

Resolution 2324R-003
Building Leases

By Directors Herndon and Zombor

WHEREAS, Board Governance Policy 2.03 notes that Wisconsin state statute "... states or implies that the Board has full power to operate the local public schools as it deems fit in compliance with state and federal mandates."; and

WHEREAS, The Board's authority extends to District facilities, both in their use and their standards; and

WHEREAS, Board Governance Policy 4.08 defines the parameters under which the District may consider and execute leases and rentals of space outside of the District's existing facilities; and

WHEREAS, Administrative Policy 5.01 sets forth a limited set of parameters under which the District may consider leasing and renting existing District facilities to external organizations; and

WHEREAS, In the absence of more defined parameters and procedures, it is the practice of the District to handle and negotiate leases and rentals of District property on a case-by-case basis; and

WHEREAS, The Milwaukee Board of School Directors wishes to achieve the highest levels of fiscal responsibility, accountability, and transparency in all facilities related matters and transactions; and

WHEREAS, The Milwaukee Board of School Directors has over a dozen active lease agreements; now, therefore, be it

RESOLVED, That the Board direct the Administration, in consultation with the Office of Board Governance, ~~to develop an Administrative Policy and Procedure~~ review Administrative Policy 5.01: Facilities and Administrative Procedure 5.01(3): Rentals and Services (Leases) for lease activities of existing District facilities; and, be it

FURTHER RESOLVED, That the ~~activities addressed by the Policy and Procedure include, but not be limited to~~ Administration bring back recommended revisions to the policy and procedure to address, at a minimum:

- how lease terms are developed;
- how lease rates are determined;
- how lease rates may be adjusted to account for inflation or increased market values;
- a lease template;
- how, and by whom, capital improvement credits are assigned, inspected, reviewed, and approved for rent credits by the Board;
- a closing checklist in the event a lease is terminated;
- how the Department of Facilities and Maintenance Services will monitor compliance with all terms of lease agreements; and, be it

FURTHER RESOLVED, That the Administration's lease policy and procedure reflect the current wishes of the Board, as set forth in Administrative Policy 5.01, to execute leases with the intent to eliminate all costs to the Board of School Directors; and, be it

FURTHER RESOLVED, That the Administration is to present these updated policies and procedures to the Board for approval no later than the ~~February~~ May 2024 Board cycle.

Attached is a redlined version of Resolution 2324R-003. Indicating the Administration's recommendations.

Introduced September 28, 2023