



MINUTES

Board Retreat of February 1, 2023

- 1. Call to Order.** President Loy called to order the meeting of the Livingston Educational Service Agency Board of Education at 6:28 p.m. on Wednesday, February 1, 2023, at the new ATS location, 951 S. Latson Road, Howell.

A. Roll Call

Present were:

Board Members: President Loy
Treasurer Kaiser
Secretary Fryer
Trustee Jankowski

LESA Staff: Dr. Michael Hubert

Absent was:

Board Member(s): Vice President Cortez

B. Approval of Agenda

It was moved by Kaiser and seconded by Jankowski to approve the agenda as presented.

The motion carried unanimously.

- 2. Consent Agenda Approval**

It was moved by Kaiser and seconded by Jankowski to approve the Consent Agenda.

The motion carried unanimously.

Approval: Minutes

The following minutes were presented for approval:

- Regular Board Meeting of January 11, 2023

- 3. Tour of Facility**

Superintendent Hubert provided the Board a tour of the facility.

4. Action Item

A. Approval of Real Estate Lease Agreement

To support the new off-campus Adult Transition Program a variety of locations within the community were considered with the favored property being a former gym located on the east side of Howell near the intersection of Latson Road and Grand River. The property has good access to prospective employers for students in the program and safe access to the site for school buses and public transportation buses.

The proposed Real Estate Lease Agreement is for a three-year period and is attached to this report. The cost per square foot averages \$12.33 per year and the estimated "Triple Nets" (taxes, insurance, and common area charges) per square foot is approximately \$4 per year. Although the combined average cost per square foot of \$16.33 does not include utilities, after state reimbursement, it will compare favorably to the standard classroom rental rate paid to Howell Schools which is estimated at \$17.44 per square foot during the same three-year period.

The rental and utility costs are expected to qualify as costs of special education and reimbursed by the State at approximately 28%. The rental costs paid to Howell Schools are automatically excluded from reimbursement under Michigan Department of Education Rule.

The Real Estate Lease Agreement has been reviewed by the Agency's attorney but there was little consideration for recommended changes by the landlord. Only the significant matters were successfully negotiated into the Agreement. Subjects such as a detailed timeline/due date for the triple net reconciliation as well as some suggested language changes that lead to the same outcome but stated differently were not included in the final Agreement.

The Agency can take immediate occupancy and begin interior renovations that mostly consist of interior finishes (painting, some drywall repair, lighting, etc.). Ideally students will participate in the renovations. The program is expected to start operations by June with mostly small group and orientation-based activities throughout the summer. The equivalent of two to three classrooms is expected to operate out of this property and our hope is to attract prospective students from within the community that elected not to attend Pathway for the Adult Transition Program located there.

One supplemental recommendation is to purchase the gym equipment that remains at the property for a sum of \$90,000. A listing of the equipment is attached to this report. About 1/3 of the equipment would be used within the program and the other equipment will be donated to instructional/wellness/athletic programs within the Agency and county schools or sold. The availability of the equipment will support employee use of the facility for wellness purposes after hours at no cost when students are not scheduled to be in session.

It was moved by Jankowski and seconded by Kaiser that the Board approve the Real Estate Lease Agreement as presented and authorize the Superintendent to sign on behalf of the Agency. Additionally, the Board approve the purchase of excess gym equipment for \$90,000.

The motion carried unanimously.

5. Discussion

6. Adjournment

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

Respectfully submitted,

Harold E. Fryer
Secretary

HEF/jp