



REGULAR BOARD MEETING
14400 Dix-Toledo
Southgate, MI 48195

**BOARD OF
EDUCATION**

PRESIDENT

TIMOTHY O. ESTHEIMER

DATE: June 23, 2020 7:00 p.m.

VICE PRESIDENT

ANDREW A. GREEN

BOARD MEMBERS PRESENT: Craig, Estheimer, Freitas, Lamos, Pomponio, Sage

BOARD MEMBERS ABSENT: Green

SECRETARY

DR. DARLENE L. POMPONIO

ADMINISTRATION PRESENT: Pastor, Baker-Herring, Wilson

TREASURER

RICK LAMOS

The Pledge of Allegiance was recited.
Mr. Estheimer read the District Mission and Vision Statements.

TRUSTEES

JASON CRAIG
NEIL J. FREITAS
SHAWN SAGE

REVISIONS/APPROVAL OF AGENDA

2019/20-142 Mr. Craig added work session # K-2- Discussion about meeting in person -vs- virtual, supported by Mr. Lamos.

YES: Craig, Estheimer, Freitas, Lamos, Pomponio, Sage
NO:

ADMINISTRATION

2019/20-143 It was moved by Dr. Pomponio supported by Mr. Lamos, the board approve the motion as presented.

SUPERINTENDENT

JILL M. PASTOR

YES: Craig, Estheimer, Freitas, Lamos, Pomponio, Sage
NO:

BUSINESS AND FINANCE

DIRECTOR

BARBARA WILSON, CFO

CITIZENS COMMENTS

None

PRESENTATIONS

CURRICULUM/FEDERAL
PROGRAMS DIRECTOR
DR. MICHELLE BAKER-
HERRING

2020-2021 Original Budget: Ms. Wilson provided the board with a Power Point presentation of the 2020-2021 Original Budget. Board members were given a budget document that reflects the revenues and expenditures associated with the continued operations of the outstanding programs of the Southgate Community School District. With continuing financial pressure on the resources of the District, several cost containment measures have been implemented in order to meet these ever-increasing financial challenges. Despite these challenges the budget is based essentially on the same level of programming the District has offered in prior years. The possible financial impact of COVID-19 is reflected in proposed revenue.

The 2020-2021 General Operating Budget is based on the following assumptions:

- Local tax revenue is based on the full 18-mill levy authorized by law on taxable non-principal residence property, except commercial personal which is levied at 6 mills.

- The State Aid Foundation Allowance is projected to change from \$8,111 per pupil to \$7,459 per pupil. This is a reduction of \$652 per pupil. At this time, the Legislature has not proposed a solution to the \$1.09 billion shortage in the 2019-20 School Aid Fund. The next Consensus Revenue Estimating Conference (CREC) is planned for late August, early September.
- Fall enrollment is projected to decrease by a net 150 pupils from the 2019 Fall Count (this includes Virtual School (23a) enrolling 50 pupils).
- Bargaining unit salaries reflect contracts in place for the 2020-21 school year. Five contracts are up for renewal for 20-21 and at this time, increase are not a factor in the proposed budget.
- Funding from Wayne RESA Special Education Act 18 will be the same as 2019-20.
- Employee severance agreement payments for year 3 (final year) will be made in the amount of \$258,871.
- Estimated additional severance to be paid \$235,000.
- Hard cap (Public Act 152) cost increase 3.3%.
- Retirement costs have been budgeted at the average cost of 42.72%. This represents an increase of 7.04%.
- Three fewer teaching positions in the district due to a decline in enrollment (one voluntary).
- Elimination of one Administrator position, due to Administrator retirement.
- The Enhancement Millage (year 5 of 6) will be slightly reduced, as a result of projected loss of students. Enhancement dollars allocation on hold, except Athletic Trainer.
- Projected General fund balance as a percentage of unrestricted revenues is .3%.

General Fund Summary: Ending Fund Balance at 6-30-20 per June 23, 2020 Budget is \$3,008,439.00. Ending Fund Balance at 6-30-21 per June 23, 2020 Budget \$76,920.00. Net decrease in Fund Balance projected at 6-30-21 (\$2,931,520.00). Total Revenue- \$35,881,922.00. Total Expenditures- \$38,813,442.00.

Changes in Special Education Fund Revenue: Overall, based on the budget submitted to WCRESA in February 2020 and approved. Federal sources there are no changes. County Millage Act 18, no change until the first revision is due. Transfers indicate a slight increase due to additional indirect cost allocation.

Changes in Special Education Fund Expenditures: Overall, based on the budget submitted to WCRESA in February 2020 and approved. Slight changes in instruction cost due to resignation of a teacher and increase per collective bargaining agreement. Rent remains unchanged at \$102,000.00. Indirect costs- 12% of total allowable direct costs. Transfers indicate a slight increase due to additional indirect cost allocation. Anticipate changes after the first revision is due.

