

PROPOSED
MINUTES

REGULAR BOARD
MEETING
4-12-10

A regular meeting of the Essexville-Hampton Board of Education was held on Monday, April 12, 2010 in the Garber High School cafeteria, 213 Pine Street, Essexville, Michigan.

CALL TO ORDER

The meeting was called to order by President Martin at 7:00 p.m.

PLEDGE RECITED

The Pledge of Allegiance was recited.

ROLL CALL

- Members Present

John Martin, David Lovely, Charles Rochow, Joseph Pergande, Jill Urban, Michael Rowley, and student representative Erin Campau.

- Member Absent

William Mahoney.

ALSO PRESENT

John Mertz, Doug Trombley, Tom Trombley, Steve Lenar, Allen Atkari, Jim Glasgow, Barry Kenniston, Joan Douglas, Lori Flippin, Shannon Flippin, Dave Schwartz, Michael Leppek, John Chomos, Karla Grant, Debbie Gallagher, Vicki Atkinson, Patty Phelps, John Freel, Bonnie Middleton, Melissa Smith, Michelle Ouellette, Josh Fabera, Audrey Kelly, Lisa Somalski, Cyndie Roberts, Kathy Lupp, Cami Miller, Beth Kunisch, Denice Owczarzak, Bob Mantei, Jan Miller, Brenda Sabedra, Susie Rondeau, Jan Stefaniak, Amy O'Mara, Kathy Kinkema, Carol Campau, Jill Coquillard, Donna Roller, Bridget Meyer, Kelley Mayotte, Sarah Knapp, Marilyn Grocholski, Andrew Dodson, Nicole Marsh, Janet Schultz, Gary Schultz, Ashley Tulin, Erica Day, Amy Kotewa, Ashley Jacobs, Nancy Rochow, Renee Nestle, Wendy Graham, Kathy Douponce, Pam Loomis, Jill Brunette, Nancy Reder, Richard Kinnamon, Ken Piotrowski, Effie Cecchini, Michelle Pflighaar, Kelly Hugo, John VanDenBoom, Paul Sansburn, Shannon Shorkey, Alecia Zimostrad, Ashley Phelps, Sarah Greene, Jennifer Levengood, Stacie Murphy, Tanya Boler, Dawn Bromberg, Lisa Rudnick, Dave Gentle, Chuck Burrows, Carole Halaka, Peggy Putman, Tina Malzahn, Judy Asel, Walter Reames, Jean Jacobs, Lea Tollefsrud, Liz Torkelson, Perry Middleton, Brad Williams, Linda Knepler, Steve Gribbell, Chip Hages, Tony Brey, Shelly Mahar, Kunio Ouellette, Dana Sporman, Pat McMartin, Nate Cholger, Steve O'Mara, Daniel Luce, Pat Wilson, Ann Hebert.

ADDITIONAL ITEMS

There were no additional items from board members or administration.

STATEMENTS
FROM THE
AUDIENCE

Erica Day, a parent and member of the Building Closure Advisory Committee, addressed the board to thank them for the opportunity to serve on the committee. Ms. Day stated that the elementary schools have made large sacrifices and hoped that further cuts and reconfiguration would be made across the board. She also urged the board to take advantage of the day care facility, as it turns a profit and brings dollars into the district.

MINUTES
APPROVED

Moved by Mike Rowley, supported by Charlie Rochow, to approve the minutes of the special board meeting held March 15, 2010, as presented.

Roll Call: Yes: Martin, Lovely, Rochow, Pergande, Urban, Rowley

No: None

TREASURER'S
REPORT
ACCEPTED

Moved by Joe Pergande, supported by Dave Lovely, to accept the treasurer's report as presented.

Roll Call: Yes: Lovely, Rochow, Pergande, Urban, Rowley, Martin

No: None

EXPENDITURE
REVIEW
COMMITTEE
REPORT
APPROVED

Moved by Mike Rowley, supported by John Martin, to approve the Expenditure Review Committee report in the amount of \$1,332,666.55 for the month of March, 2010 as presented.

