

SAULT STE. MARIE AREA PUBLIC SCHOOLS
SAULT STE. MARIE, MICHIGAN 49783
WORKSHOP, BOARD OF EDUCATION
Phone 906/635-6609

Minutes – Wednesday, May 4, 2022

275. **I. CALL TO ORDER**

President DeWitt called the meeting to order at 5:39 p.m. in the Sault Area Middle School, 684 Marquette Avenue and via Zoom.

276. **A. ROLL CALL OF BOARD**

Board Members Present: Daniel L. Smith, Christine M. Curtis, Caitlin L. Galer, Raymond J. DeWitt, Jay D. Wilson, Melissa S. Pingatore, Lisa A. Young

Absent: None

277. **B. ADOPTION OF THE AGENDA**

It was moved by Curtis, supported by Member Galer, to adopt the agenda as presented.

Yeas: Smith, Curtis, Galer, DeWitt, Wilson, Pingatore, Young

Nays: None

Absent: None

Motion Carried.

II. COMMUNICATIONS

278. **A. AUDIENCE PARTICIPATION**

There was none.

III. ACTION ITEMS AND BOARD REPORTS

279. **A. BOARD WORK SESSION – BUDGET DISCUSSION**

Superintendent Scott-Kronemeyer reported the district's mission in partnership with students, parents, and the community is that it will provide a high-quality education in a safe, positive environment and to

maximize the students' intellectual, physical, emotional, and social skills, to prepare them to be productive responsible citizens.

Superintendent Scott-Kronemeyer reported the mission is carried out with high quality instruction, while being fiscally responsible, and in a safe and orderly environment.

Superintendent Scott-Kronemeyer briefly explained the following goals the district has been working on.

Goal 1: All Sault Area Schools students will have the STEM skills to be competitive in college, the work force and/or civic life.

Goal 2: All staff will work together to elevate instructional and behavioral strategies to meet the diverse needs of all learners.

Goal 3: All staff will collaborate and communicate to solve problems and creates solutions to meet the needs of the students.

Goal 4: All members of the school community will be safe, respectful, responsible and active learners.

Goal 5: All schools will organize around the ideals set forth under a Multi-tiered System of support to meet the academic, behavioral, and physical needs of all students.

Goal 6: All students will have the literacy skills to be competitive in college, the workforce, and/or in civic life.

Goal 7: All students will have knowledge and skills to be a responsible citizen and aware of cultures in a changing world.

Goal 8: All students will be engaged in the full creative process.

Superintendent Scott-Kronemeyer reported on the 2022 spring enrollment of 1,969, the fall 2022 enrollment projection of 1,909, and a blended fall count of 1,915.

Superintendent Scott-Kronemeyer reported on the estimated 2023 fall state aid reduction of 49 students or \$397,439.

Superintendent Scott-Kronemeyer reported on the status of the potential foundational and school aid funding (SAF) from the current perspective of the Governor-\$833,025, Senate-\$861,750 and House-\$574,500.

Superintendent Scott-Kronemeyer reported on the foundational and school aid funding history for fiscal years 2018 through the budgeted 2023. She noted the 2023 funding of \$16,660,500 was based on a blended count of 1,915 or a per pupil allowance of \$8,700.

Superintendent Scott-Kronemeyer reported on the executive budget recommendations for Categoricals: At Risk pupil increase of 11.5% or \$163,608, Special Education cost reimbursement increase of 5% or \$93,761, and CTE increase in state reimbursed costs of \$96,439.

Superintendent Scott-Kronemeyer reported on the 2022-23 budget assumption for general fund revenues based on a decreased enrollment of 49 students, a flat foundational rate, and no change in categoricals. She confirmed nothing was added.

Superintendent Scott-Kronemeyer reported on the average retirement rates starting with the 2016-17 year of 36.64% through the 2022-23 expected rate of 45.17% (an estimated 2% increase).

Superintendent Scott-Kronemeyer reported the total increase of \$937,975 to general fund expenditures included the retirement rate increase, fuel inflation, a reduction of savings for the maintenance vehicle, and the increase to 3rd party and second year staff contracts.

Superintendent Scott-Kronemeyer reported on fund equity as of July 1, 2021, 2022, and the projected 2023 of \$5,031,066 or 17.63% of total budget expenditures.

Superintendent Scott-Kronemeyer reported state law and school auditors recommend fund equity of 10-18% of total expenditures. She noted it was for the protection from unexpected expenses or losses in revenues and to reduce the need for borrowing and paying interest.

Superintendent Scott-Kronemeyer gave a brief review of the state of the district in terms of facilities, staff recruitment/retention, safety, and keeping the district a great place to learn. She noted the district is strong but fragile.

Upon inquiry from Member Smith, Superintendent Scott-Kronemeyer reported the district was currently at 56% in its capital improvement fund expenditures but would be spending the balance on the high school upgrade project.

