooms to operate 42 weeks per year. This will see us with children in program well into the summer months, as well as beginning each school year in August. Relief from the sun is needed to allow children to safely engage in outdoor activities each day.

Per our agreement with Hartland Consolidated Schools, we worked in coordination with their building services to obtain a quote from their playground vendor for the purchase and installation of a large sunshade that would meet district requirements. The total cost is $25,502 for a 36’x18’x12’ shade including installation. Using EHS startup funding, the shade will be delivered by June 30 providing shade for the remaining weeks of the program this summer and into the start of next school year in August.

Hartland Consolidated Schools will be purchasing the playground sun shade. The Agency will use Early Head Start funding to reimburse Hartland for the purchase.

C. PREP Location Update

The Agency is in the process of preparing a new site in Fowlerville to house the PREP program. There is significant work to be completed, and teams are focused on coordinating all efforts over the next few months.

This new location will accommodate three classrooms currently located in the Pathway building. While our initial building project considered expanding the Pathway building with additional classrooms, that plan was modified after securing this offsite location. After evaluating costs, it was determined that leasing this offsite space is more cost-effective at this time than building an addition. The offsite location also offers PREP students the benefit of being in the community, in a setting that differs from a traditional classroom environment.

We are currently gathering quotes and estimates to transform the space from a gym-style layout into a student-centered learning environment. Below is a list of the work planned, the associated vendors, and the estimated costs:

Item	**Vendor**	**Estimated Cost**
Flooring	Carpet Depot	$29,064.68
Kitchen Cabinets	Home Depot	$3,582.50

Item	Vendor	Estimated Cost
Kitchen Countertops	Home Depot	$2,360.00
Cabinet/Countertop Installation	Chrzanowski Construction	$7,913.00
Refrigerator(s)	Home Depot	$1,600.00
Oven/Stovetop	Home Depot	$600.00
Sink	Home Depot	$250.00
Murphy Bed	Wayfair	$800.00
Washer/Dryer	Home Depot	$1,300.00
Alarm System	Allstar Alarm	$492.00
Accessible Door	Integrity Automatic Door LLC	$3,716.00
Acoustic Panels	Image 360	$29,920.00
Lighting Replacement	Glover Electric	$7,470.00
Classroom Audio System	ListenTalk	$33,525.00
Headsets for Audio System	—	~$1,400.00
Wiring	AmComm	$5,967.00
Security Cameras/Door Badge System	Presidio	$26,940.60
Network Hardware	Inacomp	$13,783.65
Desk Phones	Amazon	$520.00
Furniture	I/E	$172,000.00
“Reception” TV	Amazon	$700.00
Asus Chromebox 5A	Amazon	$300.00
Plumbing for Kitchen Install	L&M Plumbing	$3,859.00
Wall and Kitchen Install	Chrzanowski Construction	$7,913.00
Six Partitions	School Specialty	$16,141.26

Total Estimated Cost: $370,717.69

This list will be updated as additional quotes are received. The goal is to have the majority of the renovation work completed by August 1, 2025.

8. Action/Discussion Item(S) – Regular

A. Employee Handbook Revisions (Administrative/Supervisor, Classified, RTC, and Specialized Transportation)

The handbooks were reviewed by employee representatives from each department and recommended changes were proposed. The revised handbooks are included in Appendix E. The following is a summary of the changes that were made to the handbooks indicated:

Administrative/Supervisor Handbook:

A section was added for the appointment of Deputy Superintendent(s).

Language was added for Tool and Clothing allowance for the Director of Facilities.

Added language under vacation noting that all vacation must have prior administrative approval.

Added required ESTA language regarding sick time usage.

The wage scale was increased by 3%.

Classified Handbook:

Section 4 - Longevity: Updated scale to follow LIPSA longevity scale.

Added required ESTA language regarding sick time usage.

Wage scale was increased by 3%

RTC Handbook:

Section 10.01: Update payroll procedure to online timekeeping system

Section 11.04: Updated language regarding holiday pay to clarify what hours will be paid for holidays.

Section 11.04: Clarified language regarding bereavement leave.

Section 11.04: Updated sick leave language to ESTA required language

Section 11.04: Changed personal business language to allow sick days to be converted to personal days on an annual basis.

Appendix B-08: Updated language to clarify when the signing and recruitment bonus is paid for Hartland RTC.

Appendix B-09: Added language for retention merit bonus pay for Hartland RTC

Appendix C-06: Added field trip rotation language for Howell RTC.

The 25/26 wage scale was set last year, and reflects a 2% increase.