Roll Call: Yes: Rochow, Pergande, Urban, Rowley, Martin, Lovely

No: None

CASH FLOW
STATEMENT
APPROVED

Moved by Charlie Rochow, supported by Joe Pergande, to approve the Cash Flow Statement as written.

Roll Call: Yes: Pergande, Urban, Rowley, Martin, Lovely, Rochow

No: None

STUDENT
REPRESENTATIVE
REPORT

Student representative Erin Campau reported on the following:

1. Senior Oscar Night will be held Saturday, April 17, 7:00 p.m., in the Ankney Auditorium. Awards will be given out to recognize seniors for their unique qualities and talent. A fashion show will be held prior to the Oscars, beginning at 6:30 p.m.
2. Prom will be held Saturday, May 1, at The Grand. This year's theme is "Masquerade".
3. The Alumni Volleyball game will be held Friday, May 21, at 7:00 p.m. The event is open to alumni, staff, students and the community. Anyone interested in joining the fun can register in the office at Garber High School.

SUPERINTENDENT'S
EVALUATION
SUMMARY
ACCEPTED

President John Martin presented the summary results of Superintendent John Mertz's evaluation that was completed at the March 15, 2010, special board meeting. Overall, Mr. Mertz received a "superior" rating (4.91 out of a possible 5.0 or 98.2% weighted). President Martin stated that Mr. Mertz received perfect scores in the areas of Superintendent/Staff Relationships and Personal Qualities.

Moved by Dave Lovely, supported by Jill Urban, to accept Superintendent John Mertz's evaluation as presented.

Roll Call: Yes: Urban, Rowley, Martin, Lovely, Rochow, Pergande

No: None

Mr. Mertz thanked the board for their evaluation, but said that it was difficult to accept the evaluation while the district is facing such difficult times. His evaluation is a reflection on his administrative staff and office support team.

2009-2010
BUDGET UPDATE

Superintendent Mertz reported that there have not been many positive changes to the budget since the November 9, 2009, update. Student enrollment continues to be a concern at the state, county and local levels. The spring enrollment figures showed a decline from 1,891 to 1,865 students. Potential reductions at the state level for next year continue to be a moving target. The \$165 per student cut had a drastic impact on our district. There were, however, some revenue enhancements in a couple of areas such as Medicaid funds.

Steve Lenar presented an update to the board on the 2009-10 budget. Mr. Lenar reviewed changes to the General Fund, Debt Retirement, School Service, and Community Education funds.

It is estimated that the fund balances for June 30, 2010, in the various areas will be as follows:

- General Fund: -\$153,179; this figure will, in all likelihood, be lower.
- Debt Retirement: \$365,792
- Food Service: \$56,952
- Athletics: \$7,890
- Community Education: \$12,254

Mr. Mertz recommended that the board approve the update as presented.

Moved by Joe Pergande, supported by Jill Urban, to approve the 2009-2010 budget update as presented by Steve Lenar.

Roll Call: Yes: Rowley, Martin, Lovely, Rochow, Pergande, Urban

No: None

STATE AID
OPERATING
LOAN
RESOLUTION
APPROVED

Superintendent Mertz explained that the district is unable to meet summer financial obligations. The district currently has an insufficient fund balance to cover expenses until the state aid payment in October. Superintendent Mertz recommended that the board approve a delegating resolution to borrow up to \$2,650,000 for operating purposes. Thrun Law Firm would handle the legal aspects of the resolution and accompanying documents.

Trustee Rowley questioned the viability of obtaining a line of credit. Mr. Lenar stated that attorneys have informed business officials that the paper work and costs involved aren't worth the effort. He will research this and make a report to the board, but this is not a process that would be able to be in place this year.

Moved by Charlie Rochow, supported by Dave Lovely, to approve the State Aid Operating Loan Resolution as presented.

