



IV. C.

**Grosse Pointe Board of Education**  
**Minutes of the Work Session of February 28, 2011**  
**Wicking Library, South High School**  
**11 Grosse Pointe Blvd., Grosse Pointe Farms, MI 48236**

<b>MEETING MINUTES</b>	President Steininger called the meeting to order at 6:34 p.m.
<b>CALL TO ORDER</b>	<p><b>Board members present:</b> Trustees Dindoffer, Gafa, Jakubiec, Minturn, Pangborn, Steininger and Walsh</p> <p><b>Also Present:</b> Superintendent Klein; Assistant Superintendents Beels, Fenton and Harwood; Community Relations Coordinator, Fannon</p>
<b>DISCUSSION OF FULL CIRCLE RESALE SHOP</b>	<p><b><u>Full Circle Resale Shop</u></b></p> <p>Dr. Klein introduced and thanked Mary Fodell for her efforts and vision to create the successful Full Circle Resale Shop for students in the Grosse Pointe Public Schools. She also introduced Ann Marie Bokatzian, Grosse Pointe Public Schools employee, who is the teacher in charge of the program.</p> <p>Dr. Klein said that the school system has been contacted by two members of the ARC Board (formerly known as Association of Retarded Citizens) to ask that the district assume the operation of the Full Circle (FC) resale shop currently located on Kercheval in Grosse Pointe Park. The proposal to separate the FC resale shop has been approved by the ARC Board of Directors. The ARC board also approved the income earned (\$17,000) last year, the contents of the shop and the name be donated to the school district.</p> <p>Ms. Fodell and Mr. Kratz (ARC treasurer) have met with Mrs. Jackson, Director of Special Education, Mrs. Banner, supervisors of Special Education, and Dr. Klein to discuss the proposal to continue operation of the FC shop in order to help meet the job training needs of some of the district's older special education students.</p> <p>Mr. Fenton provided an overview of the proposal.</p> <p>At this time, the Full Circle Shop has an annual sales of \$60,000 and earns a net profit in the range of \$3,000 yearly. It employs one part time paid staff member and has special education student volunteers. Store hours are Monday through Saturday until 5:30 p.m.</p> <p>The lease of the Full Circle shop expires at the end of March, 2011. The proposal brought to the Board involves continuing the lease of the space with an option to buy. The annual rental amount is \$19,200 per year.</p> <p>Options to Consider:</p> <p>If the program is discontinued, there is a limited job training access for Grosse Pointe special education students.</p> <p>If the program operates at a separate 501C3 Organization they can continue to offer opportunities for special education students with the continuity of supervision and leadership.</p> <p>If the program operates as a "club" within the Grosse Pointe Public School System, the program is maintained and continues to offer opportunity for special education</p>

**DISCUSSION OF  
BUDGET  
DEVELOPMENT  
PARAMETERS**

students and contributions are tax deductible. The district would have to provide rented space for the program while complying with the environmental laws and other facility requirements such as environmental testing for lead, ADA, etc. Employees of the program would be subject to State retirement contributions or, if through PESG, a percentage fee would be added.

If the program operates as an integrated part of the Grosse Pointe Public School System, the program is maintained and continues to offer an opportunity for special education students and all contributions are tax deductible. Grosse Pointe Public Schools would have to provide rented space for the program, comply with environmental laws and other building environmental testing for lead, asbestos, ADA, etc. Employees would be subject to State retirement contributions or, if through PESG, a percentage fee added.

The agenda recommendation will be brought forward for the Board's review in March with any additional information requested or gathered.

Board discussion followed.

**Budget Development Parameters**

Board Treasurer Walsh then reviewed briefly the documents circulated to the Board. He explained that the Board could vote on each of the five concerns that were not originally reflected in the revised Resolution to provide detail to the Board's subsequent vote on the Budget Development Parameters and to the administration.

**A. Direct the administration to create new initiatives to improve the student learning environment each year for the full 3% allowable under the contracts or otherwise hold a line item in the budget for the equivalent amount.**

**It was Moved by:** Trustee Jakubiec

**Supported by:** Trustee Pangborn

**THAT the Board direct the administration to create new initiatives to improve the student learning environment each year for the full 3% allowable under the contracts or otherwise hold a line item in the budget for the equivalent amount.**

Trustee Dindoffer does not think that the Board should be budgeting for another 3%. She noted that she is not supportive of this motion.