<u>Specialized Handbook:</u>

Section 10.01: Update payroll procedure to online timekeeping system

Section 11.03: Updated language regarding holiday pay to clarify what hours will be paid for holidays.

Section 11.03: Clarified language regarding bereavement leave.

Section 11.03: Added required ESTA language regarding sick time usage.

Section 11.03: Changed personal business language to allow sick days to be converted to personal days on an annual basis.

The 25/26 wage scale was set last year, and reflects a 2% increase.

It was moved by Kaiser and seconded by Cortez that the Board approve the recommendation to adopt the Administrative/Supervisor, Classified, RTC, and Specialized Transportation handbooks as presented.

The motion carried unanimously.

B. LIPSA Contract Approval

A summary of changes to the July 1, 2025-June 30, 2028 LIPSA Agreement has been presented to the Board of Education under a separate cover for consideration. The agreement has been shared with LIPSA membership and the membership ratified the agreement.

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

The motion carried unanimously.

C. Superintendent Contract Extension/Amendment

The LESA board conducted the superintendent's annual evaluation on May 21, 2025. All five of the board members were present to complete the evaluation rubric and review progress on the superintendent goals.

The board members thanked Dr. Hubert and complimented him and all of the employees at the Agency for a successful year, and accepted Dr. Hubert's evaluation self-assessment which showed an average of 2.85, but gave him a rating of 3.0, which is effective and the highest rating category on the MASB evaluation instrument.

It was moved by Kaiser and seconded by Cortez that the board extend the contract of employment for the superintendent by 1 year, and make the necessary contract adjustments to comply with recent ORS rule changes.

A roll call vote was taken. Kaiser voted YES, Cortez voted YES, Marcella-O'Leary voted YES, Fryer voted YES, and Loy voted YES.

The motion carried unanimously.

D. Final Budget Revision

As required by the State of Michigan, the 2024-2025 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 Kaiser and seconded by Marcella-O'Leary that the Board approve the attached General Appropriation Resolution.

The motion carried unanimously.

2024-25 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, 2024 and ending June 30, 2025: 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, 2024 and ending June 30, 2025 is as follows. Included in Local Revenue is LESA's share of allocated millage in the amount of $691,001:

Revenue:	**Original Budget**	**1st Budget Revision**	**2nd Budget Revision**
Local	$1,021,414	$1,119,569	$1,349,792
State	12,165,078	18,901,557	16,594,654
Federal	2,494,455	2,392,759	2,237,899
Payments from Other Public Schools	12,417,229	12,516,946	12,260,761
Fund Modifications (Other Operating Transfers In)	5,000	5,000	5,000
Total Revenue	$28,103,176	$34,935,831	$32,448,106
Fund Balance:			
Total Fund Balance, July 1, 2024	$3,119,486	$3,339,243	$3,339,243
Total Available to Appropriate	**$31,222,662**	**$38,275,074**	**$35,787,349**

BE IT FURTHER RESOLVED, that $31,662,261 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	$4,079,424	$4,041,659	$3,450,522
Added Needs	844,139	706,086	724,048
Adult and Continuing	119,326	193,077	158,862
Support Services:			
Pupil	2,057,385	2,534,809	1,995,584
Instruction Staff	2,655,705	3,011,653	3,012,522
General Administration	528,766	513,709	567,020
School Administration	1,185,080	1,318,100	1,318,419
Business	247,144	252,888	240,711
Operations/Maintenance	387,998	404,416	420,270
Transportation	9,612,679	11,611,702	11,270,548
Support Services-Central	1,913,816	2,010,411	2,005,447
Other (mostly food service)	225,000	225,000	225,000
Community Services	281,599	283,127	374,660
Payments to Other Public Schools	3,480,775	7,045,629	5,485,690
Payments to Other Gov't Agencies	171,574	194,819	240,949
Other Financing Uses	142,497	172,121	172,009
Total Appropriated	**$27,932,907**	**$34,519,206**	**$31,662,261**
Ending Fund Balance:			
Total Fund Balance, June 30, 2025	$3,289,755	$3,755,868	$4,125,088

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, 2024 and ending June 30, 2025 is as follows. Included in Local Revenues is LESA's voted millage for Special Education at 3.1097 mills using a 0.9907 Millage Reduction Fraction, which will provide an estimated $34,299,923 in revenue:

Revenue:	Original Budget	1st Budget Revision	2nd Budget Revision
Local	$36,537,633	$37,018,696	$37,037,884
State	19,646,915	22,067,765	22,672,375
Federal	7,216,410	7,113,648	7,143,291
Incoming Transfers & Other	549,021	877,186	1,488,641
Fund Modifications (Other Operating Transfers In)	40,000	70,000	70,000
Total Revenue	$63,989,979	$67,147,295	$68,412,191
Fund Balance:			
Total Fund Balance, July 1, 2024	$9,144,113	$9,390,366	$9,390,366
Total Available to Appropriate	**$73,134,092**	**$76,537,661**	**$77,802,557**