Roll Call: Yes: Martin, Lovely, Rochow, Pergande, Urban, Rowley

No: None

2010-2011
BUDGET
FORECAST
PRESENTATION

Steve Lenar presented a budget forecast for the 2010-2011 school year. Mr. Lenar presented assumptions for the student count, state funding and other issues, effects on revenue and expenses, and current legislation. The fund balance for June 30, 2011, is estimated to be -\$1,997,397; this would be a worst-case scenario.

STAFFING
REDUCTIONS
APPROVED

Superintendent Mertz stated that staff reductions will need to take place regardless of any action taken by the board regarding building configuration or closure. The district cannot continue to wait on a potential retirement plan at the state level; if that happens, adjustments will be made accordingly.

Superintendent Mertz recommended an equal number of teaching reductions at the elementary and secondary level, as well as non-renewal of the PCMI contract for the placement of an elementary principal. Elementary reductions would consist of one section each of 2nd, 3rd, and 4th grades, and one additional reduction as determined by administration. Secondary reductions would consist of two positions each at Cramer Junior High and Garber High School, for a total of four reductions. The total savings for eliminating eight teaching positions, including FICA, retirement and unemployment, would be \$450,000. Depending on scheduling, retirement, etc., administration may determine that an additional two positions would need to be eliminated. With the non-renewal contract with PCMI at a savings of \$90,000, the total savings of recommended reductions would be \$540,000.

Administration recommended that the board authorize the superintendent to eliminate up to 10 teaching positions and issue layoff notices to impacted staff members.

Moved by Dave Lovely, supported by Jill Urban, to accept the recommendation of administration and authorize Mr. Mertz to eliminate up to 10 teaching positions and issue layoff notices to impacted staff members.

Roll Call: Yes: Lovely, Rochow, Pergande, Urban, Rowley, Martin

No: None

ATHLETIC
COMMITTEE
RECOMMENDATIONS

One of the committees that was set up as a result of the budget crisis and the deficit plan was the Athletic Committee. Many districts in the Tri-Valley Conference have been reviewing their athletic budgets and possible changes in athletic programs as the state-wide budget crisis worsens.

The Athletic Committee, co-chaired by Dave Schwartz and Allen Atkari, was charged with reviewing all district sports offerings, looking at possible reductions, and any potential areas for revenue enhancement. The committee provided several recommendations to the board at the March 8th board meeting.

Discussion ensued regarding issues with passes and punch cards.

Motion Not
Supported

Moved by Mike Rowley to accept all the recommendations of the Athletic Committee with the exception of the athletic pass recommendation, utilizing a pre-determined dollar amount charged at the gate and not a family pass or a punch card.

There was no support for this motion.

Motion

Moved by Dave Lovely, supported by Jill Urban, to accept all the adjustment recommendations of the Athletic Committee that includes the punch card adjustment and activity fee proposal.

Roll Call: Yes: Rochow, Pergande, Urban, Rowley, Martin, Lovely

No: None

Mr. Lovely recognized that the previous system was “super imperfect” but it is now a more controllable situation.

Mr. Rowley thanked the Athletic Committee for the time and effort put forth.

BUILDING
CLOSURE
ADVISORY
COMMITTEE
REPORT

Superintendent Mertz thanked members of the Building Closure Advisory Committee and Doug Trombley for their work on this difficult process.

Doug Trombley presented the final report to the board, along with the committee’s recommendations.

Option 1 would be to close Hughes Elementary School. Bush Elementary would house pre-kindergarten through 1st grade, including daycare, preschool, and ECDD. Students would attend Verellen Elementary for 2nd through 4th grades. Fifth graders would be moved to Cramer Junior High School.

Estimated savings for Option #1 is between \$334,000 - \$714,000.

Option 2 would be to keep all three elementary schools open but make staffing and configuration changes as follows:

- Bush Elementary would house young fives and kindergarten, day care, preschool and the ECDD program.
- First through third grades would attend Verellen Elementary School.
- Students in the fourth and fifth grades would attend Hughes Elementary School.
- Cramer Junior High School would include grades six through eight.
- Community Education staff would be utilized for supervision at Bush. Cost savings would be realized by the elimination of a building principal and reduced custodial time.

