



REGULAR BOARD MEETING

**BOARD OF
EDUCATION**

Electronically Held

<https://youtu.be/i9iVy7VUdNc>

PRESIDENT

TIMOTHY O. ESTHEIMER

DATE: TUESDAY, JUNE 8, 2021 7:00 P.M.

VICE PRESIDENT

ANDREW A. GREEN

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

SECRETARY

DR. DARLENE L. POMPONIO

BOARD MEMBERS ABSENT:

TREASURER

JASON CRAIG

ADMINISTRATION PRESENT: Irvine, Baker-Herring, Wilson

The Pledge of Allegiance was recited.

Mr. Estheimer read the District Mission and Vision Statements.

TRUSTEES

NEIL J. FREITAS

RICK LAMOS

SHAWN SAGE

REVISIONS/APPROVAL OF AGENDA

2020/21-186 It was moved by Dr. Pomponio supported by Mr. Lamos.

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

NO:

ADMINISTRATION

CITIZENS COMMENTS

SUPERINTENDENT

SHARON IRVINE

Ms. Irvine read a comment from Robert Pawlowski: *Good Evening. This year has shown us a new way to be in school. We had the choice of remote, virtual, and in-person. I would like to see the option for virtual learning continuing into next school year. I feel that it is easier for students who have disabilities and prefer virtual learning more than in person learning. This would benefit other students who may have to quarantine or have to stay home on a certain day and are unable to come into the building. This choice will allow them to join class and not miss important lessons. We should have options.*

BUSINESS AND FINANCE

DIRECTOR

BARBARA WILSON, CFO

Edgenuity benefits the student who likes to work at their own pace. This does not seem like something that will help all students, especially if a student needs to have daily teacher contact and may have anxiety about being in student filled classrooms. I feel we need options for all style learners and personalities. I would like the board to consider keeping the virtual option as a choice for next school year.

CURRICULUM/FEDERAL

PROGRAMS DIRECTOR

DR. MICHELLE BAKER-

HERRING

I would like to thank the board for taking the time to acknowledge my comment tonight. I would also like to take a moment to thank all of our wonderful staff and board for all the hard work they have put in to make this year happen. This year wasn't easy for the district, especially the decisions you've made but we got through it.

Thank you for your time, and I hope you have a great summer. From the kindness of my heart, Robert Pawlowski

PRESENTATIONS

Ms. Irvine announced the 2021/2022 Budget Hearing was open: Comments and question can be submitted online; the link is on the agenda. Ms. Irvine will monitor the comment submissions during this hearing and present comments that come in. This annually required hearing was posted in all of the appropriate places including the local newspaper. The hearing was turned over to Ms. Barb Wilson.

Ms. Wilson presented the board with the 2021-2022 Proposed Original Budgets. The *General Operating Budget Overview Message:* This budget document 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. However, despite these challenges, this budget is based on essentially the same level of programming the District has offered in prior years.

The 2021-2022 *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 property which is levied at 6 mills. Local tax revenue accounts for 91% of total Local revenue.
- The State Aid foundation allowance is projected to increase from \$8,111 per pupil to \$8,261 per pupil. This is an increase of \$150 per pupil.
- Fall 2021 enrollment is projected to be 2,979 pupils.
- Employee severance agreement payments with EPC have ended. This is a reduction in General Fund costs of \$258,871.00
- Projected severance is budgeted at \$200,000.00, based on an estimated 10 teacher retirements.
- Hard Cap (Public Act 152) cost increase 3.7 %
- Retirement costs have been budgeted at the average cost of 28.23%. (43.28% net of UAAL 15.05% offset). This is a net increase of .02% over FY 2020-2021.
- 5.5 fewer teaching positions with an estimated cost savings of \$660,000.00
- The transfer of the Young 5's program to At-Risk. This represents a savings of \$290,000.00
- General Fund Staff transferred to ESSER II grant. This represents further savings to the General Fund of \$225,000.00
- Enhancement dollars allocated at \$301,000.00
- ESSER I, GEER, COVID 103 and 11p funds fully expended in 2020-21. ESSER II funds budgeted at 43% of total award per State. This represent \$1,055,000.00
- Projected General Fund balance as a percentage of unrestricted revenues 8.04% (State Early Warning calculation must be greater than or equal to 5%).

