



LAKE OF THE WOODS
School

Lake of the Woods School ISD #390
August 26, 2024 @ 6:00 PM
Working Session - ITV Room

Working Session:

1. Citizen's Forum

2. Reports:

- a. Board Committees
- b. Superintendent (Jeff Nelson)
- c. PreK-12 Principal (Mary Merchant)
- d. Business Office (Shena Brandt)
- e. Activities Director/Community Ed. (Sam Lyon)
- f. Transportation (John Batko)

3. Adjourn

**Lake of the Woods School
Board Report
Jeff Nelson, Superintendent & Building/Grounds
August 26, 2024**

- 1.0 Enrollment Projections for 2024-2025 School Year**
 - 1.1 437 total enrollment for K-12 (up 9 students compared to the end of 2023-2025).
 - 1.2 Summer Enrollment Changes
 - 1.2.1 Elementary > 8 new enrollments and 5 transfer out
 - 1.2.2 High School > 10 new enrollments and 4 transfer out
 - 1.3 Elementary K-5 Total 197 (up 2 from last year) VPK @ 20, K @ 25, 1st @ 26, 2nd @ 40, 3rd @ 37, 4th @ 25 , 5th @ 34
 - 1.4 Sr. & Jr. High School 6-12 Total: 237 (up 7 from last year) 6th @ 37, 7th @ 34, 8th @ 36, 9th @ 25, 10th @ 35, 11th @ 33, 12th @ 37

- 2.0 Update on Business Manager Posting & SMS Contract Proposal**

- 3.0 Update on Referendum**
 - 3.1 Open House - opportunity to share information and answer questions
 - 3.2 Construction Manager - getting someone on board earlier will yield the best results. Most don't charge fees for early engagement
 - 3.3 Set up meeting with Tracy Pogue from Krause Anderson
 - 3.4

- 4.0 Appointment Process for School Board Members**
 - 4.1 Advertise and hold interviews
 - 4.2 30 days for public input before appointee can be sworn in
 - 4.3 Will need to hold a special election next year

- 5.0 FEMA Appeal #2**
 - 5.1 Due September 9th

- 6.0 Update on Buildings & Grounds**
 - 6.1 Facilities and grounds are ready for students and a new school year - kudos to the custodial staff!
 - 6.2 The Minnesota Educational Facilities Management Professionals Association has awarded Dale Fuller Facility Worker of the Year or the NW Chapter
 - 6.2.1 This award recognizes work ethic, stewardship of school property, initiative and mentoring others
 - 6.2.2 Award presented on October 3rd in St. Cloud

- 7.0 Truth in Taxation Hearing Date**
 - 7.1 Monday, December 16, 2024 at 6:00 PM in the ITV room

- 8.0 National Night Out Even**



February 12, 2024

Lake of the Woods Public Schools
236 15th Ave SW
Baudette, MN 56623

Dear Mr. Nelson,

Thank you for this opportunity to present SMS' renewal proposal, for Business Management and Payroll Support services effective 10/1/2024.

I am available to further discuss the attached proposal at your convenience.

Respectfully,

Todd R. Netzke
President

Enclosure



BUSINESS MANAGEMENT & PAYROLL SERVICES PROPOSAL

For

LAKE OF THE WOODS PUBLIC SCHOOLS
236 15th Ave SW
Baudette, MN 56623

School Management Services, LLC (SMS), Minnesota's premier professional services provider of K12 business management solutions, is pleased to propose our services to the Lake of the Woods Public School District for professional business management services.

This recommendation and proposal includes the following sections and documents:

1. Executive Summary:
 - Goals and benefits of SMS services;
 - Scope of proposed services
 - Arrangements
2. Scope of Services and Responsibilities Addendum
3. Services Agreement and Signature Page

Executive Summary

Goals and benefits of SMS services

SMS goals and business strategy include the provision of innovative and cost-effective alternatives to public school districts' boards and superintendants for school business management and related school business functions.