BE IT FURTHER RESOLVED, that $64,279,302 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	$7,247,979	$7,171,755	$7,109,202
Support Services:			
Pupil	25,418,730	25,098,244	25,204,375
Instruction Staff	3,811,447	3,828,709	3,827,237
General Administration	231,652	292,224	236,064
School Administration	0	0	0
Business	744,577	735,820	708,006
Operations/Maintenance	940,269	1,081,867	1,816,265
Transportation	5,707,577	5,970,003	5,664,988
Support Services-Central	1,365,227	1,482,093	1,304,498
Other	0	0	0
Community Services	119,551	145,413	53,010
Payments to Other Public Schools	17,078,773	17,101,752	17,129,541
Other Financing Uses		266,250	227,750
Operating Transfers	963,012	750,661	998,366
Total Appropriated	**$63,628,794**	**$63,924,791**	**$64,279,302**

Ending Fund Balance:			
Total Fund Balance, June 30, 2025	$9,505,298	$12,612,870	$13,523,255
Total Committed	$0	$0	$0
Less: Assigned (for severe behaviors)	$0	($2,500,000)	($2,500,000)
Unassigned Fund Balance, June 30 2025	$9,505,298	$10,112,870	$11,023,255

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 quarterly finance reports. The quarterly finance reports* *are presented to show categorical and non-categorical programs. The total budget amounts, therefore, are the same but the reporting structure is different.*

<u>General Fund Revenue:</u>

The increase in revenue of approximately $6.8 million is primarily attributed to adjustments in grant and consortium budgets. These adjustments stem from changes in the estimates made during the initial budget development and updates in grant award amounts. The most notable changes in General Fund Revenue include:

- $4.4 million increase in Early Childhood grant funding (GSRP) driven by program expansion with new community-based partners and startup funding.
- $1.7 million increase for general education pupil transportation categorical funding, all of which is passed through to local districts.
- $340,000 increase in Section 147 categorical funding, which is used to offset retirement expenditures.
- $125,000 increase in the 35a Early Literacy Coaches grant to support literacy initiatives.
- $113,000 increase in expenditures and corresponding revenues for the Regional Transportation Collaborative. This reflects budget adjustments for actual routing and staffing needs, along with updated estimates for fuel and supply needs.
- $100,000 increase in interest revenue, attributed to more favorable market conditions.

Minor adjustments include property tax and State/local categorical adjustments.

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

The reduction in revenue of approximately $2.5 million is primarily due to adjustments in categorial funding areas. The most notable changes in General Fund Revenue include:

- $2.6 million decrease in Early Childhood funding, primarily related to the Great Start Readiness Program. The original budget was based on the total number of potential slots available in the county. The final revision reflects the actual number of slots that were filled during the fiscal year.
- $381,000 decrease in expenditures and corresponding revenues for the Regional Transportation Collaborative. This adjustment reflects actual routing and staffing needs, as well as updated projections for fuel and supply costs.
- $171,000 increase in Section 147 categorical funding, which is used to offset retirement expenditures.
- $150,000 increase in interest revenue, driven by favorable market conditions.
- $127,000 increase in new categorical funding under section 147g, designated to reimburse a portion of employee contributions toward retiree health (OPEB) costs.

Other minor adjustments include State/local categorical adjustments.

<u>General Fund Expenditures:</u>

Significant Changes from Original Budget to 1st Budget Revision:

The total expenditures increased by approximately $6.6 million. This is primarily attributable to the changes in grant and consortium budgets discussed above. Other notable changes include:

- $170,000 increase in the Curriculum and Instruction budget, using carryover funds to support curriculum initiatives and address network requirements for the current year.

Minor adjustments include adjustments to departmental budgets in all locations.

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

The total expenditures decreased by approximately $2.9 million. This is primarily attributable to the changes in grant budgets discussed above, exclusive of the Section 147 funding and interest revenue. Other notable changes in General Fund expenditures include:

- Decrease of $78,000 in the Curriculum and Instruction budget, as the full carryover amount was not required to meet current year program needs.

Minor adjustments include adjustments to departmental budgets in all locations.