The following are unknowns at this time:

- The foundation allowance per pupil is not yet determined. State is required to complete their budget by July 1.
- ESSER II (\$1,366,683.00) of remaining allocation has not been released or distributed across the budget expenditures.
- ESSER III estimated allocation of \$5.4 million has not been released or distributed across the budget expenditures.
- Bargaining unit contracts will all be negotiated for 2021-2022.
- The impact of fewer Free and Reduced count based on reduced reporting requirements.

Ms. Wilson reviewed the *General Fund:* Estimated ending fund balance at 6/30/21 per March 23, 2021 budget-\$3,548,117.00. The estimated ending fund balance at 6/3/22 per June 8, 2021 budget-\$2,176,628.00. The net decrease in fund balance projected at 6/30/22 is (\$1,371,488.00). Total Revenue-\$39,239,184.00 and Total Expenditures-\$40,610,672.00.

Changes in General Fund Revenue:

State Sources-

- Assumed \$150 per pupil increase in state aid foundation-FY 221-2022 Foundation \$8,261; FY 2020-2021 Foundation \$8,111.
- Estimated change in pupil count results in reduction of state funds of approximately \$2 million.
- The operating levy for the non-principal residence property millage continues to be 18 mills. This generates \$4,952,511.00.
- Transfers in from cafeteria fund \$57,690.00 and Special Education Fund \$300,000.00

Federal Sources-

- COVID Funding revenue (11P, 103, ESSER I and GEER) fully expended in 20-21. \$1,923,258.00 less, plus ESSER II new COVID funding added at \$1,055,854.00.

Changes in General Fund Expenditures:

- \$660,000.00 reduction in wages/benefits for 5.5 staff retirements.
- \$290,000.00 savings to basic instruction for transfer of Young 5's program to At-Risk.
- \$258,871.00 Reduction in benefits as employee severance plan contract ended.
- \$200,000.00 budgeted for additional severance.
- \$111,077.00 increase in health insurance due to hard cap 3.7% increase.
- Reduction in support instructional staff, school administration, maintenance and central services costs from completion of 20-21 COVID funding-\$1,923,258.00.
- Increase in facility improvements, basic instruction and technology due to ESSER II funding-\$1,055,854.00,
- Savings on State Aid Note interest, \$25,000.00; State Aid Note not needed at this time.
- Increase transportation costs over 2020-2021 of \$418,930.00 due to return to school for full year.

Changes in Special Education Fund Revenue:

- Overall, based on budget submitted to WCRESA in February 2021 and approved.
- Federal Sources-no change
- State sources, additional 2% Special Ed Funding from state to offset special education costs.
- County Millage Act 18, no change until first revision due in November.

Changes in Special Education Fund Expenditures:

- Overall, based on budget submitted to WCRESA in February 2021 and approved.
- Changes in instruction cost due to savings on completion of EPC severance contract and three higher paid employees resigned and replaced with entry level pay.
- Rent remains unchanged at \$102,000.00.
- Indirect costs-12% of total allowable direct costs.
- Transfers indicate slight increase due to additional indirect cost allocation.
- Anticipate changes after the first revision is due in November.

Food Service Fund:

- Projected fund balance at 6/30/2021-\$39,294.00.
- Projected fund balance at 6/30/2022-\$0.
- \$70,040.00 transfer to the General Fund for indirect costs, calculated at final 20-21 rate of 10.64% max. Do not have preliminary or final 21-22 rate yet. Maximum transfer available is \$57,690.00.
- Food costs at industry standard of 40%.
- Due to a waiver for 2021-22, all Southgate Schools will eat free.

Changes in Community Services Fund:

- Latchkey revenue-decrease due to three sites being run by the YMCA. Southgate will operate two building sites in 21-22.
- Preschool revenue-decrease due to GSRP. Southgate will operate two rooms (3 yr. and 4 yr.) for those who do not qualify for GSRP.
- No anticipated transfers from the General Fund to the Community Services Fund in 2021-2022.

Student/School Activity Fund:

- Some former student activity funds (now known as custodial funds) must be moved to the Special Revenue Fund/General Fund (Governmental Funds).
- Guidance indicates we may show total revenues and total expenditures only. Funds are budgeted by building.
- No food, flowers, donations or other unlawful expenditures by a governmental unit are allowable charges to this fund.

Discussion took place regarding the athletic budget and board allocation to athletics. Transportation costs were reviewed. Food service, free and reduced lunch program and meal distribution were discussed. Our Meet-Up and Eat-Up Program will take place at AHS, Asher and Beacon. Curbside meal distribution will take place at Lincoln Park High School.

There were no citizen or staff comments.

Mr. Estheimer called for the close of the hearing.

