

LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana

REGULAR SESSION
Tuesday, May 12, 2020 6:00 p.m.

The Lincoln Parish School Board met in Regular Session on Tuesday, May 12, 2020, at 6:00 p.m. Due to Governor John Bel Edwards' "Stay-at- Home" order, the meeting was held remotely via the video conferencing app Zoom. The meeting was streamed live on Facebook. An email address was provided for viewers to send questions or comments. Members attending remotely were Ms. Debbie Abrahm, Mr. Otha Anders, Ms. Lisa Best, Mr. David Ferguson, Dr. David Gullatt, Mr. Danny Hancock, Ms. Lynda Henderson, Mr. George Mack, Jr., Mr. Joe Mitcham, Jr., Mr. Hunter Smith, and Ms. Susan Wiley.

Ms. Donna Doss was absent when the meeting began.

President Joe Mitcham called the meeting to order and welcomed visitors viewing remotely from the City of Ruston, Raeford Farms, Sumit Credits, North Louisiana Economic Partnership, and Ruston Daily Leader. Mr. Hancock gave the invocation and Ms. Abrahm led in the Pledge of Allegiance to the American flag.

Upon a motion by Mr. Anders, seconded by Dr. Gullatt, the Board unanimously voted by roll call to adopt the agenda as printed.

Upon a motion by Ms. Lynda Henderson, seconded by Ms. Best, the Board unanimously voted by roll call to approve the minutes of the Regular Session held on April 14, 2020, as printed.

Ms. Donna Doss joined the meeting at 6:05 p.m.

Juanita Duke, CFO/Business Manager, reported sales taxes collected for the month ending April 2020, was down 12% compared to the same month last year. These collections occurred during the month of March. This was primarily due to the closures beginning March 23. Sales taxes collected year-to-date were down 0.76%. With the complete shutdown in April, the collections anticipated for May should be considerably less than what it was this time last year.

Moving on to the financial statement for March 2020, Ms. Duke said the total unassigned fund balance was \$11,393,792, which is about 22% of anticipated expenditures for the year. Compared to this month last year, which was 25.79% of expenditures, we have declined in the unassigned fund balance in our general operating funds. Special revenue funds and M & O fund expenditures have slowed as a result of the shutdown.

In the Health Care Fund report, Ms. Duke stated we continue to see positive activity as a result of changing the retirees to the Medicare Blue Advantage plan. This year will be used as a measure going forward after retirees have been moved from the self-insured plan to the Medicare Blue Advantage plan. The numbers could be skewed for our base year due to Covid-19; many medical services were put on hold during the shutdown. Total contributions year-to-date were \$3.4 million and total fixed costs year-to-date were \$954,000. Total claims expenses year-to-date were \$1,980,000 and net assets were \$459,913 as of March 31.

Superintendent Milstead reminded the Board how challenging the last few months have been. Students were out of school for the last nine weeks of the school year. Teachers and administrators had a monumental task making sure our students were getting

the best education possible. The end of the year is drawing near and we are looking at the start of the next school year and what the educational process for students would look like. He explained that we were asking all of our employees to adapt and adjust as we move forward after the Covid-19 pandemic. He called on Lisa Bastion, Assistant Superintendent/Chief Academic Officer to share some of the plans being made for next year.

Ms. Bastion shared that they were in the early stages of planning for the upcoming school year. We know that our priority next year, regardless of what happens, is that our students must continue learning. The pandemic could change the way education looks for a while. The initiative had been named Lincoln Strong Start 2020. She narrated a power point explaining that a major focus for Lincoln Parish would be to have a professional development plan in place to help teachers with the options for delivering instruction to our students. All students must receive instruction every day whether it is during school closures or during modified operations. Ms. Bastion went on to say that a strong start for every student would include identifying student's academic needs, having a plan for unfinished learning, providing support for early readers, providing emotional, behavioral, mental health screenings and services, and providing compensatory education and support for students with disabilities. She shared several options for Lincoln Parish. One emphasis would be on all teachers delivering virtual instruction regularly so students and teachers are comfortable in the event of school closures or if modifications are required. Teachers would also be required to have designated "office hours" to address questions from students or parents, re-teaching or to offer enrichment for students. Teacher recorded video lessons would be available for students to access, and would be helpful for absences, struggling students, and homebound or