SMS leadership and line management team members are keenly aware of the changing dynamics of public school management in the broader context of public school funding and management strategy, and we are committed to continuously improve and expand SMS service offerings to meet the changing needs of Minnesota's public schools.

We respectfully suggest that the following features and components of our services result in important tangible and intangible benefits for our public school district clients.

Confidence and peace of mind:

SMS client boards and superintendants are assured in that:

- SMS work performed professionally, accurately and timely;
- Administration and Board will make confident decisions based on solid financial data for the benefit of all stakeholders.

Cost and time savings that enable boards and administration to operate efficiently and focus on your responsibilities:

SMS client boards and superintendants are assured that having SMS on the team results in efficient operations and resource redundancy:

- SMS professional team members' core competencies are school business and finance;
- SMS understands the issues and can immediately and efficiently provide services;
- SMS continuously trains and develops our team members and have experienced resources in reserve to cover contingencies and emergencies;
- SMS employs best practices including latest technology;
- SMS will recommend and assist, if desired, with process improvement and business office structure
- SMS provides customized reporting at summary and detail levels to assist District Leaders in understanding the current and projected financial condition, thus allowing timely and appropriate action.

Compliance requirements are addressed efficiently and effectively:

SMS client boards and superintendants are assured that having SMS on the team results in effective, efficient and comprehensive compliance planning and execution:

- SMS supports the annual audit process by providing accurate and timely data, supplementing district resources with additional SMS staff when desired, and recommends and implements ideas that can reduce future audit costs.

In summary, the SMS team comprises more than 130 years of aggregate public school management experience. On engaging SMS, your district will be supported by our growing, professional team.

Scope of Proposed Services

SMS agrees to provide to the Lake of the Woods School District Professional Business Management and Support Services (Payroll) according to the job summary listed below. SMS provides the District full flexibility to modify the assignment of responsibilities and to make appropriate revisions to SMS' fees and expenses arrangements at the convenience of the District in accordance with the contractual provisions of the attached Services Agreement. This agreement and initial outline of services will be reviewed on a monthly basis by the Superintendent and SMS and revisions will be made as deemed necessary by both parties.

	SMS	District
Management		
Provide leadership and direction to Business office	25%	75%
District financial leader	X	
Develop strong working relationships with Administrators	X	
Develop strong working relationships with School Board	X	
Develop strong working relationships with Superintendent	X	
Develop and implement effective and GASB compliant processes and procedures	X	
District Operations		
Business Management		
*Property & Liability Insurance	75%	25%
*Vendor Contract management (ex. Copiers, Legal, Audit, Purchasing)	50%	50%
*Group Insurance (Medical, Dental, Life & LTD)	50%	50%
*Request for Proposals for various needs	50%	50%
Food Service		
*Operations	25%	75%
	100	
*Budget Development & Monitoring	%	0%
*CLICS Reporting (Year 2)	25%	75%
*Free & Reduced Application Processing (Year 2)	25%	75%
Community Education		
*Operations	25%	75%
	100	
*Budget Development & Monitoring	%	0%
*Staff Management	25%	75%
Buildings & Grounds		
*Operations	25%	75%

	100	
*Budget Development & Monitoring	%	0%
*Staff Management	25%	75%
*Health & Safety	25%	75%
Transportation		
*Operations	25%	75%
	100	
*Budget Development & Monitoring	%	0%
*Staff Management	25%	75%
Technology		
*Operations	25%	75%
	100	
*Budget Development & Monitoring	%	0%
*Staff Management	25%	75%
Human Resources		
*Operations	10%	90%
*Reporting & Compliance	50%	50%
*Negotiations Costing	90%	10%
*Bargaining Agreement Maintenance	25%	75%
Budget Development & Communication		
Budget Development and Reporting	90%	10%
Budget Reporting		
Monthly Budget Updates	X	
Historical	X	
Comparative	X	
Profiles (comparative data - other MN School Districts)	X	
Budget Calendar	90%	10%
Budget Monitoring	75%	25%
Budget Communication		
Administrative Team	X	
Superintendent	X	
School Board	X	
Financial Planning		
Develop 3-5 Year Financial Plan	X	
Base Assumptions	50%	50%
Build Group Consensus Amongst District Leaders (Finance Committee)	50%	50%
Referendum Planning	50%	50%
Reduction Goals	50%	50%
Enrollment Projections	50%	50%
Staff Planning	50%	50%
Cash Flow Projections	X	
General Accounting		