Food Service Fund Summary: Projected fund balance at 6-30-20 is \$25,847.00. Projected fund balance at 6/30/21 is \$181,172.00. \$79,066.00 Transfer to the General Fund for indirect costs calculated at 19-20 rate of 11.74% max. Do not have final 20-21 rate yet. Food Costs at industry standard of 40%. All four elementary schools, Asher and Beacon are free breakfast & lunch (CEP- Community Eligibility Program) sites. An application will be submitted for Davidson Middle School to become a CEP site during 2020-2021.

Changes in Community Services Fund Revenue: Latchkey revenue-increase due to return to usual services. Preschool revenue-increase due to return to usual services. Enrichment revenue-increase over 2019-2020, also due to return to usual services.

Addition of Student/School Activity Fund: New for Fiscal Year 2020-2021, implementation of the Governmental Accounting Standards Board (GASB) #84 was delayed one year due to COVID-19. Some former student activity funds (now known as Custodial Funds) must be moved to the Special Revenue Fund/General Fund (Governmental Funds). For the 2019-2020 Amended Budget, guidance indicates we may show total revenues and total expenditures only. These amounts are amended to zero. For the 2020-2021 Original Budget, the amounts are indicated. Auditing compliance guidance is not yet complete. There are many legal implications; no food, flowers donations or other unlawful expenditures by a governmental unit.

Discussion took place regarding government support through the CARES Act, the fund balances in all funds, the enhancement millage funds and their allocation, rent costs, the max amount that can be taken for food service and the food service fund balance. Further discussion took place about the preschool and costs, adult education and community service programs, insurance hard-cap and retirement costs.

CONSENT

2019/20-144 It was moved by Mr. Craig supported by be Dr. Pomponio, the board approve the June 9, 2020 Regular Board meeting minutes, June 16, 2020 Work Session/Closed Session meeting minutes and the HR Update.

YES: Craig, Estheimer, Freitas, Lamos, Pomponio, Sage
NO:

ACTION

1. **Approval of 2019-2020 Final Amended Budget:** Ms. Wilson explained we did not take any cuts and we are nicely moving forward with a fund balance of \$3,008,439.00 which helps us moving into 2020-2021. Discussion took place about the state taking back funds, making adjustments.

2019/20-145 It was moved by Dr. Pomponio supported by Mr. Craig, the board approve the 2019-2020 final amended budgets for the General Operating Fund, Special Education Center Program Fund, Food Service Fund, Community Services Fund and Student-School Activity Fund as proposed.

YES: Craig, Estheimer, Freitas, Lamos, Pomponio, Sage
NO:

2. **Approval of Original budgets for 2020-2021:** Ms. Wilson gave the board a budget workbook in their board packets detailing each fund.

2019/20-146 It was moved by Mr. Lamos supported by Mr. Craig, the board approve the 2020-2021 Original Budgets for the General Operating Fund, Food Service Fund, Special Education Fund, Community Services Fund and the Student/School Activity Fund, as presented.

YES: Craig, Estheimer, Freitas, Lamos, Pomponio, Sage
NO:

3. Approval of the 2020 Tax Rate Request Form L-4029: Ms. Wilson explained, this document allows the City of Southgate and the City of Allen Park to levy our taxes for us. The debt fund was calculated by PFM. With the new bond the intent was to keep our levy at 5.85 for the debt fund. We did not have a refraction so we are authorized at 18.162 and we are allowed to levy up to 18 mils. Once approved then we can send our bills out.

2019/20-147 It was moved by Mr. Craig supported by Mr. Sage, the board approve the 2020 Tax Rate Request Form L-4029.

YES: Craig, Estheimer, Freitas, Lamos, Pomponio, Sage

NO:

4. Approval of issuance of August 2020 State Aid Note: Ms. Wilson attached a resolution to board packets and explained, this is the resolution authorizing the issuance of the August 2020 State Aid note for an amount not to exceed \$7.1 million. This is an annual resolution. The amount is much higher than the current State Aid Note due to the anticipated reduction in our 2020-2021 State Aid. The funds are required to meet cash flow needs throughout the year. Our lowest weekly cash balances are in May and June. She mentioned this is an amount not to exceed. If we get definitive information about what's going to happen before this August date we don't have to borrow this much, possibly.

2019/20-148 It was moved by Dr. Pomponio supported by Mr. Craig, the board approve the resolution authorizing the issuance of the August 2020 note in anticipation of State School Aid (August 2020 through the Michigan Finance Authority), for an amount not to exceed \$7.1 million, as presented.

YES: Craig, Estheimer, Freitas, Lamos, Pomponio, Sage

NO:

5. Resolution to Support School Funding and Address Health/Safety Concerns During the COVID-19 Pandemic: Board members discussed how this is the board's suggestion/recommendation to the governor.