home school students. Online instruction would become part of the normal teaching process. All students would receive a technology device to use and be responsible for, and students in grades 3-12 would carry these devices to and from school every day. Students would receive grades on course work completed through online instruction. Suspended or alternative students would have access to teacher recorded instructional videos. In addition, online learning would become part of the normal learning process. Ms. Bastion then explained the requirements for receiving federal monies, and offered an email to anyone who wanted a copy. In conclusion, she said there are many decisions still to be made regarding the upcoming school year. Committees would be created to help work out all the details. We know it will not be easy and may not be perfect, but our employees are committed to do what is needed to help our students.

James Payton, New Construction Coordinator, narrated several pictures in his construction update.

1. Despite the Covid-19 pandemic and excessive rain, work continues at the 4-room, 5,000 square foot pre-K building at Choudrant Elementary. The job superintendent reports that the building should be complete by the third week of July. The most recent construction at the site was the brickwork. The standing-seam roof would be delivered tomorrow. The exterior doors and windows would be delivered later this month. After that, heating/air conditioning units, millwork, painting and all other interior work can be completed.

Ms. Duke reminded the Board that the May salary supplement check was approved at the April meeting. That decision was made with concerns about recovery from a near 10% decline in sales tax revenues that occurred in the previous 2018-19 year. A 2.3% increase in sales tax was originally budgeted for this year, however those gains were quickly

erased in March and we are expecting to see the previous year's deficit extended further. This will reduce fund balances at an even higher rate that cannot be sustained without lowering costs in these funds. Therefore, it is necessary to consider reducing the May salary supplements at this time.

Ms. Duke narrated a chart showing a 10-year analysis of the fluctuations in the sales and property tax revenues combined by the following sales tax funds: 1967, 1979 (2/3rds), 1993, 2000 and 50% of the revenue in the 2000 Ad Valorem Fund. She explained that property tax revenues are the most stable revenue source, but sales tax revenues are more volatile, especially within the oil and gas industry. Ms. Duke reminded the Board that to reduce the salary supplement is not a popular recommendation but is necessary to slow the rapid decline of the fund balance.

Upon a motion by Ms. Abrahm, seconded by Mr. Anders, the Board voted by roll call vote (10 yeas, 1 nay, and 1 absent at the time of the vote) to reduce the previously approved 13th check amounts for May by \$800 for certified employees and by \$400 for support employees, for a total of \$5,025 to be paid to certified employees and \$2,513 to support employees.

Ms. Duke reminded the Board members that they had received the background information concerning the Industrial Tax Exemption Application for Raeford Farms. There has been information provided from the Louisiana Economic Development Board and the City of Ruston, and research performed by administration. She told the Board that they had had time to consider the application. It is the recommendation from the administration to not approve the ITEP application by Raeford Farms.

President Mitcham asked if there was a motion on the table before he opened the floor for discussion. Mr. Smith made the motion to not approve the ITEP application submitted by Raeford Farms, Dr. Gullatt seconded the motion. Mr. Mitcham opened the floor for discussion.

Mr. Ray Watson from the City of Ruston offered to speak first. He thanked members of the school board for the opportunity to speak tonight, representing Lincoln Parish and its citizens. He stated he was attending the meeting to present a project from the House of Raeford. He introduced Mr. Jeremy Paul with the House of Raeford, Mr. Steve Jones and Mr. Jesse Broderick with Sumit Consulting, and Mr. Scott Martinez with the North Louisiana Economic Partnership. He explained that Raeford Farms currently operates a feed mill in Choudrant. Mr. Watson reported that the total taxes on the mill were \$68,000 for the inventory and building. The mill is obsolete and has depreciated in value and utility. Raeford has plans to build a mill in Simsboro that would solve their needs for the next 50 years. An advanced notice was filed on July 29, 2019, Raeford started working with local leaders in August 2019 and on September 16, 2019, the ITEP application was filed. It was sent to parish governments for consideration. LED's review was held up and was finally approved on February 21, 2020. The police jury approved the application on March 10, 2020. The Covid-19 pandemic hit just weeks later. The meeting with the school board was scheduled earlier and was delayed. The only votes remaining are the school board and the Sheriff's Department. The project will create 39 new jobs while retaining existing jobs and will bring an additional \$39 million of expenditures into the parish. It is based on a 50-year plan and will support many producers throughout the area. Mr. Watson stated that eighty