Upon inquiry from Superintendent Scott-Kronemeyer, there were no other questions.

Mrs. Bennin indicated she wanted to present some of the basics for a mileage discussion.

Mrs. Bennin reported on the passage rate for bond proposals based on election statistics from years November 2012 through November 2021. She estimated there would be a 57% passage rate if the proposal included a millage increase, and a 91% passage rate with no mileage increase.

Mrs. Bennin indicated a lot of information was taken from Mr. McNaughton's presentation at a previous board meeting and from Thrun Law.

Mrs. Bennin reported on lead times for a possible 2024 bond or millage election. She noted Mr. McNaughton suggested a year lead time to meet all of the deadlines.

Mrs. Bennin explained how a mill could impact a property owner. She stated one mill is equal to \$1,000 of property taxable value, and the taxable value is 50% of the State Equalized Value.

Mrs. Bennin noted a few differences between a sinking fund and a bond. She stated a sinking fund is based on a specific number of mills as opposed to a bond that is for a specific dollar amount; Sinking funds are received in smaller amounts of money over a specified number of years (up to 10 years) during tax collections; Taxpayers do not pay interest tax with sinking funds; Bonds are voted on for a specified amount of money (not mills) and the revenue is collected up front with the principal and interest paid by taxpayers.

Mrs. Bennin reported on the permitted use comparison between a sinking fund and a bond. She noted sinking funds can be used for repairs, but not bonds; Only bonds can be used for non-instructional technology; Both sinking funds and bonds can be used for security equipment, renovations, new construction, and instructional technology; Bonds and sinking funds can be used for site improvements, and sinking funds are not allowed to be spent on playground equipment.

Mrs. Bennin presented examples of a bond with a no mill increase for a May 2024 proposal.

Mrs. Bennin presented a sinking fund projection for fiscal years 2025 through 2034. She noted sinking funds need to be designed to accomplish one project with each year's funds.

Mrs. Bennin presented a bond proposal with a no mill increase. She cautioned projecting district needs out several years due to the length of the term.

Mrs. Bennin reported on the impact to future operating budgets for ongoing/additional maintenance or replacement of facilities.

Superintendent Scott-Kronemeyer thanked Mrs. Bennin for her easily understood presentation. She noted a copy would be available for further board review.

Upon inquiry from Member Smith, Superintendent Scott-Kronemeyer reported approximately 70 students were being retained in Kindergarten.

She noted many missed out on preschool over the past few years because of COVID.

Upon inquiry from Member Smith, Superintendent Scott-Kronmeyer explained how information was distributed about Kindergarten Round-up. She stated 64 students had enrolled and typically 20-25 will over the summer. She predicted some parents were not sending their children until they had another year of preschool, there are fewer young families in the area due to high/lack of housing, and some parents chose to send theirs elsewhere. She anticipated there would be 5 kindergarten classrooms next year with at least 90 students.

Member Smith stated it is important to budget conservatively because of fluid enrollment.

Upon inquiry from President DeWitt, Superintendent Scott-Kronmeyer indicated she would like to have a moving library between Washington and Lincoln Schools during the school year and have it stationed out of town over the summer. Member Smith indicated he liked that idea.

Due to there being no more questions, Superintendent Scott-Kronmeyer stated the district was moving forward with budget presentations.

Member Smith expressed the need to be prudent in budgeting to maintain a good fund balance for unforeseen expenses.

280. **IV. FUTURE PLANNING**

President DeWitt reviewed the following events.

May 5 - Budget Presentations - Sault Area Middle School - Staff 4:30 p.m.,
Public 5:30 p.m.

May 9 - Special Board Meeting - Sault Area Middle School - 6:15 p.m.
- Regular Board Meeting - Sault Area Middle School - 7:00 p.m.

May 10 - EUPSBA Meeting - Sault Area High School - 5:30 p.m.

May 26 - Malcolm Graduation - Sault Area High School - 7:00 p.m.

May 30 - Sault High Graduation – A.J. VanCitters Athletic Field - 2:00 p.m.

June 13 - Regular Board Meeting - Sault Area Middle School - 7:00 p.m.

Upon inquiry by Member Smith, Mr. McCready indicated the high school graduation ceremony would be aired through WSOO 1230 AM., not live streamed.

281. **V. BOARD GOVERNANCE AND BOARD POLICY ISSUES**

Upon inquiry from President DeWitt, Superintendent Scott-Kronemeyer indicated she would review HB 40705 to ensure the district was in full compliance.

282. **VI. ADJOURNMENT**

There being no further business to come before the Board at 6:19 p.m., it was moved by Member Curtis, supported by Member Galer, that the meeting be adjourned.

Yeas: Smith, Curtis, Galer, DeWitt, Wilson, Pingatore, Young

Nays: None

Absent: None

Motion Carried.

Raymond J. DeWitt, Board President

Christine M. Curtis, Board Secretary

Judy L. Sirk, Recording Secretary