Maintain General Ledger (In compliance with GASB)	X	
Payroll Liabilities Reconciliation	X	
Bank Reconciliation	X	
Journal Entries	X	
UFARS Compliance	X	
Special Ed Reporting (EDRS and SERVS)	X	
Federal, State and Local Grants Reporting and Compliance	75%	25%
Implement Best Practices	75%	25%
Prescribe and Apply Internal Controls Whenever Possible	75%	25%
Daily Cash Management	X	
Prepare Board Budget and Treasurer Report	X	
Payroll		
I		
Process Payroll According To District Calendar	X	
Calculate and Remit Federal and State Payroll Taxes & Prepare State and Federal Payroll Tax Returns	X	
State Employment and Unemployment Reporting	X	
State Retirement Reporting (TRA and PERA)	X	
Process Statutory and Other Miscellaneous Deductions and Withholdings	X	
Issue W2's	X	
Audit Planning & Coordination		
Plan & Coordinate Annual Audit	X	
Prepare all Asset & Liability Supporting Schedules	X	
Calculate and Schedule State, Federal and Local Revenues & Receivables:		
State Aids	X	
Federal Aids	X	
Property Taxes	X	
Long-Term Debt	X	
Fixed Assets	X	
Committee Representation		
Attend Appropriate Committee's Upon Request	X	
School Board Meetings		
Attend Board Meetings upon request	X	
Prepare and Present Business Related Board Action Items	X	
Recommend and Prepare Business Policies	X	

Arrangements

Lake of the Woods School District will receive SMS Professional Business Management & Payroll Support Services in accordance with the following arrangements.

Business Manager / Payroll Services shall be on-site 20 hrs/wk. and work remotely as necessary.

SMS shall be paid compensation for the services proposed herein at the rate of:

Year 1: (10/1/2024 – 9/30/2025) \$85,000 (12 Month Contract) paid according to the following schedule:

in advance: \$42,500

Year 2: (10/1/2025 – 9/30/2026) \$89,250 (12 Month Contract) paid according to the following schedule:

Semi-annually, in advance: \$44,625

Year 3: (10/1/2026 – 9/30/2027) \$93,712 (12 Month Contract) paid according to the following schedule:

Semi-annually, in advance: \$46,856

Travel & Incidental fees:

- Mileage Reimbursement at the IRS enacted rate per mile

Fee arrangements for years 2 & 3 shall increase at 5%. These arrangements provide for the services detailed in the attached Scope of Services Addendum, based on those responsibilities indicated as being SMS responsibilities and those responsibilities indicated as being District responsibilities, comprising:

1. Business Manager Responsibilities
2. Payroll Support Services

It shall be the responsibility of SMS to compensate outside consultants retained or hired by SMS to fulfill obligations under this Agreement.

SMS Services Agreement

THIS AGREEMENT, is made and entered into by and between Lake of the Woods Public Schools (hereinafter referred to as the "School District"), and School Management Services (hereinafter referred to as the "Contractor").

Scope of Services

The Contractor agrees to provide professional Business Management services to the Lake of the Woods School District according to the proceeding Scope of Services Addendum.