**Ayes:** Trustees Jakubiec

**Nays:** Trustees Dindoffer, Gafa, Minturn, Pangborn, Steininger and Walsh

**Motion failed by a 1 – 6 vote.**

**B. Direct the administration to assume no jobs would be eliminated year over year from 2010-11 to 2011-12 including any positions currently funded with federal sources that will not be available in 2011-12.**

**It was Moved by:** Trustee Jakubiec

**Supported by:** No support

<p><b>DISCUSSION OF THE USE OF FUND EQUITY</b></p>	<p><b>As there was no second, the motion did not move forward.</b></p> <p>Trustee Walsh stated the Board is comfortable with the assumption as presented.</p> <p><b>C. Change the variable assumptions used in the Revised Resolution.</b></p> <p>No motion was proposed.</p> <p><b>D. Change the timeline for when the Board would receive recommendations from the levels and units outlined in the Resolution.</b></p> <p><b>It was Moved by:</b> Trustee Pangborn <b>Supported by:</b> Trustee Jakubiec</p> <p><b>THAT there be a discussion of the special education budget no later than April.</b></p> <p><b>It was Moved by:</b> Trustee Jakubiec <b>Supported by:</b> Trustee Pangborn</p> <p><b>THAT there be discussion of the special education budget in March.</b></p> <p>Mrs. Jackson, Special Education Director, stated she would be able to provide the Board the information for the March 28 meeting.</p> <p><b>Ayes:</b> Trustees Dindoffer, Gafa, Jakubiec, Minturn, Pangborn, Steininger and Walsh <b>Nays:</b> None <b>Motion carried by 7 – 0 vote.</b></p> <p><b>E. Use the Resolution as a vehicle to direct administration on contract versus direct employment of building or executive administration at the outset of budget development.</b></p> <p>Treasurer Walsh noted that the alternative is to receive these recommendations from the administration in the course of the budgeting process.</p> <p><b>It was Moved by:</b> Trustee Steininger <b>Supported by:</b> Trustee Jakubiec</p> <p><b>THAT the Board provide direction to the administration regarding contract versus direct employment.</b></p> <p>Specific details were requested regarding employee contracts and Mr. Harwood responded with information about current contract arrangements.</p> <p><b>Ayes:</b> None <b>Nays:</b> Trustees Dindoffer, Gafa, Jakubiec, Minturn , Pangborn, Steininger and Walsh</p> <p><b>Motion was defeated by a 7 – 0 vote.</b></p> <p><b><u>Fund Equity</u></b></p> <p>The budget parameters under development for 2011-12 address the use of fund equity. As stated in the context of the document regarding that use: “With the assumptions</p>
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contained herein, bargaining unit total compensation costs would increase by approximately \$3.8 million. Meanwhile Proposal A governed revenues are currently projected to decrease also by \$3.8 million. It is this dichotic pattern that has led to recurring structural budget shortfalls not only in the Grosse Pointe Public Schools System, but in all school districts across the state. Preserving General Fund equity by cutting programs, options or support services defeats the intent of the contract design. Therefore the Board of Education, based on current assumptions, **anticipates allowing** for the use of General Fund equity in the development of the 2011-12 budget. This position should not be interpreted as encouragement to be any less prudent than the administration has been during these difficult financial times. Responsible financial management and related staffing and program decisions should prevail.

The Board then discussed what the budget might look like at different fund equity levels.

One amendment to Budget Parameters proposed by Trustee Dindoffer on page 6 of 7, Use of Fund Equity, suggests deleting the following sentences: “Preserving General Fund equity by cutting programs, options or support services defeats the intent of the contract design. Therefore the Board of Education, based on current assumption, anticipates allowing for the use of General Fund equity in the development of the 2011-12 budget.”

Another option Trustee Dindoffer proposed asked that a change be made to the above paragraph in the Resolution , “Therefore the Board of Education, based on current assumptions, anticipates *the possibility* of allowing the use of General Fund equity in the development of the 2011-12 budget.”

Trustee Walsh noted that he would support the language proposed by Mrs. Dindoffer.

**It was Moved by:** Trustee Walsh

**Supported by:** Trustee Dindoffer

**THAT the language proposed by Mrs. Dindoffer regarding the possibility of the use of fund equity in the Budget Parameters be approved as revised.**

**It was Moved by:** Trustee Steininger to layer the motion

**Supported by:** Trustee Dindoffer

**THAT the two sentences be deleted from the Budget Parameters Resolution: “Preserving General Fund equity by cutting programs, options or support services defeats the intent of the contract design. Therefore the Board of Education, based on current assumptions, anticipated the possibility of allowing for the use of General Fund equity in the development of the 2011-12 budget.**

**Ayes:** Trustees Dindoffer and Steininger

**Nays:** Trustees Gafa, Jakubiec, Minturn, Pangborn and Walsh

**The Motion proposed to accept this change was defeated by a 2 – 5 vote.**

The Board then returned to the motion to accept Mrs. Dindoffer’s second proposal of language modifying the Use of Fund Equity in the Budget Parameters Resolution document to state, “**anticipates the possibility of allowing**” as previously moved by Trustee Walsh, “Preserving General Fund equity by cutting programs, options or

	<p>support services defeats the intent of the contract design. Therefore the Board of Education, based on current assumptions, <b>anticipates the possibility of allowing</b> for the use of General Fund Equity in the development of the 2011-12 budget.”</p> <p><b>Ayes:</b> Trustees Dindoffer, Gafa, Jakubiec, Minturn, Pangborn, Steininger and Walsh  <b>Nays:</b> None  <b>Motion carried by a 7 – 0 vote.</b></p>
<b>PUBLIC COMMENTS</b>	No one came forward at this time.
<b>ADJOURNMENT</b>	President Steininger adjourned the meeting at 7:53 p.m.

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Board Secretary