2019/20-149 It was moved by Dr. Pomponio supported by Mr. Craig the board approve the following resolution:

WHEREAS, In December 2019, a novel coronavirus known as SARS-CoV-2 was first detected, causing outbreaks of the coronavirus disease COVID-19 that has now spread globally; and prompting the President of the United States to declare a national emergency on March 13, 2020 under authority vested in him by the Constitution and laws of the United States of America; and

WHEREAS, our nation's future well-being relies on investing in the cornerstone of our democracy-high-quality public education systems that prepare all students for college, careers, democracy and lifelong learning even in the midst of the national health emergency; and

WHEREAS, our nation's school systems, colleges and universities must be adequately funded and supported in order to prevent prolonged learning disruptions which threaten the future and well-being of our communities and the economy; and

WHEREAS, our nation's future well-being relies on providing our most vulnerable students access to high quality education and program supports throughout the national health emergency; and

WHEREAS, students in schools who have historically been denied a well-rounded education in fully staffed public schools due to funding shortfalls in marginalized communities are experiencing unprecedented exacerbation of long-standing inequities in our public schools and communities as a result of COVID-19; and

WHEREAS, the COVID-19 pandemic has brought the stark realities of a digital divide that impacts 10 million K-12 students who are at risk of being denied opportunities to learn and falling behind, with those most negatively impacted being students living in poverty and in rural areas, resulting in deep disparities based on race regardless of socio-economic status or community type; and

WHEREAS, the 2020-2021 school year will be history making in that the impacts of COVID-19 will be comprehensive and affect all aspects of our students' lives, from food and housing security to access to healthcare and educational technology and beyond, evidencing it is more important now than ever that a child's chances for success must not depend on whether they have internet access at home, have access to a personal learning device, or are living in the right zip code; and

WHEREAS, Education Support Professionals (ESPs) and other school staff who interact with students and their families must have proper personal protective equipment (PPE) and training to help protect students, colleagues, families, and themselves from contracting and spreading COVID-19; and

WHEREAS, the voices of educators are critical to ensuring student-centered decision-making in response to the national health emergency; and

WHEREAS, the safety and well-being of students and educators cannot be compromised,

NOW, THEREFORE, BE IT RESOLVED that the Southgate Board of Education supports the passage of legislation by the United Congress appropriating at least \$175 billion, to be distributed to states and local districts through an allocation formula based on poverty, to fill COVID-19 budget gaps that threaten students in schools and on campuses. To ensure the ongoing support of students, educators, and communities through the national health emergency, the Southgate Board of Education together with the MEA support:

1. stabilizing education funding for students in our communities' schools and campuses,
2. building bridges for educational opportunity for students and stronger communities, and
3. supporting the safety, health, and well-being of students and educators.

BE IT FURTHER RESOLVED, the Southgate Board of Education supports Congress to authorize the use of funds appropriated as part of coronavirus response for the identification and distribution of necessary supports for families, students, and community members throughout the COVID-19 crisis, including mental health and nutritional supports, training for loss and trauma related to the pandemic, investment in housing supports for households with school-aged children, and expanded funding to community-based healthcare through school partnerships; and

BE IT FURTHER RESOLVED, the Southgate Board of Education supports Congressional action to provide additional funding for the highly successful E-Rate program which helps schools ensure connectivity for online learning; and

BE IT FURTHER RESOLVED, that the Southgate Board of Education supports Congress to task the Occupational Safety and Health Administration (HAS) with developing emergency standards to help protect frontline workers at risk of contracting coronavirus; and

BE IT FURTHER RESOLVED, that the Southgate Board of Education supports Congressional action to cancel monthly federal student loan payments and interest accrual, including commercially held Federal Family Education Loans (FFEL) and Perkins Loans for the duration of the COVID-19 national emergency; and

BE IT FURTHER RESOLVED, that Southgate Board of Education will develop and implement a committee in partnership with the MEA and other stakeholders to produce and provide feedback on plans for ongoing instruction and learning opportunities, such as modified school calendars, extended learning components, distance learning plans, and other options that comport with federal and state public health guidance; and

BE IT FURTHER RESOLVED, that Southgate Board of Education will undertake to consult with and meaningfully engage the MEA and the community to ensure that the interests of students, especially those most vulnerable, are represented in critical decision-making processes responding to the national health emergency; and

BE IT FURTHER RESOLVED, that a copy of this Resolution shall be transmitted to our Governor, and to all members of the United States House of Representatives and Senate representing the families in our District.

YES: Craig, Estheimer, Freitas, Lamos, Pomponio, Sage
NO:

EMPLOYEE REPRESENTATIVES

None

INFORMATION AND ANNOUNCEMENTS

Ms. Pastor thanked the food service workers who managed to deliver over 176,000 meals since March 14th. Today was their last day. She congratulated them on the work they have done and hoped they enjoy their summer. They worked two extra weeks for us.

WORK SESSION

1. Graduation Requirements Discussion: Ms. McVicker and Dr. Baker-Herring reviewed the reasons for needing to change the credit requirements for graduation from the Asher and Atlas programs.

2. Meeting In-Person -vs- Virtual: Discussion took place about future board meetings and whether they will be In-Person or Virtual.

ADJOURNMENT

2019/20-150 It was moved by Mr. Craig supported by Mr. Sage, the board adjourn the meeting at 8:39 p.m.

YES: Craig, Estheimer, Freitas, Lamos, Pomponio, Sage
NO:

Respectfully submitted by: Theresa Grzechowski

Dr. Darlene Pomponio-Secretary
Board of Education

For detailed conversation, Board meetings may be viewed in their entirety on our website: www.southgateschools.com