new poultry houses, four new hen houses, and two new pullet houses at \$300,000 per house. An additional 10-15 drivers will be needed. In closing, he encouraged the board to support this project, as it will fuel a long-term development partnership with the House of Raeford and Lincoln Parish. He then turned the floor over to Scott Martinez and Jesse Broderick.

Mr. Broderick asked Mr. Paul to proceed. Mr. Paul stated that he is the manager of House of Raeford, Raeford Farms of Louisiana and is responsible for everything to keep a chicken alive, which includes the feed mill. The current feed mill was built in 1959; it is very costly to run. The new mill will allow them to expand and grow more chickens and process more chickens. Raeford is considered an essential business and has not shut down or laid any employees off. They have helped the community with several sales. He posed the question to the board if their vote would be different if we were not dealing with Covid-19? He asked that House of Raeford not be punished because of what is going on with the pandemic. Raeford will be in Lincoln Parish for 50 years. This mill is crucial for them to be able to expand.

Mr. Broderick stated he had several points he wanted to share with the board. He said he understands money is tight and understands the board's concerns. He shared that a No vote will not generate money right now. This project will not go in to service until 2021 and it will not go on the rolls until August 2022, the soonest the board would see revenue from this project would be December 2022. By then we will be well past Covid-19, he asked that the board consider this. Another thing he asked the board to consider was the local sales tax that the board would receive from the construction for this project. He calculates a conservative estimate of \$220,000 for the construction in 2020 and another \$160,000 in 2021

in sales taxes for the school board. Hopefully the construction workers will be spending money locally as well. He expressed that the board should vote in favor of this exemption despite the times the board is going through. The vote today has no effect on revenues today. Mr. Broderick said he understands the board's situation and would appreciate their consideration. He asked for any questions from board members. Hearing none, he turned the floor over to Mr. Martinez.

Mr. Martinez thanked Mr. Milstead and the board for allowing him the opportunity to speak this evening. He represents 14 parishes in north Louisiana. He works with companies all over the world looking to make location decisions. It is very important how the community and region view the companies in the site selection process. Several parishes were considered for this project. He shared that questions have come up regarding the construction that has already begun on this project. A lot of that is because of some of the changes that have taken place in the Industrial Tax Exemption program due to the executive order the Governor Edwards signed during his first six months in office. Initially there was a lot of confusion. Historically before the Governor's order an exemption could be given for 10 years without any level of participation or input. The current arrangement allows a maximum of 80% for 10 years. He supports this project; it is really a north Louisiana project not just a Lincoln Parish project. He encourages the board to support this project. He thanked the board for their service.

Mr. Mitcham asked Mr. Steve Jones if he would like to make a comment. Mr. Jones asked Mr. Paul to share plans that Raeford has for north Louisiana. Mr. Paul stated that is all about expansion, this mill is built to handle double the capacity.

Mr. Mitcham reminded the public that any questions or comments could be emailed to kmccorma@lincolnschools.org . He wanted to give plenty of time for any public comments or questions. He asked if any board members had comments or questions. Mr. Hunter Smith thanked Mr. Martinez for speaking with him last week regarding the ITEP program. Mr. Smith stated he had concerns as a board member, a community member, and several of his constituents, employees of the school district, and community members have concerns regarding the ITEP. His questions for Mr. Martinez were why is the ITEP program “all or nothing, 80% or nothing”? Why can’t the school board work together with Raeford Farms to come to an agreement? Is there no room for negotiation? Why is every project treated the same with the 80%-20% scale? Can there not be a sliding scale depending on the project? Why can’t it be done locally and not through the ITEP program?