Special Education Fund Revenue:

Significant Changes from Original Budget to 1st Budget Revision:

The Special Education fund revenue increased by approximately $3.2 million. This increase is primarily attributable to the following changes:

- $1.7 million increase in Section 147 categorical funding to offset retirement expenditures. This includes **$1.5 million** in new funding for the 2024-25 year, designed to provide districts with a reduction in the retirement expense. This reduction is set to become a permanent savings starting **October 1, 2025.**
- $745,000 increase in Special Education state revenue, reflecting higher-than-anticipated prior-year actual costs compared to the Original Budget estimate.
- $361,000 increase in property tax revenues, which exceeded the Original Budget's projections.
- $224,000 increase in Special Education transportation billings, adjusted based on actual ridership and updated cost estimates.
- $200,000 increase in interest revenue, attributed to more favorable market conditions.

Minor adjustments include state categorical and federal grant adjustments.

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

The Special Education fund revenue increased by approximately $1.3 million. This increase was primarily attributable to the following factors:

- $664,000 increase related to the PREP building lease under GASB 87. Under this accounting standard, we are required to show both the lease proceeds (present value of future lease payments) and the capital outlay in the fund-level budget. This is an accounting change only and does not reflect new spending or affect fund balance.
- $381,000 increase in new categorical funding under section 147g, designated to reimburse a portion of employee contributions toward retiree health (OPEB) costs. This is pass-through funding with no impact on fund balance.
- $210,000 increase in categorical retirement offset funding from the State (Section 147).
- $60,000 increase in interest earnings. This increase is due to more favorable market conditions.

Minor adjustments include state categorical and federal grant adjustments.

Special Education Fund Expenditures:

Significant Changes from Original Budget to 1st Budget Revision:

The total expenditures increased by approximately $300,000, primarily due to the following:

- $300,000 net increase due to adjustments in staffing costs.

Additionally, the first budget amendment includes a $2.5 million assignment of fund balance for students with severe behavioral needs. This amount is reserved for the planning and implementation of this initiative, set to begin in the **2025-26** school year.

Minor adjustments include adjustments to departmental budgets in all locations.

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

The total expenditures increased by approximately $350,000. This increase was primarily attributable to the following changes:

- $664,000 increase related to the PREP building lease under GASB 87. Under this accounting standard, we are required to show both the lease proceeds (present value of future lease payments) and the capital outlay in the fund-level budget. This is an accounting change only and does not reflect new spending or affect fund balance.
- $381,000 increase in new categorical funding under section 147g, designated to reimburse a portion of employee contributions toward retiree health (OPEB) costs. This is pass-through funding with no impact on fund balance.
- $350,000 decrease in Specialized transportation costs, primarily due to reductions in route expenses and supply needs, as well as capital outlay expenditures being allocated to a different fund.
- $250,000 increase in transfer to capital projects to fund future capital projects.
- $595,000 net decrease in instructional and support areas resulting from final adjustments to staffing levels and departmental supply budgets. This includes cost savings from vacant positions that were not filled during the fiscal year.

Minor adjustments include adjustments to departmental budgets in all locations.

E. 2025-26 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.

The proposed 2025-26 budget has been distributed to local districts, detailing the LESA General Education and Special Education Fund. Subsequently, each local board has passed resolutions approving the FY 2025-26 Agency budget.

It was moved by Marcella-O'Leary and seconded by Kaiser that the Board approve the attached General Appropriation Resolution.

A roll call vote was taken. Marcella-O'Leary voted YES, Kaiser voted YES, Fryer voted YES, Cortez voted YES, and Loy voted YES.

The motion carried unanimously.

2025-2026 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, 2025 and ending June 30, 2026: 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, 2025 and ending June 30, 2026 is as follows. Included in Local Revenue is LESA's share of allocated millage in the amount of $718,844:

Revenue:	**Original Budget**
Local	$1,054,615
State	16,793,620
Federal	2,709,107
Payments from Other Public Schools	13,244,301
Fund Modifications (Other Operating Transfers In)	5,000
Total Revenue	$33,806,643
Fund Balance:	
Estimated Fund Balance, July 1, 2025	$3,755,868
Less Non Spendable	0
Less Committed/Assigned	0
Fund Balance Available to Appropriate	$3,755,868
Total Available to Appropriate	$37,562,511

BE IT FURTHER RESOLVED, that $33,747,361 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	$4,278,136
Added Needs	791,539
Adult and Continuing	198,521
Support Services:	
Pupil	2,298,368
Instruction Staff	2,863,475
General Administration	607,988
School Administration	1,237,297
Business	253,247
Operations/Maintenance	394,030
Transportation	11,823,430
Central	2,192,138
Other (mostly food service)	225,000
Community Services	283,127
Payments to Other Schools	5,924,900
Payments to Other Government Agencies	194,819
Other Financing Uses	181,346
Total Appropriated	**$33,747,361**
Ending Fund Balance:	
Total Estimated Fund Balance, July 1, 2026	$3,815,150
Less Committed	0
Less Assigned	0
Unassigned Fund Balance July 1, 2026	**$3,815,150**