Articles of Agreement & Recitals

WHEREAS, the School District is authorized and empowered to secure from time to time certain professional services through contracts with qualified consultants; and

WHEREAS, the School District desires to retain and compensate a qualified consultant to provide such services on the terms and conditions hereinafter set forth; and

WHEREAS, the Contractor understands and agrees that:

1. The Contractor will act as an Independent Contractor in the performance of all duties under this Agreement. Accordingly, the Contractor shall be responsible for payment of all taxes, including federal, state and local taxes and professional/business license fees arising out of the Contractor's activities;
2. The Contractor shall have no authority to bind the School District for the performance of any services or to obligate the School District. The Contractor is not an agent, servant, or employee of the School District and shall not make any such representations or hold himself/herself out as such;
3. The Contractor shall be the exclusive accounting consultant for the School District during the term of this Agreement;
4. The Contractor shall perform all professional services in a competent and professional manner, acting in the best interests of the School District at all times.
5. The Contractor shall not accrue any continuing contract rights for the services performed under this contract.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, it is agreed as follows:

ARTICLE I

LIABILITY INSURANCE

Section 1 Liability Insurance: The Contractor shall obtain professional liability insurance, at his/her expense, with coverage satisfactory to School District, in its sole discretion, which liability insurance Contractor must secure and maintain during the term of this Agreement. Contractor must provide School District with proof of liability insurance coverage prior to performing services under this Agreement.

ARTICLE II

DURATION OF THE AGREEMENT

Section 1 Duration: This Agreement shall commence upon date of execution by all parties and will remain in effect for a period of three years. This Agreement will remain in full force and effect during the term of this Agreement, but may be terminated as provided in sections 2 and 3.

Section 2 School District's Termination Rights: School district may terminate this Agreement upon sixty (60) days written notice in the event the School District determines in its sole discretion that it is not in the School District's best interests to continue using Contractor's services.

Section 3 Contractor's Termination Rights: Contractor may terminate this Agreement upon thirty (30) days written notice to School District (i) in the event School District does not pay Contractor compensation within fifteen (15) days after invoice is received by School District. In the event of non-payment by the School District, Contractor shall give School District an opportunity to cure the default by giving a notice of such non-payment and an additional five (5) days to remit such payment, prior to giving a notice of termination.

ARTICLE III

RENEWAL OF THE AGREEMENT

Section 1 Renewal Period: Not less than thirty (30) days prior to the expiration of this Agreement, the School District may provide written notice of intent to renew this Agreement for an additional term upon terms and conditions agreed upon by both parties to the Agreement.

ARTICLE IV

INDEMNIFICATION

Section 1 Release and Indemnify: The Contractor agrees to defend, hold harmless, and indemnify the School District and its board members, its administration, its employees, its officers, its attorneys, insurers, agents, consultants, and representatives from any and all damages and claims that may arise by reason of any acts or omissions on the part of the Contractor, or of the Contractor's employees or agents, in regard to the Contractor's performance under this Agreement, including, but not limited to, any and all liabilities, demands, losses, claims, damages, fines, judgments, attorneys' and witness fees.

ARTICLE V

GENERAL

Section 1 Authorized School District Agent: The School District's authorized agent for the purpose of administration of this Agreement is the Superintendent. Said agent shall have final authority for approval and acceptance of the Contractor's services performed under this Agreement and shall further have responsibility for administration of the terms and conditions of this Agreement. All notices under this Agreement shall be sent to the person and address indicated below on the signature lines.

Section 2 Amendments: No amendments or variations of the terms and conditions of this Agreement shall be valid unless in writing and signed by the parties.

Section 3 Assignability: The Contractor's rights and obligations under this Agreement are personal and not assignable or transferable.

Section 4 Data: Any data or materials, including, but not limited to, reports, studies, photographs, negatives, or any and all other documents prepared by the Contractor in the performance of the Contractor's obligations under this Agreement shall be the

exclusive property of the School District, and any such data and materials shall be remitted to the School District by the Contractor upon completion, expiration, or termination of this Agreement. Further, any such data and materials shall be treated and maintained by the Contractor in accordance with applicable federal, state and local laws regarding data privacy.