Mr. Martinez thanked Mr. Smith for these excellent questions and explained that there are two provisions in the Louisiana Constitution that are used in Economic Development to exempt property taxes. There is no broad latitude in how property taxes can be exempt in Louisiana, unlike some other states. The ITEP is a provision in the Louisiana Constitution. The Governor can dictate the policy related to the ITEP through an executive order which he did initially after the election and changed the ITEP. Before that, local government bodies had no participation in ITEP, it was done in Baton Rouge with the Board of Commerce and Industry. The rules are dictated now at the 80%-20% scenario with no flexibility for local negotiation. The only other method is the abatement of taxes with the Industrial Development Board. Those are the only two options related to ad valorem

property taxes. This is why some of the options Mr. Smith suggested cannot be used, such as a sliding scale, because of rules and regulations that are set forth by state administration.

Mr. Smith asked Mr. Broderick and Mr. Jones about their relationship with Raeford Farms. Mr. Jones explained that they assist companies with the ITEP program regarding compliance with the forms and with the state. On the back end, there is extensive reporting that must be done. Sumit Credits helps Raeford with compliance and with the process of the ITEP. He explained that there is a bill being presented that would give local governments the ability to negotiate percentages. He believes at some point that there will be the ability to negotiate the rate.

Dr. Gullatt asked about the possible 84 poultry houses and where they would be located, the timeline, and what would the ad valorem value be for each poultry house? Mr. Paul explained the mill must be intact before the houses were built; August 2021 is the projected completion date for the mill. The houses would be in Lincoln, Union, and possibly Bienville Parish. He was not sure what the taxes would be.

Mr. Mitcham asked why the ITEP was not applied for before construction began. Mr. Broderick said it was filed in September 2019 before construction began, it was supposed to go before the board in October but LED had an issue and could not get it to the board, and then they were pushed to December. At that point, the Department of Revenue had an item they had to work on with House of Raeford that was not completed because of Thanksgiving, which meant it did not make it to the December meeting. It finally made it to the board in February. It is a matter of LED delays and delays outside their control that has caused Raeford to be here before the board after construction has begun.

Mr. Jones stated that he had a meeting with Economic Development employees in Lincoln Parish on August 18, 2019, to start moving forward but there were several delays. Economic Development employees were nervous about having meetings with a school board that was possibly going to have an election.

Mr. Mitcham asked if there were any other comments or questions. He stated he was trying to give time for any public comments. Mr. Milstead wanted Raeford to know how pro-business and pro-free enterprise the school board has been over the years. He does not remember a time an ITEP has not been approved, Mr. Mitcham agreed. Mr. Milstead stated these are uncertain times, Raeford is not a new business in the parish, and the board just voted to reduce the May salary supplement checks for employees. This is not an easy discussion and this board has always been business friendly. This is a unique time; we will take each ITEP application on its own merit as they come to us. It is unfortunate that this application has come at this time. He and Ms. Duke are recommending to not approve this application.

Mr. Mitcham asked Ms. McCormack if she had received any further comments or questions, she had not. He called for the vote and reminded board members that the recommendation is to not approve the ITEP application, a yes vote is to not approve and a no vote would be to approve the application.

The board unanimously voted by roll call to not approve the ITEP application. He thanked everyone for their input.

Mr. Milstead explained the state legislature supports a resolution to increase the per pupil MFP funding by 1.375%. MFP dollars, the state's contribution to our school district, are monies that we receive from the State of Louisiana in order to make it possible to run our school system. Lincoln Parish School Board and other school boards throughout the state of Louisiana have seen no consistent MFP increases from the state over quite a few years. The full Resolution was posted on Facebook live. He stated the Resolution would be signed by the entire Board and forwarded to Governor John Bel Edwards and local legislators.