Ms. Irvine concluded the hearing and Ms. Wilson's presentation was complete.

SUPERINTENDENT UPDATE

None

FINANCE UPDATE

Given under presentation.

CONSENT

2020/21-187 It was moved by Dr. Pomponio supported by Mr. Sage, the board approve the minutes from May 25, 2021 and the disbursements for May 2021.

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

NO:

ACTION

1. **Approval of the 2021 Tax Rate Request Form L-4029:** Ms. Wilson explained, annually the board must certify the Tax Rate Request (Form L-4029) for the new tax year. The operating levy for the Non-Homestead millage continues to be at 18 mills (with 6 mills for commercial personal property) based on voter approval in November 2014. There is no change proposed. The District will assess 5.85 mills; 3.23 mills for the 1999 bond issue which was refunded in 2015, 1.31 mills for the 2016 bond issue and 1.31 mills for the 2020 bond issue.

2020/21-188 It was moved by Mr. Lamos supported by Mr. Craig, the board approve the 2021 Tax Rate Request Form L-4029.

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

NO:

- 2. Approval of Original Budgets for 2021-2022:** Ms. Wilson presented this under the presentation portion of the meeting.

2020/2021-189 It was moved by Dr. Pomponio supported by Mr. Green, the board approve the 2021-2022 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, Green, Lamos, Pomponio, Sage
NO:

- 3. Approval of the Mode of Instruction for June:** Ms. Irvine explained, for the last few days of school, the District recommends a continuation of its current mode of instruction for June. For summer school, the District recommends that its mode of instruction be in-person for K-8 and in-person and virtual for 9-12. The summer camp orientation of our K-8 programming is only possible for in-person and participation is completely optional. Our 9-12 programming provides credit recovery and would not be considered optional. For this reason, we will continue to offer the opportunity to be virtual.
As of May 31, the last positivity rate available, Wayne County showed a rate of 3.9%. The infection rate is 0.61, so this will continue to drop. As of June 1, the weighted new case average for our designated boundaries is 1.84 daily average.

2020/21-190 It was moved by Dr. Pomponio supported by Mr. Craig, the board approve in-person, remote, and virtual as the Modes of Instruction for Southgate Community Schools for the month of June.

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

- 4. Approval of the 2021 Baseball Field Drainage Project for Anderson High School:** Mr. Kakoczki reviewed the Plante Moran Cresa award recommendation letter, budget summary, Foresite award recommendation letter, bid tabulation and contractor proposal.
On April 29, 2021 construction documents were formally issued and made available. An advertisement for bids was published in a local newspaper and also posted to the required State of Michigan website.
On May 20, 2021 bid proposals were received and publicly opened via a Teams meeting, and over the following days were reviewed to determine the budget implications. Post bid scope review meeting were held on May 26, 2021 with two low bidders.
Upon completion of the post bid meetings and after subsequent discussion, the Steering Committee is recommending Backer Landscaping, Inc. for the 2021 Baseball Field Drainage Project at Anderson high School. The total award recommendation for the project is \$32,975.00, slightly over budget by \$3335, which can be funded from the owner's contingency. This was bid out last fall with the hope of doing the work last fall, COVID and work delays pushed it back a year. The pricing last fall was quite a bit higher then this time around. We are looking at an early September installation to get the drainage installed and the sod replaced, watered and maintained to be ready for the spring.
The Steering Committee for the 2020 Bond Program recommends Backer Landscaping, Inc. for the 2021 Baseball Field Drainage Project at Anderson High School as presented by Plante Moran Cresa.
Discussion took place about locking in our pricing and getting on the schedule, how long a drainage system lasts and what the warranty is for this project.

2020/2021-191 It was moved by Dr. Pomponio supported by Mr. Craig, the board approve the award of 2021 Baseball Field Drainage Project for Anderson High School to Backer Landscaping in the amount of \$32,975.00.

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

- 5. Approval of the Contract with PowerSchool:** Ms. Irvine explained, at one time the district did operate with PowerSchool, it was a very successful time but it also became cost prohibitive. As a cost cutting measure, Wayne RESA is now assessing additional costs related to MISTAR to the District. This additional cost, combined with competitive PowerSchool pricing, will enable the District to move back to PowerSchool with minimal additional cost. PowerSchool is considered a much easier product to work with and interacts with Schoology in a way that MISTAR does not. The transition will overlap MISTAR and PowerSchool costs. Dr. Baker-Herring added, our staff has put in a lot of blood, sweat and tears into their work in Schoology. Next year MiStar will not be talking to Schoology so the information would have to be entered twice. Discussion took about the compatibility of PowerSchool with our program-Schoology and finding technology that works better together.