Section 5 Entire Agreement: This Agreement is the entire agreement between the School District and the Contractor and it supersedes all prior written or oral agreements. There are no other covenants, promises, undertakings, or understandings outside of this Agreement other than those specifically set forth. Any term, condition, prior course of dealing, course of performance, usage of trade, understanding, or agreement purporting to modify, vary, supplement, or explain any provision of this Agreement is null and void and of no effect unless in writing and signed by representatives of both parties authorized to amend this Agreement.

Section 6 Severability: All terms and covenants contained in this Agreement are severable. In the event any provision of this Agreement shall be held invalid by any court of competent jurisdiction, this Agreement shall be interpreted as if such invalid terms or covenants were not contained herein and such holding shall not invalidate or render unenforceable any other provision hereof.

Signature Page

**AGREEMENT FOR THE PROVISION OF PROFESSIONAL SERVICES TO
LAKE OF THE WOODS PUBLIC SCHOOLS**

WHEREFORE, this Agreement was entered into on the date set forth below and the undersigned, by execution hereof, represent that they are authorized to enter into this Agreement on behalf of the respective parties and state that this Agreement has been read by them and that the undersigned understand and fully agree to each, all and every provision hereof, and hereby, acknowledge receipt of a copy hereof.

Lake of the Woods Public Schools
236 15th Ave SW
Baudette, MN 56623

Name _____

Title _____

Date _____

School Management Services, LLC
19750 Muirfield Circle
Shorewood, MN 55331

Name _____

Title _____

Date _____

EIN: 56-2545979

**Lake of the Woods School
Board Report
Mary Merchant, PreK-12 Principal
August 26, 2024**

1.0 Workshop Aug 26-28

2.0 Open House

2.1 August 28th 4:00 - 7:00 p.m.

2.2 6th grade and new student Orientation 5:00 p.m. in the Auditorium

2.3 9th grade Orientation 5:30 p.m. in the Auditorium

3.0 1st Day of School

3.1 All School Assembly in the Auditorium 8:15 a.m.

4.0 Schedules / Classes

4.1 Sub Item 4

Lake of the Woods School District

Finance Committee Meeting

August 26, 2024

Monthly Budget Report

Revenue:

- YTD revenues are as follows:
 - State Aid Revenue is at 0% received
 - Federal revenues 0% received
 - Levy/County Apportionment are 2% received
 - Local revenues are 2% received
 - Food Service 0% received
 - Community Education 1% received
 - Total all Funds 3% \$28,388.85
- Grants for 2024
 - Title 401 \$90,000

Expenditures

- YTD expenses are as follows:
 - Salaries and Wages are 4% expended.
 - Employee Benefits are 3% expended.
 - Purchased Services are 1% expended.
 - Supplies are 3% expended.
 - Capital (Equipment) is 4% expended
 - Food Service 3% expended
 - Community Education 7% expended
 - Total all Funds 8% \$468,463.38

Summary all Funds

- Revenue 3% \$28,388.85
- Expenditure 8% \$468,463.38
- FYT Spending Variance Deficit of \$440,074.53
- In the month of July Spending Variance -\$440,074.53

Student Activity

- Student Activity Balance Report and Student Activity Transaction Report is attached.

Business Office Update

- Working on Financial Audit Preparation
- Levy Information System has been updated
- Employee Wage Agreements have been completed
- Working on new school year payroll and benefit/deduction setup

**Lake of the Woods School
Board Report
Samantha Lyon, Activities Director/Community Ed.
August 26, 2024**

1.0 Coaching Lineup

1.1 Volleyball

- Jill Olson
- Andreana Nylander
- Kayla Johnson
- Matti Nelson
- Breann Henrickson

1.2 Cross Country

- Jenny Skoog

1.3 Football

- JP Sweet
- Allen Cauble
- Jaylin Raschke

2.0 Education Plus

3.0 Pre-K class update

**Lake of the Woods School
Board Report
John Batko, Transportation
August 26, 2024**

1.0 Item 1

1.1 Driver and Transportation Update