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, 2025 and ending June 30, 2026 is as follows. Included in Local Revenues is LESA's voted millage for Special Education estimated at 3.0808 mills using a 0.9907 Millage Reduction Fraction, which will provide an estimated $35,765,986 in revenue:

Revenue:	**Original Budget**
Local	$37,845,403
State	20,940,802
Federal	7,068,436
Incoming Transfers & Other	780,026
Fund Modifications (Other Operating Transfers In)	70,000
Total Revenue	$66,704,667
Fund Balance:	
Estimated Fund Balance, July 1, 2025	$12,612,870
Less Non Spendable	0
Less Committed/Assigned	0
Fund Balance Available to Appropriate	$12,612,870
Total Available to Appropriate	**$79,317,537**

BE IT FURTHER RESOLVED, that $68,356,984 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	$8,485,904
Support Services:	
Pupil	27,082,823
Instruction Staff	4,164,892
General Administration	238,315
Building Administration	0
Business	735,542
Operations/Maintenance	1,076,075
Transportation	6,157,075
Central	1,579,114
Other	0
Community Services	146,415
Payments to Other Public Schools	17,642,690
Other Financing Uses	1,048,139
Total Appropriated	**$68,356,984**

Ending Fund Balance:	
Total Estimated Fund Balance, July 1, 2026	$10,960,553
Less Committed	0
Less Assigned	0
Unassigned Fund Balance July 1, 2026	**$10,960,553**

F. Fuel Bid Recommendation

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 for another year.

Corrigan Oil has performed in accordance with the contract since they started providing fuel to the Agency in August of 2024, and the local districts are satisfied with their services.

It was moved by Kaiser and seconded by Fryer that the Board extend the contract for diesel fuel and gasoline with Corrigan Oil for one year and authorize the Superintendent to negotiate and sign a contract to begin on August 1, 2025.

A roll call vote was taken. Kaiser voted YES, Fryer voted YES, Marcella-O'Leary voted YES, Cortez voted YES, and Loy voted YES.

The motion carried unanimously.

G. Approval of Howell RTC Bus Replacement Purchase

The recommendation is to purchase a 2019 Blue Bird Vision School bus to replace a 2021 Blue Bird Vision School bus that was totaled due to a minivan crossing into the front of our school bus.

Based on Howell RTC current replacement cycle, the bus would remain in service until the 2030-31 school year and would accrue about 70,000 additional miles putting it in range with units we've had since new.

With a purchase price of $45,375, its ~5-year planned service life works out to around $8,250 per year. This compares favorably to the cost of a new unit with a planned 12-year life, which currently works out to be about $12,588 per year.

It was moved by Marcella-O'Leary and seconded by Kaiser that the Board approve the purchase of a used 2019 Blue Bird Vision School bus from Holland Bus Company for an amount not to exceed $45,375 to be used in Howell RTC transportation department.

A roll call vote was taken. Marcella-O'Leary voted YES, Kaiser voted YES, Fryer voted YES, Cortez voted YES, and Loy voted YES.

The motion carried unanimously.

H. Board Member Appointment Policy

This item was removed from the agenda because attorney information was not yet available.

8. <u>Reports</u>

Superintendent's Report

Dr. Hubert:

- Congratulated Gary Kaiser for his tenure on the Board and thanked him for his service. He stated he is grateful for the opportunity to work together.
- Updated the Board on the LIPSA agreement and expressed his gratitude to the negotiations team for their work.
- Provided an update on the State Budget and suggested everyone stay alert for additional updates.
- Stated there will not be a Board retreat in June, but there may be a need for a special meeting.
- Shared that the Administrator/Supervisor meeting is scheduled for June 20, and the focus will be on the external and internal service statements, which will then be brought to the Board.
- Stated the adult education graduation will take place June 26 at 6 p.m.
- Stated he is grateful for a great year and is proud of everyone for their contributions.

9. <u>Board Discussion</u>

Mr. Kaiser stated he appreciates the value of ALL employees in all positions.

The Board discussed attendance at the ACTE conference versus the AESA conference and discussed attending ACTE this year. Not renewing our AESA membership was also discussed. Action to change will be taken up at the next Board meeting.

10. <u>Adjournment</u>.

Loy declared the meeting adjourned at 8:01 p.m.

Respectfully submitted,

Harold E. Fryer
Secretary

HEF/jp