Upon a motion by Ms. Best, seconded by Ms. Henderson, the Board unanimously voted by roll call (11 yeas, 1 absent at the time of the vote) to approve the resolution of support for the Board of Elementary and Secondary Education proposal of a 1.375% increase in MFP funding.

All of the work on the Simsboro parking lot project was complete. At this time, it is necessary that we request formal permission from the Board to execute Substantial Completion documents on this project. Substantial Completion means the owner can use the parking lot and the owner becomes responsible for insurance and operation of the parking lot.

Upon a motion by Mr. Anders, seconded by Dr. Gullatt, the Board unanimously voted by roll call to grant permission and authorize the superintendent, his staff, and the engineer to execute the Substantial Completion documents for the Simsboro parking lot project.

Mr. Milstead stated that he failed to mention earlier that all four resolutions

being considered tonight are posted on the LPSB website for viewing. Doing this eliminates the need to read every resolution in full, some are quite lengthy. He shared that the next resolution to consider pertains to the selection of the new State Superintendent of Education. State law mandates that the Louisiana State Superintendent should possess a minimum set of qualifications as established by BESE. BESE can waive these qualifications, which they have done in the past. As a group, parish superintendents feel that these qualifications should not be waived, and the new state superintendent should possess these minimum requirements. These would at least include meeting the qualifications of local, parish superintendents.

Upon a motion by Ms. Wiley, seconded by Mr. Smith, the Board unanimously voted by roll call to approve this resolution advocating that the new state superintendent, to be announced this month, meet minimum qualifications as defined in LRS 17:21.

Superintendent Milstead mentioned that the issue of sales and use tax collection has come up over the past several years. There has been an effort from the state legislature to have the collections performed at the state level instead of the local level. Presently, local collections account for a 95% or higher collection rate. If the state government took over this process from local government, the concern exists that collection efficiency would decline. This could impact and even put at risk the proper collection of dollars for educational purposes. We would like to send a message to the state legislature by adopting this resolution, which will be sent to each member of the Lincoln Parish Legislative Delegation and the Governor of Louisiana.

Upon a motion by Dr. Gullatt, seconded by Mr. Smith, the Board unanimously voted by roll call to adopt this resolution urging the state legislature to maintain local collection of sales and use taxes.

In a Report of the Superintendent, Mr. Milstead said...

1. Live high school graduations would begin next week. Choudrant High would be May 22 in the gymnasium, Simsboro High would be May 28 in the auditorium, and Ruston High would be May 29 at the RHS football field. If it rains, RHS would hold their graduation on May 30. Each graduate would receive two tickets. This would allow for social distancing and keep the attendance at 25% of occupancy capacity.
2. Central Office hours would be extended beginning next week. The office hours will be Monday – Thursday. The staff has been separated into two teams to minimize the number of people in the building and allow us to social distance. The lobby will be open for those individuals that have business to conduct that must be done face-to-face.
3. Mandy Brown, Ruston Elementary principal, has been named State Semi-Finalist Principal of the Year. She does a super job for the district, as all our principals do. We are very proud of her efforts. The RES faculty and staff are very complimentary of her.
4. The next board meeting would be face-to-face in the New Tech facility at Ruston High School on June 2. There is enough space in the building to practice social distancing and the building has good technology.

President Mitcham asked if there were any comments from board members.

Hearing none, he thanked everyone for their willingness and patience to conduct the meeting virtually. Attorney Lewis Jones asked Mr. Mitcham if before we adjourned, he could ask Ms. McCormack if there had been any public comments or questions that she had received via email regarding any of the agenda items. She reported only one email was received and it was not related to any item on the agenda. Mr. Jones stated that he wanted to make sure this was included in the minutes. Mr. Mitcham asked again if there were any other comments or questions. Hearing none from the public, several board members made comments regarding the adjustment to the May supplement check.

Upon a motion by Ms. Best, the meeting adjourned at 7:28 p.m.

Mike Milstead, Secretary

Joe E. Mitcham, Jr., President