2020/21-192 It was moved Mr. Lamos supported by Mr. Green, the board approved the contract with PowerSchool.

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

- 6. Approval of the 2021-2022 Board Meeting Calendar:** Ms. Irvine explained, annually the Board of Education approves its calendar, in June, for the upcoming school year. There is one single meeting in July. Once approved, it may be adjusted as needed through the school year. The current emergency order allowing virtual meetings expires June 30. All 2021-2022 meetings will need to be in person unless a new emergency order is in place at the city, county or state level. Discussion took place about the next meeting being in-person.

2020/2021-193 It was moved by Mr. Craig supported by Dr. Pomponio, the board approve the 2021-2022 Board Meeting calendar as presented.

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

- 7. Approval of the Preschool Playground Package:** Ms. Irvine explained, as we look at our preschool programming for next year and moving preschool programs into elementary schools, we do have a responsibility to ensure that our preschool playgrounds are ready to receive students and can meet inspections. Fordline does not have a preschool playground. Grogan has a preschool playground that needs some repairs to meet inspection. Allen preschool playground needs to have one piece removed and additional pieces added. The Shelters preschool playground needed repairs more extensive than the cost of new equipment. We have received approval from Wayne RESA to use GSRP carryover funds, from this year, for these repairs and purchases. New playground choices were selected from the two primary sources for playground equipment: Midstates and Snider Recreational. Staff at Fordline and Shelters weighed in on the final choices.

This package is quoted at \$65,081.00 for all new equipment, installation and repairs. The package is broken down in this way:

- Allen Elementary \$10,448.00 - Playground Piece Additions
- Fordline Elementary \$23,140.50 - New Playground
- Shelters Elementary \$24,377.50 - New Playground
- Grogan Elementary \$7,115.00 - Repairs

This was submitted to GSRP, MDE and Wayne RESA who has given their approval for that money. They are asking MDE for their approval, if they do not approve we do not process this. Our next meeting is not until the end of June. In order to have these pieces in place by September we need to move on this to make sure they are built. This will be covered with the additional funds from this year when we were provided 100% of funding for the year and did not incur expenses beyond March. It is a significant amount of carryover we are going to be able to use. The cost of this project will come from this. A letter of commitment that we will continue with the programming for three years will be required. Discussion took place about the handicap accessibility of the playgrounds, the location of the playgrounds at the schools, the approval of the GSRP program and the number of years we will commit to that program as it relates to the funding of these playgrounds. Questions were raised about the possibility of not continuing with the GSRP in the future and needing to pay back the funds for the playground equipment and repairs.

2020/21-194 It was moved by Dr. Pomponio supported by Mr. Green, the board approve the preschool playground package as presented.

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

EMPLOYEE REPRESENTATIVES

None

INFORMATION/ANNOUNCEMENTS

Mr. Lamos commented on a well-orchestrated graduation, the band was great, it was a beautiful day and he was honored to be there. Congratulations to the graduating class.

Mr. Green echoed Mr. Lamos' comments, to everyone who participated from the band, color-guard, administration, they did a great job. He wished the underclassmen good luck on their final exams. He wished a safe and happy summer to all. He hopes that after a year and a half we are back to some normalcy in September. Adding, make sure you tell the people you care about-that you care about them, we are all in this together.

Dr. Pomponio commented that she is very proud of our students. As an alumni, to be out there seeing all the students graduate at the same time, with their parents watching, it was a great sight to see. She too hopes we can get back to normal next year. She wanted the staff and administrators to know that she appreciates them. She let the staff and administration at Beacon and Asher know they are not forgotten and are thought of when decisions are being made.

Mr. Estheimer commented what an honor it was to attend both Anderson and Asher graduation and how beautiful it was on our own turf field. He thanked staff and parents for all they did to make it such a beautiful and special day for the graduates. On behalf of his family he expressed thanks to everyone here, staff, unions, parents and even students who showed their support, with prayers and love to him and his family at this difficult time. Texts, phone calls, emails, beautiful cards and flowers he is very grateful. It really says a lot about this community and it says a lot about this team. He really appreciates it. On behalf of his family he just wanted to say thank you so much.

ADJOURNMENT

2020/21-195 It was moved by Mr. Lamos supported by Mr. Craig, the board adjourn the meeting at 8:25 p.m.

YES: Craig, Estheimer, Freitas, Green, 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