Estimated savings for Option #2 is between \$244,000 - \$364,000.

Discussion ensued among board members regarding the pros and cons of both options.

Motion Moved by Joe Pergande, supported by Charlie Rochow, to support Option 1 as proposed.

Roll Call: Yes: Rochow, Pergande, Lovely

No: Urban, Rowley, Martin

Motion Moved by Mike Rowley, supported by John Martin, to table further discussion on any option.

Roll Call: Yes: Rowley, Martin, Urban

No: Pergande, Lovely, Rochow

Superintendent Mertz urged the board to continue discussion on this issue.

Motion Moved by Mike Rowley, supported by John Martin, to support Option 2 as proposed.

Roll Call: Yes: Martin, Urban, Rowley

No: Lovely, Rochow, Pergande

Motion Moved by Joe Pergande, supported by Dave Lovely, to direct Superintendent Mertz to investigate further staff reductions in addition to what was previously approved this evening.

Roll Call: Yes: Lovely, Pergande, Urban, Rowley, Martin

No: Rochow

STATEMENTS

There were no statements from board members or administration.

STATEMENTS FROM THE PUBLIC

1. Lisa Rudnick, an Essexville parent of three children, stated that her youngest son, who is elementary age, will be affected the most by any changes that are made. Secondly, since no one knows what the future holds, she questioned why the board would make the most drastic choice at this time, which is Option 1.
2. Liz Torkelson, high school teacher, stated that the difference between keeping an elementary building open or closed is about \$110,000. The question that needs to be asked now is how much would it cost to maintain the building, because it will not sell.
3. Erica Day, a parent and member of the Building Closure Advisory Committee, stated that she understands staffing reductions need to be addressed but is concerned about not replacing the elementary principal. Increasing class sizes is also an issue, and this may affect Schools of Choice parents who are interested in our district.

4. Nate Cholger, 5th grade teacher at Hughes, encouraged parents to contact their legislators, as it is our duty to put pressure on them to make the right choices that will not hurt students.
5. Cyndie Roberts, a parent of three Schools of Choice students and an educator, urged the board to consider their choices very carefully, as increasing class sizes and cutting programs will detract from the district's attractiveness.

STATEMENT
FROM BOARD
MEMBER

Charlie Rochow stated that the district must move forward and make a decision on the building closure. He suggested that a special board meeting be called when all seven board members are available.

Since board members' schedules vary so much in the next few weeks, it was suggested that a teleconference may be an option.

Motion

Moved by Charlie Rochow, supported by Dave Lovely, to authorize the superintendent to contact board members regarding their availability to attend a special board meeting within the next few weeks when all seven board members are available to attend.

Roll Call: Yes: Rochow, Pergande, Urban, Rowley, Martin, Lovely

No: None

EXECUTIVE
SESSION

President Martin requested that the board move into executive session for the purpose of discussing collective bargaining negotiations.

Moved by Charlie Rochow, supported by Joe Pergande, that the board of education and those persons recommended by Superintendent Mertz, namely Doug Trombley, Tom Trombley and Steve Lenar, move into executive session for the purpose of discussing collective bargaining negotiations at 9:17 p.m.

Roll Call: Yes: Pergande, Urban, Rowley, Martin, Lovely, Rochow

No: None

RECONVENE

Moved by Joe Pergande, supported by John Martin, to reconvene the regular meeting.

Roll Call: Yes: Urban, Rowley, Martin, Lovely, Rochow, Pergande

No: None

President Martin called the meeting back into open session at 10:04 p.m.

ADJOURN

Moved by John Martin, supported by Joe Pergande, to adjourn.

Roll Call: Yes: Rowley, Martin, Lovely, Rochow, Pergande, Urban

No: None

President Martin adjourned the meeting at 10:05 p.m.

Respectfully submitted,

Jill M. Urban
Secretary